

METROPOLITAN EXPOSITION RECREATION COMMISSION
Resolution No. 18-12

For the Purpose of Adopting Revised Resident Company User Fee Rates, Effective July 1, 2019.

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

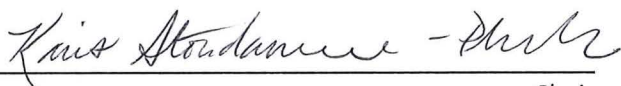
WHEREAS, in August of 2017, MERC adopted Resolution No. 17-26 which, among other things, increased the User Fee Rates for Resident Companies, which increases were to go into effect July 1, 2019; and

WHEREAS, given the financial realities facing Resident Companies, Portland'5 now recommends that MERC postpone the scheduled increases for one additional year.

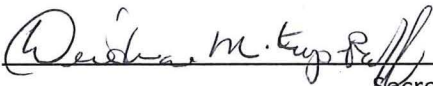
NOW THEREFORE BE IT RESOLVED that the Metropolitan Exposition Recreation Commission approves the following revised schedule for Resident Company User Fee Rates:

Fiscal Year	Resident Company User Fee Rates
2019-2020	\$2.00 (User Fee for Oregon Children's Theater increases to \$1.00 and remains at this amount through FY 23-24)
2020-2021	\$2.50
2021-2022	\$2.50
2022-2023	\$2.50
2023-2024	\$3.00

Passed by the Commission on October 3, 2018.



Chair



Secretary/Treasurer

Approved as to form:

By: 

Nathan A. S. Sykes
Acting Metro Attorney



Staff Report

Agenda Item/Issue: For the Purpose of Adopting Revised Resident Company User Fee rates effective July 1, 2019

Resolution No.: 18-12

Presented By: Robyn Williams

Date: October 3rd, 2018

Background and Analysis:

History

In 1995, the Commission established criteria that would allow 9 performing arts organizations resident company status at Portland's 5 (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 5 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 5'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 remained there until August, 2017 when they were changed to the following:

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 FY19 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.

Current situation

The resident companies have faced financial struggles in recent years. They are competing with social services for donor dollars and fundraising has never been harder. They have approached Portland’s about dropping future user fees, but Portland’s has its own financial situations to be aware of as costs rise.

In FY19 the user fee was raised \$0.50 to \$2.50 per ticket. It is scheduled to increase another \$0.50 to \$3.00 per ticket In FY21.

In assessing the current needs of all, Portland’s believes it can provide some help to the resident companies by delaying the user fee increase by two years until FY23. This gives the resident companies more time to and gives Portland’s a future increase.

Recommendation

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

FY20	\$2.50
FY21	\$2.50
FY22	\$2.50
FY23	\$3.00

All other rates set by the Commission in August 2017 remain unchanged.

Fiscal Impact:

The increase in FY 23 will generate approximately \$134,000 depending on attendance.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 18-XX for the Purpose of Adopting Revised Resident Company User Fee Rates, Effective July 1, 2019.