

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING THE)	RESOLUTION NO. 91-1450
EXECUTIVE OFFICER IN CONJUNCTION)	
WITH THE MAYOR OF PORTLAND TO)	INTRODUCED BY THE
APPOINT AN ARENA TASK FORCE TO)	REGIONAL FACILITIES
CONSIDER THE TRAIL BLAZER PROPOSAL)	COMMITTEE
TO DEVELOP A NEW ARENA AT THE)	
MEMORIAL COLISEUM SITE)	

WHEREAS, the Committee on Regional Convention, Trade and Spectator Facilities (CTS) Plan adopted by the Metropolitan Service District and the City of Portland in May 1986 recommended the Metropolitan Service District as the lead operating agency for regional convention, trade, performing arts and spectator facilities; and

WHEREAS, the Metropolitan Service District through the Metropolitan Exposition-Recreation Commission (MERC) has responsibility for the management of the region's existing facilities pursuant to Ordinance No. 87-225 and the Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities dated December 19, 1989; and

WHEREAS, the Metropolitan Service District established a Public Policy Advisory Committee for Regional Convention, Trade, Performing Arts, and Spectator Facilities which is currently studying long-range needs and financing of regional facilities including the need for a new Arena; and

WHEREAS, the Public Policy Advisory Committee has been charged with providing guidelines for regional funding strategies and fiscal impacts with regard to the existing and future inventory of Public Convention, Trade, Performing Arts and Spectator Facilities,

the work of which is to be concluded by June 30, 1991; and

WHEREAS, the Trail Blazers have announced their intent to build a new Arena, have expressed a preference for a site at or near the present site of the Memorial Coliseum, and have embarked upon a master planning process for the area; and

WHEREAS, it is appropriate that the community consider the Trail Blazers' proposal in a timely manner, involving those entities with a direct interest in this particular site; and

WHEREAS, the Memorial Coliseum facility and site is owned by the City of Portland and managed by the Metropolitan Service District through MERC under an operating agreement with the City of Portland; and

WHEREAS, the Memorial Coliseum facility and site are situated within the Oregon Convention Center Urban Renewal District; and

WHEREAS, the issues raised by the Trail Blazer proposal are interconnected and cross governmental responsibilities necessitating the involvement of both the City of Portland and the Metropolitan Service District; and

WHEREAS, the Trail Blazers have stated their intent to provide the major portion of the Arena's financing, but have acknowledged the need for public investment to make it viable; now therefore,

BE IT RESOLVED,

By the Council of the Metropolitan Service District,

1. That the Portland City Council and the Council of the Metropolitan Service District respectively authorize the Mayor and Executive Officer to appoint an Arena Task Force as shown in Exhibit A.

2. That the mission of the Arena Task Force will be to evaluate and recommend a fair and judicious public investment in a possible public/private partnership for a new arena which maximizes benefits to the citizens of the region while minimizing public costs.

3. That the Metropolitan Service District's Public Policy Advisory Committee communicate with the Arena Task Force on policy criteria for establishing a public/private partnership.

4. That the charge to the Arena Task Force includes, but is not limited to:

a) reviewing specific public investment options for development of the new arena;

b) reviewing current operating agreements between the Coliseum and other MERC facilities and any proposed operating agreements between the arena and other MERC facilities;

c) identifying options to address the expected revenue loss from the existing arena;

d) monitoring the master planning process surrounding the arena, including street, transit, pedestrian, parking and other physical improvements that are proposed in conjunction with the proposed arena;

e) reviewing economic implications of options for the use or re-use of the Coliseum or the redevelopment of the Coliseum site in connection with the construction of the new arena;

f) determining the public's return on its potential investment;

g) issuing a report on the above items by July 17, 1991 to the Metropolitan Service District and the City of Portland.

5. That the Portland Development Commission shall serve as the lead agency for this Arena proposal, including negotiations with the Trail Blazers, as well as lead staff to the Task Force. The Executive Officer of Metro shall assign a lead staff person to the negotiating team.

ADOPTED by the Council of the Metropolitan Service District
this 23rd day of May, 1991.



Tanya Collier, Presiding Officer

REGIONAL FACILITIES COMMITTEE REPORT

RESOLUTION NO. 91-1450, AUTHORIZING THE EXECUTIVE OFFICER IN CONJUNCTION WITH THE MAYOR OF PORTLAND TO APPOINT AN ARENA TASK FORCE TO CONSIDER THE TRAIL BLAZER PROPOSAL TO DEVELOP A NEW ARENA AT THE COLISEUM SITE

Date: May 16, 1991

Presented by: Councilor Knowles

COMMITTEE RECOMMENDATION: At its May 14, 1991 meeting, the Regional Facilities Committee voted 3-0 to recommend Council approval of Resolution No. 91-1450, with the stipulation that the proposed Task Force membership be included with the Resolution when it comes to the full Council. Voting were Councilors Gardner, Buchanan, and McFarland. Councilors Knowles and Bauer were excused.

