

METROPOLITIAN EXPOSITON-RECREATION COMMISSION

RESOLUTION NO. 97-25

Authorizing the General Manager to execute an Agreement with Portland Center Stage.

The Metro Exposition-Recreation Commission finds:

1. That in 1988 the Oregon Shakespeare Festival Association was recruited by the City of Portland to be a resident theatre company in the Intermediate Theatre of PCPA, and entered into a three-year agreement for occupancy office and workshop space in the New Theatre Building, in addition to usage of the Intermediate Theatre for the production of an annual season of plays.

2. That in August, 1991, the Commission found it to be critically important to the success of the PCPA and in the best interest of the Portland community that OSF-Portland continue in residency, and a second three-year agreement was approved.

3. That in July, 1994, the OSF-Portland group was transformed into an independent non-profit corporation identified as Portland Center Stage, with the intended purpose of continuing as a resident company of the Intermediate Theatre, presenting an annual season of plays to the Portland Community. In February, 1995, the Commission authorized a third three-year Agreement through June 30, 1997.

4. That the Commission confirms that it is important and in the best interest of the Portland community that Portland Center Stage continue in residency and that an amendment to extend the agreement has been negotiated for the terms and conditions to continue for three years ending June 30, 2000.

5. That the Commission has the authority to enter into such an agreement.

Be it therefore resolved that the Commission approves the extension amendment to the Agreement attached hereto and authorizes the General Manager to execute that Document.

Passed by the Commission on May 14, 1997.




Chairman



Secretary/Treasurer

Approved As to Form:

Daniel B. Cooper, General Counsel

By: 
Kathleen A. Pool
Senior Assistant Counsel

MERC STAFF REPORT

Agenda Item/Issue: Approving amendment to extend for a 3-year term the existing MERC Agreement with Portland Center Stage to June 30, 2000

Resolution No: 97-25

Date: May 14, 1997

Presented by: Harriet Sherburne

BACKGROUND: In 1995, the Commission authorized entering into a third 3-year agreement with Portland Center Stage through June 30, 1997. The 1995 agreement updated a number of terms and conditions to reflect the current operating situation for PCS as a principal tenant of the Intermediate Theatre, and as an occupant of office, costume, storage and rehearsal space in the New Theatre Building. Because there is little change proposed for the next 3-year term, it was agreed that an amendment to extend the arrangement to June 30, 2000 is the appropriate format for the action. There are items of note in the extension:

1. The 1995 Agreement contains provisions for PCS to expand its season from 5 to 6 plays each production season, and from approximately 26 to 30 weeks each year, generally from October 1 through April 30. In 1996-97, PCS consulted with PCPA, and thereafter its Board made the decision to implement such expansion beginning in the 1997-98 season. This change is expected to allow the company to build upon existing success, and to develop financial strength over the long term.
2. The 1995 Agreement reserved the right for MERC to cancel the PCS rental of the 4th floor rehearsal space of the New Theatre Building upon specific notice, if MERC decides to complete construction of this space. The extension amendment continues this right for MERC, adding the provision that such cancellation shall not occur before the end of the 1997-98 season. This assurance is compatible with current projections for decisions, planning and any possible construction in the space.
3. The provisions regarding user fee charges to PCS has been modified to reflect the changes approved by the Commission at its April, 1997 meeting, and noting the linkage between user fee charges and funding decisions by the owner of the PCPA facilities.
4. The PCS rental rates for the Intermediate theatre are tied to the rates and policies for non-profit principal tenants, as adopted and updated by the Commission from time to time.
5. The rental schedule for office and other support space is escalated 10% over the 3 year term, by annual steps of 3%, 3%, and 4% (approximately \$1,100 increase each year). This is reasonable in the current market context.

FISCAL IMPACT: The amendment to extend the current agreement is consistent with current and projected budget assumptions and goals for the next 3 fiscal years.

RECOMMENDATION: : Staff recommend that the Commission approve the proposed extension amendment.

EXTENSION AMENDMENT TO AGREEMENT FOR USE OF THE
INTERMEDIATE THEATRE OF THE PCPA

The Agreement entered into on March 20, 1995 by and between the Metro E-R Commission (MERC) and Portland Center Stage (PCS) (hereinafter "the Agreement") is amended as follows:

1. The original term of the Agreement shall be extended three years, until June 30, 2000, unless sooner terminated by the mutual agreement of the Parties or as provided in the Agreement.

2. PCS will produce a thirty week season of six plays annually during the period from approximately October 1 through April 30 of each production season in 1997-98, and 1999-2000. Prior to the Preview for the first show each season, there will be nine days of uninterrupted set-up. At the conclusion of each season, there will be two days of interrupted strike.

3. Section 2.B. Seasons of Plays , and Section 3.C. Use of the Intermediate Theatre are obsolete and are hereby deleted from the Agreement.

