

EXHIBIT A
MEMORANDUM OF UNDERSTANDING BETWEEN
OREGON ARENA CORPORATION
AND
THE CITY OF PORTLAND

Purpose

The purpose of this Memorandum of Understanding (MOU) is to outline the intentions and understandings of the City of Portland (City) and Oregon Arena Corporation (OAC) with respect to the Memorial Coliseum, the Memorial Coliseum site and the implementation of an Urban Design Plan for the Rose Quarter. It is the understanding of the parties to this MOU that the provisions in this document are not legally binding on either party.

Recitals

1. The Development Agreement between the City and OAC dated November 14, 1992, and as amended, created a structure for the development of various parcels, including the Memorial Coliseum site. A condition precedent to such development of the Memorial Coliseum site by OAC is approval by the City of a Master Plan, as defined in the Development Agreement. The determination by the City that the "Rose Quarter Urban Design Plan and Development Strategy" meets the conditions in the Development Agreement for a master plan and approval as such will be done by separate action of the City Council.
2. The Memorial Coliseum Operating Agreement between the City and OAC dated April 23, 1993, and as amended (Operating Agreement), assigns responsibility for operation and maintenance to OAC and the funding of capital improvements and major repairs to the City.
3. In March 2000, the Portland Development Commission (Development Commission) initiated a study that is the subject of a report entitled "Rose Quarter Urban Design Plan and Development Strategy (Public Review Draft, June 2001)" (Rose Quarter Urban Design Plan). This study is consistent with requirements of the Development Agreement for a Master Plan and is intended to contribute to the City's overall objectives for the Central City Plan and the Convention Center Urban Renewal Plan. A final draft of the Rose Quarter Urban Design Plan is expected to be submitted to and accepted by the City concurrently with the adoption of this MOU, as a guideline for future decision making but not as a legislative or regulatory document.
4. The Rose Quarter is located within the boundaries of the Convention Center Urban Renewal District. The objectives of the Urban Renewal Plan include the development of jobs and business, transportation improvements and mixed-use residential development.

5. In January 2001, the City initiated a financial evaluation of the Memorial Coliseum's operations and capital requirements. The report on that evaluation indicates that the Memorial Coliseum will have diminished value in the future as an arena and trade show venue due to the expansion of the Expo Center and Oregon Convention Center. The draft report further states that it is unlikely that the Memorial Coliseum can operate profitably in the future, although the public benefit of continued operation may warrant some level of public subsidy.
6. The Memorial Coliseum has been an important public facility. The Memorial Coliseum site is home to a veterans memorial and serves as a venue for a variety of private and public organizations and events.
7. The parties to this MOU desire to define the next steps in the planning process and in the evaluation of the Coliseum's future.

Understandings of the Parties:

1. The City and OAC agree that the Rose Quarter Urban Design Plan is aspirational in nature and the City's acceptance there of is not made in its legislative or regulatory capacity and any further development of the Rose Quarter must comply with applicable regulatory requirements of the City.
2. The acceptance of the Rose Quarter Urban Design Plan does not commit the City to make any particular determination with respect to the continued operation or closing of the Memorial Coliseum.
3. The City and OAC acknowledge that the Memorial Coliseum will need to continue to operate for up to three years and that some capital improvements are needed immediately in order to continue such operations.
4. Based upon information available to it at this time, the City acknowledges that for the period beyond the three year period, the Memorial Coliseum must either be closed, or receive substantial capital investment in addition to immediate capital investments mentioned in Paragraph 3 above.
5. The Central City Plan, the Rose Quarter Urban Design Plan and the Convention Center Urban Renewal Plan establish a number of public objectives for development in the area comprising the Rose Quarter. These include, but are not limited to:
 - Development of new jobs and businesses
 - Creation of new housing opportunities serving a variety of incomes levels
 - Improvements to the area's transportation system, including roads, transit, pedestrian networks and bicycle lanes
 - Connecting adjacent neighborhoods with the Rose Quarter

- Re-establish the city street grid to the river
 - Connect the Rose Quarter to the river and the greenway
 - The creation of flexible development blocks which can support mixed use
 - Develop public spaces and parks within the Rose Quarter
 - Celebrate the architectural, social and cultural heritage of the neighborhood and the historic role of the working Willamette River.
6. OAC acknowledges that the Memorial Coliseum has been an important public asset. OAC understands that the City needs a proposal for a development program (Development Program) prior to making a final decision on the Coliseum. OAC commits to work diligently and collaboratively towards a proposal that:
- Is consistent with and furthers public objectives set forth in Paragraph 5; and
 - Is a fair business deal for both the City and OAC.
7. The City commits to address the needs of the current users and to consider the effects of closure on current users in making a decision on the future of the Memorial Coliseum. The City must also consider the status of the Memorial Coliseum as a veteran's memorial. The City anticipates that a new veterans memorial will be necessary in the event a decision is made to close the Coliseum.
8. The City acknowledges that a Development Program for the Memorial Coliseum site should be one that:
- Does not create conflicts with the operations of the Rose Garden Arena; and
 - Is a fair business deal for both OAC and the City.
9. The City and OAC agree that the goal for development of the Memorial Coliseum site is to create public benefits through development that is consistent with and furthers public objectives set forth in Paragraph 5. The City acknowledges that if a Development Program is consistent with and furthers public objectives that it would provide greater public benefit than the continued operation of the Memorial Coliseum.
10. The City and OAC agree that redevelopment of the Memorial Coliseum site will require a cooperative effort. As a first step, OAC, with assistance from the City and the Development Commission, will pursue a work program substantially similar to the program outlined in Exhibit A. The purpose of this program is to create a Development Program for the site that defines the type of development, uses, financing, and phasing of development on the Memorial Coliseum site.
11. OAC agrees to pursue a Development Program for the site for a period of 18 months. If at the end of this period, OAC has not developed a Development Program acceptable to both OAC, and the City and the Development Commission, the parties will jointly determine to either:

