



Rose Quarter Development Project

Stakeholder Advisory Committee (SAC) Meeting #11

Tuesday – March 23, 2010 - 5 to 7:00 p.m.

Portland Development Commission

222 NW 5th Ave, Portland

DRAFT Meeting Summary

Meeting purpose

- Finalize agreement on SAC recommendation for MC RFP
- Establish RFP development and proposal review subcommittee and process

Attendance

- **Sam Adams**, Mayor – City of Portland
- **Carolyn Briggs**, Lloyd District Association
- **Samuel Brooks**, Oregon Association of Minority Entrepreneurs (OAME)
- **Andrew Colas**, National Association of Minority Contractors (NAMCO)
- **Daniel Deutsch**, Leftbank Project
- **Paul Falsetto**, American Institute of Architects
- **Dean Gisvold**, Central City Concern
- **Regina Hauser**, Natural Step Network
- **Philip A. Kalberer**, Kalberer Company
- **Lillian Karabaic**, Bicycle Transportation Alliance
- **Wade Lange**, Ashforth Pacific
- **Clint Lundmark**, Eliot Neighborhood Association
- **Will Macht**, Portland State University
- **Rick Michaelson**, Urban Development Advocate
- **Jeff Miller**, Travel Portland
- **Greg Phillips**, Portland Center Stage
- **Joseph Readdy**, American Institute of Architects
- **Jules Renaud**, Student – Winterhaven School
- **Alicia J. Rose**, Mississippi Studios and independent artist
- **Virginia Sewell**, Oregon Ballet Theatre
- **Walter Valenta**, Interstate Corridor Urban Renewal District Advisory Cmte.

Core Project Team/Guests

- **Amy Ruiz**, City of Portland, Mayor's Office
- **Karl Lisle**, Bureau of Planning and Sustainability
- **Kevin Brake**, Portland Development Commission
- **Nikolai Ursin**, Portland Development Commission
- **Dina Alexander**, Ball Janik
- **Vaughn Brown**, JLA Public Involvement
- **Kalin Schmoltdt**, JLA Public Involvement

(RL) Denotes items that will be added to the Response Log.

Opening

Call to Order / Meeting Purpose and Agenda – Chair Sam Adams called the meeting to order. The SAC will discuss the recommendation package for City Council and the RFP subcommittee. Sam also offered to address the most recent Veterans Focus Group meeting, the Community Benefits Agreement and the status of the Operating Agreement.

Veterans Focus Group – Sam met with the group last week in the context of the SAC concept recommendation. Harley Wedel provided research on the history of Coliseum related Veterans agreements with the City. This research is available on the Web site. The agreements with veterans were not arduous and will be addressed by the City and arena management over the next few weeks. There was also discussion of providing a one-stop location for veterans' services and networking resources. The group also discussed formally changing the name of the building to the *Veterans Memorial Coliseum* at an appropriate time.

Operating Agreement – Sam has met with the three concept proposers to hear issues surrounding the current Operating Agreement. There has been concern among proposers that the Blazers will not be open to renegotiating the agreement if they don't win. PAM has indicated that they are open to negotiations at their own discretion. The alternative would be to pre-negotiate changes with the three proposers. Doug Oblatz has also suggested that the Blazers and MARC be selected as a combined proposal. Sam noted that he would prefer that any such marriages between proposals occur as part of a public and competitive process.

Phil Kalberer noted concern about whether high cost proposals should move forward without changing the existing Operating Agreement. Sam noted that all of the concept proposers are aware that they will need to put forward a financially sustainable business plan. Negotiations on the Operating Agreement will need to be made to protect preexisting investments by the Blazers and reconcile operations by another party. Such agreements are negotiated every year.

Walter Valenta noted that selecting a proposal prior to determining the details of the Operating Agreement could give the final proposer too much leverage after they are selected. He suggested that proposers clearly articulate their understanding of what the conditions in an Operating Agreement would be before they are chosen. He noted concerns that the Blazers may have an unfair advantage with the current agreement for this reason. Sam commended the idea. He noted the Blazers have been managing the Coliseum and looking to redevelop the Rose Quarter for 16 years, Doug Oblatz has been working on his concept for five years, and VMAAC has been developing their concept for the past ten years. The call out to the community was intended to give more visibility to some of the lesser known ideas. Each of the three selected concepts should have enough community interest to generate services. These services and the stipend should make a for a reasonably level playing field.

