

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 98-26

Accepting the final report of the MERC Civic Stadium Advisory Committee.

The Metropolitan Exposition-Recreation Commission finds that:

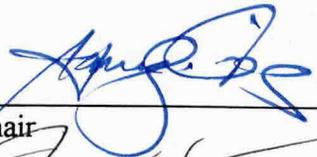
1. The Commission is charged with the operation and marketing of Portland Civic Stadium by Metro and by the Stadium's owner, the City of Portland. The Commission has been further charged with the responsibility to make recommendations on major capital and funding issues for the Stadium.
2. In July 1997, MERC 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.
3. The Committee has fulfilled its mandate. The final report contains a plan to convert 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 calls for a mixed funding plan that attempts to obtain contributions from all significant stakeholders.
4. The plan represents a viable strategic vision for Civic Stadium, one that MERC may realize in cooperation with its private and public sector partners. The members of the Advisory Committee have pledged to work with MERC and all Civic Stadium stakeholders to secure funding for the plan and ensure its implementation.

BE IT THEREFORE RESOLVED AS FOLLOWS:

1. The Commission accepts the final report of the Civic Stadium Advisory Committee, which is attached hereto as Exhibit A;
2. The Commission directs its staff to report the Commission's acceptance of the final report to the Commission's public and private partners, and move forward to implement the recommendations contained within it.
3. The Commission extends its thanks and appreciation to those citizens who graciously donated their time, effort, and expertise as members of the Civic Stadium Advisory Committee.

MERC Resolution No. 98-26
Page 2

Passed by the Commission on May 13, 1998


Chair


Secretary/Treasurer

Approved as to Form:
Daniel B. Cooper, General Counsel

By: 
Kathleen Pool
Senior Assistant Counsel

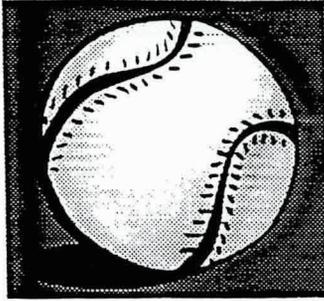
EXHIBIT A

Report of the Civic Stadium Advisory Committee

to the

Metropolitan Exposition Recreation Commission

May 13, 1998



Historic Civic Stadium

Recommendations for Modernizing a Classic

GOALS

Convert 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.

Make modernization of Civic Stadium the cornerstone of a Stadium District that adds affordable housing, neighborhood retail and off-street parking consistent with the existing Goose Hollow neighborhood and supportive of financially successful operation of Civic Stadium as a community-use facility.

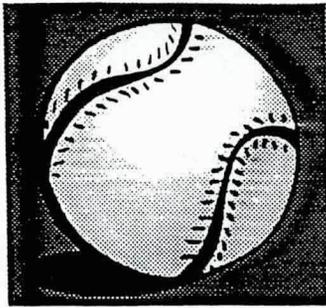
THE PLAN

To modernize Civic Stadium and its surrounding area in three distinct ways.

BASIC STADIUM IMPROVEMENTS that might include:

- A modern grass playing surface that is convertible and durable enough to permit a mix of uses;
- Retractable left and center field seating that adds quality seats for football and soccer and allows rapid conversion of the field for alternate uses;
- Reconfigured seating near homeplate and the infield area to provide a more intimate baseball seating environment and added box seats;
- Mechanical systems that permit rapid, inexpensive field conversion;
- Improved locker room and personal training facilities;





HISTORIC CIVIC

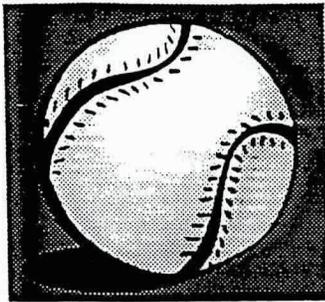
A modernized Civic Stadium would be surrounded by a revitalized Stadium District featuring housing, neighborhood retail and off-street parking



- 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.