COMMITTEE DISCUSSION/ISSUES: Committee staff Casey Short and Pam Erickson of the Regional Facilities Department presented the staff report. They pointed out that it is important to have a joint committee because both Metro and the City of Portland have an interest in the arena project. Staff outlined the specific points in the Task Force's charge (#4 in the Resolved section), and added that the Task Force would coordinate its efforts with the Public Policy Advisory Committee through the latter's representation on the Task Force and through the Resolution's direction that the Task Force and Advisory Committee communicate on policy issues. Ms. Erickson further pointed out that the Trail Blazers are conducting - and paying for - a master planning process to identify options for development of the Memorial Coliseum site.

Councilor McFarland referred to the list of organizations to be represented on the Task Force (attached to the Resolution as Exhibit A), and asked who would appoint the group and would the Council confirm those appointments. Executive Officer Cusma responded that she and Portland Mayor Clark would jointly appoint, and that Council would confirm the appointments. Councilor Buchanan asked if there had been discussions with Trail Blazer management about the project. The Executive Officer said that we had communicated through their consultants, Don Barney and Mark Gardiner. She stressed that the Trail Blazers' siting decision is a business decision on their part, based on a market study they had conducted of potential sites throughout the region. It is her understanding that they intend to build the building, but it is unknown who will do the site improvements.

Councilor McFarland asked what this decision will do to the economics of MERC. Executive Officer Cusma cited some history, going back to the 1986 report of the CTS Committee. That report projected that the MERC facilities would be in a deficit situation within five years (from the 1986 date), and the problem of financing those facilities would exist regardless of a decision to build a new arena. The Trail Blazers generate a

significant portion of Coliseum revenues, which support the other facilities. She said that the Trail Blazers need more seating and they will move somewhere to a new facility that will meet their needs.

Executive Officer Cusma referred to discussions she had with Mayor Clark regarding amendments the City would like to see to the Resolution before the Committee. She characterized them as non-substantive, housekeeping amendments that she thought the staff could work out. (They deal with whether the Task Force should issue recommendations or a report, and with language regarding designation of a lead agency to coordinate and negotiate with the Trail Blazers.)

Councilor Gardner asked whether the three counties would make their own appointments. Executive Officer Cusma said that she would ask each County Board Chair to serve or name a designee. Councilor Gardner then reiterated staff's statement that the Task Force was not to negotiate, and asked where the line gets drawn between negotiation and recommendations. The Executive Officer replied that in such an arrangement, we need a designee to speak for all the public agencies. Such a representative will need to represent our best interests, or the deal won't go: Council has the final authority to approve any agreement. Councilor Gardner asked if the Task Force would meet with the Trail Blazers in public meetings; Executive Officer Cusma said that was her expectation.

Councilor DeJardin said that one of the Trail Blazers' reasons for preferring the Coliseum site is that it provides good access. He asked whether this were true. Transportation Director Andy Cotugno said that freeway and transit access (including MAX) are quite good. He added that there have been no problems so far with conflicting events at the Coliseum and Convention Center, and pointed out that the Trail Blazers have hired a traffic consultant to work on the master plan. Councilor DeJardin said that he understood Blazers' previous ownership had made a commitment to locate an arena in Clackamas County. Executive Officer Cusma said that the commitment was to look at the feasibility of a domed stadium in Clackamas County; that had been done and found not feasible at the time (1987). She added that a dome is not Clackamas County's highest priority for a regional facility at this time. Councilor Gardner supported that statement.

Councilor McFarland moved Council approval of the Resolution, with the conditions that a full list of the names of people on the Task Force be included, and that staff review the City's suggested amendments and incorporate them as appropriate. Councilor Van Bergen stated his concern that there was very little time: the Trail Blazers have taken a year and are asking us to make a commitment in six weeks. He would like more time, and more representation from the Council on the Task Force. He suggested that the Regional Facilities Committee represent Metro.

EXHIBIT A

ARENA TASK FORCE MEMBERSHIP

Robert L. Ridgley, Task Force Chair
Former Chair, CTS Committee

Cliff Carlsen, Task Force Vice-Chair
Chair, Public Policy Advisory Committee for Regional Convention,
Trade, Performing Arts and Spectator Facilities

Rena Cusma, Metro Executive Officer

J.E. Bud Clark, Mayor of Portland

David Knowles, Metro Councilor

Mike Lindberg, Portland City Commissioner

Douglas McGregor, Portland Development Commission

Sam Brooks, MERC Commissioner

Harriet Sherburne, Chair, Arena Subcommittee
Public Policy Advisory Committee for Regional Convention, Trade,
Performing Arts and Spectator Facilities

