

Rose Quarter Development Project

Stakeholder Advisory Committee (SAC)
Memorial Coliseum Future Process

Aspirational Statement for Presentation to City Council

Updated March 25, 2010

We, the Rose Quarter Stakeholder Advisory Committee, support preservation of the Memorial Coliseum as an inspiring, community-focused, multi-purpose facility with improved flexibility to accommodate a multiplicity of events for public and private purposes, at a variety of scales and uses including, without limitation: sports, entertainment, arts and culture in a manner that honors Veterans, respects the cultural heritage of the African American neighborhood that was previously in this location, integrates education, showcases innovation in sustainability, and demonstrates a triple bottom line of social, environmental and economic equity in a way that is consistent with its status as a National Register historic property. The outcome of the Memorial Coliseum and Rose Quarter development should serve to increase access to community benefits for the widest range of Portland residents. Exhibit A on the next page demonstrates the range of activities that have strong support from the community and the Rose Quarter Stakeholder Advisory Committee.

Exhibit A

It is understood that the Memorial Coliseum may not be able to support all of the following activities and uses, however, our Committee urges the Memorial Coliseum concept proposers to compare the proposals for the use of the Coliseum interior spaces in terms of use, cost, operation and profitability with those for an improved base case. In so doing, they should consider improvements that augment daytime usage and district activation and may consider the following in their more detailed concept submittals in response to the Request for Proposal:

- Enhanced Veterans Memorial
- Meeting Space with Priority Usage by Veterans
- Eco-district Features, Design and operating systems that reflect state of the art sustainability features.
- Amateur Athletics Fitness Facility including an aquatics center
- Live Entertainment Venue
- Amateur and Professional Sports Spectator Facility
- Regulation Hockey Rink
- Space for Visual Arts and Performances
- Restaurants
- Skylights, roof penetrations, and other natural light features
- Programming that reflects the aspiration of educating as well as entertaining users of the facility.



Rose Quarter Development Project

Stakeholder Advisory Committee (SAC)
Memorial Coliseum Future Process
Recommendation to Portland City Council

Minority Report Contents

Rose Quarter SAC Minority Report	...	1
<i>Supporting Material:</i>		
Inadequate Statement of Base Case	...	4
PDC's Memorial Coliseum Renovation Snapshot <i>(prepared by PDC 1/12/2010)</i>	...	5
Essential Coliseum Base Case	...	8
Memorial Coliseum Base Case	...	11
Spokane Arena Year End Report 2008	...	40

RQSAC Minority Report

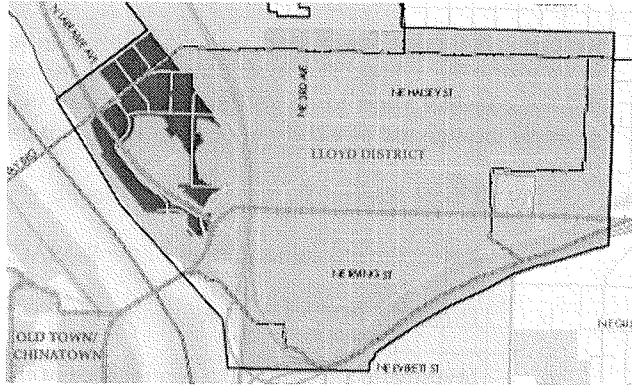
The RQSAC process, and the recommendations which have flowed from it, are seriously flawed:

1. The RQSAC has been precluded from considering the 40-acre Rose Quarter as a whole and has been constrained to prematurely review proposals only for the Coliseum. We have been informed that the Blazers, rather than the RQSAC/PDC, will undertake a planning process for the Rose Quarter this summer. To have a private party, especially one with substantial conflicting economic interests, plan public property is antithetical to proper public planning in the public interest.
2. Four of the five proponents and alternates are dependent upon elimination of provisions of the OAC Operating Agreement assumed by PAM that give the Paul Allen operating companies rights to continue to operate the Coliseum until 2023, and to ensure non-competition with the Rose Garden. Despite the request of one proponent, the MARC, and the RQSAC to resolve this issue before the issuance of the RFP, the City's efforts to resolve it have proven counter-productive. Despite claiming to have lost money managing the Coliseum, Blazer president Larry Miller states *"The current agreement is also very important to our business model, so any changes to the agreement will need to add significant benefits to PAM. At present, it is difficult to envision changes to the agreement that would fully protect interests vital to PAM...PAM reserves the right to decide in its sole discretion whether it will agree to any such changes."*

Without PAM profits, that business model which PAM seeks to protect must be non-competition protecting the Blazers' economic interests in the Rose Garden. The non-competition agreement has now been in effect longer than a patent and its continuance will preclude any other proposal, as well as optimization of the profit and community potential for the City. Despite the request of another RQSAC member asking why provisions of the agreement that extinguish operating rights in the event of a bankruptcy do not preclude extension of the agreement, no adequate opinion from an independent attorney has been given to the RQSAC. Nor has the RQSAC been given the opportunity to consider alternative management arrangements.

3. All of the proponents and alternates will require substantial sums of public investment which may reach as much as \$150 to \$200 million. The PDC has undertaken no public cost-benefit analysis to suggest that public investments of such an order of magnitude are feasible, or might outweigh other public priorities. Its responses suggest that it has deferred any public cost-benefit analysis to the applicants, rather than to itself as a public entity in protection of the public interest.
4. Conversely, the PDC has not dispelled the urban myth that the Coliseum is unprofitable for the City. In fact, under normal business accounting, the City has realized a profit of \$3.7 million over the last 10 years despite the fact that those include 3 years of the OAC bankruptcy and 3 years of the Great Recession. Moreover, the provisions of the Operating Agreement make it in the economic interest of PAM to keep the Coliseum at a breakeven level to prevent assumption of Coliseum operating losses and to book larger and more profitable events at the Rose Garden. Alternative management agreements have not been investigated. No detailed information has been provided to the RQSAC to dispel the conflict of interest between Blazer and City economic interests. The fact that city ticket taxes are assessed at both venues ignores the 60% City interest in Coliseum profits versus none at the Rose Garden.
5. While the RQSAC has been considering Coliseum proposals, a separate advisory committee, the North/Northeast Economic Development Initiative Community Advisory Committee (N/NE CAC), has been reviewing proposed changes to the boundaries of the Oregon Convention Center Urban Renewal Area (OCCURA) and the Interstate Urban Renewal Area (IURA). The PDC web site shows that much of the Rose Quarter, except the Coliseum area, is proposed to be added to the IURA. See <http://pdc.us/pdf/future-of-urban-renewal/nnestudy/cac/2010/meeting-6/Study-Area-Map-East.pdf>. The

Coliseum area would stay in the OCCURA. According to PDC, approximately \$5M have been allocated to the Coliseum improvements from the OCCURA and another \$25M “may be available” by selling zero coupon bonds. More funds may be available to the Coliseum if it was included in the IURA, but the RQSAC has not been able to review this issue.



6. Over the six months of the process, the PDC has failed to produce operating income and expense data, programmatic history and other data of the type normally published by operators of publicly-owned arenas, [Spokane Arena attached pp. 22-56] which has been requested by RQSAC members since September. The City terms the request one for forensic accounting rather than a simple request that the City receive and publish precisely the kinds of data that are published annually by the public owners of the Spokane Arena. PAM has withheld such information on the stated ground that its disclosure would “reduce the competitiveness of the Coliseum as a facility”. Yet publication of more detailed data by the public owners of the Spokane Arena has not harmed its competitiveness. It is logical to expect quite the reverse to occur, that is, publication of lower event rental fees for the Coliseum would reduce the competitiveness of the Rose Garden, which PAM apparently seeks to prevent by non-disclosure.
7. The PDC has inadequately prepared the base case for the Coliseum. The PDC was advised on January 11th of 10 reasons [attached] why its base case statement was inadequate, but it has produced no corrected restatement. Asked by the Mayor to prepare a statement of what the base case should include, a member of the RQSAC did produce a memorandum of 12 points that, with a 29-page illustrated book, [both attached] were given to the Mayor and PDC on February 22nd. The PDC erroneously contends that statement of the base case was not significantly different from its own. Quite the contrary, the RQSAC members’ base case was addressed to increasing profitability in four areas of the Coliseum (arena, concourse, lower level and exhibit hall) at the lowest public cost, while preserving its ability to accommodate larger, more profitable events with full seating capacity.
8. The PDC has precluded the SAC from evaluating the public costs and benefits of the Coliseum proposals against the base case. Despite a statement from the Mayor that the base case would be used as the basis to compare the proposals, no comparisons were made before the RQSAC was asked to vote. At its last meeting of those present and voting 25% of the RQSAC voted with the minority
9. The applicants were directed by PDC to propose uses within the Coliseum, rather than the developable area around it. Yet three of the five proponents and alternates are substantially dependent upon their proposals for areas outside it, for which there are no evaluation criteria. Moreover, the fact that the Blazers, rather than the RQSAC/PDC, will undertake a planning process for the Rose Quarter this summer puts one of the applicants in charge of planning for an area the others deem vital for their use. And it cements the public perception that the selection process is a cover for a private party, especially one with substantial conflicting economic interests, to plan public property for its own economic benefit to the detriment of proper public planning in the public interest.
10. There is no public benefit in reducing seating capacity because it is the largest events that are the most profitable. The reduction of seating capacity precludes events like the Davis Cup tournament and full house events like popular concerts, graduations, and the Obama and Nader rallies. However, all three of the proponents propose reducing seating to the range of 6,000 to 8,500 seats. The Blazers justify the reduction contending that fewer seats make the bowl more intimate. Yet without reduction of bowl size, it is difficult to understand how fewer seats in the same sized bowl leads to greater intimacy. It is

understandable that fewer seats make the Coliseum less competitive with the Rose Garden for larger, more profitable events. The PDC consultant's conclusion for reduced seating capacity for some events did not consider ways to do so flexibly in a way that preserved the ability to hold larger events, for example through use of a collapsible band shell, curtains or other temporary devices.

11. For all these reasons, the City Council should:
 - a. Reject the recommendations of the RQSAC;
 - b. Direct the PDC to stop preparation of an RFP;
 - c. Investigate alternatives to continuance of the Operating Agreement;
 - d. Remand consideration of all the proposals and issues outlined herein to the RQSAC with the direction to:
 - i. Focus on the Rose Quarter as a whole;
 - ii. To compare proposals with the base case as presented in the attached materials;
 - iii. To recommend alternative deal structures for the operation of the Coliseum, and
 - iv. To recommend revised proposals for the planning and development of the Rose Quarter and Coliseum.
 - v. To comment on the boundary change recommendations regarding OCCURA and IURA.

