



DATE: July 7, 2010

TO: Rose Quarter Stakeholder Advisory Committee
(RQSAC)
Chair Andrews
Commissioner Wilhoite
Commissioner Mohlis
Commissioner Straus

COPY: Mayor Sam Adams

FROM: Kevin M. Brake (brakek@pdc.us)

SUBJECT: Rose Quarter Development Project - Next Steps

Introduction:

For the last three weeks, the City of Portland (City) and Portland Development Commission (PDC) have held detailed conversations with the three finalist Coliseum concept teams—VMAAC, MARC and Trail Blazers/Winterhawks. The intent has been to develop a collaborative proposal that adopts the strongest aspects of each concept to enhance the overall community benefit and financial viability of the Coliseum while respecting the Veteran's Memorial and the building's architectural integrity. If members of the SAC have input on the approach to the next steps outlined in this memo, please contact Kevin Brake (brakek@pdc.us) with your input or concerns.

What We Learned:

While commonalities and strengths of each team were identified, a truly collaborative proposal that represents all of the proposed programming is not possible within the walls of the Coliseum. The City-PDC staff team has concluded that there is not enough space in the Coliseum to accommodate the entire proposed program from the three concepts nor is there enough public funding to make all concepts a reality. City and PDC staff are actively reviewing the individual elements of each of three finalist proposals, focusing on those elements that have the broadest public support and are the most financially viable. The objective of this effort by staff is to prepare a synthesis proposal for public discussion. As previously planned, the Memorial Coliseum future will be determined in an iterative fashion based on the development strategy for the entire

district, and the RQSAC will be the front line in providing input on the district development strategy as we move into the next phase of the process.

Concurrently, the City and PDC have determined that it is necessary to begin the as-planned discussion about the development potential for the entire Rose Quarter. This approach will allow the City and PDC to target the appropriate program for the Coliseum in the context of available public funding as well as determine whether some compelling programmatic elements that have been proposed for the Coliseum could be integrated with future development in the surrounding Rose Quarter. The Coliseum remains the heart and soul of the Rose Quarter, and finding a way to revitalize it is a necessary part of any future Rose Quarter development.

Available Public Subsidy:

The Rose Quarter is located within the OCC URA (Oregon Convention Center Urban Renewal Area). The OCC URA currently has \$5.4M allocated in future fiscal years for Rose Quarter revitalization and up to \$15M available through an alternative financing structure to access remaining maximum indebtedness.

A study (called the N/NE Economic Development Initiative) is currently underway to consider a boundary amendment to the Interstate Corridor Urban Renewal Area (ICURA). A boundary change could allow for additional investment in the Rose Quarter beyond the available resources of the OCC URA. The exact amount of funding available has not yet been determined and will be contingent in part on the taxable private investment proposed in the district. The decision on the boundary amendment is expected to be made later this fall, following completion of the Rose Quarter Development Strategy. Completion of the Rose Quarter Development Strategy will allow ICURA stakeholders to better understand the proposed development, the public funding request in comparison to the proposed private investment, and the extent of community benefits to be generated. The timeline for the ICURA boundary change decision is spring 2011.

Recommended Next Steps:

1. Postpone the decision on the Coliseum and move to the Rose Quarter Development Strategy work so that the broader district can inform the final program and design of the Coliseum.
2. Host a public Bright Lights Event on July 12th to provide an opportunity for the community to have an early look at Portland Arena Management's (PAM) thinking about future Rose Quarter development.
3. Begin discussions between PAM, the City and PDC about a partnership for preparing a Rose Quarter Development Strategy based on PAM's existing development rights.
4. Brief the RQSAC on all aspects of the Rose Quarter (Rose Quarter 101) at their July 26th meeting in preparation for an August RQSAC workshop during which members will provide feedback on the first iteration of a Rose Quarter Development Strategy presented by PAM.

Upcoming SAC meetings:

July 12 – Bright Lights	Gerding Theater	5:30 – 9:00pm
July 26 – SAC meeting 14 (RQ Process Kickoff)	PDC	5:00 – 7:00pm
Aug 10 – SAC meeting 15 (RQ workshop)	PDC	TBD (1/2 day)
Sep 14 – SAC meeting 16 (RQ plan review)	PDC	5:00 – 7:00pm