Rick Michaelson noted the possibility that the best outcome could be none of the concepts, and that all three could be too expensive. There may need to be an incentive to move the best pieces of the proposals forward regardless of the developer. Sam noted that Rick's concern is consistent with the Minority Report which seeks a base-case scenario to compare cost and benefits for each proposal.

Will Macht noted that approaching the base-case after exploring more expensive options could leave people feeling disappointed. He suggested a comparison that indicates what could be done at the lowest cost right now, and then showing what would be gained through increased investment. A base-case would help compare and contrast the development proposals up front. Sam agreed that a base-case scenario would be developed by the City and PDC during the RFP process and be considered against the other proposals before a decision is made.

Community Benefits – Sam noted two documents that explain successful efforts to involve minority and women-owned firms on previous projects. The Community Workforce Agreement outlines assumptions for the RFP and proposers will be rated on their ability to deliver these community benefits. Sam invited Roy Jay to speak:

Roy Jay introduced himself as serving on the on N/NE Economic Community Development group. He is speaking to the SAC on behalf of the African American Chamber of Commerce and the Alliance of Minority Chambers. He acknowledged the difficult task before the SAC in terms of involving the community. He reminded the committee that the area was historically African American. He suggested that all of the proposals, regardless of who they are, should demonstrate strong inclusion. The framework for inclusivity should be laid out in advance before the deal is done. He noted that only one African-American was included in the construction of the Oregon Convention Center. A proposed plan will be unveiled tomorrow at the N/NE Economic Community Development. Forty-one groups have already expressed support for what could be done. Economic empowerment and inclusion are necessary if the North and Northeast communities are to survive. SAC members are invited to the meeting at the Billy Webb Elks Lodge on March 24 at 6 pm. A range of groups are not present at the table and care must be taken to include everyone.

Letter from the MARC Concept Team - Sam noted the concerns from Doug Oblatz about the process and asked whether the submitted letter changes the committee's opinion about moving forward.

Phil Kalberer asked whether there has been a review of the qualifications of the three finalists. Kevin said that concept submitters were only asked if a developer was on board by the Jan. 29 deadline. Specific qualifications and financial wherewithal will be demonstrated during the RFP process.

Will Macht pointed out that the letter from Larry Miller (PAM) seems to indicate that renegotiating the Operating Agreement will be difficult regardless of the final selection. He suggested that the City should do what it can to strengthen its ability to negotiate. He suggested that the RFP process is not the proper process for exploring the Operating Agreement, and that he would be concerned about the Blazers' role if he were a developer. He noted that Doug Oblatz makes some good recommendations.

Dean Gisvold observed that the SAC seems to have three options: use the current RFP process; follow the MARC suggestion for the RFQ process; 3) or the process outlined in the Minority Report. Dean said that he would support Doug's proposal if it included base-case work, detailed the specific changes to the Operating Agreement as part of the RFQ process, and reconsidered the closed-door negotiations outlined in paragraph six.

Andrew Colas noted that even if a proposal relied 100% on public funds, it will be up to the city and PDC to make the concept work if it is ultimately the selected option. Sam noted that the Blazers' development rights for the Rose Quarter expire in November and represent an element of leverage. **Will Macht** said that PAM may be able to extend those rights, but also that they have rights for first proposal, but not absolute rights to development.

Rick Michaelson questioned whether proposals should be explicit about the use of public funds so it is clear what would be done if no such funding were available. This would allow the City to see the benefits of different levels of investment.

Lillian Karabaic also noted concerns that the letter from PAM does not seem to offer much leverage. She agreed with some of Doug Oblatz's points, though she felt the RFP process should move forward.

Philip Kalberer noted that the Blazers have given much to the City and that there are notable advantages to their proposal. He suggested moving forward with the RFP process. Sam noted that if the MARC concept is withdrawn, alternative proposers are ready to ready to step in.

Sam asked whether the SAC was willing to move forward with the existing RFP process (without a preliminary RFQ) that includes qualifications, a business plan and available funding or equity. Fifteen members agreed with moving forward, five opposed.

SAC Recommendation Discussion

Kevin explained the format of the proposed recommendation to City Council. The Aspirational Statement attempts to reflect the elements proposed by the public that should be considered during the creation of proposals.

Several SAC members noted that some elements on the list seemed overly prescriptive. **Philip Kalberer** noted that elements such as restaurants did not seem as important as the Veterans' Memorial, sustainability, or education. He questioned how proposals could be evaluated against such criteria. He suggested letting the finalists make a case for what they feel is best. Sam suggested using only the narrative without the second page of the statement.