Respectfully submitted:

Dean Gisvold
Will Macht
Joseph Readdy
Alicia Rose
Anthony Stacy

Inadequate Statement of Base Case:

After a brief review and analysis, the statement forwarded by PDC today, appended, is a wholly inadequate statement of the base case.

1. Many of the capital items listed were based upon changes in use, requiring code changes, which would not be triggered by its existing continued use. BOORA was unable to distinguish the same upon questioning in the SAC meeting, November 10, 2009. Moreover, soft cost estimates are far too generous for simple upgrades.
2. The assumption of need to reduce seating capacity is highly questionable on profitability grounds, and no cost benefit analysis has been undertaken.
3. No specific needs have been proven to increase structural load capacity of the roof and, even if some could be made, no alternatives have been explored and no cost benefit analyses have been undertaken.
4. The case for a loading dock was not persuasive enough for the Blazers to have included one in its proposal.
5. The inclusion of the table of city revenues and expenses is wholly inadequate. No comprehensive breakdowns of income and expense, as requested many times earlier, orally as early as the first meeting of the SAC, have been supplied.
6. No adequate explanation explains the un-businesslike practice for the deduction of capital costs from operating income.
7. The explanation for exclusion of parking revenues from profitability calculations on the basis that the parking revenues have already been pledged to subsidize PGE Park is inadequate to explain the erroneous conclusion that the Coliseum is not profitable.
8. In fact, the city's own numbers provided show that over the last 10 years, even using the discredited accounting practices described above, the city had positive net income from the Coliseum of \$550,373 over the past 10 years, even though that period included three years of the OAC bankruptcy and nearly three more years of the Great Recession.
9. Nor is there any information or history given of Coliseum operations or profitability during the 30 prior years of operation by MERC.
10. No cost benefit analysis has been undertaken to analyze projected profitability of the Coliseum if essential required improvements were undertaken and operation were undertaken by a public body whose sole interest was in the profitability and public service of a public asset, the Coliseum, and disinterested in the profitability of the Rose Garden.

PDC's Memorial Coliseum Renovation Snapshot

1/12/2010

Purpose:

This analysis is based on the **2009 Memorial Coliseum Baseline Conditions Report** findings, and is in response to the Stakeholder Advisory Committee (SAC) request that City Staff understand the cost to upgrade the Memorial Coliseum and retain it as a spectator facility. The improvements identified in this analysis include necessary safety, code and major systems replacement, as well as recommendations for improvements that could increase the marketability of the venue. There is a concurrent public process underway which is a "call for concepts" to renovate or adaptively re-use the facility.

Summary of Findings:

The estimated cost to renovate the Memorial Coliseum to retain the existing tenant mix and upgrade essential systems (Base Case Updates) is approximately \$7.4 Million, which includes design and permitting. The full list of potential improvements including sustainability and marketability upgrades is approximately \$33.8 Million, as outlined in detail in Appendix E of the Baseline Conditions Report.

History:

Financed by an \$8 million bond approved by voters in 1954, construction was completed by Hoffman Construction in 1960 and it was dedicated on January 8, 1961, to the "advancement of cultural opportunities for the community and to the memory of our veterans of all wars who made the supreme sacrifice." The facility is 100 ft tall and has a footprint of about 3.1 acres. The building was designed by architecture firm Skidmore, Owings & Merrill. The building has been listed on the National Register of Historic Places due to its architectural significance as a mid-century modern arena, and the fact that it reaches 50 years of age in 2010.

Deferred Maintenance / Building Condition:

The building is in need of substantial upgrades to the major systems including; plumbing, electrical, and mechanical. A majority of the extant systems are original to the building and are nearing or have reached the end of their useful life. The **Memorial Coliseum Baseline Conditions Report**, completed in December 2009, has established the existing condition of the building based on visual observations, interviews of building managers, City staff, architects, and Hoffman Construction. Based on the preceding set of information the consultant team has established a prioritized list of improvements that would be required to update the facility and bring the building up to current building standards, as well as some improvements that could increase the marketability of the space to event promoters. A more extensive list of improvements is also outlined in Technical Memorandum E – Cost Estimates, which includes many more renovation items that are not required by

code or necessity, but would increase the sustainability and functionality of the building. The improvements outlined in this snapshot represent the minimum improvements that would be required to maintain the current tenant mix in the facility, the consultant team also recommended a range of additional improvements that would increase the marketability of the facility to events that generate more revenue than the existing mix of events that utilize the facility. The marketability improvements have not been designed, and therefore do not have costs associated with them.

Base Case Updates		
Item	Why needed?	Hard Cost
Partial replacement of plumbing domestic, waste, and vent piping	Continued service to restrooms and for other public use	\$725,625
Inspect and test power supply system	Necessary to ensure reliability of system	\$50,000
Upgrade handrails & guardrails at arena & concourse	Fire life safety issue / Code	\$205,110
Replace ice rink concrete flooring and cooling piping	To maintain operable ice rink for major tenant	\$1,200,000
Revise and upgrade fire sprinkler coverage at lower level and concourse	Update to current codes	\$218,010
Seismic restraint of electrical equipment	Update to current codes	\$45,000
Seismic restraint of mechanical equipment	Update to current codes	\$161,250
Rebuild or replace existing air handling systems	Maintenance and air quality	\$967,500
Electrical improvements to meeting rooms	To create a more marketable space	\$200,000
Upgrade electrical in large exhibit hall	To create a more marketable space	\$490,000
Replace door hardware	ADA/ Fire life safety issue /Code	\$245,100
Replace emergency lighting	Fire life safety issue /Code	\$325,000
Replace arena roll-up doors	Operations	\$69,300
Replace freight elevator	Operations	\$250,000
Upgrade kitchen	Operations	\$250,000

Marketability Updates (no costs associated)	
Item	Why Needed?
Reduced Seating Capacity	In the case of Memorial Coliseum, two strategic improvements which would better position the venue in the events market are a reduction in seating capacity from a maximum of 12,000 seats to a maximum of 5,000—7,000 seats, and the development of premium seating (either luxury suites or club seating depending on a market study and engineering assessment).
Increase Structural Load Capacity	The building's roof structure can only accommodate 60,000 lbs. of additional loading (lighting, backdrops, etc.). Industry standard these days is a minimum of 80,000 – 90,000 lbs. with large shows requiring up to 150,000 lbs. The Coliseum loses certain shows due to these limitations. This is an essential feature of the building and not an element that is easily upgraded.
Loading dock	The building was designed without a loading dock to accommodate the flow of Rose Parade floats through the building. This omission results in additional time (and consequently money) required to load shows in and out. This is an essential feature of the building and not an element that is easily upgraded.
Concession areas	due to their locations under seating bowl, ducted ventilation of kitchen hoods is impossible, consequently nothing can be cooked on site. This is an essential feature of the building and not an element that is easily upgraded. Additionally, one permanent concession stand is available at arena level. This could be augmented by providing additional portable stands.

Seat replacement in bowl (9,100 seats)	To create a more marketable space	\$300,000
	<i>update subtotal</i>	\$2,129,400
	Subtotal	\$5,701,895
	Soft costs (at 30%)	\$1,710,568
	Total	\$7,412,463

*Source: Boora Architects, KPFF Consulting Engineers, Glumac, and Hoffman Construction Company. See Baseline Conditions Report Technical Memoranda C, D, and E for details

Note: Figures do not account for cost escalation (for hard costs). Hoffman Construction estimates cost escalation to be approximately 5% per year. Technical Memorandum E includes estimated cost escalation for all improvements—baseline and improvements for a fully upgraded facility.

City Revenue / Expenses (10 year history):

REVENUES:	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
User Fees	153,917	172,629	197,206	203,645	181,769	202,361	198,474	242,678	272,286	157,363
Parking Fees	348,107	344,003	290,271	262,138	219,094	258,156	268,015	243,915	286,715	257,094
Total Revenues	502,024	516,632	487,477	465,783	400,863	460,517	466,489	486,593	559,001	414,457
EXPENSES:										
Parking Operations	56,786	63,815	73,780	48,090	49,271	65,137	72,251	59,062	66,775	97,549
Repairs/Improvements	108,574	49,940	974,571	165,869	108,906	57,025	68,532	756,767	569,991	335,325
Pro Services / Miscell.	0	0	125,146	201,162	0	0	0	0	31,288	3,851
Total Expenses	165,360	113,755	1,173,497	415,121	158,177	122,162	140,783	815,829	668,054	436,725
Net Income to City	336,664	402,877	(686,020)	50,662	242,686	338,355	325,706	(329,236)	(109,053)	(22,268)

Essential Coliseum Base Case

1. The Base Case includes improvements to best:

- Maximize profitability
- Operate sustainably
- Improve flexibility
- Conserve public investment
- Serves all public events
- Preserve architectural history
- Rapidly revitalize the MC through realistic phasing

2. A Multipurpose Coliseum as a Coliseum should be the base case comparable.

The Coliseum was built by and for the public as a multipurpose venue for a wide variety of events for public benefit from hockey, basketball, figure skating and tennis tournaments, to concerts and other performances to Rose Parades, graduations, political rallies and public meetings and exhibits. Any proposal to restrict its purpose to a select group of activities, or to limit its seating capacity, must be evaluated against its intended use as a multipurpose public Coliseum.

3. The Base Case does not mean the status quo.

However, the base case does not mean the status quo. There are many improvements that can and should be made to the Coliseum to increase its flexibility and maximize its profitability.

4. The Coliseum has been profitable for the City.

There is an urban myth that the Coliseum has been unprofitable for the City. In fact, the City's own numbers provided to the RQSAC show that over the last 10 years, even using the un-businesslike accounting practice of offsetting capital expenses against operating income, the city had positive net income from the Coliseum of over \$550,000 over the past 10 years, even though that period included three years of the OAC bankruptcy and nearly three more years of the Great Recession. If one uses business accounting practices, the Coliseum netted the city \$3.7 million during that period.

5. Improvements can increase profitability.

Many improvements can increase the profitability of four areas: the Arena, the Concourse, about 30,000 SF of the lower level and the 40,000 SF Exhibit Hall.

6. There is no public benefit in reducing the seating capacity.

There is no public benefit in reducing the seating capacity because it is the largest events that are the most profitable. The reduction of seating capacity precludes events like the Davis Cup tournament and full house events like popular concerts, graduations, and the Obama and Nader rallies.

Essential Coliseum Base Case

7. A Collapsible band shell could make events more intimate and more numerous.

The Arena could actually accommodate more comfortable steeply-raked stadium seating at its two ends. A flexible, collapsible band shell opposite either end, or either side, with appropriate lighting, could make smaller events more intimate and more numerous. A new flooring system might store such a collapsible band shell as well as accommodate a new, larger ice sheet. More numerous events, along with large events will improve profitability.

