



# Rose Quarter Development Project

## Stakeholder Advisory Committee (SAC) Meeting #13

Monday – July 26, 2010 - 5 to 7:00 p.m.

Portland Development Commission

222 NW 5th Ave, Portland

## Meeting Summary

### Meeting purpose

- Progress update
- Input on Enhanced Spectator Facility Scenario
- Confirm next steps

### Attendance

- **Sam Adams**, Mayor – City of Portland
- **Andrew Colas**, National Association of Minority Contractors (NAMCO)
- **Paul Falsetto**, American Institute of Architects
- **Dean Gisvold**, Central City Concern
- **Philip A. Kalberer**, Kalberer Company
- **Clint Lundmark**, Eliot Neighborhood Association
- **Will Macht**, Portland State University
- **Drew Mahalic**, Oregon Sports Authority
- **Sandra McDonough**, Portland Business Alliance
- **Rick Michaelson**, Urban Development Advocate
- **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
- **Cameron Vaughan-Tyler**, Portland Public Schools
- **Rick Williams**, Lloyd Transportation Management Association

### Core Project Team/Guests

- **Amy Ruiz**, City of Portland, Mayor's Office
- **Karl Lisle**, Bureau of Planning and Sustainability
- **Kevin Brake**, Portland Development Commission
- **Kia Selley**, Portland Development Commission
- **Vaughn Brown**, JLA Public Involvement
- **Sam Beresky**, JLA Public Involvement

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

## Opening

**Call to Order / Meeting Purpose and Agenda / Project update** – Chair Sam Adams welcomed the group and led introductions. The purpose of the meeting was to have a progress update for SAC members, get input on the Enhanced Spectator Facility Scenario and to confirm the next steps in the process.

## Progress Update

### Bright Lights Impressions

Sam asked for feedback and impressions of the *Bright Lights: Discussions about the City* event held on July 12:

**Philip A. Kalberer** mentioned that it was a good event but it was light on substance. More time should be given to staff to ensure the discussion topics are substantive.

**Will Macht** felt that the development proposal was premature given that all the Blazers have is a first right of development.

### Audit

The audit has been completed. During the April 14<sup>th</sup> city council meeting, Commissioner Leonard raised questions about the user fees collected from the coliseum and the financial reporting. Members of the SAC have expressed similar concerns. To answer the questions, the City's Bureau of Financial Planning contracted with AKT LLP who reviewed the financial records. The city will be releasing the audit as soon as it is fact-checked by the city's Office of Finance and reviewed by Commissioner Leonard. In preliminary findings, the records are complete and accurate and in compliance with the operating agreement. The audit found no financial discrepancies and no adverse findings. There were no issues of concern expressed on any of PAM's financial reporting, record keeping or financial practices. The findings will be presented to the SAC at a future meeting. There were no comments from the SAC.

### N/NE Economic Development Study

The N/NE Economic Development Study advisory group voted to expand the Interstate Urban Renewal Area into five new areas. The group is waiting to make a decision on a sixth area, which includes portions of the Rose Quarter, until the Memorial Coliseum SAC process is complete. The proposed expansion includes the Rose Quarter but excludes the Rose Garden Arena and Memorial Coliseum.

### Community Benefits Subcommittee

A Community Benefits Subcommittee has been impaneled by the Mayor. A letter explaining the charge of the subcommittee was included in the SAC meeting packet. PDC Commissioner Charles Wilhoite will chair the subcommittee. The recommendations of the Community Benefits Subcommittee will be submitted to the SAC for their consideration.

### PAM Negotiations

The city has entered into a conversation with the Blazers and PDC to discuss the outlines of the Blazers' development approach to the RQ district planning process and the extension of their development rights that expire on November 24, 2010. Discussion:

## Discussion:

**Rick Michaelson** felt that the vision for the Rose Quarter that the Blazers have had so far has been too narrow. The conversation needs to have a broad vision that takes into account more than just the RQ, such as the transportation infrastructure.

**Will Macht** was troubled by the term “negotiations” as the Blazers have yet to submit their plans for development. Public use should take precedence for the area. The Blazers do not have development rights to the area but the right to first proposal, which expires on November 24, 2010. The City’s bargaining power with the Blazers’ and other potential developers will be greater if the process is opened to all proposals, not just the Blazers.

**Dean Gisvold** asked if the intent was to extend the rights on the two parking garages and the PBOT area.

**Sam:** That will be part of the discussions.

**Dean Gisvold** said that the SAC should get on with the planning for the Rose Quarter as a whole to establish what types of uses would be best for the area. Conversations about expanding the boundaries, uses and financing should take place.

Kia Selley explained the Blazers’ development rights condition to develop a development strategy have been met: “October 31, 2001, resolution 360-40: Portland City Council acknowledged that the Rose Quarter Urban Design and Development Strategy has satisfied the master plan in the development agreement between Oregon Arena Corporation and the City.” November 4, 1992.

**Will Macht** said that the public does not believe a master plan of any specificity has been developed. It would be premature to enter into negotiations with a developer that has not put forward a plan. Their interest in the Rose Garden Arena should be acknowledged but that is only one piece of the 40 acres.

Kia clarified that the city will not be negotiating a complete development agreement but a possible extension of the development rights past the November 24<sup>th</sup> deadline. It should be thought of as a pre-development agreement, if the development rights are extended, there would be terms under which those rights would be extended. Additional Rose Quarter planning is being suggested; this would end up in a deliverable of a development strategy that would offer programming and locations, etc. That would satisfy the master plan condition of the terms of development rights.

