

Metropolitan Exposition Recreation Commission

Resolution No. 14-02

For the Purpose of Approving the Terms of the Fifth Amendment to the Broadway Series Agreement and Delegating Authority to the General Manager of Visitor Venues To Execute the Fifth Amendment.

WHEREAS, the Portland Opera Association and Key Brand Theatrical Group Inc., an Oregon joint venture ("Presenter") present Broadway Theatre at the Portland's Centers for the Arts ("Portland's") pursuant to the Broadway Series Agreement and various amendments to this agreement (collectively referred to as the "Broadway Series Agreement"); and

WHEREAS, on December 13, 2006, the Metropolitan Exposition Recreation Commission ("MERC") authorized an extension of the Broadway Series Agreement through the 2015-16 season; and

WHEREAS, the Parties now desire to extend the term of the agreement through the 2025-2026 season; and

WHEREAS, the Parties have agreed to the terms and conditions of the extension of the Broadway Series Agreement; and


WHEREAS, Portland's staff recommend that MERC approve the terms of the Fifth Amendment to the Broadway Series Agreement.



BE IT THEREFORE RESOLVED AS FOLLOWS:

1. The Metropolitan Exposition Recreation Commission approves the terms and conditions of the Fifth Amendment to the Broadway Series Agreement in substantially the form attached hereto as Exhibit "A"; and
2. The Metropolitan Exposition Recreation Commission authorizes the General Manager of Visitor Venues to execute the Fifth Amendment to the Broadway Series Agreement on behalf of the Commission, in substantially the form attached hereto as Exhibit "A."

Passed by the Commission on February 5, 2014.

Approved As to Form:
Alison R. Kean, Metro Attorney

By: 
Nathan A. S. Sykes
Deputy Metro Attorney


Chair

Secretary/Treasurer

**FIFTH AMENDMENT TO
BROADWAY SERIES AGREEMENT**

This Fifth Amendment is made and entered into by and between the Metropolitan Exposition Recreation Commission (hereinafter “MERC”) and Portland Opera Association and Key Brand Theatrical Group Inc., a joint venture, (hereinafter “Presenter”) including all parent companies, members, affiliates, subsidiaries, successors and assigns. MERC and Presenter will be collectively referred to as “the Parties.”

RECITALS

- A. MERC is an appointed commission of Metro, a municipal corporation.
- B. Presenter is an Oregon joint venture.
- C. The Parties have entered into a Broadway Series Agreement, the First Amendment to the Broadway Series Agreement, the Second Amendment to the Broadway Series Agreement, the Third Amendment to the Broadway Series Agreement, and the Fourth Amendment to the Broadway Series Agreement (hereinafter collectively referred to as “the Agreement”).
- D. The term of the Agreement is set to expire at the conclusion of the 2015-2016 Presentation Year and the Parties wish to extend the term of the Agreement through the 2025-2026 Presentation Year.
- E. The parties have agreed to certain fees through the 2025-2026 Broadway Season with other fees to be negotiated at a future date.

NOW, THEREFORE, in consideration of the mutual covenants of the Parties hereto, and upon the express terms and conditions hereinafter set forth, it is agreed by and between them as follows:

1.

TERM OF THE AGREEMENT

Section 4 of the Agreement shall be amended as follows: The Term of the Agreement shall be extended through the conclusion of the 2025-2026 Presentation Year unless sooner terminated by mutual agreement of the Parties or as provided in the Agreement.

2.

EXHIBIT A-1 TO THE AGREEMENT

The parties agree to the User Fees, House Package and Family Show rates and terms as described in Exhibit A-1 to this Fifth Amendment and Exhibit A-1 is hereby incorporated by reference into this Fifth Amendment. All other terms and conditions of the Agreement shall remain the same.

AMENDMENT DOCUMENTS

The Amendment documents together form the Agreement between MERC and the Presenter. All determination of the precedence of, discrepancy in, or conflicts regarding the Amendment documents shall be in accord with the following order, with the highest precedence item at the top:

- a. This Fifth Amendment to Broadway Series Agreement.
- b. The Fourth Amendment to Broadway Series Agreement.
- c. The Third Amendment to Broadway Series Agreement.
- d. The Second Amendment to Broadway Series Agreement.
- e. The First Amendment to Broadway Series Agreement.
- f. The Broadway Series Agreement.
- g. The standard Portland's 5 Centers for the Arts Limited License Agreement.
- h. Amendment to the Commission's policies and procedures which are in effect as of the date hereof, a copy of which is attached, or are enacted subsequent to the date of this Amendment.

PRESENTER

**METROPOLITAN EXPOSITION
RECREATION COMMISSION**

By: _____

By: _____

Name: _____

Name: _____

Portland Opera Association

MERC

Date: _____

Date: _____

By: _____

Key Brand Theatrical Group, Inc.