8. The Concourse can be maximized to improve profit.

The Concourse is unique. In no other venue does everyone meet at the same level, democratically placed between the most and least expensive seats. What that does in economic terms is to concentrate foot traffic for all the concessions.

The value of the concourse for concessions can be maximized by moving the box office to glass kiosks under the canopy and by revising the west stairs to retrieve a large floor area of the west concourse, which has spectacular views of the Willamette and downtown skyline. The four glass corners can house high-volume cafes overlooking the city, plaza and courtyards.

The extensive lineal areas under the cantilevered seating can accommodate food carts, for which Portland is now highly noted. All of these concourse improvements will increase profitable concession income.

9. Lower level improvements can enable more numerous events with lower operating costs.

The lower level has about 30,000 SF of space that can be better used. The meeting spaces are dated and not flexible, yet their improved connection with the courtyards can make them more attractive locations for a variety of private and public events.

An updated, efficient kitchen can serve the meeting rooms, exhibit hall and new cafes above. The ability to drive through the Coliseum's lower level can be used to ameliorate the absence of a loading dock. For example, bucket trucks could be used to assist rigging. The net effect of those kinds of improvements can lead to more numerous events with lower operating costs.

10. The Exhibit Hall can be improved to produce daytime, weekday revenue.

The 40,000 SF Exhibit Hall could become a more attractive venue by adding glass walls to the courtyards for natural daylight, which could also be added using sculptural skylights to the plaza above. The ability to bring in natural light in a serene environment with abundant daytime parking can make the exhibit hall attractive to weekday seminars and training sessions. The

wm 3/17/10

Essential Coliseum Base Case

apparent disadvantage of the bay spacing can be transformed into an asset for dividing the spaces into more marketable sizes. The darker areas can be used for economical spaces for black box theater productions.

11. Sustainable improvements will lower utility operating expenses.

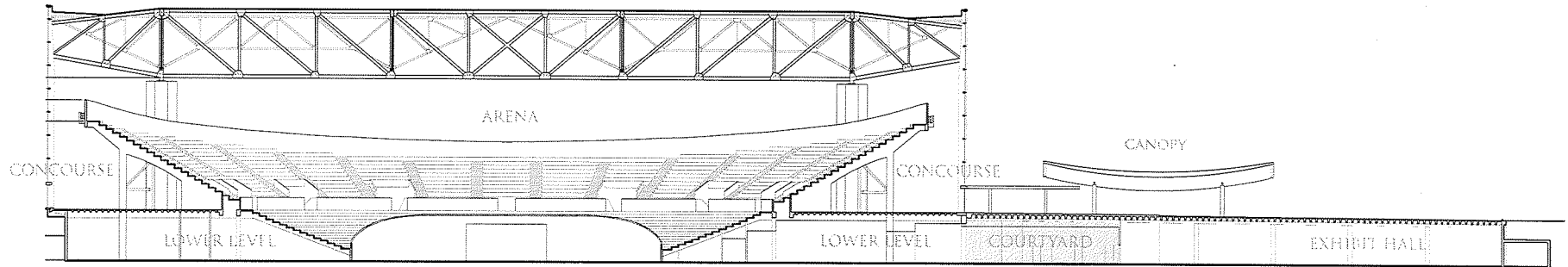
Essential to transform the Coliseum into a sustainable facility that no longer spends nearly a half million dollars annually for utilities is the replacement of the outdated HVAC system. While conventional thinking is that its glass walls make it a wasteful energy consumer, the glass box is actually a very large, passive solar collector. Adding another single-pane glass curtain wall to the interior glu-lams can not only insulate the interior spaces but also enable the collection and redistribution of warm air to colder areas, or expel it to the outdoors, provided adequate modern controls are installed.

12. The Base Case produces the greatest public benefits for the lowest public investment, and can be completed in the shortest time frame.

The Base Case includes improvements to best:

- Maximize profitability
- Operate sustainably
- Improve flexibility
- Conserve public investment
- Serves all public events
- Preserve architectural history
- Rapidly revitalize the MC through realistic phasing

BASE CASE - MEMORIAL COLISEUM



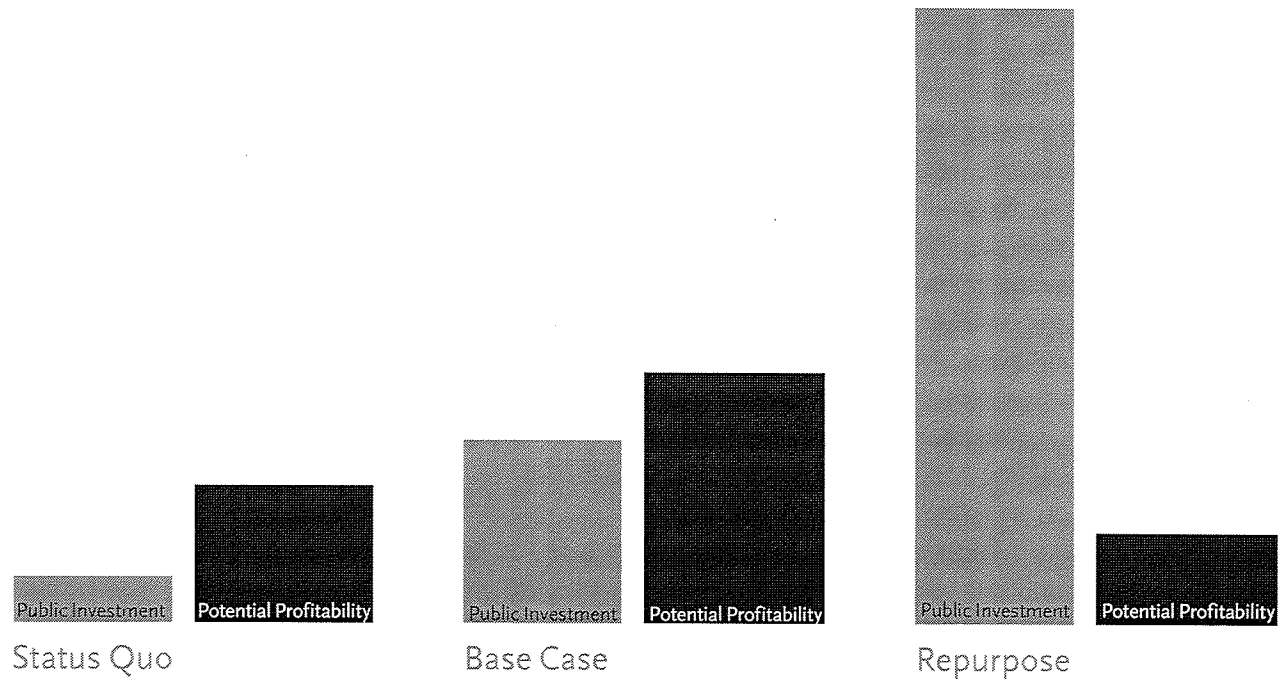
Base Case	03 - 06
Arena	07 - 08
Concourse	11 - 14
Lower Level	15 - 16
Courtyards	17 - 18
Exhibit Hall	19 - 20
Exterior	21 - 22
Base Case Detail	23 - 24
The Future	25 - 28
Conclusion	29

THE BASE CASE

The Base Case is the least public investment for the greatest public good. It is not the status quo, but rather a strategy to bring new life and pride to Memorial Coliseum, profitably and sustainably. The Base Case is revitalizing Memorial Coliseum as Memorial Coliseum.

The Base Case includes improvements to best:

- maximize profitability
- operate sustainably
- increase flexibility
- serve public events
- revitalize underused spaces
- preserve architectural history
- conserve public investment
- rapidly revitalize the Coliseum through realistic phasing



FINANCIAL DIAGRAM

The Base Case is the most cost-effective way to revitalize the Coliseum with the greatest public benefit for the least public investment.

Note: This is a preliminary diagrammatic bar chart - not to scale, to show preliminary potential relationships.

Status Quo SOME LOCAL JOBS
 ON GOING MAINTENANCE PROJECTS

Base Case SOME LOCAL JOBS MANY LOCAL JOBS
 SCOPE RFP DESIGN/ HISTORIC/ CONSTRUCTION 2011 Completion
 COMMUNITY PERMITTING

Repurpose Completion +/- 2014-16
 RFP/ NEGOTIATIONS/ DESIGN/ HISTORIC/PERMITTING/ CONSTRUCTION
 COMMUNITY FUNDING SOURCES COMMUNITY BOND MEASURES
 unknown duration - higher risk unknown duration - higher risk

SCHEDULE DIAGRAM

The Status Quo and Base Case are the most rapid ways to revitalize the Coliseum. Base Case could also be phased to accommodate available resources. The Base Case will also not require a developer and can be a project run by City staff, expediting the process and reducing Soft Costs. The Base Schedule can be known, the Repurpose schedule cannot be known.
 The Base Case would be the best immediate job creator.

Note: This is a preliminary diagrammatic schedule bar chart - not to scale.

THE BASE CASE

A multipurpose coliseum as a coliseum should be the base case comparable. The Coliseum was built for the public as a multipurpose venue for a wide variety of events for public benefit from hockey, basketball, figure skating, tennis tournaments, concerts, Rose Parades, graduations, political rallies, public meetings and exhibits. Any proposal to restrict its purpose to a select group of activities, or to limit its seating capacity, should be evaluated against its intended use as a multipurpose public coliseum.

The Base Case does not mean the status quo. There are many improvements that can and should be made to the Coliseum to increase its flexibility and maximize its profitability.

The Coliseum has been profitable for the City. The city's own numbers show that over the last 10 years, the city had positive net income from the Coliseum of over \$500,000, even though that period included three years of the OAC bankruptcy and nearly three years of recession. The Coliseum netted the city \$3.7 million during that period, using standard business accounting.

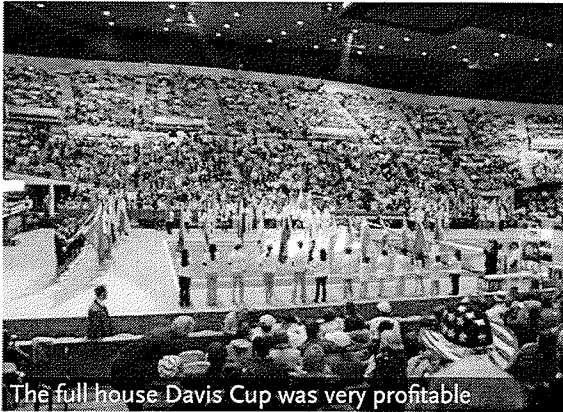
Improvements can increase profitability. Many improvements can increase the profitability of four areas: the Arena, the Concourse, the Lower Level and the Exhibit Hall.

