



Memorial Coliseum Status Quo Analysis Memo

5-11-2010

The process to determine a future reuse for the Memorial Coliseum is intended to engage the public in the future of the Coliseum, enhance public access and amenities, leverage private investment, and improve the vibrancy of the building as the heart and soul of the Rose Quarter.

What is the Status Quo Analysis?

The **Status Quo Analysis** of the Memorial Coliseum outlines the capital improvement costs needed to maintain the building as a safe and accessible spectator facility and keep the Winterhawks as the primary tenant. This Analysis does not consider any marketability improvements, which will require a market analysis to determine which specific improvements would increase the revenue generated by the facility. This Analysis is intended to be used as a point of comparison in evaluating submittals for the Memorial Coliseum Future Request for Proposals (MC RFP) process, and will be the basis for a cost benefit analysis in evaluating the proposals.

Who was consulted?

This Analysis has been prepared in consultation with members of the Rose Quarter Stakeholder Advisory Committee including some members of the Friends of the Memorial Coliseum. This Analysis is an update to the Memorial Coliseum Snapshot (November 2009), and is based on the MC Baseline Conditions Report (December 2009). BOORA Architects and Hoffman Construction have detailed these improvements and have provided cost estimating as well as escalation to current industry standards. ECONorthwest has advised the City and PDC on the overall task.

What is included?

The Analysis includes two distinct categories including “**Deferred Maintenance**” and “**Reasonable Functionality**” improvements. **Deferred Maintenance** are defined as those improvements which were recommended to have been completed by 2010 in the BML Capital Improvements Report--authorized by the City’s Office of Management & Finance (OMF) in 2000, are necessary for the basic functioning of the facility in its current use and include work to reduce liability and increase safety and accessibility given public ownership of the facility. **Reasonable Functionality** improvements are those which consider the Coliseum as a stand-alone facility without the need to share any services with the Rose Garden Arena. Currently the MC is not operating as a standalone facility and depends on the Rose Garden Arena for many key needs including concessions and food preparation.

What is not included?

The Analysis does not review the Coliseum Operating Agreement between the City and Portland Arena Management. Work to audit the Agreement is currently underway and will provide verification of revenue to the City as well as confirmation of cost allocation between the Rose Garden Arena and Memorial Coliseum, third party determination as to whether detailed event by event accounting is proprietary information, and a determination as to whether Coliseum event fees are market rate. The Agreement and audit is managed by OMF and will conclude in summer 2010.

What happens if the Status Quo Option is preferred by City Council?

If City Council does not select a reuse proposal through the current MC RFP process, the Council may elect to maintain business as usual at the Coliseum. In this circumstance, this Analysis may be used as a point of departure for an in-depth design study and market analysis to explore options to improve the building's profitability based on current market demand. Additionally, cost estimating would be required to create an accurate understanding of the costs associated with this option. Given the magnitude of the work needed to develop a reliable and detailed analysis of this fall-back option, it is not considered the financially prudent approach at this time in the MC RFP process. Much of the work contemplated in this report would need to be completed whether or not the City chooses to partner with a private entity on the development of the MC.

Please Contact Kevin Brake with questions (brakek@pdc.us) 503-823-3351