

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ACCEPTING) RESOLUTION NO. 98-2690
THE FINAL REPORT OF THE MERC) Introduced by:
CIVIC STADIUM ADVISORY COMMITTEE) Regional Facilities Chair
) Ruth McFarland
) Metro Executive Officer
) Mike Burton

WHEREAS, In July 1997, the Metropolitan Exposition-Recreation Commission (MERC), charged with operating Civic Stadium on behalf of Metro and with the responsibility to make recommendations on major capital and funding issues for the Stadium, appointed a Civic Stadium Advisory Committee, comprised of a distinguished group of fifteen committed citizen and business leaders, to craft and recommend to MERC a credible plan for the Stadium's future, including funding options; and

WHEREAS, The Advisory Committee produced a realistic, cost-effective plan to retain this classic, historic facility, assure its financial viability, and preserve the widest options for current and future uses, including major league soccer and major league baseball; and to make Stadium the cornerstone for revitalization of the surrounding neighborhood through the creation of a *Stadium District*; and


WHEREAS, The Metro Council recognizes that MERC adopted the Civic Stadium Advisory Committee's plan on May 13, 1998; and


WHEREAS, The Metro Council further recognizes the urgent need to rehabilitate Civic Stadium so that it can regain financial stability and continue to serve as a vital community resource; now, therefore,

BE IT RESOLVED,

1. That the Metro Council accepts the report and recommendations of the MERC Civic Stadium Advisory Committee attached in Exhibit A.
2. That the Metro Council pledges to work with MERC and the members of the Advisory Committee to ensure implementation of the plan for Civic Stadium's modernization.

ADOPTED by the Metro Council this 13th day of August, 1998


Jon Kvistad, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

RESOLUTION NO. 98-2690

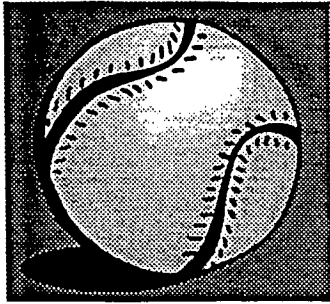
EXHIBIT A

Report of the Civic Stadium Advisory Committee

to the

Metropolitan Exposition Recreation Commission

May 13, 1998



HISTORIC CIVIC

A modernized Civic Stadium would be surrounded by a revitalized Stadium District featuring housing, neighborhood retail and off-street parking

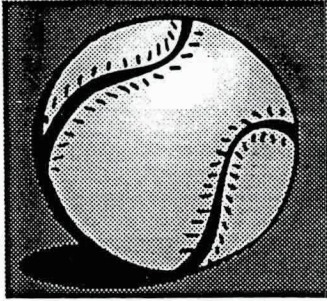


A grass field will make Civic Stadium an appealing soccer venue with a strong fan base.

- Improved dugouts for baseball that allow players to see the action and fans to see the players and their coaches;
- Wider concourses to allow improved fan access to concessions and improved concessions;
- Updated and enlarged restrooms;
- A new, digital scoreboard;
- Centerfield facilities that provide convenient concessions for stadium events and can be used as a unique restaurant and in-city conference facility on non-event days;
- Use of low-demand event seating areas for in-bowl concessions and the addition of a family-oriented amusement center;
- Improved sound system and interior lighting;
- Mobile concert stage and amphitheater seating system that is compatible with a grass field;
- Alternative facilities to house displaced Stadium activities; and
- Structural improvements and enhancements to comply with seismic and Americans with Disabilities Act code requirements.

Public/private investments to **CREATE A STADIUM DISTRICT** that links Civic to its surrounding neighborhood, generates ridership for light rail and enhances the existing community. Investments might include:

- More housing, including affordable and market-rate units;
- Neighborhood retail that is consistent with Stadium activity and neighborhood needs;
- Structured, off-street parking; and
- A street closure plan that permits use of a plaza surrounding the Stadium on major event days with more than 10,000 spectators.



HISTORIC CIVIC

Basic improvements to Civic Stadium might cost up to \$45 million – far less than starting over and a bargain for a facility with modern features

ENTREPRENEURIAL PUBLIC/PRIVATE INVESTMENTS that add value to the Stadium or the surrounding neighborhood, but are not essential or immediately needed for Stadium financial success.