Sustainable improvements will lower utility operating expenses. To transform the Coliseum into a sustainable facility that no longer spends nearly a half million dollars annually for utilities, is the replacement of the outdated HVAC system.



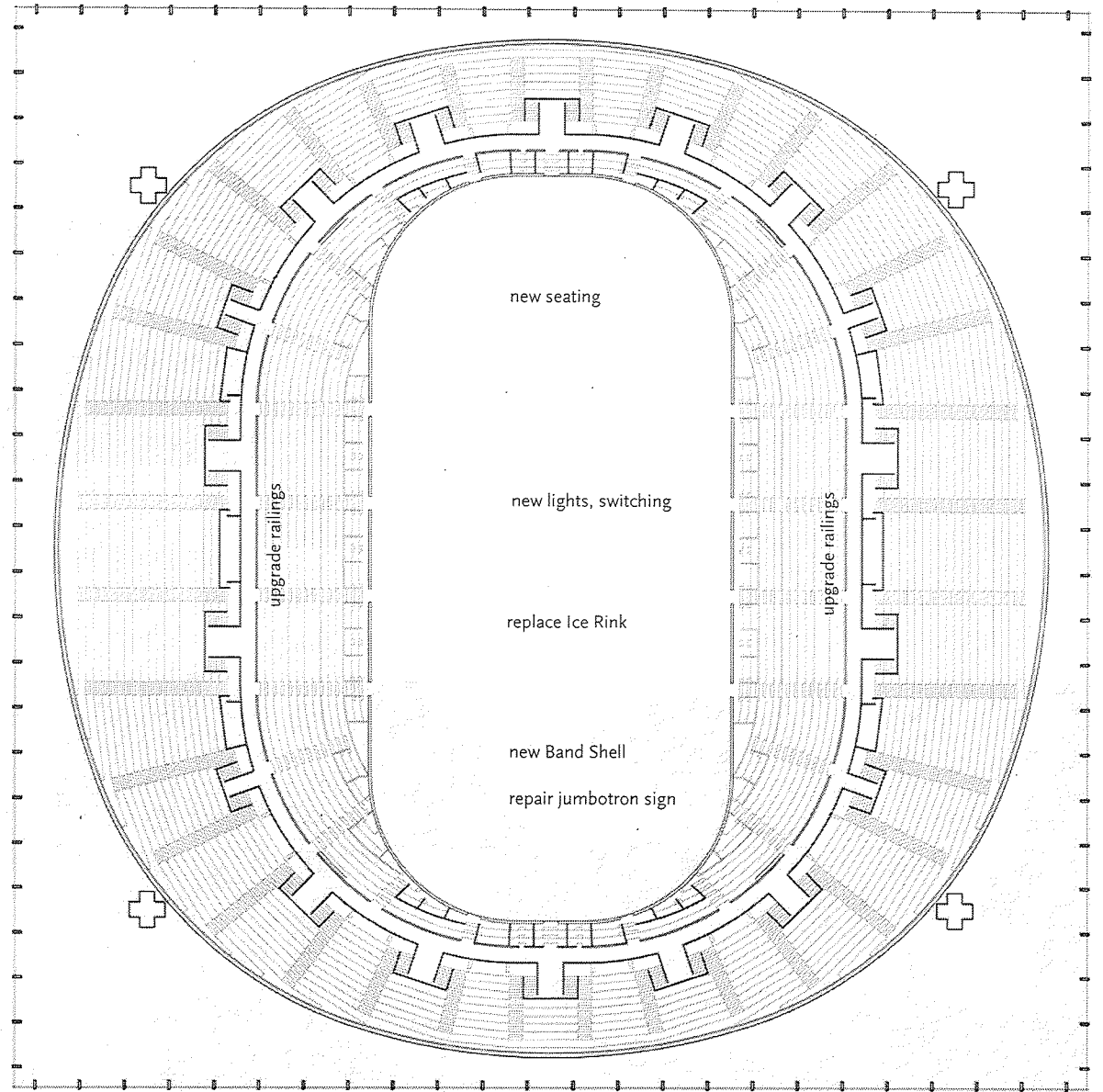
There is no public benefit in reducing the Arena seating capacity. It will make Memorial Coliseum less profitable.

It is the largest events that generate the most revenue. A reduction of seating capacity would preclude profitable full house events like the Davis Cup tournament, concerts, graduations, and political rallies.

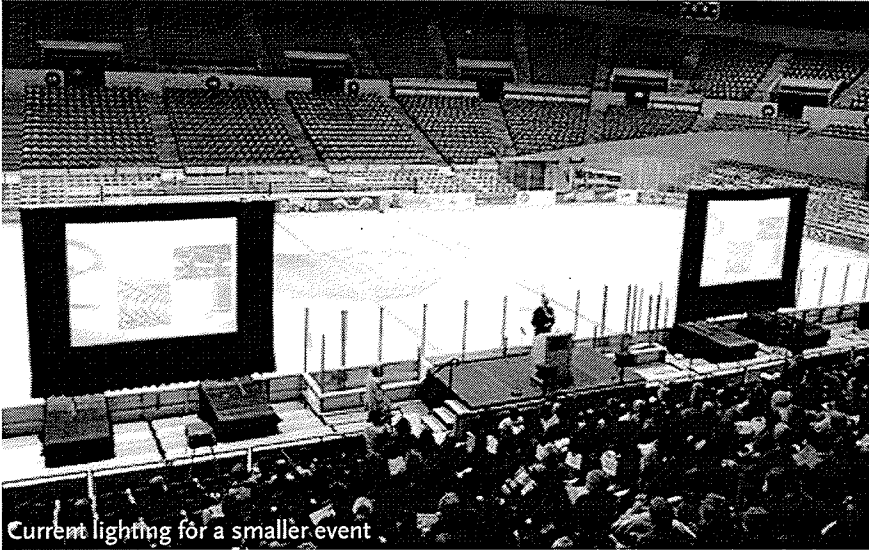


The full house Davis Cup was very profitable

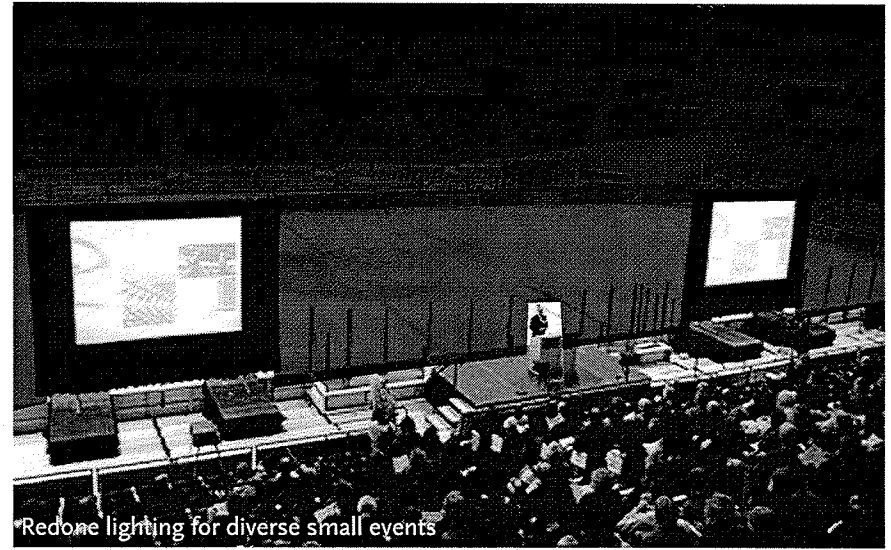
THE ARENA



see pages 23-24 for detail



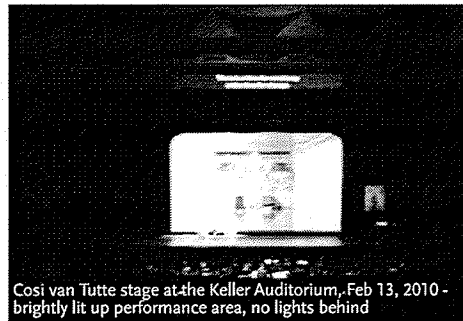
Current lighting for a smaller event



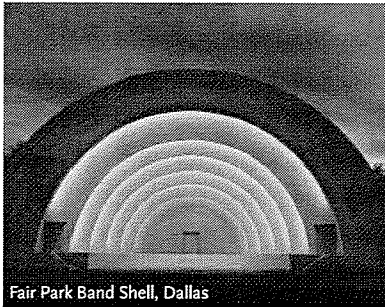
Redone lighting for diverse small events

THE ARENA

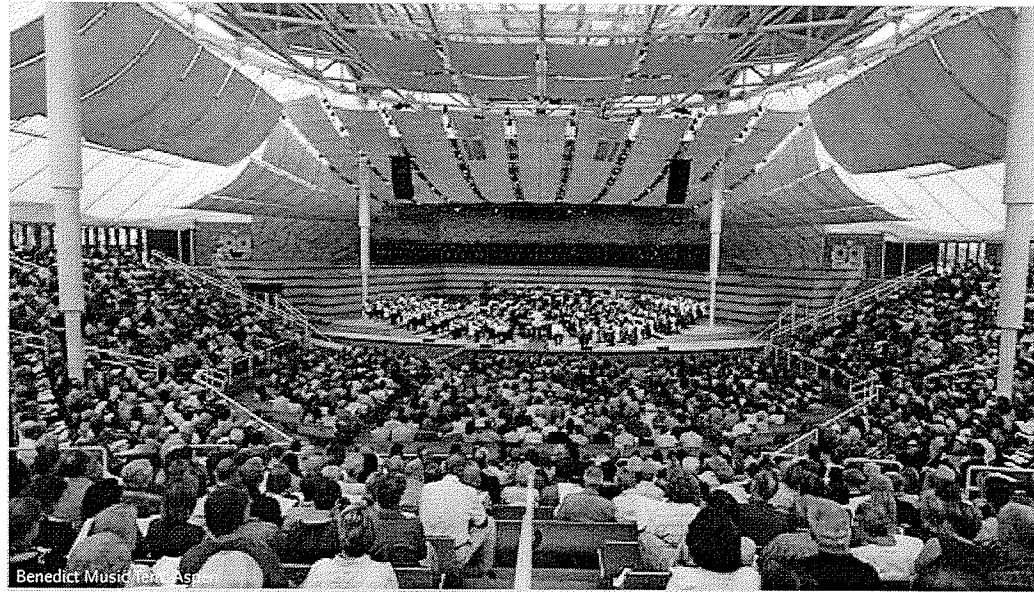
Redoing lighting will make the Arena more attractive for smaller events, in addition to full Arena events.