- Continue working on a Development Program; or
- Continue operation of the Memorial Coliseum under the terms of the Operating Agreement as it may be modified by the parties.

12. If, after reviewing a proposed Development Program, the City and the Development Commission finds that implementation of the Program would be consistent with and further the public objectives set forth in Paragraph 5, the City intends to declare the Memorial Coliseum available for non-public use development. The parties agree that nothing in this MOU modifies OAC's development rights under the Development Agreement, and the City and OAC acknowledge that amendments to the Development Agreement may be required to facilitate the achievement of their mutual objectives under the Development Program.

OREGON ARENA CORPORATION

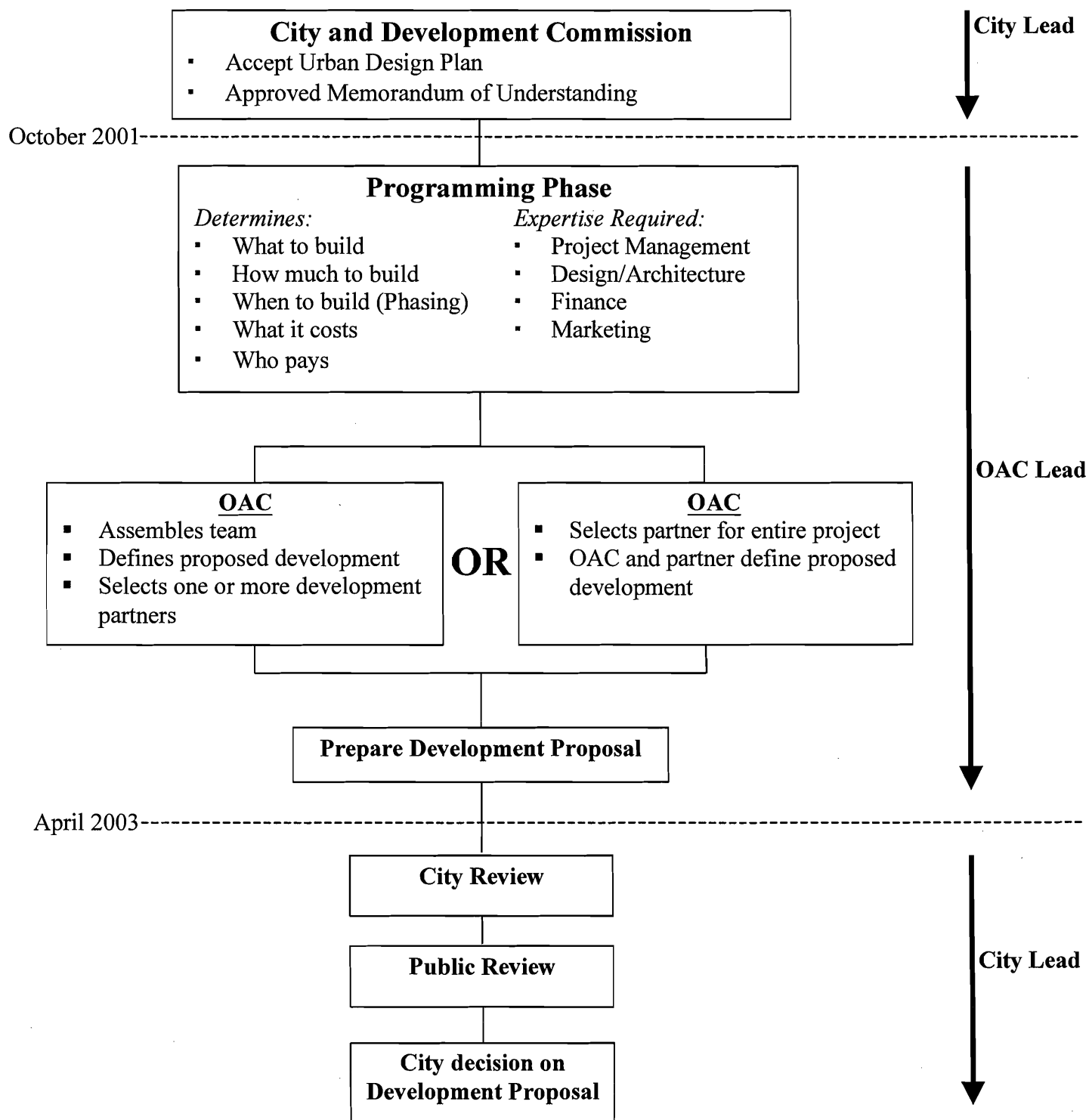
THE CITY OF PORTLAND

BY _____

BY _____

ROSE QUARTER PROJECT

Implementation Actions and Schedule



RESOLUTION NO. 36039

Authorize a Memorandum of Understanding between the Oregon Arena Corporation and the City of Portland. (Resolution)

