

RECEIVED JUN 16 1992

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 183

Whereas the Metropolitan Exposition-Recreation Commission periodically reviews and sets rental rates and policies for the Portland Center for the Performing Arts (PCPA) regarding implementation of those rates and policies.

THE METROPOLITAN EXPOSITION-RECREATION COMMISSION FINDS:

1. That the Public Policy Advisory Committee for Regional Convention, Trade, Performing Arts and Spectator Facilities, the Arts Plan 2000+ Consultants Report and the Portland Center for the Performing Arts Advisory Committee have all recommended that there be reduced rental rates for not-for-profit organizations, particularly resident companies;
2. That a study of rental rates for performing arts facilities done by the Portland Center for the Performing Arts, Arts Plan 2000+ and AMS Planning and Research indicates that facilities similar to the Portland Center for the Performing Arts offer substantially reduced rents to not-for-profit organizations, particularly resident companies;
3. That the above mentioned studies indicate that the PCPA's rental rates for not-for-profit organizations are high compared to other comparable facilities, and that some other comparable facilities offer special lower rates to resident companies;
4. That local not-for-profit organizations provide an array of services to the Portland Metropolitan Region including a broad range of artistically excellent programs which broaden our cultural awareness, and which without their endeavors, would not be available to the citizens of the region;

THREE TIER
RENT RESOLUTION
JUNE 10, 1992

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5. That local not-for-profit resident companies with a subscription season provide a solid base of performances, scheduled well in advance of actual performance dates which provides the ability of the Portland Center for the Performing Arts to plan, budget, operate the facility in the most efficient manner, allow for financial stability, maximize scheduling opportunities and guarantee theatre use;

6. That resident companies provide a steady and stable source of employment in the metropolitan area labor force and that a healthy core group of resident companies with subscription seasons is essential to the success of the Portland Center for the Performing Arts;

7. That the not-for-profit resident performing arts companies are committed to working with METRO, the City of Portland, the four metropolitan counties, the MERC Commission, and the Portland Center for the Performing Arts to help find a dedicated source of funds for implementation of Arts Plan 2000+ and the support of regional facilities;

8. That the economic development and cultural diversification of the community will be strengthened by having strong local performing arts organizations that are dedicated to presenting a wide range of accessible programming;

9. That a three tier rate structure setting commercial rates, standard not-for-profit rates and resident company rates would promote the most efficient and successful usage of the Portland Center for the Performing Arts;

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission adopts the Policy for Rental Rates at the

THREE TIER
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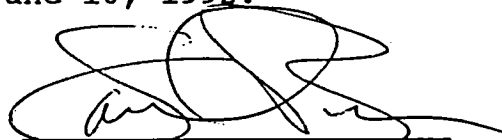
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Portland Center for the Performing Arts as per attached Exhibit "1", with the rates as per established for Fiscal Year 1991/1992 and Fiscal year 1992/1993 as per attached Exhibit "2".

BE IT FURTHER RESOLVED that for Fiscal Year 1991/1992 only, organizations who have already had performances at the PCPA under previously existing rates may apply for retroactive applications of any lower rates established for Fiscal year 1991/1992 by this resolution. Such applications shall be governed by the standards contained in this policy and not by any previously existing standards. The Director of the PCPA shall have the authority to establish procedures for retroactive applications.

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Passed by the Commission on June 10, 1992.



Chairman



Secretary/Treasurer

APPROVED AS TO FORM:



Metro General Counsel

Exhibit 1

POLICY FOR RENTAL RATES
AT THE
PORTLAND CENTER FOR THE PERFORMING ARTS

I. GENERAL PROVISIONS

This policy applies only to the Portland Center for the Performing Arts (PCPA).

There shall be a three-rate structure for the PCPA:

- A. Commercial;
- B. Standard Not-for-Profit; and
- C. Resident Company.