Cosi van Tutte stage at the Keller Auditorium, Feb 13, 2010 - brightly lit up performance area, no lights behind



Fair Park Band Shell, Dallas



Benedict Music Tent, Asp

THE ARENA

Band Shell A temporary band shell could make Memorial Coliseum more attractive for smaller events, increasing revenue. A flexible, collapsible band shell opposite either end, or either side, with appropriate lighting, could make smaller events more intimate and more numerous. More numerous events, along with large events will improve profitability.

The Arena could also benefit from more comfortable, steeply-raked stadium seating at its two ends.

Loading Dock The ability to drive through the Coliseum's lower level can be used to offset the absence of a loading dock. Trucks have full access to the arena floor. Or a loading dock with hydraulic ramping can be added. These kinds of improvements can lead to more numerous events with lower operating costs.



THE CONCOURSE

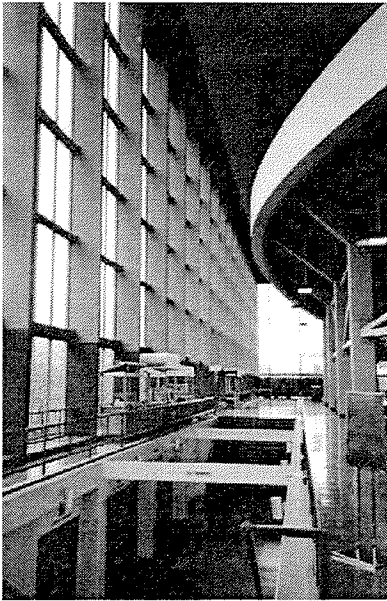
The Concourse is unique. In no other venue does everyone meet at the same level, placed between the most and least expensive seats. In economic terms, this concentrates foot traffic for all the concessions.

The value of the Concourse for concessions can be increased by moving the box office to glass kiosks under the Canopy, retrieving the large floor area of the west concourse, which has spectacular views of the Willamette and downtown skyline, with relocated stairs. The four glass corners can house high-volume cafes overlooking the city, plaza and courtyards. The areas under the cantilevered seating can accommodate food carts. All of these concourse improvements will increase highly profitable concession income.

THE CONCOURSE

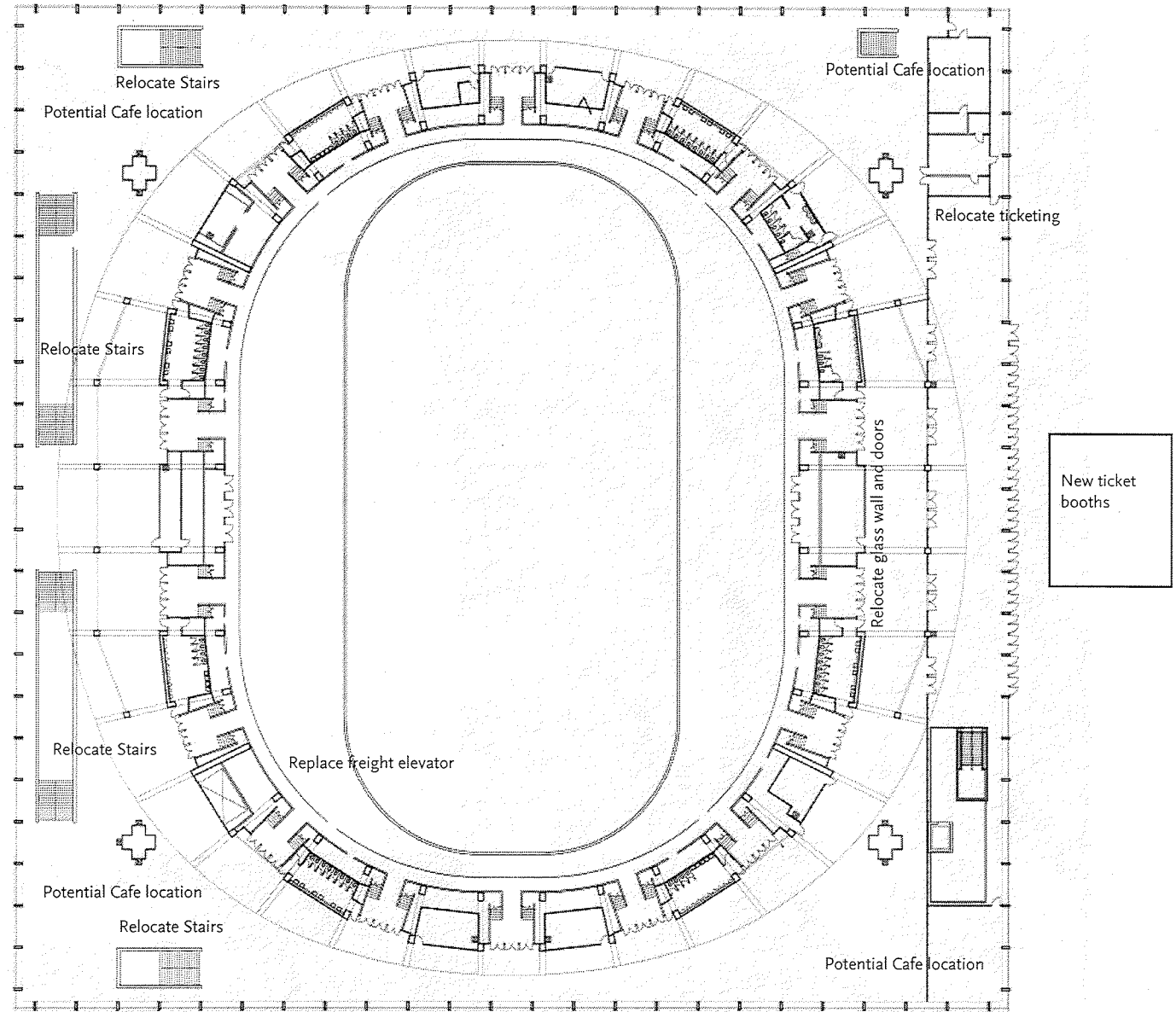


Memorial Coliseum is the best indoor public gathering place that looks out onto our river and city.

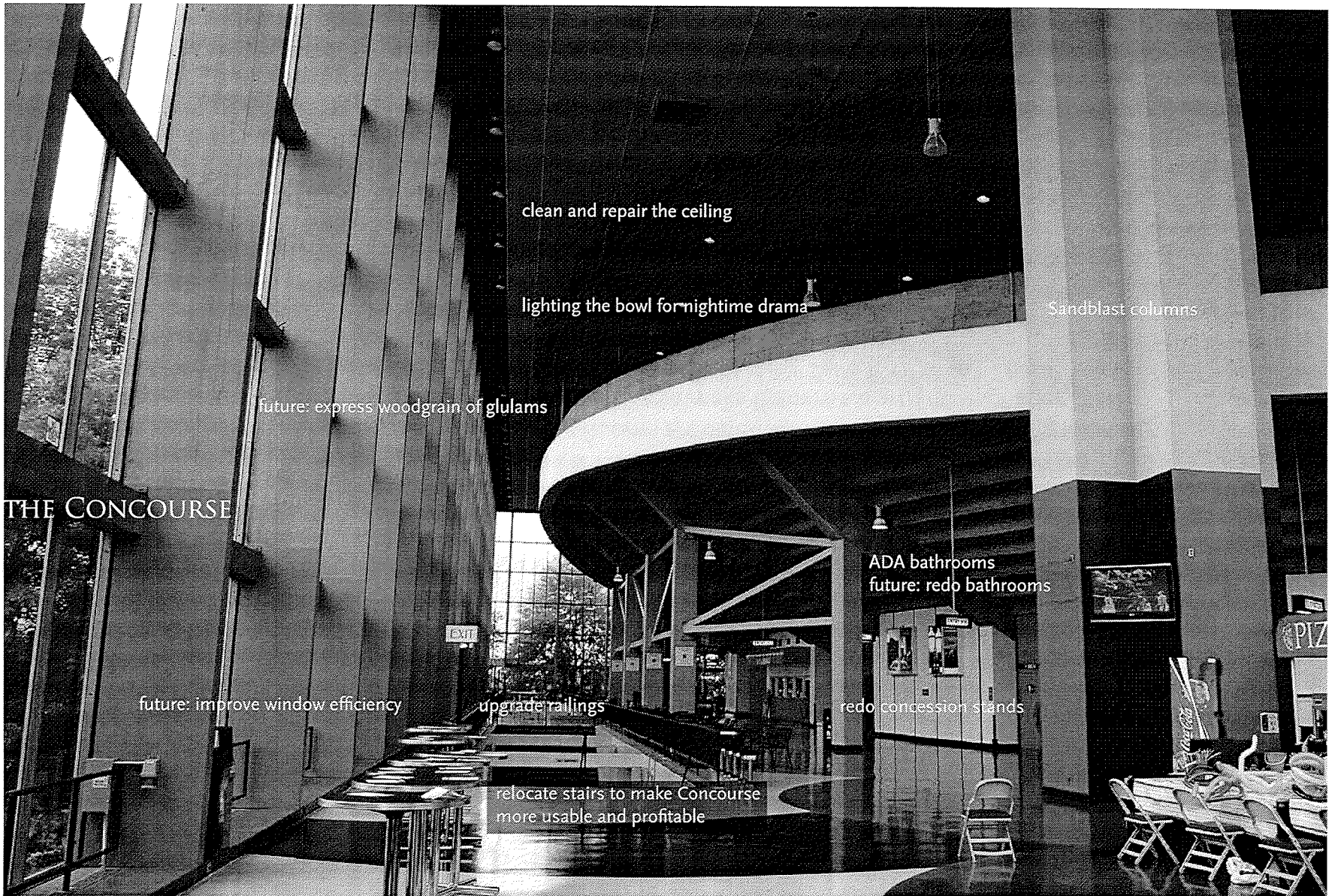


THE CONCOURSE

Glass Walls can be insulated in the future. While conventional thinking is that its glass walls make it a wasteful energy consumer, the glass box is actually a very large, passive solar collector. Adding another single-pane glass curtain wall will not only insulate the interior spaces, but also enable the collection and redistribution of warm air to colder areas, or expel it to the outdoors.