Improvements might include:

- Skyboxes;
- Retail or commercial establishments that abut or share space with an enlarged Stadium footprint; and
- Structural reinforcements that would permit the addition of a second deck for a Major League Baseball or National Football League team.

THE COST

Basic improvements to Civic Stadium and structured parking might cost \$45 million. Stadium District and value-added improvements would be subject to market demand and investor interest.

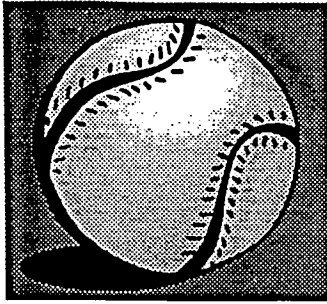
SOURCES OF FINANCING

A mixed funding plan would be pursued that attempts to obtain contributions from all significant stakeholders.

The City of Portland, which owns Civic Stadium, is a significant stakeholder. Among its interests are the financial viability of the Stadium, retention of the region's major outdoor venue in the central downtown area and preservation of housing near downtown.

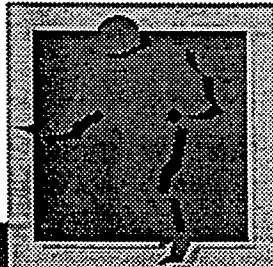
Metro and MERC are significant stakeholders because of an intergovernmental agreement with the City to operate the Stadium.

Portland State University, including its students, faculty and alumni, are significant stakeholders because the university plays football and baseball games in the Stadium. No other stadium with enough seating exists in the Portland area for PSU to play university-level football.



HISTORIC CIVIC

A funding plan would be developed that reflects the interests of significant stakeholders and seeks contributions commensurate with that interest



Retractable left and center field seating will add quality midfield seats for both football and soccer

The State of Oregon is a significant stakeholder. If Civic Stadium became financially non-viable through the loss of professional baseball as a tenant, the state may be forced to find PSU another, less affordable venue to play football.

The Portland Rockies baseball team is a significant stakeholder. It operates a successful professional baseball franchise at Civic Stadium.

Interscholastic high school sports programs are a significant stakeholder. Civic Stadium provides the only major venue in Portland for well-attended high school football games, including playoffs. A grass field at Civic may reduce the number of games high school teams are allowed to play there.

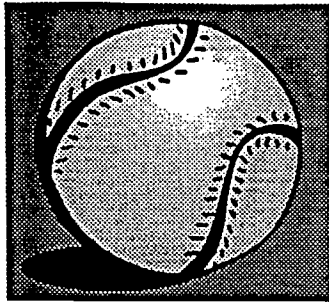
Commercial vendors are a significant stakeholder. They operate profitable businesses that depend on a viable Stadium operation and events that attract fans. An enhanced Stadium could increase sales and profits.

Spectators who attend events at Civic Stadium are significant stakeholders. Many of them may not be able or willing to attend outdoor events elsewhere.

Corporations and businesses that advertise or entertain clients at the Stadium are significant stakeholders. The greatest number benefit by a centrally located, accessible outdoor facility.

Tri-Met is a significant stakeholder because of the MAX line and its ownership of property in the proposed Stadium District.

Adjoining private and public property owners are significant stakeholders that could be partners in mutually beneficial development activities.

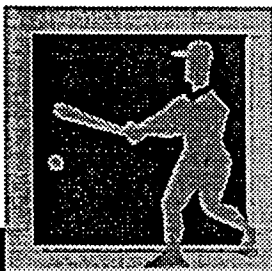


HISTORIC CIVIC

Improvements to Civic Stadium would be made to attract more events and more fans and to solidify the facility's financial future

The funding plan should reflect this mix of stakeholders and seek appropriate contributions from each. Since Civic Stadium is and will remain a community-use facility, the modernization funding plan should possess a community character as well.