Commercial rates shall apply to all events, unless a written application for Standard Not-for-Profit or Resident Company rates has been filed with and approved by the Director of the PCPA. Written applications for Standard Not-for-Profit rates must be filed at least seventy-five (75) days prior to the event. Written applications for Resident Company rates must be filed at least sixty (60) days prior to the beginning of the Company's subscription season, and, if approved, shall apply to the entire season. The Director may require that applicants use written applications prepared and approved by PCPA staff.

The Director, with written notice to the applicant, may require re-application and re-evaluation of an application for reduced rates whenever it appears that the nature of the sponsoring organization has changed or that representations made in the application were untrue or are no longer true.

The Director of the PCPA shall have the authority to approve or disapprove applications for Standard Not-for-Profit or Resident Company rates, based on the standards set out in this Policy. The Director may request from any organization seeking these reduced rates any information, including but not limited to access to accounting records and

promotion agreements, which he deems necessary or desirable in order to determine if these rates apply. Failure by an organization to timely comply with a request for information by the Director, or the submission of false information, shall result in automatic rejection of the application for reduced rates.

In the event that the Director disapproves an application, the Director's decision shall become final, unless within fourteen (14) calendar days, the organization submitting the application appeals the Director's decision to the General Manager of the Metropolitan Exposition-Recreation Commission (Commission) in writing. The General Manager's decision shall be final and binding, unless within fourteen (14) calendar days, the organization submitting the application appeals the General Manager's decision to the Commission in writing. The Commission's decision shall be final and binding.

Nothing in these rates shall prohibit the Director from entering into agreements with different rate structures, when, in, his/her judgment, such agreements are necessary and/or desirable from a business perspective.

Whenever a question arises as to the meaning or interpretation of this policy or any other policy or practice of the Commission, the interpretation given by the Commission and/or its designee(s) shall be final and binding.

II. STANDARD NOT-FOR-PROFIT RATES

In order to qualify for the Standard Not-for-Profit rates the following conditions must be met:

- A. The sponsoring organization must be currently recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code and

related sections, as now or hereafter amended. The organization must be a locally based not-for profit organization with a local Board of Trustees or Board of Directors, or qualify for funding from the Metropolitan Arts Commission. "Local" includes any area within the boundaries of the Metropolitan Service District or Clark County, Washington. At the time of application, the organization must provide accurate copies of its Bylaws, Articles of Incorporation, a current list of Trustees or Directors, with city/town or residence for each, and IRS determination letter. Alternatively, sponsoring organizations which are subdivisions of local governments may also be eligible for Not-for-Profit rates.

- B. Event must be booked a minimum of forty-five (45) days in advance, unless otherwise approved by the Director.
- C. Organization must be current on any payments to any Metro ERC facilities, including the PCPA or its subcontractors.
- D. Organization must be in compliance with all pertinent laws or rules regarding charitable organizations and charitable solicitations, if applicable.
- E. At the time of application, the organization must provide proof that all income from the event will be for the sole economic benefit of the organization, including proof that any expenses incurred in presenting

the event are reasonable and consistent with charitable fund-raising events.

III. RESIDENT COMPANY

In order to qualify for the Resident Company rates the following conditions must be met:

- A. The sponsoring organization must be currently recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code and related sections, as now or hereafter amended. The organization must be a locally based not-for profit organization with a local Board of Trustees or Board of Directors, or qualify for funding from the Metropolitan Arts Commission. "Local" includes any area within the boundaries of the Metropolitan Service District or Clark County, Washington. At the time of application, the organization must provide accurate copies of its Bylaws, Articles of Incorporation, a current list of Trustees or Directors, with city/town or residence for each, and IRS determination letter. Alternatively, sponsoring organizations which are subdivisions of local governments may also be eligible for Resident Company rates.
- B. Organization must have been in continuous existence for the last three years and/or currently presenting a subscription season at the PCPA.
- C. Producing and/or presenting events open to the public must be the primary activity of the organization.