**Dean Gisvold** asked if there were any other conditions that have been satisfied that the SAC should know about?

Kia responded and said that to the best of her knowledge the other condition is to “commence construction” but it is not clear from case law what that means, but it will involve doing permitted work so it is unlikely that commencing construction would be satisfied by November 24, 2010.

**Will Macht** mentioned that PAM is not a developer and there has been no competitive process.

**Rick Michaelson** said that we should take advantage of the energy and the momentum that the Blazers have put into the process thus far. If we don’t take advantage of the momentum and the rights expire, the whole district could go on the shelf for an extended period of time.

**Andrew Colas** said that there are a lot of qualified developers but not many that could qualify for funding for a project of this size. Most local developers are currently not developing in this economy.

**Will Macht** reiterated that there has not been an adequate competitive process.

**Greg Phillips** mentioned that there is an extraordinary opportunity in that there is a developer with ample resources, an established investment in the area, is excited about potentially developing the area, and an openness to develop in a way that the SAC feels is prudent.

**Dean Gisvold** asked if the SAC would have an opportunity to review terms before the pre-development agreement is finalized?

**Sam:** Yes.

Sam wanted a sense of how the SAC felt about entering into negotiations. He instructed the SAC to vote yes or no or abstain to the motion: "All those in favor of proceeding with negotiations to a pre-development agreement that will serve as a basis for the SAC and other decision makers deciding whether or not an extension is warranted to complete a development agreement."

**Vote tabulation:**

**12-yes**

**2-no**

**2-abstentions**

## **Enhanced Spectator Facility Scenario/Approach**

The direction that the City is headed will inform the planning for the rest of the district. That direction is that Memorial Coliseum will be an Enhanced Spectator Facility. It will incorporate elements of amateur athletics, elements of art and culture but it will remain true to its current function. The opportunity to incorporate other elements previously proposed remain on the table as the project team strives to keep the finalist concept teams engaged during the Rose Quarter Development Strategy phase of the project.

Kevin Brake gave a PowerPoint presentation that outlined the details of the Enhanced Spectator Facility approach. Due diligence will need to be performed to determine feasibility of the approach. This approach also keeps the teams at the table during discussion. The document will be circulated to the SAC for review and feedback later in the week. Discussion:

**Virginia Sewell** asked if a market analysis will be performed?

**Sam:** Yes, it will be "partnerships based" as in "What could you expect in terms of market response to a velodrome or an aquatics facility?"

**Rick Williams** asked if the scenario says that if certain elements cannot fit in the Memorial Coliseum they may fit in the Rose Quarter. Will it be possible to marry this proposal to the pre-development agreement negotiations and the rights that the Blazers may or may not have, particularly those elements that are not appropriate to Memorial Coliseum?

**Sam** responded and mentioned that with the Brewery Blocks, the River District and North Macadam it was a similar stepping phase approach to figure out how much money will be needed and what kind of development is wanted and is there a market there to support it.

**Rick Michaelson** said that it should be thought of as developing a program for the Rose Quarter as a whole, not just Memorial Coliseum.

**Vaughn** reminded the group about the aspirational statement developed by the SAC. He mentioned that there were a plethora of ideas in the document and now that focus of the process is beginning to move beyond the Memorial Coliseum. The aspirational statement might be a good starting point to review when providing feedback on the Enhanced Spectator Facility Scenario.

**Will Macht** asked about the housing/retail/hotel aspects of the scenario.

**Sam** responded and said that the project team will be returning to the SAC with a list of the elements of the aspirational statement that could potentially be moved to the Rose Quarter District. When we return in September, the team will have a better idea of what elements are possible and what other elements the team feels should be in the district. The SAC will be able to provide feedback on those elements and suggest others that might have been forgotten. Kevin mentioned that it will be a “district approach” to planning to ensure the scope is not too narrow.

**Virginia Sewell** asked about educational aspects.

**Sam** responded and said that the vision for the district, in relation to arts, is that it might or might not be the more physical aspects of arts, when it comes to education it might be the more physical parts of education that fit into a more holistic approach to education. There are opportunities to keep it active as the district relates to arts, education, industry and commerce are unique.

There were two questions about the size of the district.

**Kia** mentioned that the study area is about 40 acres and the developable area within the study area is a little over 18 acres.

## **Public Comment**

**Harley Wedel**, Veterans’ Representative, mentioned that in the past eight or nine years, the Blazers have not come up with any substantive ideas to develop the area. The veterans have ideas that would put foot traffic in the area right away, which would be a start in the right direction. Ideas involve commemorating all of those from all the wars that have not returned.

## **Close**

In closing Sam gave the floor to SAC Member Andrew Colas. Andrew mentioned that throughout the process he has been challenging the Blazers to make good on their pledge to work with local communities and to give back to local communities, veterans and the African-American neighbors. Colas Construction is a veteran owned company, the largest African-American owned general contractor in the state of Oregon but still a small business. Andrew challenged J. Isaacs on giving back by not only creating temporary construction jobs but to create careers by giving the opportunity for a small company to grow. The Blazers are looking to have Colas Construction be the general contractor on the development if it moves forward, which means that Andrew Colas will have to resign from the SAC. He also mentioned that he has met with Cordish and told them that Portland is a unique city and that any typical development will not be successful. They will have to understand the local community, which he is a part of. He also mentioned that he is excited about the opportunities of the potential development.

Sam adjourned the meeting at 6:20.