see pages 23 -24 for detail



THE CONCOURSE

clean and repair the ceiling

lighting the bowl for nighttime drama

Sandblast columns

future: express woodgrain of glulams

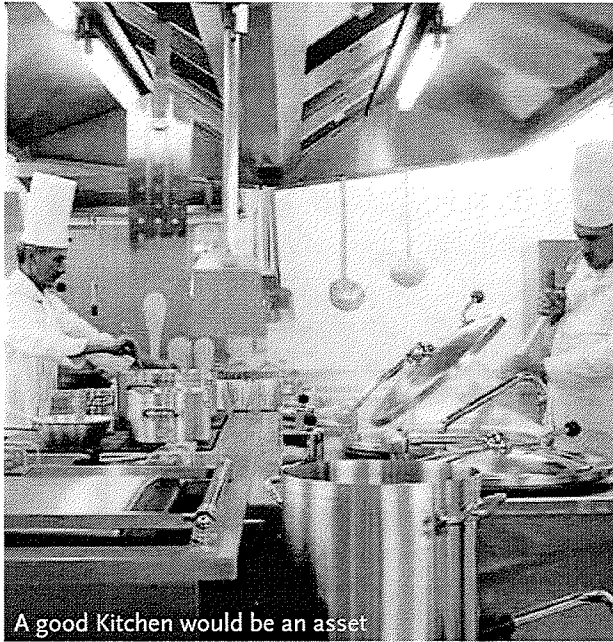
ADA bathrooms
future: redo bathrooms

future: improve window efficiency

upgrade railings

redo concession stands

relocate stairs to make Concourse
more usable and profitable



A good Kitchen would be an asset



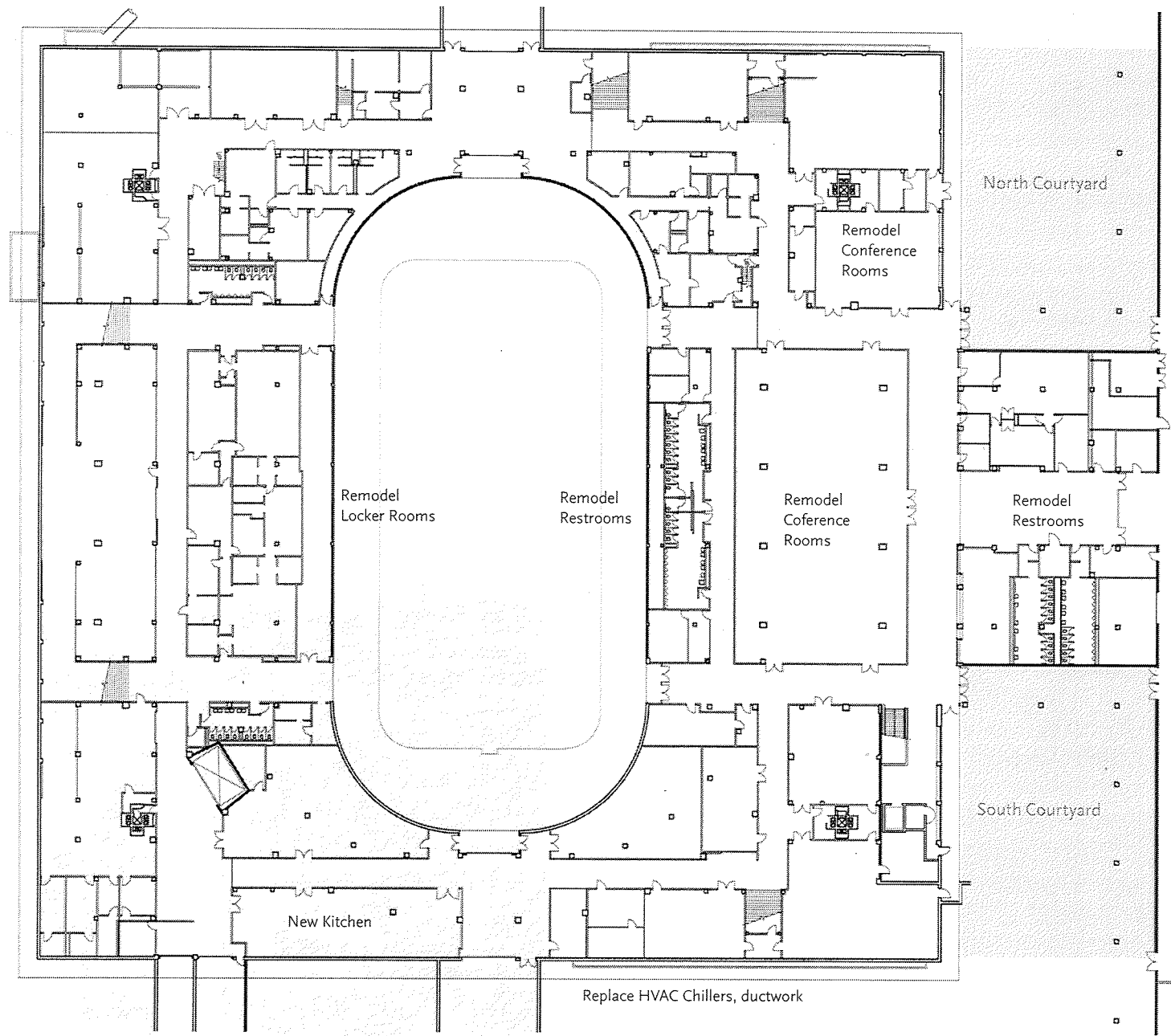
The Conference Rooms overlooking Courtyards could be nice

LOWER LEVEL

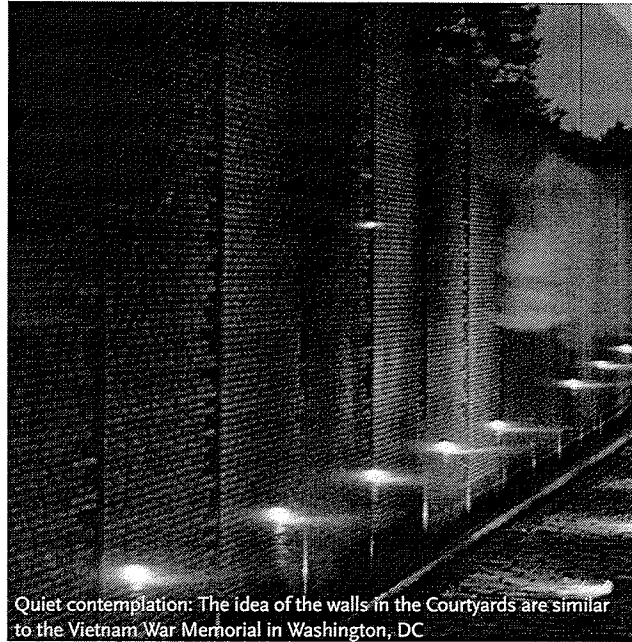
Lower Level improvements can enable more numerous events with lower operating costs. The lower level has about 30,000 SF of space that can be better used. The Meeting Rooms are dated and not flexible. Improving their connection with the courtyards can make them more attractive locations for a variety of private and public events.

Memorial Coliseum makes money from food, concessions and merchandise. The kitchen is not functioning. An updated, efficient kitchen will help the profitability of the Arena, Concourse, Meeting Rooms and Exhibit Hall.

LOWER LEVEL



see pages 23 - 24 for detail



COURTYARDS

Enhanced use of the courtyards, along with the Lower Level and Exhibit Hall, will help to expose more people to the Memorial Courtyards and honor our veterans. The Courtyards could use some improvements, deferred maintenance upgrades and improved landscape and accessibility, but they are very good spaces, and far more economical to restore than relocate.

COURTYARDS

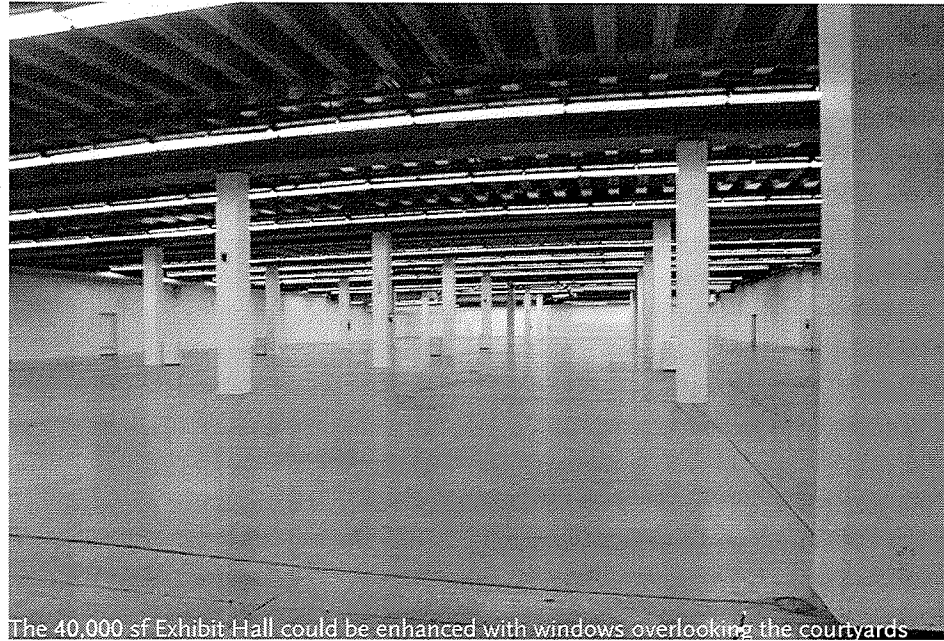


South Courtyard



North Courtyard





EXHIBITION HALL

The 40,000 sf Exhibit Hall is underutilized. Modifications to lighting, restrooms and concessions will make this space more marketable.

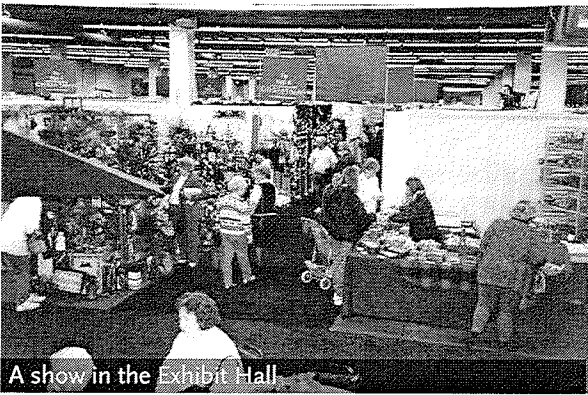
The Exhibit Hall can be further improved to produce daytime, weekday revenue by adding glass walls to the courtyards for natural daylight. Another possibility in the future is to add sculptural skylights to the plaza above. The ability to bring in natural light with abundant daytime parking can make the Exhibit Hall attractive to weekday seminars and training sessions.

The apparent disadvantage of the 30 foot bay spacing (resulting in many columns) can be transformed into an asset for dividing the spaces into more marketable sizes. Some areas could be used for black box theater productions.