- D. Organization must book a volume of not less than \$5,000 per season worth of performances (rent only) or a minimum of three (3) events and/or six (6) performances.
- E. Organization must have a subscription season at the PCPA.
- F. The organization must provide some program, performances or events which are low cost or no cost to the public either at the PCPA or other locations in the region and/or provide some low cost tickets to all events.
- G. The organization must recognize the PCPA in marketing, promotional material and event program, and list the name of the PCPA, its staff, and the names of the Metropolitan Exposition-Recreation Commission members in the event program if such a program is distributed to audience members.
- H. Organization must be current on any payments to any Metro ERC facilities, including the PCPA and its subcontractors.
- I. All bookings must be complete with firm commitments for dates by March 1 of the prior booking season. The Director may exempt certain special events from this requirement.

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PORTLAND CENTER FOR THE PERFORMING ARTS

Exhibit Two

Rental Rates - Fiscal Year 1991-1992

	<u>Civic Auditorium</u>	<u>Arlene Schnitzer Concert Hall</u>	<u>Intermediate Theatre</u>	<u>Dolores Winningstad Theatre</u>
<u>Commercial Rates</u>				
Performance - Evening	2,100 minimum*	2,100 minimum*	700	400
Performance - 2nd Eve.	1,575 mimimum*	1,575 minimum*	500	300
Performance - Evening 3/4 House			525	
Performance - Evening 1/2 House	1,375 minimum*	1,375 minimum*	450	
Performance - Matinee	1,200 minimum*	1,200 minimum*	375	225
Performance - Matinee 3/4 House			325	
Performance - Matinee 1/2 House			250	
Performance - Morning	525	525	175	150
Rehearsal/Load-In Day	1,050	1,050	350	200
Lobby Function/Reception	600	850	600	

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

Standard Not-for-Profit Rates

Performance - Evening	1785 minimum**	1785 minimum**	595	300
Performance - 2nd Eve.	1340 mimimum**	1340 minimum**	425	225
Performance - Evening 3/4 House			445	
Performance - Evening 1/2 House	1170 minimum**	1170 minimum**	380	
Performance - Matinee	1020 minimum**	1020 minimum**	320	175
Performance - Matinee 3/4 House			275	
Performance - Matinee 1/2 House			215	
Performance - Morning	445 minimum**	445 minimum**	150	125
Graduation	1,800	1,800		
Rehearsal/Load-In Day	890	890	300	150
Lobby Function/Reception	510	680	510	
Rehearsal - On Stage Morning		375	125	75

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

Resident Company Rates

Performance - Evening	695 minimum**	695 minimum**	230	130
Performance - 2nd Eve.	520 mimimum**	520 minimum**	165	100
Performance - Evening 3/4 House			175	
Performance - Evening 1/2 House	455 minimum**	455 minimum**	150	
Performance - Matinee	395 minimum**	395 minimum**	125	75
Performance - Matinee 3/4 House			110	
Performance - Matinee 1/2 House			85	
Performance - Morning	175 minimum**	175 minimum**	60	50
Rehearsal/Load-In Day	345	345	115	65
Lobby Function/Reception	200	265	200	
Rehearsal - On Stage Morning		375	40	25

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

PORTLAND CENTER FOR THE PERFORMING ARTS

Exhibit Two

Rental Rates - Fiscal Year 1992-1993

	<u>Civic Auditorium</u>	<u>Arlene Schnitzer Concert Hall</u>	<u>Intermediate Theatre</u>	<u>Dolores Winningstad Theatre</u>
<u>Commercial Rates</u>				
Performance - Evening	2,200 minimum*	2,200 minimum*	750	400
Performance - 2nd Eve.	1,650 minimum*	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/Reception	650	850	650	

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

Standard Not-for-Profit Rates

Performance - Evening	1870 minimum**	1870 minimum**	640	340
Performance - 2nd Eve.	1400 minimum**	1400 minimum**	470	255
Performance - Evening 3/4 House			490	
Performance - Evening 1/2 House	1235 minimum**	1235 minimum**	425	
Performance - Matinee	1065 minimum**	1065 minimum**	360	190
Performance - Matinee 3/4 House			320	
Performance - Matinee 1/2 House			235	
Performance - Morning	470 minimum**	470 minimum**	170	130
Graduation	1,900	1,900		
Rehearsal/Load-In Day	935	935	340	170
Lobby Function/Reception	550	725	550	
Rehearsal - On Stage Morning		400	150	85

