

METROPOLITAN EXPOSITION RECREATION COMMISSION
Resolution No. 17-26

For the Purpose of Adopting New Resident Company and other User Fee rates effective September 1, 2017.

WHEREAS, the Metropolitan Exposition Recreation Commission (MERC) approves the User Fee rates for the Portland 5 Centers for the Arts (Portland'5); and

WHEREAS, the User Fees for Resident Companies has remained at \$2.00 since 2013; and

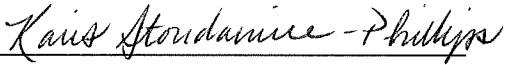
WHEREAS, Portland'5 has experienced rising personnel and operating costs such that the gap between revenues and expenses continues to grow; and

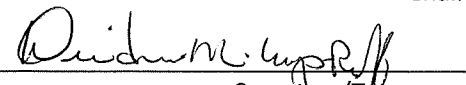
WHEREAS, Portland'5 recommends that MERC raise certain User Fee rates for Resident Companies;

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission approves the following effective September 1, 2017:

1. New Resident Company User Fee Rates will be:
 - a. FY 17-18 \$2.00 (no change);
 - b. FY 18-19 \$2.50;
 - c. FY19-20 \$2.50;
 - d. FY 20-21 \$3.00;
 - e. The User Fee for Oregon's Children's Theater and Portland Youth Philharmonic shall increase to \$1.00 in FY 18-19 and remain at this amount.
2. The User Fee for all School shows shall remain at 4% of ticket price for Resident Companies.
3. Arts for All tickets will have no User Fee.
4. Deeply discounted lottery tickets and rush tickets will have no User Fee with the approval of the Executive Director of Portland'5.
5. Commercial and non-profit User Fees will remain at 6% of the ticket price with a \$2.25 minimum per paid ticket.

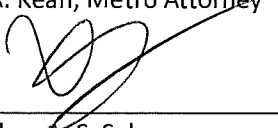
Passed by the Commission on August 2, 2017.


Chair


Secretary/Treasurer

Approved as to Form:

Alison R. Kean, Metro Attorney

By: 
Nathan A. S. Sykes
Deputy Metro Attorney

MERC Staff Report

Agenda Item/Issue: For the Purpose of Adopting New Resident Company User Fee rates effective September 1, 2017

Resolution No.: 17-26

Presented By: Robyn Williams

Date: August 2nd, 2017

Background and Analysis:

History:

In 1995, the Commission established criteria that would allow 9 performing arts organizations resident company status at Portland's (P5) facilities. These organizations would have priority booking capabilities as well as a rent and rate structure providing deeply discounted rates and fees. (Today, only 5 remain as resident companies of P5.) It was stated that the intent of the four (now 5) halls of P5 were to serve as the primary performance spaces for a group of local performing arts organizations who produce and develop their art form locally and contribute to the following objectives:

1. Provide Portland's with regular, predictable programs of events with an array of performance arts-music, dance, theater.
2. Enhance the financial stability of these resident companies.
3. Provide financial support that would allow the resident companies to continue to offer low or no cost events.
4. Maintain educational efforts and children's performances

Resident companies must be a 501(C)3, have a subscription season at P5, and book a minimum of 3 events and 20 performances. (Presentation of events other than the company's regular art form or one that involves a non-local production are not eligible for resident company rates/fees.)

A user fee of \$0.50 was established for resident companies in 1997 and was intended as a fee for wear and tear on the venue and to be paid by the ticket holder. It remained at that level until 2003.

At that time the Commission determined that due to Portland's frequently increasing financial challenges and due to the deeply discounted rates the resident companies' paid, long-term financial stability was best achieved in an equitable manner and with the least impact on its arts tenants by increasing the user fee paid by ticket holders. The user fee was increased to \$1.00 through 2004, then to \$1.50 through 2009.

In 2009, due to the economic challenges the resident companies were facing as a result of the economic downturn, the companies sought assistance from P5. The Commission dropped the user fee in FY10 to its 1997 original rate of \$0.50. This rate then increased yearly by \$0.50 until it hit \$2.00 in FY13 and has remained there since.

Current situation:

Portland's has experienced rising personnel and operating costs over the years to the extent it is predicted that a widening gap between revenues and expenses will continue to grow. Its ability to fund operations, maintenance and its capital needs will continue to worsen unless steps to recuperate costs is undertaken. In order to continue the heavily subsidized use of the theaters by its resident companies, P5 must consider options to insure these public assets are protected and well maintained.

Recommended Changes:

Portland's recommends the following user fee schedule for resident companies:

FY18	\$2.00 (no change to the FY13 rate)
FY19	\$2.50
FY20	\$2.50
FY21	\$3.00

The user fee for Oregon Children's Theater and Portland Youth Philharmonic has remained at \$0.50 for public shows since 1997. Portland's recommends this fee be increased to \$1.00 in FY18 and hold.

School shows will remain at 4% of the ticket price for resident companies.

Arts for All tickets will have no user fee. Arts for All is a program through the Regional Arts and Culture Council. Participating arts organizations offer \$5 tickets for anyone who gets food stamps through the Supplemental Nutrition Assistance Program (SNAP) and has the Oregon Trail Card.

Deeply discounted lottery tickets and rush tickets for shows will have no user fee but must have the approval of the Portland's Executive Director.

Commercial and non-profit user fees remain unchanged at 6% of the ticket price with a minimum of \$2.25 per paid ticket.

Fiscal Impact: The increase over the next 4 years will generate approximately \$227,000 depending on attendance.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 17-26, For the Purpose of Adopting New Resident Company User Fee rates effective September 1, 2017.