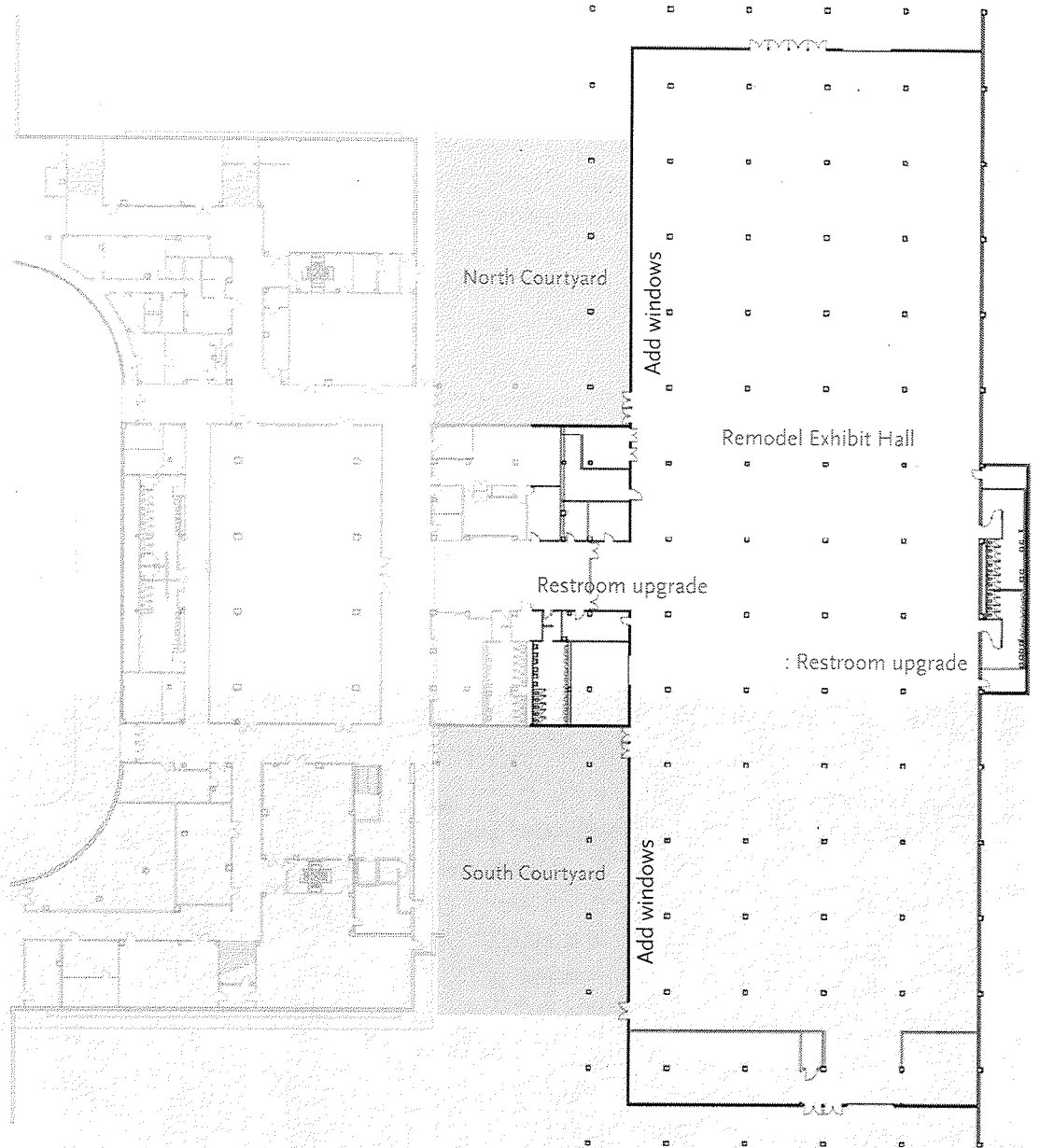


Exhibit Hall windows will enhance Courtyards as well

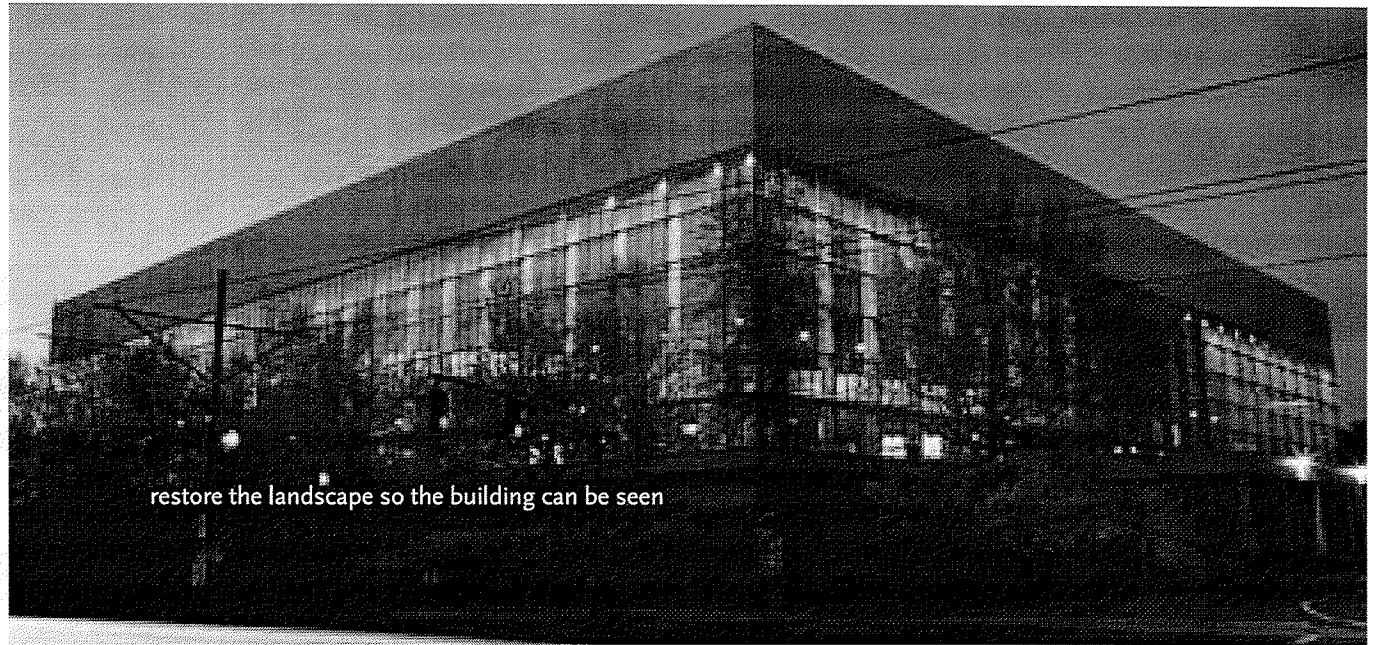
EXHIBITION HALL



A show in the Exhibit Hall

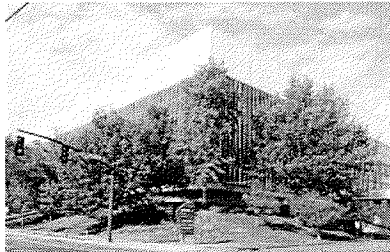


see pages 23 - 24 for detail



restore the landscape so the building can be seen

EXTERIOR



Memorial Coliseum could be iconic in our City if it were more visible. The Coliseum is blocked from view in the summer and dark at night. Restoring the original landscape with lower plantings will have a large positive impact on the perception of the building in the City.



EXTERIOR

For added exposure and marketability, LED lights can be installed to give this building a unique dynamism that will make it a magnet for cool in Portland. Light is an inexpensive way to change the tone.



BASE CASE

	FUNDAMENTAL		FUNDAMENTAL
	Architectural (Life Safety, ADA)		Mechanical
9 Concourse	Life Safety - upgrade Concourse railings to current code	MEP5 All	Seismic restraint of mechanical equipment in critical areas
17 Arena	Life Safety - upgrade Arena railings to current code	MEP6 All	Improve smoke evacuation
28 Arena/Concourse	Life Safety - provide slip resistant nosing at stairs	MEP9 Lower Level	Replace existing chillers
29 Lower Level+	Life Safety - repair miscellaneous wall penetrations	MEP10 All	Rebuild/replace exst'g air handling systems/modify ductwork as req'd
23/27 All	ADA - Provide for misc ADA upgrades throughout the facility		Electrical (Power, Lights, Fire Alarm)
7 Concourse	ADA - upgrades of Concourse restrooms (3W, 2M comply)	MEP8 All	Power - Inspect and test power supply system
26 Concourse	ADA - provide accessible counter height at concessions	MEP13 All	Seismic restraint of electrical equipment
4 Concourse	Asbestos abatement at underside of seating bowl	MEP3 Lower Level	Electrical improvements to (8) meeting rooms on Lower Level
5 All	Asbestos abatement at pipe and mechanical insulation	25/MEP7 All	Emergency lighting (Provide additional aisle lighting in Arena)
6 Lower Level	Asbestos abatement of ceilings at LL (inc replace CWB ceilings)	MEP1 All	Fire Alarm - Install fire alarm system
	Architectural (functional)	MEP12 Exterior	upgrade Exterior canopy lighting
8 Concourse	Concession - Upgrade (4) existing Concourse concession areas	MEP14 Exhibit	upgrade electrical in Exhibit Hall
12 Concourse	Ceiling - clean and paint existing metal ceiling in Concourse		Plumbing
13 Arena	Ceiling - replace existing metal ceiling in Arena	MEP2 All	Partial replacement of plumbing domestic, waste, vent piping
10 Concourse	Doors - Replace hollow metal Arena entry doors from Concourse	MEP15 Concourse/LL	new fixtures at ADA bath improvements
22 All	Doors - Replace exterior and interior HM doors and hardware		Fire Sprinklers
30 Arena	Doors - replace large roll up doors at Arena level	3 Exterior	Reconnect and repair the fire sprinklers at main canopy
31 Concourse	Elevator - replace freight elevator	MEP4 Concourse/LL	Revise and upgrade fire sprinkler coverage at LL and Concourse
14 Concourse	Floor - reseal existing concrete floor at Concourse	MEP11 Concourse	Provide fire sprink coverage at Concourse area (under seating)
18 Arena	Ice Rink - Replace ice rink concrete flooring and cooling piping		
32 Lower Level	Kitchen-upgrade equipment (replace all equip) [remodel kitchen]		
21 Exhibit	Restrooms - Exhibit hall restroom remodel on Lower Level		
15 Arena/Concourse	Signage - additional interior signage (some ADA code related)		
33 Exterior	Water infiltration - repair leaks at Plaza (into Exhibit Hall)		

The line items in 'Fundamental' are taken from 'Technical memo E' dated 12/02/09 by Johnson Consulting, Hoffman Construction Company et al. They are reprioritized and amended for this Base Case report. The numbers to the left of the items are the numbers used in the report for cross referencing.