THE RETURN



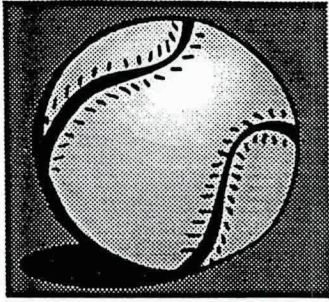
Closer seats, a lively, colorful scoreboard and new dugouts will enhance baseball at historic Civic

Our region will have a classic-looking stadium with modern conveniences, situated in a revitalizing area along a MAX line connecting Gresham and Hillsboro to downtown Portland.

Modernization of Civic Stadium, performed with a sensitivity to historic structures and design, can yield for Portland what Baltimore, Cleveland, and Denver built from scratch – for far more money and for a single proprietary use.

An appealing, convenient, family-friendly outdoor venue will assist existing and potential future tenants of Civic Stadium to attract larger crowds. Those features, plus a grass playing surface and adequate seating, will enable the operators of the Stadium to market the facility for more commercially profitable events, such as big-time soccer, concerts and exhibition Major League Baseball and National Football league games. Larger attendance at Stadium events will enhance the financial viability of the Stadium as a community-use facility.

The addition of contemporary Stadium and arena features such as a digital scoreboard, illuminated advertising, improved concessions and a family-oriented amusement center will produce additional revenue to sustain Stadium operations. Construction of a centerfield facility that doubles as an event-day concession area and as a restaurant and in-city conference center on non-event days offers a solid opportunity to increase Stadium use, including in winter months, and build greater interest in and support for its operations.



HISTORIC CIVIC

Modernization of Civic Stadium is the only realistic, immediate and cost-effective option for our community to pursue at this time

Creation of a Stadium District places improvements in Civic Stadium in a community context that add value to – instead of subtracting from – an existing neighborhood. An improved Stadium and revitalized area will combine to generate increased ridership for light rail.

Improvement of Civic Stadium opens rather than closes the door to future sports-related opportunities in Portland and sets the standard by which the community will judge those future opportunities.

A CAPITAL BUDGET

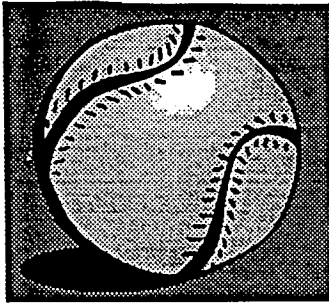
The two significant stakeholders with the most exposure – the City of Portland which owns the Stadium and the State of Oregon/PSU which requires the Stadium as its home football field – each should be responsible for one-third of the projected cost of improvements.

The final one-third should come from a combination of the remaining public and private stakeholders through such financing avenues as naming rights to the Stadium, mutually beneficial development, tenant and commercial vendor investments, sponsorships and spectator user fees.

RECOMMENDED ACTION

Modernization of Civic Stadium should be pursued because this is the only realistic, immediate and cost-effective opportunity our region has to retain a major outdoor venue and assure its financial viability. Community use of the Stadium in a revitalizing district within an existing neighborhood is a course consistent with the region's future vision, the City's downtown plan and the public's investment in public transportation.

We recommend that the Metropolitan Exposition-Recreation Commission, working with the City of Portland, Metro and other stakeholders, pursue this plan to secure the necessary financial support



HISTORIC CIVIC

Adding facilities that expand event concessions
and double as a unique, in-city conference center
create new financial opportunities for Civic

to begin implementation of the proposed improvements. MERC also is encouraged to pursue marketing activities with our partners for Stadium modernization, creation of the Stadium District and recruitment of one or more major new tenants.

THE COMMITTEE

This recommendation was adopted by the Civic Stadium Advisory Committee appointed by MERC to forge a clear vision of the future for Civic Stadium and develop a consensus on what to do.