Carolyn Briggs noted that although the SAC preference for the listed elements is reflected in the meeting record, she liked including the content.

Daniel Deutsch felt that the list of elements wasn't "Aspirational." He also pointed out that the first page did not describe how the Coliseum should activate and provide balanced benefits to the surrounding area. **Greg Phillips** agreed. Sam noted that while the proposals should *not* include treatments for the rest of the district, they may explain how they would catalyze or activate other development. Kevin added that the RFPs would be judged by the Evaluation Criteria and the "Surrounding Uses" criterion.

Rick Michaelson suggested including the list of elements as a non-mandatory footnote. **Lillian Karabaic** agreed, noting that the information helps show what the SAC valued out of the longer list of elements.

Andrew Colas noted that the value of *cultural heritage* should also be included as part of the statement. The SAC agreed.

Confirm SAC Recommendation Agreements

Sam confirmed that the SAC accepted the Aspirational Statement with amendments. He complimented the committee on distilling the ideas and reiterated that it would be okay if the SAC ultimately chooses the base-case scenario.

Public Comment

Trudy Reusser noted that she has been involved in many RFPs. She pointed out that the concept submittal phase gave people the wrong impression that they could do whatever they wanted with the space. It will be important to tighten the process when writing the RFP. The RFP should emphasize benefits for all citizens in the area and not any one part of the community. Benefits for veterans and the African American community should also be emphasized. She expressed support for Will Macht's points, particularly in that there is no benefit to downsizing seating capacity.

Harley Wedel thanked the Mayor for a beneficial meeting with the Veterans' Focus Group. Harley noted that the primary concern of the group is that those who have died and continue to die to keep the country

free should be recognized at the memorial. The memorial should focus on those from Oregon. Harley said he was looking forward to working with whoever is ultimately chosen for the redesign.

Josh Plager, architect, noted that it should be clear to the public how public money is going to be used. He noted that spaces for veterans seemed to be a defined area of the project that serves the public good.

RFP, Proposal and Developer Selection

Sub-committee and SAC roles – Kevin noted that City Council is scheduled to hear the SAC recommendation on April 14 at 2 pm [**now changed to 2:30 pm**] (time certain). Alicia J. Rose, Tony Stacy, and Andrew Colas have been selected to outline the recommendation to Council.

Vaughn noted that the team is planning to forward the refined SAC recommendation along with a copy of the Minority Report with staff responses. The report was originally intended to be comments from a sub-group that addressed specific pieces of the SAC recommendation, though the committee as a whole has not had the opportunity for that conversation. The SAC should be comfortable with the package moving forward.

Dean Gisvold noted that the submitted Minority Report lists a number of issues that compromise the process. Some of the items raised by Doug Oblatz may also need to be included and others who were uncomfortable with moving forward with the RFP process may want to sign on. Dean said that he disagreed with many of the staff responses and that there should be an opportunity to submit the report without staff comments or modify it to include new information.

Will Macht also disagreed with many of the staff responses. He offered to discuss the disagreements in detail. All of the proposals will require some degree of public funding. There are differences in the public benefits provided by each proposal and those need to be outlined. The base-case scenario attached to the Minority Report shows what a base-case ought to include as an option for the City to maximize public benefit for the lowest public cost. Sam reiterated that he has committed to producing a base-case scenario for comparison. Will noted that the current Operating Agreement is a non-competition agreement and is not compatible with the competing proposals. Will requested the opportunity to respond to staff comments on the Minority Report so that it does not appear that the comments were rebutted. Sam said that the Minority Report would go forward without staff comments and that the report may be subsequently revised based on the SAC discussion.

Kevin noted that the team is seeking to form a sub-group to review portions of the RFP. He suggested Rosemary Colliver, Will Macht, Brian Owendoff and Sam Brooks. Lillian Karabaic, Carolyn Briggs and Jeff Miller were also asked to serve. The SAC approved the selection. Kevin said that he would meet with the sub-group and provide copies of the RFP for review. Sam noted that the full SAC will have the chance to see the RFP.

Walter Valenta asked when the conversation on the surrounding area would begin. Sam said that the conversation will start as soon as possible and would begin with discussion of linkages, constraints and opportunities. Staff availability will be the biggest constraint. Complexities about the rest of the district will be addressed in May. Kevin suggested readdressing the district strategy and design plans at the next meeting. Sam also requested that the SAC pose any initial questions and comments about the district by email.

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