Date: _____

FOR BROADWAY SHOWS AT KELLER AUDITORIUM AND ARLENE SCHNITZER CONCERT HALL

		BASE RENT: HIGH SEASON SEPTEMBER - MAY	BASE RENT: LOW SEASON JUNE-AUGUST	% RENT = 1.5%>\$650K CAPPED @	USER FEE	HOUSE PACKAGE**	DARK TIME RENT
	< \$650K	\$ 31,060.00	\$ 26,400.00				
2016-2017	\$650K-\$850K	\$ 33,890.00	\$ 28,780.00	\$ 42,500.00	\$ 4.25	\$ 29,436.00	\$ 15,530.00
	> \$850K	\$ 38,140.00	\$ 32,390.00				
				% RENT = 1.5%>\$750K CAPPED @			
	<\$750	\$ 31,992.00	\$ 27,192.00				
2017-2018	\$750-\$950K	\$ 34,907.00	\$ 29,643.00	\$ 42,500.00	\$ 4.25	\$ 30,319.00	\$ 15,996.00
	>\$950	\$ 39,284.00	\$ 33,362.00				
				% RENT = 1.5%>\$800K CAPPED @			
	<\$800K	\$ 32,952.00	\$ 28,008.00				
2018-2019	\$800K-\$1M	\$ 35,954.00	\$ 30,532.00	\$ 45,000.00	\$ 4.25	\$ 31,229.00	\$ 16,476.00
	>\$1M	\$ 40,463.00	\$ 34,363.00				
	<\$800K	\$ 33,941.00	\$ 28,848.00				
2019-2020	\$800K-\$1M	\$ 37,033.00	\$ 31,448.00	\$ 45,000.00	\$ 4.50	TBD	\$ 16,970.00
	>\$1M	\$ 41,677.00	\$ 35,394.00				
	<\$800K	\$ 34,959.00	\$ 29,713.00				
2020-2021	\$800K-\$1M	\$ 38,144.00	\$ 32,391.00	\$ 45,000.00	\$ 4.50	TBD	\$ 17,479.00
	>\$1M	\$ 42,927.00	\$ 36,456.00				
	<\$800K	\$ 36,008.00	\$ 30,604.00				
2021-2022	\$800K-\$1M	\$ 39,288.00	\$ 33,363.00	\$ 47,500.00	\$ 4.50	TBD	\$ 18,003.00
	>\$1M	\$ 44,215.00	\$ 37,550.00				
	<\$800K	\$ 37,088.00	\$ 31,522.00				
2022-2023	\$800K-\$1M	\$ 40,467.00	\$ 34,364.00	\$ 47,500.00	\$ 4.75	TBD	\$ 18,543.00
	>\$1M	\$ 45,541.00	\$ 38,677.00				
	<\$800K	\$ 38,201.00	\$ 32,468.00				
2023-2024	\$800K-\$1M	\$ 41,681.00	\$ 35,395.00	\$ 50,000.00	\$ 4.75	TBD	\$ 19,099.00
	>\$1M	\$ 46,907.00	\$ 39,837.00				
	<\$800K	\$ 39,347.00	\$ 33,442.00				
2024-2025	\$800K-\$1M	\$ 42,931.00	\$ 36,457.00	\$ 50,000.00	\$ 4.75	TBD	\$ 19,672.00
	>\$1M	\$ 48,314.00	\$ 41,032.00				
	<\$800K	\$ 40,527.00	\$ 34,445.00				
2025-2026	\$800K-\$1M	\$ 44,219.00	\$ 37,551.00	\$ 53,000.00	\$ 5.00	TBD	\$ 20,262.00
	>\$1M	\$ 49,763.00	\$ 42,263.00				

Reduction of 5% of Base Rent to apply to all weeks for weeks presented in excess of eight (8). Excludes family shows and show held in the Newmark Theatre.

Base Rents, Percentage Rents, Rent Caps and House Packages are prorated by eighths for weeks containing fewer than or more than eight performances. Percentage rent is due in addition to base rent. Gross is defined as gross box office receipts less user fee.

Dark-Time rates are pro-rated by sevenths.

Beginning in 2019-2020 House Package will be negotiated every 3 years.

House package to include cleaning, equipment rental, front of house staff (ushers and ticket takers), event engineer, house sound and lighting equipment, all permanently attached stage equipment, security, utilities, follow spot rental, washer/dryer and box office event staff as defined below.

Cleaning: pre-and post even cleaning and 2 event custodians

Equipment rental: tables, chairs, 3 follow spots

Front of House staff: All ushers, ticket takers (including Premier entrance usher), elevator operators and house manager. Special needs or requests beyond the needs of servicing the performance will be an additional billing.

Event engineer-on site to monitor/adjust HVAC controls and minor maintenance as needed

Security: Stage door attendant; maximum of 100 hours per week

Box Office staff: Event staffing of Keller box office 2 hours before curtain and 1/2 hour after curtain.

Miscellaneous

One full page in the show program for every show presented will be made available for use by PCPA. Presenter will make a "best effort" to place this page in the first half of the program.

Bottled water will be allowed in the seating area for all performances; additional food and beverage as mutually agreed upon.