The committee was co-chaired by:

Ruth McFarland, Metro Councilor and Regional Facilities Chair
Pamela Erickson, Director of the Oregon Liquor Control Commission

Members of the committee were:

Len Bergstein, co-chair of the Mayor's Baseball Commission
Sam Brooks, Sam Brooks and Associates and former MERC Chair
Jack Cain, co-owner of the Portland Rockies
Gary Conkling, MERC Chair
Bruce Fery, Heathman Management Group
Tim Grewe, City of Portland Chief Financial Officer
Craig Honeyman, Executive Director of Associated General Contractors
Henry H. Lazenby, Legal Counsel to Governor John Kitzhaber
Mike Lindberg, Oregon Symphony Foundation
Bob Naito, Citizen
Sharon Paget, Goose Hollow Neighborhood Association
Jim Sterk, Athletic Director for Portland State University
Steve Tidrick, General Manager of the Multnomah Athletic Club

Staffing the committee were:

Mark Williams, General Manager of MERC; **Maria Rojo de Steffey**, Manager of Civic Stadium; **Denyse Peterson**, MERC Executive Secretary; **Mark Hunter**, Capital Projects Manager; **Pamela Creevey**, Development Projects Manager; **Faye Brown**, Director of Fiscal Operations; **Norm Kraft**, Assistant Director of Fiscal Operations; **Mike Carrico**, Senior Event Coordinator; **Eric Erickson**, Operations Manager.

REGIONAL FACILITIES COMMITTEE REPORT

**CONSIDERATION OF RESOLUTION NO. 98-2690 FOR THE PURPOSE OF
ACCEPTING THE FINAL REPORT OF THE MERC CIVIC STADIUM ADVISORY
COMMITTEE**

Date: August 11, 1998

Presented by: Councilor McFarland

Committee Action: At its August 5, 1998 meeting, the Regional Facilities Committee voted 2-0 to recommend Council adoption of Resolution No. 98-2690 . Voting in favor: Councilors McCaig and McFarland.

Committee Issues/Discussion: There was no staff presentation, nor committee discussion of this resolution. The Civic Stadium Advisory Committee was appointed by MERC in July 1997, and issued its final report to MERC in May 1998. Among its conclusions are that the stadium should be modernized at an approximate cost of \$45 million, that a variety of tenants are likely to use a modernized stadium, that multiple stakeholders should share in the costs of the modernization, and that the surrounding neighborhood could benefit from stadium improvement.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 98-2690 FOR THE PURPOSE OF ACCEPTING THE FINAL REPORT OF THE MERC CIVIC STADIUM ADVISORY COMMITTEE

Date:

**Presented by: Gary Conkling
Mark B. Williams
Maria Rojo de Steffey**

PROPOSED ACTION

Resolution No. 98-2690 provides for Metro to accept the final report of the MERC Civic Stadium Advisory Committee

BACKGROUND AND ANALYSIS

Civic Stadium made significant progress over the past five years under the 1994 and 1996 Business Plans in achieving financial stability by reducing costs and raising revenue. However, this progress was achieved in large measure by deferring capital improvements which have now become urgent if Stadium is to continue to attract business and serve the community.

The financial situation of the Stadium has reached a crisis point: current reserves are projected to run out within two years, or sooner if urgent capital projects are undertaken. Unless adequate funding is secured, the facility may be forced to close.

To address this situation, in July 1997 MERC appointed a high-profile advocacy body to assist MERC in formulating a viable plan for the future of Civic Stadium, including the identification of funding options, and to help mobilize public and private sector support for the facility. "Civic Stadium Business Plan – Phase II: Beyond the year 2000," produced in 1996, provided the framework for the Advisory Committee's efforts.

The individuals who served on the Advisory Committee are leaders and visionaries who represent a broad cross-section of the public and private sectors. The expertise, time and dedication that they brought to the task bode well for Civic Stadium's future.

The plan produced and unanimously adopted by the Advisory Committee on April 22, 1998 was adopted by the Metropolitan Exposition-Recreation Commission on May 13, 1998. The plan calls for converting historic Civic Stadium into a self-sustaining, contemporary, outdoor venue with a classic appearance that is suitable for professional baseball, collegiate and high school football, professional and amateur soccer, concerts and other compatible spectator and conference uses. Modernization of Civic Stadium would be the cornerstone of a Stadium District that adds affordable housing, neighborhood retail and off-street parking. The plan also calls for additional

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entrepreneurial public/private investments that add value to the Stadium and the surrounding neighborhood.

The plan calls for a \$45 million package of initial improvements, with substantial contributions from the City, the State and all other major stakeholders.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 98-2690.