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

Resident Company Rates

Performance - Evening	440 minimum*	440 minimum*	150	80
Performance - 2nd Eve.	330 minimum*	330 minimum*	110	60
Performance - Evening 3/4 House			115	
Performance - Evening 1/2 House	290 minimum*	290 minimum*	100	
Performance - Matinee	250 minimum*	250 minimum*	85	45
Performance - Matinee 3/4 House			75	
Performance - Matinee 1/2 House			55	
Performance - Morning	110	110	40	30
Rehearsal/Load-In Day	220	220	80	40
Lobby Function/Reception	130	170	130	
Rehearsal - On Stage Morning		400	30	20

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

Metropolitan Exposition-Recreation Commission

P.O. Box 2746 • Portland, Oregon 97208 • 503/731-7800 • Fax #731-7870 • 777 NE Martin Luther King Jr. Blvd.

June 4, 1992

TO: Metropolitan Exposition-Recreation Commission

FROM: Robert A. Freedman, Director
Portland Center for the Performing Arts

SUBJECT: Three Tier Rent Structure for Portland Center for the
Performing Arts and Associated Rates

Background

The Metropolitan Exposition-Recreation Commission regularly reviews and establishes rental rates for the facilities of the Portland Center for the Performing Arts. The Commission in its May meeting passed new Commercial Rates for FY93 and tabled the issue of Non-Commercial Rates pending consideration of a new three tier rent policy and associated rates.

The Public Policy Advisory Committee for Regional Convention, Trade, Performing Arts and Spectator Facilities and Arts Plan 2000+, as well as the Portland Center for the Performing Arts Advisory Committee, have recommended that their be reduced rates for not-for-profit organizations utilizing the facilities of the Portland Center for the Performing Arts.

The Metropolitan Exposition-Recreation Commission staff has compared rates for not-for-profit organizations at many other like facilities nationwide. These studies have shown that significant rate reductions are offered to not-for-profit organizations at comparable facilities. Attached are comparative rate structures for not-for-profit organizations that indicate the placement of the Portland Center for the Performing Arts to other performing arts centers. It is public policy in most other cities and facilities to offer reduced rates to not-for-profit organizations.

The most recent study of nationwide rental rates of government operated facilities was conducted in the Spring of 1991 by the staff of the Portland Center for the Performing Arts. Information on rental rates for other facilities was also gathered from Arts Plan 2000+ and a study of performing arts center facilities done by AMS Planning and Research for the Broward Center for the Performing Arts and dated February, 1992. Attached are four charts showing the placement of the Portland Center for the Performing Arts in

relation to other facilities under the new proposed standard and resident company rates for FY92 and FY93

The Commission's representatives have been having on-going discussion and dialogue with a number of the not-for-profit tenants of the facility about these issues. As a result of the above studies and these discussions, the proposed policy and rate structure was developed for the Portland Center for the Performing Arts which recognizes the special nature of long term not-for-profit resident companies and allows for a significant discount to those resident companies, while still giving some discount to the short term not-for-profit user.

It also clearly defines under what conditions these rates would be offered and the application process required.

Funds are available from the reserve fund to allow for the implementation of the proposed new rates for not-for-profit organizations. A budget adjustment will be required for implementation of this policy.

RECOMMENDATION

It is recommended that the Commission adopt the new Policy for Rental Rates at the Portland Center for the Performing Arts, which includes rental rates for FY92 and FY93.