WHEREAS, in 1992, the City of Portland and the Oregon Arena Corporation (OAC) entered into a development agreement which resulted in the construction of the Rose Garden Arena and City-owned parking structures adjacent to the Arena. The development agreement created a structure for the development of several parcels in the Rose Quarter including the Memorial Coliseum site. The agreement obligates the OAC to produce a master plan for the Memorial Coliseum site, approved by the City, as a precondition to any redevelopment of the site.

WHEREAS, in 1993, the City and OAC entered into an operating agreement which assigned operating and maintenance responsibilities for the Memorial Coliseum to OAC. Under the agreement, the City maintains responsibility for all major repairs and capital improvements.

WHEREAS, in March 2000, the Portland Development Commission initiated a study of the Rose Quarter area intended to provide a general framework for potential redevelopment opportunities in the Rose Quarter area. The study was also intended to contribute to the City's overall objectives for the Central City Plan and the Convention Center Urban Renewal Plan. The result of this effort is a report entitled "Rose Quarter Urban Design Plan and Development Strategy" (the Plan) which will be considered by the Council on October 31, 2001 coincident with this resolution.

WHEREAS, a steering Committee comprised of representatives from adjacent neighborhoods, local businesses, and public institutions in the Rose Quarter area guided and contributed to the study process. On October 3, 2001 the steering committee reviewed and endorsed the final draft of the "Rose Quarter Urban Design Plan and Development Strategy".

WHEREAS, the Plan defines a preferred vision for the Rose Quarter which emphasizes, among other things, re-establishment of the street grid, connections to the river and greenway, connections to adjoining neighborhoods, mixed use zoning, and creation of an open space network. Implementation of the preferred vision would lead to the redevelopment of the Memorial Coliseum site.

WHEREAS, in early 2001, the City engaged a consulting firm to conduct a financial analysis of the Memorial Coliseum. The report concluded that the Memorial Coliseum will continue to play a diminishing role as a sports and event venue due to the expansion of the Expo Center and the Oregon Convention Center, and operation of the Rose Garden Arena. Financial projections indicate that it is unlikely that the Memorial Coliseum can operate profitably in the future.

WHEREAS, in the event that the City decides to close the Memorial Coliseum, the relocation and/or redevelopment of a veterans memorial will be necessary. It is appropriate to begin the planning process for this now.

WHEREAS, the Memorandum of Understanding being authorized by this resolution defines the next steps in the planning process for the Memorial Coliseum site. Under the MOU, OAC will have eighteen months to prepare a development proposal for the site guided by a set of public objectives as defined in the MOU.


NOW, THEREFORE, BE IT RESOLVED that the Mayor is hereby authorized to enter into a Memorandum of Understanding with the Oregon Arena Corporation on behalf of the City in substantially the form attached hereto as Exhibit A.

BE IT FURTHER RESOLVED that the Office of Management and Finance is hereby directed to lead the effort to assess options for the enhancement, relocation and/or redevelopment of the existing veterans memorial at the Memorial Coliseum. Veterans organizations and other interested parties are to be included in this planning process.

Adopted by the Council: OCT 31 2001

Mayor Vera Katz
Office of Management and Finance
Tim Grewe: David Logsdon
October 22, 2001

GARY BLACKMER
Auditor of the City of Portland

By 
Deputy

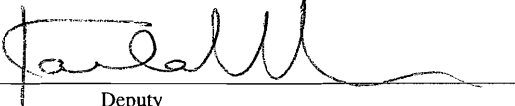

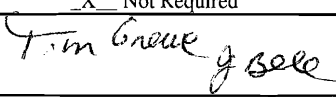
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

Agenda No.

RESOLUTION NO. 36039

Title

Authorize a Memorandum of Understanding between the Oregon Arena Corporation and the City
(Resolution)

INTRODUCED BY	DATE FILED: OCT 26 2001
Mayor Vera Katz	Gary Blackmer Auditor of the City of Portland
NOTED BY COMMISSIONER	By:  Deputy
Affairs	For Meeting of: _____
Finance and Administration 	ACTION TAKEN:
Safety	
Utilities	
Works	
BUREAU APPROVAL	
Bureau: Office of Management and Finance	
Prepared by Date 10/25/01	
David Logsdon	
Budget Impact Review:	
___ Completed ___X___ Not Required	
Bureau Head: 	

AGENDA		FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
				YEAS	NAYS
Consent	Regular X	Francesconi	Francesconi	✓	
NOTED BY 		Hales	Hales	—	
City Attorney		Saltzman	Saltzman	✓	
City Auditor		Sten	Sten	✓	
City Engineer		Katz	Katz	✓	