

Memorial Coliseum Renovation Snapshot

1/12/2010

Purpose:

This analysis is based on the **2009 Memorial Coliseum Baseline Conditions Report** findings, and is in response to the Stakeholder Advisory Committee (SAC) request that City Staff understand the cost to upgrade the Memorial Coliseum and retain it as a spectator facility. The improvements identified in this analysis include necessary safety, code and major systems replacement, as well as recommendations for improvements that could increase the marketability of the venue. There is a concurrent public process underway which is a “call for concepts” to renovate or adaptively re-use the facility.

Summary of Findings:

The estimated cost to renovate the Memorial Coliseum to retain the existing tenant mix and upgrade essential systems (Base Case Updates) is approximately \$7.4 Million, which includes design and permitting. The full list of potential improvements including sustainability and marketability upgrades is approximately \$33.8 Million, as outlined in detail in Appendix E of the Baseline Conditions Report.

History:

Financed by an \$8 million bond approved by voters in 1954, construction was completed by Hoffman Construction in 1960 and it was dedicated on January 8, 1961, to the "advancement of cultural opportunities for the community and to the memory of our veterans of all wars who made the supreme sacrifice." The facility is 100 ft tall and has a footprint of about 3.1 acres. The building was designed by architecture firm Skidmore, Owings & Merrill. The building has been listed on the National Register of Historic Places due to its architectural significance as a mid-century modern arena, and the fact that it reaches 50 years of age in 2010.

Deferred Maintenance / Building Condition:

The building is in need of substantial upgrades to the major systems including; plumbing, electrical, and mechanical. A majority of the extant systems are original to the building and are nearing or have reached the end of their useful life. The **Memorial Coliseum Baseline Conditions Report**, completed in December 2009, has established the existing condition of the building based on visual observations, interviews of building managers, City staff, architects, and Hoffman Construction. Based on the preceding set of information the consultant team has established a prioritized list of improvements that would be required to update the facility and bring the building up to current building standards, as well as some improvements that could increase the marketability of the space to event promoters. A more extensive list of improvements is also outlined in Technical Memorandum E – Cost Estimates, which includes many more renovation items that are not required by code or necessity, but would increase the sustainability and functionality of the building. The improvements outlined in this snapshot represent the minimum improvements that would be required to maintain the current tenant mix in the facility, the consultant team also recommended a range of additional improvements that would increase the marketability of the facility to events that generate more revenue than the existing mix of events that utilize the facility. The marketability improvements have not been designed, and therefore do not have costs associated with them.

Base Case Updates		
Item	Why needed?	Hard Cost
Partial replacement of plumbing domestic, waste, and vent piping	Continued service to restrooms and for other public use	\$725,625
Inspect and test power supply system	Necessary to ensure reliability of system	\$50,000
Upgrade handrails & guardrails at arena & concourse	Fire life safety issue / Code	\$205,110
Replace ice rink concrete flooring and cooling piping	To maintain operable ice rink for major tenant	\$1,200,000
Revise and upgrade fire sprinkler coverage at lower level and concourse	Update to current codes	\$218,010
Seismic restraint of electrical equipment	Update to current codes	\$45,000
Seismic restraint of mechanical equipment	Update to current codes	\$161,250
Rebuild or replace existing air handling systems	Maintenance and air quality	\$967,500
Electrical improvements to meeting rooms	To create a more marketable space	\$200,000
Upgrade electrical in large exhibit hall	To create a more marketable space	\$490,000
Replace door hardware	ADA/ Fire life safety issue /Code	\$245,100
Replace emergency lighting	Fire life safety issue /Code	\$325,000
Replace arena roll-up doors	Operations	\$69,300
Replace freight elevator	Operations	\$250,000
Upgrade kitchen	Operations	\$250,000
Seat replacement in bowl (9,100 seats)	To create a more marketable space	\$300,000
	<i>update subtotal</i>	<i>\$2,129,400</i>
	Subtotal	\$5,701,895
	Soft costs (at 30%)	\$1,710,568
	Total	\$7,412,463

Marketability Updates (no costs associated)	
Item	Why Needed?
Reduced Seating Capacity	In the case of Memorial Coliseum, two strategic improvements which would better position the venue in the events market are a reduction in seating capacity from a maximum of 12,000 seats to a maximum of 5,000—7,000 seats, and the development of premium seating (either luxury suites or club seating depending on a market study and engineering assessment).
Increase Structural Load Capacity	The building's roof structure can only accommodate 60,000 lbs. of additional loading (lighting, backdrops, etc.). Industry standard these days is a minimum of 80,000 – 90,000 lbs. with large shows requiring up to 150,000 lbs. The Coliseum loses certain shows due to these limitations. This is an essential feature of the building and not an element that is easily upgraded.
Loading dock	The building was designed without a loading dock to accommodate the flow of Rose Parade floats through the building. This omission results in additional time (and consequently money) required to load shows in and out. This is an essential feature of the building and not an element that is easily upgraded.
Concession areas	due to their locations under seating bowl, ducted ventilation of kitchen hoods is impossible, consequently nothing can be cooked on site. This is an essential feature of the building and not an element that is easily upgraded. Additionally, one permanent concession stand is available at arena level. This could be augmented by providing additional portable stands.

*Source: Boora Architects, KPFF Consulting Engineers, Glumac, and Hoffman Construction Company. See Baseline Conditions Report Technical Memoranda C, D, and E for details

Note: Figures do not account for cost escalation (for hard costs). Hoffman Construction estimates cost escalation to be approximately 5% per year. Technical Memorandum E includes estimated cost escalation for all improvements—baseline and improvements for a fully upgraded facility.

City Revenue / Expenses (10 year history):

REVENUES:	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
User Fees	153,917	172,629	197,206	203,645	181,769	202,361	198,474	242,678	272,286	157,363
Parking Fees	348,107	344,003	290,271	262,138	219,094	258,156	268,015	243,915	286,715	257,094
Total Revenues	502,024	516,632	487,477	465,783	400,863	460,517	466,489	486,593	559,001	414,457
EXPENSES:										
Parking Operations	56,786	63,815	73,780	48,090	49,271	65,137	72,251	59,062	66,775	97,549
Repairs/Improvements	108,574	49,940	974,571	165,869	108,906	57,025	68,532	756,767	569,991	335,325
Pro Services / Miscell.	0	0	125,146	201,162	0	0	0	0	31,288	3,851
Total Expenses	165,360	113,755	1,173,497	415,121	158,177	122,162	140,783	815,829	668,054	436,725
Net Income to City	336,664	402,877	(686,020)	50,662	242,686	338,355	325,706	(329,236)	(109,053)	(22,268)