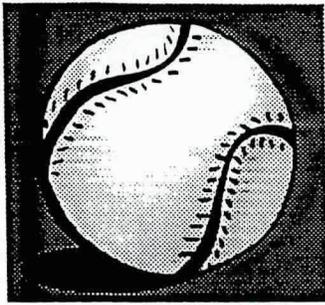
SOURCES OF FINANCING

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

71

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.

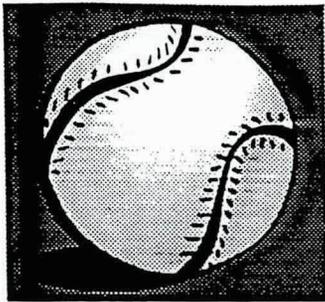
Commercial vendors are a significant stakeholder. They operate profitable businesses that depend on a viable Stadium operation and events that attract fans. An enhanced Stadium could increase sales and profits.

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.



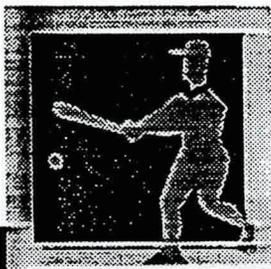
HISTORIC CIVIC

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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



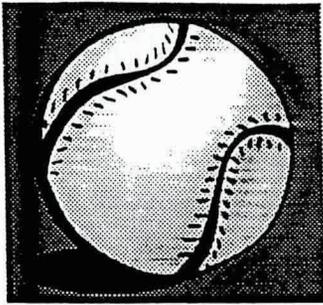
Closer seats, a lively, colorful scoreboard and new dugouts will enhance baseball at historic Civic

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

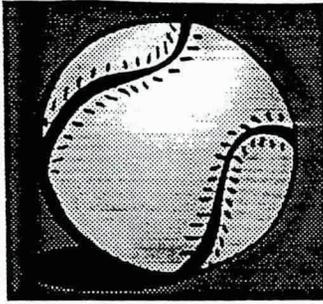
The two significant stakeholders with the most exposure – the City of Portland which owns the Stadium and the State of Oregon/PSU which requires the Stadium as its home football field – each should be responsible for one-third of the projected cost of improvements.

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.

MERC Staff Report

Agenda Item/Issue: Accepting the final report of the Civic Stadium Advisory Committee.

Resolution No.: 98-26

Date: May 13, 1998

Presented by: Maria Rojo de Steffey
Councilor Ruth McFarland, Civic
Stadium Advisory Committee Co-
Chair

Background Analysis: The Commission is charged with the operation and marketing of Portland Civic Stadium by Metro and by the Stadium's owner, the City of Portland. The Commission has been further charged with the responsibility to make recommendations to the City on major capital and funding issues for the Stadium managed by the Commission on the City's behalf.

Resolutions passed by the City of Portland, Multnomah County and Metro in late 1996 and early 1997 found that continued regional operation of the MERC facilities is in the best interests of the facilities themselves and the region as a whole. In these resolutions, Metro accepted primary capital responsibility for Metro-owned facilities, while the City of Portland accepted primary capital responsibility for the City-owned facilities, including Civic Stadium.

The financial situation of the Stadium has been rapidly reaching 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. While Civic Stadium made significant progress under the 1994 business plan in achieving financial stability by reducing costs and raising revenue, 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 effectively serve the community.

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 to assist with the formulation of a new Stadium strategic plan.

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 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 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.

Next steps for implementation of the Plan: Having completed its mandate, the Committee has disbanded. However, each of the members have pledged to work with MERC to ensure the plan's implementation. Following acceptance of the Committee's Plan by the Commission, it will be presented to Metro and the Portland City Council. The next step will be securing funding for the Plan.

Fiscal Impact: There is no immediate fiscal impact resulting from this resolution.

Recommendation: Staff recommends approval of Resolution No. 98-26, accepting the final report of the Civic Stadium Advisory Committee and directing staff to move forward to implement the recommendations contained within it.