**FY 92, 15% Reduction, Standard Not-for-Profit Rates
COMPARATIVE RATE STRUCTURES
BETWEEN P.C.P.A. AND
VARIOUS PERFORMING ARTS CENTERS**

NATIONAL MARKET

NOT-FOR-PROFIT @ 2,000 TICKETS SOLD @ \$20 PER TICKET AVERAGE:

<u>CENTER</u>	<u>RENTAL RATE</u>	<u>% OF COMMERCIAL RATE</u>	<u>USER FEE</u>	<u>TOTAL CHARGES</u>	<u>% OF COMMERCIAL RATE</u>
Spokane	\$1,500	44%	-0-	\$1,500	68%
Seattle	1,500	53%	-0-	1,500	53%
Hult	520	30%	\$2,000	2,520	33%
Boise	1,650	58%	1,000	2,650	54%
Milwaukee	2,700	11%	-0-	2,700	11%
Cleveland	3,000	52%	-0-	3,000	52%
Kentucky	3,220	33%	-0-	3,220	33%
Benedum	3,370	-0-	-0-	3,370	-0-
Portland	1,785	15%	2,000	3,785	8%
Broward	3,360	30%	2,000	5,360	22%
Average	\$2,261	33% (36%*)		\$2,695	33% (37%*)

*% of buildings that give a discount.

COMPARISON OF PCPA CHARGES TO NATIONAL COMPARABLE MARKET AVERAGE:

<u>RATE STRUCTURE</u>	<u>PCPA</u>	<u>MARKET AVERAGE</u>	<u>% DIFFERENCE</u>
Commercial	\$4,100	\$4,478	9% Lower
Not-For-Profit	3,785	2,695	29% Higher

**FY 92, 15% Reduction, Standard Not-for-Profit Rates
COMPARATIVE RATE STRUCTURES
BETWEEN P.C.P.A. AND
VARIOUS PERFORMING ARTS CENTERS**

NATIONAL MARKET

NOT-FOR-PROFIT @ 2,000 TICKETS SOLD @ \$20 PER TICKET AVERAGE:

<u>CENTER</u>	<u>RENTAL RATE</u>	<u>% OF COMMERCIAL RATE</u>	<u>USER FEE</u>	<u>TOTAL CHARGES</u>	<u>% OF COMMERCIAL RATE</u>
Spokane	\$1,500	44%	-0-	\$1,500	68%
Seattle	1,500	53%	-0-	1,500	53%
Hult	520	30%	\$2,000	2,520	33%
Boise	1,650	58%	1,000	2,650	54%
Milwaukee	2,700	11%	-0-	2,700	11%
Cleveland	3,000	52%	-0-	3,000	52%
Kentucky	3,220	33%	-0-	3,220	33%
Benedum	3,370	-0-	-0-	3,370	-0-
Portland	1,785	15%	2,000	3,785	8%
Broward	3,360	30%	2,000	5,360	22%
Average	\$2,261	33% (36%*)		\$2,695	33% (37%*)

**% of buildings that give a discount.*

COMPARISON OF PCPA CHARGES TO NATIONAL COMPARABLE MARKET AVERAGE:

<u>RATE STRUCTURE</u>	<u>PCPA</u>	<u>MARKET AVERAGE</u>	<u>% DIFFERENCE</u>
Commercial	\$4,100	\$4,478	9% Lower
Not-For-Profit	3,785	2,695	29% Higher

**FY 93, 15% Reduction, Standard Not-for-Profit Rates
COMPARATIVE RATE STRUCTURES
BETWEEN P.C.P.A. AND
VARIOUS PERFORMING ARTS CENTERS**

NATIONAL MARKET

NOT-FOR-PROFIT @ 2,000 TICKETS SOLD @ \$20 PER TICKET AVERAGE:

<u>CENTER</u>	<u>RENTAL RATE</u>	<u>% OF COMMERCIAL RATE</u>	<u>USER FEE</u>	<u>TOTAL CHARGES</u>	<u>% OF COMMERCIAL RATE</u>
Spokane	\$1,500	44%	-0-	\$1,500	68%
Seattle	1,500	53%	-0-	1,500	53%
Hult	520	30%	\$2,000	2,520	33%
Boise	1,650	58%	1,000	2,650	54%
Milwaukee	2,700	11%	-0-	2,700	11%
Cleveland	3,000	52%	-0-	3,000	52%
Kentucky	3,220	33%	-0-	3,220	33%
Benedum	3,370	-0-	-0-	3,370	-0-
Portland	1,870	15%	2,000	3,870	6%
Broward	3,360	30%	2,000	5,360	22%
Average	\$2,269	32% (36%*)		\$2,969	33% (36%*)