Bonnie Hays, Chair (or designee)
Washington County Board of Commissioners

Ed Lindquist, Chair (or designee)
Clackamas County Board of Commissioners

Gladys McCoy, Chair (or designee)
Multnomah County Board of Commissioners

Bob Ames, President, Port of Portland

Tom Walsh, General Manager-designate, Tri-Met

Bill Scott, President, Pacific Development, Inc.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 91-1450 FOR THE PURPOSE
OF AUTHORIZING THE EXECUTIVE OFFICER TO APPOINT JOINTLY
WITH THE MAYOR OF THE CITY OF PORTLAND
AN ARENA TASK FORCE TO CONSIDER PUBLIC INVOLVEMENT IN THE
FINANCING AND CONSTRUCTION OF A NEW ARENA
IN THE METROPOLITAN AREA

DATE: May 13, 1991

Presented by: Pam Erickson

Background:

In 1986, the Metro Council adopted the Regional Convention, Trade and Spectator Facilities Master Plan, giving Metro lead agency responsibility for these facilities including the Performing Arts Center, Memorial Coliseum, and Civic Stadium.

The recommendations contained in the CTS Master Plan created the vision for the future facility needs of the region. One of those recommendations was to build a new arena. The current arena is too small to meet the needs of a metropolitan region of our size. The Coliseum is an old building in need of significant capital improvement.

During the past year the Trail Blazers have conducted their own study of the potential for a new arena. On May 6, they announced their intention to build a new arena in the vicinity of the current Memorial Coliseum. The Blazers estimate that the cost of this project will range between \$125 million and \$150 million. While the project will be primarily financed by private investment, the Blazers indicated they will seek to form a partnership with appropriate public agencies within the region to help meet the total cost. The nature and extent of public investment is undetermined at this time.

Council Resolution 91-1450 authorizes the Executive Officer to appoint jointly with the Mayor of the City of Portland an Arena Task Force to advise and make recommendations to the Metropolitan Service District and the City of Portland on the terms, conditions, and amount of any public investment in the development of a new arena.

The Task Force's work will need to be coordinated with efforts currently underway by the Regional Facilities Study. The Metro Council adopted Resolution No. 90-1243 which established the

Public Policy Advisory Committee for Regional Convention, Trade, Performing Arts, and Spectator Facilities. This committee was charged with developing recommendations on funding for these regional facilities and determining the need for other facilities such as a new arena or stadium. The Advisory Committee is currently completing its work and is scheduled to present a final report by June 30, 1991.

The new Task Force is needed in addition to the current Public Policy Advisory Committee. The primary reason is that it must be created by both the City and Metro since both our jurisdictions have interests in the Coliseum site. The Public Policy Advisory Committee is only a Metro committee. A second reason is that a group is needed with a very narrow focus to the particular situation at the Coliseum site.

Specific provisions have been made to ensure the two groups coordinate and do not perform the same functions. First, the Chair of the Public Policy Committee and the Chair of the Arena Subcommittee will be on the Task Force. Second, the Public Policy Committee will communicate policy criteria for establishing a partnership to the Task Force.

Proposed Task Force

- The Task Force will represent the interests of both Metro and the City of Portland to develop recommendations for a public investment in a new arena.
- Recommendations will be presented to the Metro Council and the Portland City Council.
- The Task Force will review various investment options, including a return on the investment, current and proposed operating agreements, options for addressing any possible revenue loss to the Coliseum, options for re-use of the Coliseum, and monitor the masterplanning process for physical changes to the area.
- The Task Force will be staffed by a staff partnership consisting of Metro and MERC staff working with PDC staff which is the City's lead agency.

Executive Officer's Recommendations

The Executive Office recommends that the Council approve Resolution 91-1450 authorizing the appointment of an Arena Task Force by Metro and the City of Portland to consider public involvement in financing and construction of a new arena.

*Amended at
Council 5/23/91*

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f) determining the public's return on its potential investment;

g) providing advice and recommendations on the above issues by July 17, 1991, to the Metropolitan Service District and the City of Portland to provide guidance to the timing, terms, conditions, and amount of any public investment in the development of the arena.

5. That research, planning, and other staff support to the Task Force shall be undertaken as a partnership between the Metropolitan Service District and, acting as the City's lead agency, the Portland Development Commission.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1991.

Tanya Collier, Presiding Officer

EXHIBIT A

The following agencies or organizations will be represented on the Arena Task Force. While the names of individuals are not known at this time, the full list of names will be available prior to Council action on this resolution.

Executive Officer, Metropolitan Service District
Mayor, City of Portland
Metro Council
Portland City Council
Portland Development Commission
Metropolitan Exposition-Recreation Commission
Clackamas County
Washington County
Multnomah County
Public Policy Advisory Committee for Regional Convention,
Trade and Spectator Facilities
Committee on Regional Convention, Trade and Spectator
Facilities (CTS)