

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 93-26

Authorizing an increase of 7% to rental rates at the Portland Center for the Performing Arts effective July 1, 1994

The Metropolitan Exposition-Recreation Commission finds:

1. It is authorized to review rental rates at Commission facilities and to set those rates;
2. Rental rates need to be adjusted periodically to reflect costs;
3. There has been no increase of rental rates at the Portland Center for the Performing Arts for two years;
4. Inflation over the past two years has averaged approximately 3.5%;
5. The Commission will be undertaking an in depth review of rental rates in the performing arts industry and compare these rates and other costs to those of the Portland Center for the Performing Arts facilities;

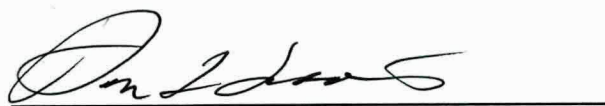
BE IT THEREFORE RESOLVED that the Commission authorizes staff to increase rental rates by 7%, effective July 1, 1994 and to adjust rental charts in accordance with the Commission adopted policy for the rental structure at the Portland Center for the Performing Arts;

AND FURTHER BE IT RESOLVED that this rental increase is for one year only unless extended by formal action of the Commission pending the outcome of the rental rate study.

Passed by the Commission on December 8, 1993.




Chairman



Secretary/Treasurer

Approved as to Form:
Daniel B. Cooper, General Counsel

By: 

Mark B. Williams
Senior Assistant Counsel

MERC STAFF REPORT

Agenda Item/Issue: Rental Rates for the Portland Center for the Performing Arts, effective July 1, 1994

Resolution No: 93-26

Date: December 8, 1993 Presented By: Robert A. Freedman

Background and Analysis

The Portland Center for the Performing Arts has been preparing its budget for the fiscal year beginning July 1, 1994 in keeping with the short and long term strategies of the pending Business Plan. Every effort has been made to reduce costs and raise revenues. Cost reductions include staff reduction of 5 full time positions as well as numerous part time positions.

A short term goal of the business plan strategy is to develop a budget for the fiscal year beginning July 1, 1994 that requires support of approximately \$800,000.

In order to achieve this goal, in addition to the budget cuts and revenue increases already projected in the budget, it has been determined that some rental increase is necessary. Discussions have been taking place with the Advisory Committee and some users about a potential rental increase. The first budget actually projected a rental increase of 20% for all users.

As part of the short term strategies and work plan, MERC is committed to examine rental rates and to do an in depth review of specific market rents in the performing arts industry and compare these findings to Portland's rental rates and other costs of using PCPA facilities.

There has not been a rental increase at the Portland Center for the Performing Arts for two years. The Consumer Price Index (CPI)/inflation over the past two years has been close 3.5% per year or 7% for two years. Rental rates are adjusted periodically by the Commission to reflect not only market conditions, but the costs of operating the Portland Center for the Performing Arts.

Budget/Financial Impact

Approximately \$45,000 for the fiscal year beginning July 1, 1994

Recommendation

Staff recommends a rental increase of 7% effective July 1, 1994 and that the rental rate charts be adjusted accordingly in keeping with the Commission's adopted rental policy. This increase is for one year only and will end June 30, 1995, pending in depth market analysis of rental rates in the performing arts industry as well as other costs to users and unless extended by formal action of the Commission.