Exhibit A-2 to Second Amendment

FAMILY SHOWS

		RENT	HOUSE PACKAGE	TICKET PRICE	USER FEE	LOAD-IN/REH DAY
	1 PERF DAY	\$ 3,240.00	1P \$ 2,200.00	< \$20	\$ 1.25	
2008-2009	2 PERF DAY	\$ 4,640.00	2P \$ 4,400.00	\$20-\$25	\$ 1.50	\$ 2,320.00
	3 PERF DAY	\$ 6,730.00	3P \$ 6,600.00	\$25-\$30	\$ 1.75	
				>\$30 & CAP	\$ 2.00	
	1 PERF DAY	\$ 3,340.00	1P \$ 2,270.00	< \$25	\$ 1.50	
2009-2010	2 PERF DAY	\$ 4,780.00	2P \$ 4,540.00	\$25-\$30	\$ 1.75	\$ 2,390.00
	3 PERF DAY	\$ 6,930.00	3P \$ 6,810.00	\$30-\$35	\$ 2.00	
				>\$35 & CAP	\$ 2.25	
	1 PERF DAY	\$ 3,440.00	1P \$ 2,340.00	< \$25	\$ 1.50	
2010-2011	2 PERF DAY	\$ 4,920.00	2P \$ 4,680.00	\$25-\$30	\$ 1.75	\$ 2,460.00
	3 PERF DAY	\$ 7,140.00	3P \$ 7,020.00	\$30-\$35	\$ 2.00	
				>\$35 & CAP	\$ 2.25	
	1 PERF DAY	\$ 3,540.00	1P TBD	< \$25	TBD	
2011-2012	2 PERF DAY	\$ 5,070.00	2P TBD	\$25-\$30	TBD	\$ 2,530.00
	3 PERF DAY	\$ 7,350.00	3P TBD	\$30-\$35	TBD	
				>\$35 & CAP	TBD	
	1 PERF DAY	\$ 3,650.00	1P TBD	< \$25	TBD	
2012-2013	2 PERF DAY	\$ 5,220.00	2P TBD	\$25-\$30	TBD	\$ 2,610.00
	3 PERF DAY	\$ 7,570.00	3P TBD	\$30-\$35	TBD	
				>\$35 & CAP	TBD	
	1 PERF DAY	\$ 3,760.00	1P TBD	< \$25	TBD	
2013-2014	2 PERF DAY	\$ 5,380.00	2P TBD	\$25-\$30	TBD	\$ 2,690.00
	3 PERF DAY	\$ 7,800.00	3P TBD	\$30-\$35	TBD	
				>\$35 & CAP	TBD	
	1 PERF DAY	\$ 3,870.00	1P TBD	< \$25	TBD	
2014-2015	2 PERF DAY	\$ 5,540.00	2P TBD	\$25-\$35	TBD	\$ 2,770.00
	3 PERF DAY	\$ 8,030.00	3P TBD	\$35-\$40	TBD	
				>\$40 & CAP	TBD	
	1 PERF DAY	\$ 3,990.00	1P TBD	< \$25	TBD	
2015-2016	2 PERF DAY	\$ 5,710.00	2P TBD	\$25-\$35	TBD	\$ 2,850.00
	3 PERF DAY	\$ 8,270.00	3P TBD	\$35-\$40	TBD	
				>\$40 & CAP	TBD	

MERC Staff Report

Agenda Item/Issue: For the Purpose of Approving the Terms of the Fifth Amendment to the Broadway Series Agreement and Delegating Authority to the General Manager for Visitor Venues to Execute the Fifth Amendment.

Resolution No.:

Presented By: Robyn Williams

Date: January 8th, 2014

Background and Analysis:

In September, 1997 the Commission approved a joint venture group (Portland Opera and what is currently known as Broadway Across America) to present a single Broadway Series at PCPA. The initial agreement was 5 years with extensions and financial terms renegotiated for 3 additional seasons. In March 2003, new terms and conditions for seasons through 07/08 were negotiated and in December 2006 a second amendment was approved by the Commission for Broadway seasons beginning in FY08-09 through 2015-2016. This amendment established rental rates for the subsequent 8 years in order to participate in a West Coast block booking that would assist in bringing the most popular shows to Portland. A third amendment to the contract was approved in September 2010 to amend user fees for the years 2010-2011 and 2011-2012 for subscription sales only. A fourth amendment to the contract in 2011 established user fees and house package rates for the remaining five years on the contract which covers the FY16 Broadway season.

Broadway Across America has requested a ten year extension of their contract. By establishing rates and fees in advance, Broadway Across America is in a better position to negotiate for the top shows and bring them to Portland. It also aligns us with venues in Seattle and Costa Mesa who have similar contract extensions so we can continue to leverage a west coast block that makes us attractive to popular shows.

Fiscal Impact:

User fee will increase \$0.25 every three years of the contract. This will generate an estimated \$83,600 in additional revenues over contract period assuming current attendance levels and an eight week series per year. (\$691,000 total in user fees.)

The house package increases 20% the first year and 3% the next two years and will be renegotiated every three years to insure it continues to cover labor costs, utilities and associated overhead.

Rental rates increase 3% per year.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission approve the Terms of the Fifth Amendment to the Broadway Series Agreement.