

## The Oregonian

### Words of warning offered for Portland Building renovation

*By Brad Schmidt  
August 25, 2015*

The Portland City Council spent two hours Tuesday morning discussing its \$200 million white elephant, the Portland Building, only to be left with this warning:

"Beyond a shadow of a doubt, this will be the most complicated project any of you are involved in," said Tom Walsh, the former general manager of TriMet during the westside light-rail expansion who now sits on a city board advising Portland leaders.

In other words: Hope for the best, but prepare for the worst.

City leaders don't know if or when they'll undertake a massive renovation of Portland's administrative headquarters, a project being studied because of extensive water damage and seismic concerns.

Officials have stopped projecting dates for the multiyear project, expected to be the most expensive in city history.

Discussion Tuesday focused on how the city could pay for the project, whether it should be a top priority, and how to keep costs in check.

The renovation, last estimated at \$192 million, would improve space for about 1,300 city employees. It would include gutting the interior and extensive fixes to the exterior, known for a post-modern design that helped earn it a spot on the National Register of Historic Places.

Officials now want to hire a consultant by year's end to advise leaders about options, and later contract with a team of experts to design and complete the project. The city would spend at least \$3.75 million on planning, with hopes of securing a guaranteed maximum price approved by the City Council.

Officials with the Office of Management & Finance previously provided timelines suggesting a price could be locked in during 2017, with the project finished by the end of 2020. A timeline shared Tuesday had no dates.

"This is what we have right now," said Kelly Ball, a city spokeswoman.

City Council members floated questions Tuesday about whether the Portland Building should come before other projects, such as road repairs, parks improvements, housing or renovating the Veterans Memorial Coliseum. But no one disputed the need to do something with the 33-year-old building.

The biggest point of contention is how Portland will pay for the renovation.

Portland's chief financial officer, Ken Rust, argued that all bureaus with downtown office space – except police and fire – should have to pay part of the costs, regardless of whether they'd be in the building.

That would provide assurances about costs for all bureaus, Rust said, but would mean big hikes for some agencies, such as the Bureau of Development Services, which is in a separate city building.

"At any point in time, there could be a bureau that wins and a bureau that loses," he said.

Commissioner Steve Novick said he supports looking at city needs holistically instead of bureau by bureau. But Commissioner Amanda Fritz said the Bureau of Development Services already pays high rent at the relatively new 1900 Building on Southwest Fourth Avenue.

The bureau would pay an estimated \$2 million in 2020 as is but nearly \$3.7 million under the shared-cost approach, called "rate stabilization." That would require the bureau to charge higher fees to developers filing building permits, Fritz said.

"I just don't think that's fair," she said.

Commissioner Dan Saltzman, who oversees the permitting bureau, was more direct: "That's really what this rate stabilization is about, is to subsidize the renovation of the Portland Building."

Saltzman said he wants to ensure costs are capped and that a person or entity other than the City Council has the power to enforce it.

"We're not very good at saying 'No,'" he said.

Officials broadly discussed hopes Tuesday, including that the building meet LEED Platinum certification and provide benefits to the community. No decisions were made.

Developer Bob Ball, who sits on the city advisory committee with Walsh, warned officials to recognize that the bigger the wish list, the bigger the price tag.

"Budgets are going to have trade-offs," he said. "That's something you should know ahead of time."

## **Final chance to talk marijuana policy with Amanda Fritz, Portland officials**

*By Andrew Theen  
August 25, 2015*

Residents have one final opportunity to weigh in on how Portland should regulate and license the marijuana industry.

The final town hall is Aug. 27 from 6 to 8 p.m. at Legacy Emanuel Medical Center at 501 N. Graham St.

Victor Salinas, Portland's marijuana policy coordinator, said the first two meetings drew smaller-than-expected crowds.

"I thought that there would be much higher interest," Salinas said, estimating a combined 60 people attended the first two town halls.

Commissioner Amanda Fritz, who oversees the Office of Neighborhood Involvement, will attend Thursday's meeting. Salinas said he hopes her presence boosts attendance.

Officials set the meetings to hear directly from residents about how the city should craft rules and regulations for the emerging marijuana industry.

Medical marijuana dispensaries can start selling recreational pot to customers Oct. 1, months before the state is expected to start issuing licenses to retail shops.

Salinas said Portland will be "active" in administering the program. The city is looking at rules to prevent "oversaturation" of both medical and recreational dispensaries. The draft rule would prevent such businesses from opening within 1,000 feet of another marijuana establishment.

The City Council will vote on the regulatory plan Sept. 16.

## **Grand visions for Veterans Memorial Coliseum don't pencil out**

*By Brad Schmidt  
August 26, 2015*

No matter how much money Portland officials sink into Veterans Memorial Coliseum, the aging city-owned venue looks to be a money-loser.

