

RECEIVED MAY 18 1992

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 173

Whereas the Metropolitan Exposition-Recreation Commission periodically reviews and sets rental rates at the Portland Center for the Performing Arts.

THE METROPOLITAN EXPOSITION-RECREATION COMMISSION FINDS:

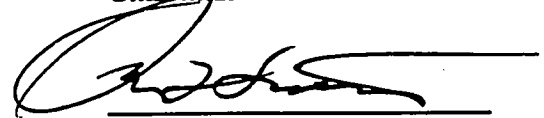
1. That there has been no change in rental rates at the Portland Center for the Performing Arts since July 1, 1990;
2. That research indicates that commercial rental rates at the Portland Center for the Performing Arts are below the national market average;
3. That the Commission has the responsibility to operate the facilities as cost effective as possible;
4. That the proposed increase is minimal and in keeping with several contracts the Commission has negotiated for FY 93;

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission adopts new rental rates for the Portland Center for the Performing Arts effective July 1, 1992 as per attached Exhibit "A".

Passed by the Commission on May 13, 1992.



Chairman



Secretary/Treasurer

APPROVED AS TO FORM:



Metro General Counsel



# Portland Center for the Performing Arts

Robert A. Freedman, Director • Portland Civic Auditorium • Ariene Schnitzer Concert Hall • Intermediate Theatre • Dolores Wainwright Theatre

May 5, 1992

TO: Metropolitan Exposition-Recreation Commission

FROM: Robert A. Freedman, Director *(Rate)*  
Portland Center for the Performing Arts

SUBJECT: FY 92/93 Portland Center for the Performing Arts  
Rental Rates

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## Background:

The Metropolitan Exposition-Recreation Commission regularly reviews and establishes rental rates for the facilities of the Portland Center for the Performing Arts. The last review of rental rates occurred in January of 1988. At that time, a rental rate structure was established for a period of three years through June 30, 1991.

The Commission determined that it would be best not to change the rental structure for the 1991/92 Season (FY92, the current year), and to keep the rates in effect that existed on June 30, 1991. Therefore, no action was taken on rental rates for FY92.

During the budget process for FY93, the Commission adopted a budget that reflected a 5% increase in rental rates for all facilities except the Intermediate Theatre. The rental rates for the Intermediate Theatre reflected in the budget equals 10% and is in keeping with the rental rates negotiated with the Oregon Shakespeare Festival for their FY93 contract. The budget review process included a presentation of these increases to the Budget and Finance Committee of the Commission. These increases are modest, especially considering that there was no rental increase for FY92.

## Update

In light of the fact that the Commission is currently reviewing and considering a multi-tier rental structure, it is perhaps best to consider rates for one year only. Once a new rental structure is established, it would be advisable to adopt a rental structure that would cover a period of three fiscal years. This would give users of the facilities the ability to do budget planning and project out the cost of using Portland Center for the Performing Arts' facilities.

It is vitally important, however, to establish rates for FY93 as the Portland Center for the Performing Arts' staff needs to begin issuing contracts for events that will take place in FY93.

The most recent study of nationwide rental rates of government operated facilities was conducted in Spring of 1991. Eight facilities with seating capacity over 2,000 revealed the following information: Seating capacity ranged from 2,094 to 3,023. The average capacity is 2,515. Rental rates for commercial promoters/presenters ranged from \$800 to \$3,500. The average rent was \$2,131 or \$.85 per seat. All facilities had a not-for-profit rate.

On the next page is a table comparing proposed commercial rental rates for FY93 for the Arlene Schnitzer Concert Hall, Portland Civic Auditorium, Intermediate Theatre and Winningstad Theatre to those public facilities responding to our survey. This survey indicates that the proposed increase still places rental rates at our two large halls and the Intermediate Theatre below the national market average. The rate on this chart for the Winningstad Theatre is the same rate that is being charged this fiscal year. It is not recommended that there be any rate change for the Winningstad Theatre.

<u>Facility</u>	<u>Av Size</u>	<u>Av Rent</u>	<u>Av Rent Per Seat</u>
Government	2,515	\$2,131	\$ .85
ASCH	2,776	2,200	.79
Civic Auditorium	3,000	2,200	.73
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Government	798	\$ 870	\$1.09
Intermediate	916	750	.81
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Government	253	\$ 305	\$1.20
Winningstad	316	400	1.27

These new rental rates should generate an increase of approximately \$45,000 in revenue. In the original budget projections reviewed by the Budget and Finance Committee as part of the budget preparation process, it was estimated that the new rental rates would generate \$50,000. The difference is that after reviewing the cost of the Winningstad Theatre to other facilities, that rate remains high on a per-seat basis. Therefore, no change in rate is recommended for the Winningstad Theatre for FY93. Please note that the Winningstad Theatre is the only facility that does have an established not-for-profit rate.