ITEMS FROM 12/09/09 REPORT NOT INCLUDED IN FUNDAMENTAL	
1 Exterior	Exterior - Replace the entire exterior curtain wall glazing system
2 Exterior	Exterior - Replace of exterior plywood fascia (needed in 5 - 8 years)
11 Concourse	Ceiling - replace existing metal ceiling in Concourse
16 Arena	Seating - provide new seating in Arena w/ 131ADA wheelchair
19 Lower Level	Meeting Room Remodel on Lower Level (8 total)
20 Exhibit Hall	Exhibit Hall remodel on Lower Level
24 All	Structural upgrades to meet current seismic code (not code required)

ADVANTAGEOUS

ARENA

Architectural (functional)

- ARa1 New Seating
- ARu2 Band Shell
- ARu3 Repair Jumbotron sign
- Electrical (Power, Lights, Fire Alarm)
- ARa1 New Lights and switching to expand versatility

CONCOURSE

Architectural (functional)

- CCa1 Concession stand rework
- CCa2 West stairs - reduce Concourse space impact
- CCa3 Ticket Booth - relocate to under canopy
- CCa4 East side - Remove Ante Room
- CCa5 Sandblast columns
- CCa6 Paint, clean-up Concourse
- Electrical (Power, Lights, Fire Alarm)
- CCa1 New Lights and switching to expand versatility
- Plumbing
- CCp1 Drinking fountains, etc.

LOWER LEVEL

Architectural (functional)

- 19 Meeting Room remodel on Lower Level (8)
- LLa1 Kitchen remodel (add to 'fundamental arch')
- LLa2 Public area upgrade
- LLa3 Bathroom upgrade (add to 'fundamental arch')
- LLa4 Furniture/drapes
- LLa5 Locker Room upgrade
- Electrical (Power, Lights, Fire Alarm)
- LLe1 lighting

ADVANTAGEOUS

COURTYARDS

Architectural (functional)

- CYa1 Upgrade Access
- CYa2 Walls
- Electrical (Power, Lights, Fire Alarm)
- CYe2 upgrade lighting
- Plumbing
- CYp2 fountain repair
- Landscape
- CY12 Landscape upgrade

EXHIBIT HALL

Architectural (functional)

- 20 Exhibit Hall remodel
- EHa1 New Windows at Courtyard
- EHa2 Paint/tidy up
- EHa3 Bathroom upgrade

EXTERIOR

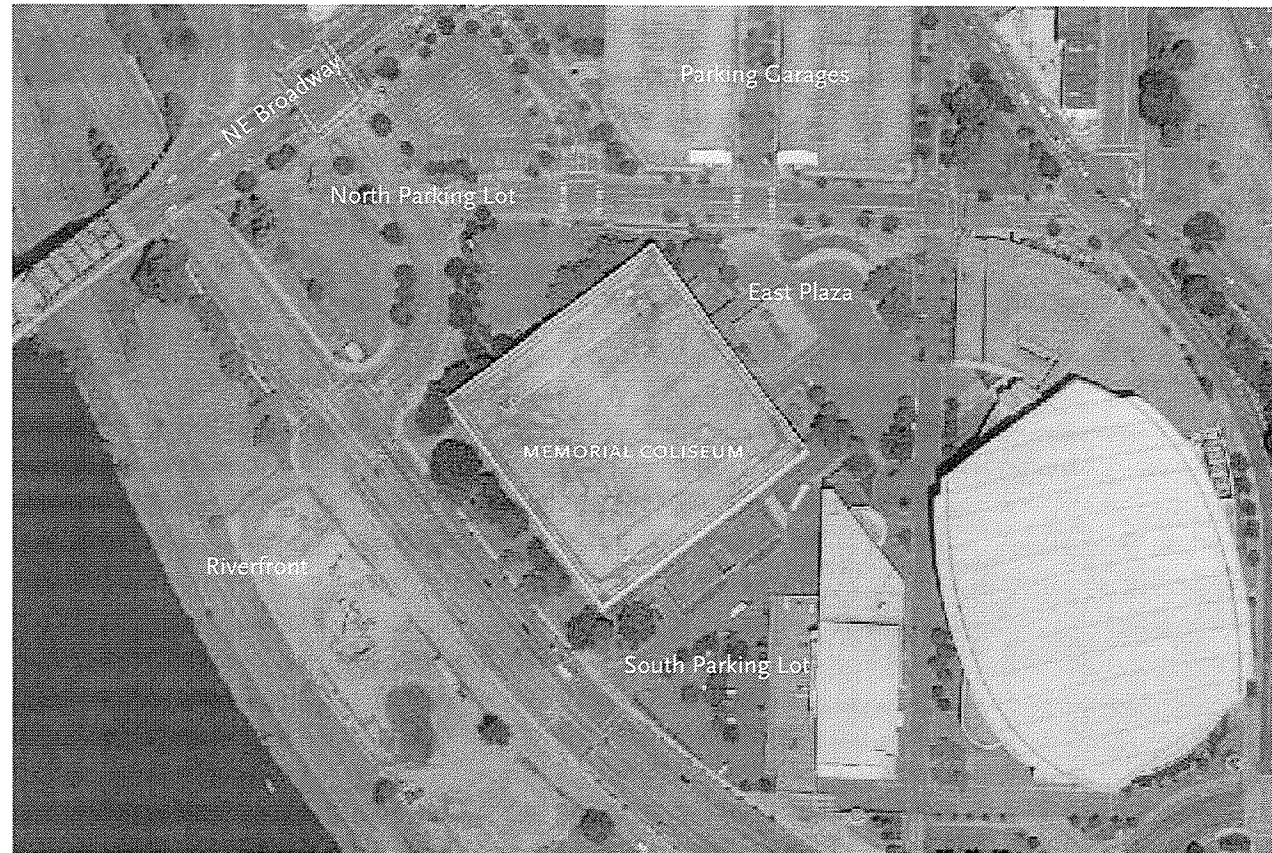
Architectural (functional)

- EXa2 General building cleaning/spruce up
- EXa3 Restore Canopy
- Electrical (Power, Lights, Fire Alarm)
- EXe1 LED Lights for increased marketability/iden
- EXe2 Exterior light repair/upgrade (allow)
- Landscape
- EX11 Restore landscape

Advantageous line items are additions that can improve the versatility, marketability and profitability of Memorial Coliseum.

BASE CASE

THE FUTURE



The Coliseum, revitalized cost-effectively, can act as an indoor Pioneer Square for a wide variety of public events. Revitalization of Memorial Coliseum will help stimulate mixed-use development of the large developable areas of the 40-acre Rose Quarter.

Consuming scarce public funds on a wholesale repurpose of the Coliseum will handicap development of the rest of the Rose Quarter.



The Louvre is a good example of adding to a landmark while respecting its historic integrity, and making it more successful.

THE FUTURE

THE FUTURE

Expansion of the Convention Center could be considered in part of the Rose Quarter, forming a multi-building convention facility like Milan or Koln, Germany; connected by streetcar or tram. Even a convention center hotel could someday be considered for the Rose Quarter.



THE FUTURE

FUTURE (15 YEARS)

ARENA

New seats

New ceiling (if not already completed)

Lighting

Rigging in ceiling

Seismic

CONCOURSE

Face Lift

New concession stands

Stairs relocated (if not done previously)

Bathrooms remodeled

LOWER LEVEL

Full remodel of meeting rooms

Remodel of locker rooms and bathrooms

On going improvements to kitchen

Loading dock

COURTYARDS

East walls improved

Access improved

Additional memorial walls

EXHIBIT HALL

Skylights above

Extension of Convention Center

EXTERIOR

Replace plywood panels

Replace curtain wall

Replace roof

General building cleaning/spruce up

Loading dock

other ideas from surveys

SURROUNDING AREA

Tram to Convention Center

Retail on Broadway

Retail on ground floor of parking garages

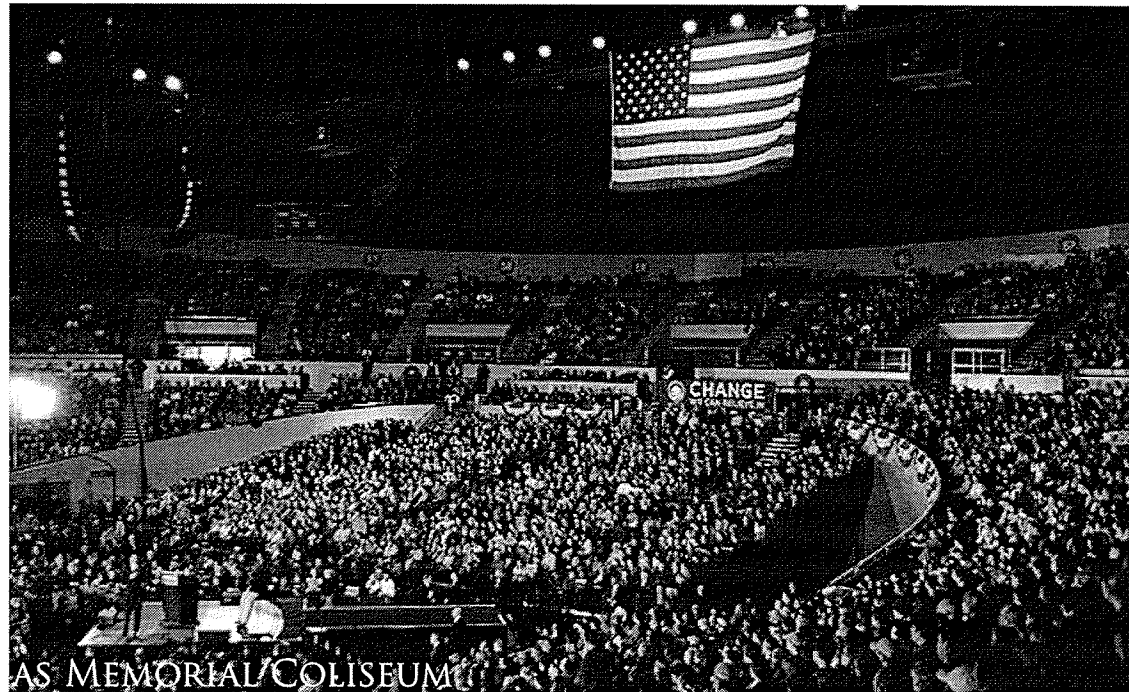
Convention Center Hotel

Fountains

Playgrounds

Mixed use development on Riverfront

Nike Museum



MEMORIAL COLISEUM AS MEMORIAL COLISEUM

- Maximize profitability
- Operate sustainably
- Increase flexibility
- Serve public events
- Revitalize underused spaces
- Preserve architectural history
- Conserve public investment
- Rapidly revitalize through realistic phasing