That's the takeaway from a new consulting report that evaluated five renovation options, ranging in cost from \$35.1 million for basic upgrades to \$142.9 million to convert the arena into a track facility.

Those renovations would do little to attract new visitors or events, however, and they're unlikely to generate enough new revenue to cover debt payments tied to the expensive upgrades.

As an alternative, city officials could tear down the arena for an estimated \$14 million, according to documents obtained by The Oregonian/OregonLive through the state's public records law.

The projections offer sobering realities for Mayor Charlie Hales and city commissioners, who have been struggling to figure out what to do with the building since a 2012 renovation deal with the Portland Winterhawks hockey team fell apart.

The coliseum currently loses about \$55,000 a year for the city, on average, not counting a mounting maintenance bill and money spent on improvements. It hosts 117 events a year with attendance of 384,326, and paid attendance of 184,329.

Hales in 2013 vowed that something significant would happen at the site before the end of his term in 2016, saying he was not interested in spending a big chunk of money just to keep the facility limping along.

These days, there's no such timeline.

"We remain optimistic that with the talent we have in Portland and the development community, that it's right around the corner," Josh Alpert, Hales' chief of staff, said Tuesday.

The numbers present a financial challenge, Alpert said. Officials have long hoped that some combination of land sales, urban renewal money and money from a private developer could reduce the city's costs.

Alpert said Hales continues to meet with potential developers and is open to ideas. But if nothing materializes, officials will eventually need to decide what's next.

Alpert declined to discuss the hot-button topic of demolition, which was last considered but abandoned in 2009 amid complaints from architects and preservationists.

The City Council is set to receive a memo this week summarizing the new numbers. Officials for the Office of Management & Finance, who are leading the review, declined to discuss details until after sharing them with the council.

The projections had been expected months ago, and officials originally set a July 14 work session to discuss options with the City Council.

But now officials haven't rescheduled and aren't planning to, city spokeswoman Jen Clodius said.

Here's a look at the options, which do not include estimated annual debt payments:

### **Essential repairs and replacement**

- Cost: \$35.1 million
- Includes: New plumbing, refurbished seating and concourse, renovated bathrooms, a new roof and scoreboard, access improvements for people with disabilities
- Annual event: 116
- Annual attendance/paid: 371,200/173,900
- Annual operating income: loss of \$46,000
- Annual income (ticket taxes/parking/capital reserve): loss of \$100,000

### **User/tenant enhancements**

- Cost: \$61.3 million
- Includes: Basic improvements from above, plus new and reconfigured seats, refurbished curtain system for the glass walls, nicer scoreboard
- Annual event: 128
- Annual attendance/paid: 430,300/220,700
- Annual operating income: \$152,000
- Annual income (ticket taxes/parking/capital reserve): \$150,000

### **Strategic market enhancements**

- Cost: \$91.1 million
- Includes: Improvements and enhancements from above, plus a renovated concourse, replacement of curtain system for glass walls, refurbished wood columns, a new "party deck," plaza improvements, new loading dock
- Annual event: 133
- Annual attendance/paid: 453,700/239,700

- Annual operating income: \$269,000
- Annual income (taxes/parking/capital reserve): \$258,000

#### **Covered open-air venue**

- Cost: \$95.3 million
- Includes: Removal of the coliseum's glass walls, removal of part of the concrete seating bowl to create mid-sized concert venue
- Annual event: 57
- Annual attendance/paid: 178,400/132,900
- Annual operating income: \$125,000
- Annual income (ticket taxes/parking/capital reserve): loss of \$112,000

#### **Track with dynamic floor**

- Cost: \$142.9 million
- Includes: Indoor track facility that could host national and international events, concerts and cycling competitions
- Annual event: 112
- Annual attendance/paid: 309,700/133,043
- Annual operating income: \$84,000
- Annual income (ticket taxes/parking/capital reserve): loss of \$490,000

## **Portland Business Journal**

### **'Conflict mineral' stance hits Portland city docket**

*By Andy Giegerich  
August 25, 2015*

Portland's city technology team could soon put the clamps on suppliers that make their goods with "conflict minerals."

The City Council, at its Wednesday meeting, will consider a motion calling for the City's Bureau of Technology Services to collect documentation from "cellular device and radio subscriber unit" makers proving that they don't use conflict minerals, or materials originating from the Democratic Republic of Congo.

Such companies as Intel Corp., which employs 18,000 workers in Hillsboro, have pledged to avoid the materials, as an estimated 5.4 civilians have died in the country at the hands of armed government groups.

Those groups, which also have a documented history of sexual violence, have generated hundreds of millions to back their atrocities through mineral sales. The minerals, which include tin, tantalum, tungsten and gold, are often used to make electronic devices.