**% of buildings that give a discount.*

COMPARISON OF PCPA CHARGES TO NATIONAL COMPARABLE MARKET AVERAGE:

<u>RATE STRUCTURE</u>	<u>PCPA</u>	<u>MARKET AVERAGE</u>	<u>% DIFFERENCE</u>
Commercial	\$4,100	\$4,478	9% Lower
Not-For-Profit	3,870	2,969	23% Higher

**FY 92, 67% Reduction, Resident Company Rates
COMPARATIVE RATE STRUCTURES
BETWEEN P.C.P.A. AND
VARIOUS PERFORMING ARTS CENTERS**

NATIONAL MARKET

NOT-FOR-PROFIT @ 2,000 TICKETS SOLD @ \$20 PER TICKET AVERAGE:

<u>CENTER</u>	<u>RENTAL RATE</u>	<u>% OF COMMERCIAL RATE</u>	<u>USER FEE</u>	<u>TOTAL CHARGES</u>	<u>% OF COMMERCIAL RATE</u>
Spokane	\$1,500	44%	-0-	\$1,500	68%
Seattle	1,500	53%	-0-	1,500	53%
Hult	520	30%	\$2,000	2,520	33%
Boise	1,650	58%	1,000	2,650	54%
Portland	695	67%	2,000	2,695	34%
Milwaukee	2,700	11%	-0-	2,700	11%
Cleveland	3,000	52%	-0-	3,000	52%
Kentucky	3,220	33%	-0-	3,220	33%
Benedum	3,370	-0-	-0-	3,370	-0-
Broward	3,360	30%	2,000	5,360	22%
Average	\$2,151	38% (42%*)		\$2,851	36% (40%*)

*% of buildings that give a discount.

COMPARISON OF PCPA CHARGES TO NATIONAL COMPARABLE MARKET AVERAGE:

<u>RATE STRUCTURE</u>	<u>PCPA</u>	<u>MARKET AVERAGE</u>	<u>% DIFFERENCE</u>
Commercial	\$4,100	\$4,478	9% Lower
Not-For-Profit	2,693	2,851	6% Higher

**FY 93, 80% Reduction, Resident Company Rates
COMPARATIVE RATE STRUCTURES
BETWEEN P.C.P.A. AND
VARIOUS PERFORMING ARTS CENTERS**

NATIONAL MARKET

NOT-FOR-PROFIT @ 2,000 TICKETS SOLD @ \$20 PER TICKET AVERAGE:

<u>CENTER</u>	<u>RENTAL RATE</u>	<u>% OF COMMERCIAL RATE</u>	<u>USER FEE</u>	<u>TOTAL CHARGES</u>	<u>% OF COMMERCIAL RATE</u>
Spokane	\$1,500	44%	-0-	\$1,500	68%
Seattle	1,500	53%	-0-	1,500	53%
Portland	440	80%	2,000	2,440	40%
Hult	520	30%	\$2,000	2,520	33%
Boise	1,650	58%	1,000	2,650	54%
Milwaukee	2,700	11%	-0-	2,700	11%
Cleveland	3,000	52%	-0-	3,000	52%
Kentucky	3,220	33%	-0-	3,220	33%
Benedum	3,370	-0-	-0-	3,370	-0-
Broward	3,360	30%	2,000	5,360	22%
Average	\$2,126	39% (43%*)		\$2,826	36% (41%*)

**% of buildings that give a discount.*

COMPARISON OF PCPA CHARGES TO NATIONAL COMPARABLE MARKET AVERAGE:

<u>RATE STRUCTURE</u>	<u>PCPA</u>	<u>MARKET AVERAGE</u>	<u>% DIFFERENCE</u>
Commercial	\$4,100	\$4,478	9% Lower
Not-For-Profit	2,440	2,826	14% Higher