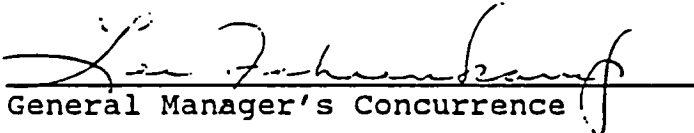
FY 92/93 PCPA Rental Rates  
May 5, 1992  
Page Three

In addition to the above information, attached is a chart showing comparative rate structures between Portland Center for the Performing Arts and various government and non-government performing arts centers throughout the country. The chart reflects the total cost of using our facilities when user's fees are added in, and it shows where we rank in relation to other facilities. The chart shows that overall cost, including both rent and user's fee still will remain \$288 below the average for the ten facilities listed.

Attached are the old FY 91/92 rental rates, and the proposed new FY 92/93 rental rates.

RECOMMENDATION

It is recommended that the Commission adopt the new Portland Center for the Performing Arts rental rates as attached.

  
General Manager's Concurrence

## PORTLAND CENTER FOR THE PERFORMING ARTS

## Rental Rates - Fiscal Year 1992-1993

(new)

	<u>Civic Auditorium</u>	<u>Arlene Schnitzer Concert Hall</u>	<u>Intermediate Theatre</u>	<u>Dolores Winningsta Theatre</u>
<b><u>Commerical Rates</u></b>				
Performance - Evening	2,200 minimum*	2,200 minimum*	750	400
Performance - 2nd Eve.	1,650 mimimum*	1,650 minimum*	550	300
Performance - Evening 3/4 House			575	
Performance - Evening 1/2 House	1,450 minimum*	1,450 minimum*	500	
Performance - Matinee	1,250 minimum*	1,250 minimum*	425	225
Performance - Matinee 3/4 House			375	
Performance - Matinee 1/2 House			275	
Performance - Morning	550	550	200	150
Rehearsal/Load-In Day	1,100	1,100	400	200
Lobby Function/Rehearsal	1 650	850	650	

\*Plus 8% of gross ticket sales over \$45,000.00 per performance

**Non-Commerical Rates**

erformance - Evening	2,200 minimum**	2,200 minimum*	750	300
Performance - 2nd Eve.	1,650 minimum**	1,650 minimum*	550	225
Performance - Evening 3/4 House			575	
Performance - Evening 1/2 House	1,450 minimum**	1,450 minimum**	500	
Performance - Matinee	1,250 minimum**	1,250 minimum**	425	175
Performance - Matinee 3/4 House			375	
Performance - Matinee 1/2 House			275	
Performance - Morning	550 minimum**	550 minimum**	200	125
Graduation	1,900	1,900		
Rehearsal/Load-In Day	1,100	1,100	400	150
Lobby Function/Reception	550	700	575	
Rehearsal - On Stage Morning		400	150	75

\*\* Plus 5% of gross ticket sales over \$45,000.00 per performance

Non-commerical rates will apply to performing arts organizations, corporations, or associations organized and operated solely for the advancement, appreciation, public exhibition, performance, preservation, study and/or teaching of the performing arts (music, drama, including puppetry, opera, theatre, dance, etc.), which are currently recognized as tax-exempt organizations under Section 501 (c) (3) of the Internal Revenue Code and related sections, now or hereafter amended.

## PORTLAND CENTER FOR THE PERFORMING ARTS

## Rental Rates - Fiscal Year 1992-1993

(new)

	<u>Civic Auditorium</u>	<u>Arlene Schnitzer Concert Hall</u>	<u>Intermediate Theatre</u>	<u>Dolores Winningsta Theatre</u>
<u>Commerical Rates</u>				
Performance - Evening	2,200 minimum*	2,200 minimum*	750	400
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Performance - Matinee 3/4 House			375	
Performance - Matinee 1/2 House			275	
Performance - Morning	550	550	200	150
Rehearsal/Load-In Day	1,100	1,100	400	200
Lobby Function/Rehearsal	1 650	850	650	

\*Plus 8% of gross ticket sales over \$45,000.00 per performance

**COMPARATIVE RATE STRUCTURES  
BETWEEN P.C.P.A. AND  
VARIOUS PERFORMING ARTS CENTERS**

***NATIONAL MARKET***

***COMMERCIAL RATE @ 2,000 TICKETS SOLD @ \$20 PER TICKET AVERAGE:***

<u>CENTER</u>	<u>RENTAL RATE</u>	<u>USER FEE</u>	<u>TOTAL CHARGES</u>
Milwaukee	\$3,005	-0-	\$3,005
Seattle	3,200	-0-	3,200
Benedum	3,370	-0-	3,370
Hult	1,750	\$2,000	3,750
Portland	2,200	2,000	4,200
Spokane	2,660	2,000	4,660
Kentucky	4,800	-0-	4,800
Boise	3,890	1,000	4,890
Cleveland	6,200	-0-	6,200
Broward	4,800	2,000	6,800
<i>Average</i>	<i>\$3,588</i>		<i>\$4,488</i>

05/05/92