4. Subject to the exceptions contained in subsections B and C of Section 4 of the Agreement, and effective July 1, 1997, PCS will have full and exclusive use of the office, storage and workshop spaces specified for the time periods and rental rates in the scheduled attached hereto as Exhibit "B". The location of the office and workshop spaces are more specifically described in the floor diagram attached to the Agreement as Exhibit "A". Rent for the specified areas shall be due and payable in advance on the first day of each month. PCS shall give MERC thirty days written notice if PCS will not use a space for the full number of months stated in the Agreement and MERC shall, in turn, eliminate PCS rent for such space (s) for any such periods on a monthly basis only.

5. MERC reserves the right to cancel PCS's rental of the rehearsal area, on prior written notice of 120 days or at the end of the season, which ever comes last. If MERC decides to complete the construction of this space, such decision is to be at the sole discretion of MERC, provided that cancellation shall not occur before the end of the 1997-98 season of plays. If MERC exercises this option, PCS will receive a prorated refund on any previously paid rental for the rehearsal area. MERC will promptly notify PCS about any financially viable proposal to complete the construction of the rehearsal space. PCS agrees to hold such information in confidence until such time as instructed otherwise by the PCPA Director or until such information is made public.

6. Section 7. User Fees is hereby deleted and replaced as follows: The User Fees charged to Principal Tenants of the PCPA on tickets to events in PCPA facilities will be paid on all tickets sold for PCS Productions, whether subscription or single event ticket sales. MERC shall be provided by PCS with a box office report for each performance detailing all tickets sales and disposition of user fees collected by PCS on its ticket sales, and shall have the right to review PCS records as necessary to confirm the collection and disposition of User Fees. MERC shall make best efforts to make decisions on changes in User Fee by July 1 of each year, with such changes to be effective one year later on July 1 of the appropriate fiscal year. It is understood between the parties that MERC's timing on User Fee decisions is necessarily subject to the schedule for funding decisions by the owner of the PCPA facilities.

7. The rental for use of the Intermediate Theatre will be non-profit Principal Tenant Rate as established by MERC, provided that PCS is in compliance with rental policies for Principal Tenant status.

8. Box Office Receipts attributable to PCS performances will be held by MERC until settlement of each show. PCS will supply PCPA with estimated statements after the second weekend of each run, and at the end of each run submit final statements with any adjustment to the previously estimated statement.

9. All other terms and conditions of the Agreement shall continue in full force and effect, except as specially modified herein.

10. Except as specifically provided herein and in the original Agreement, this document together with the original Agreement, contains the complete and exclusive agreement between the Parties, and is intended to be a final expression of their agreement. No promise, representation or covenant not included in this document or the Agreement has been or is relied upon by any party. No modification or amendment of this document or Agreement shall be in force or effect unless in writing executed by all parties hereto.

PORTLAND CENTER STAGE

By: _____



METRO E-R COMMISSION

By: _____

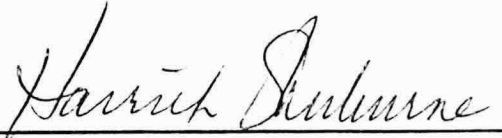


EXHIBIT "B"

To the Agreement Between
Portland Center Stage
and
Portland Center for the Performing Arts

July, 1997- June 30, 1998:

<u>Room</u>	<u>Area</u>	<u>Rate</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>	<u>Contract Rent</u>
628	1,798	\$11.35	\$20,407	\$1,701	\$20,407
515	320	6.00	1,920	160	1,920
517	808	6.00	4,848	404*	3,232
519	306	6.00	1,836	153	1,836
516/518	58	6.00	348	29*	232
502/522	4,322	1.15	4,970	414*	3,314
119	147	11.35	1,668	139	1,668
B48	<u>436</u>	4.80	2,093	175	<u>2,093</u>
	8,195				\$34,702

* Rented September 1, through April 30 = 8 months

July, 1998 - June 30, 1999:

<u>Room</u>	<u>Area</u>	<u>Rate</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>	<u>Contract Rent</u>
628	1,798	\$11.70	\$21,037	\$1,753	\$21,037
515	320	6.20	1,984	165	1,984
517	808	6.20	5,010	417*	3,336
519	306	6.20	1,897	158	1,897
516/518	58	6.20	360	30*	240
502/522	4,322	1.20	5,186	434*	3,458
119	147	11.70	1,720	143	1,720
B48	<u>436</u>	4.95	2,158	180	<u>2,158</u>
	8,195				\$35,830

* Rented September 1, through April 30 = 8 months

July, 1999 - June 30, 2000:

<u>Room</u>	<u>Area</u>	<u>Rate</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>	<u>Contract Rent</u>
628	1,798	\$12.15	\$21,845	\$1,820	\$21,845
515	320	6.45	2,064	172	2,064
517	808	6.45	5,212	434*	3,475
519	306	6.45	1,974	165	1,974
516/518	58	6.45	374	31*	250
502/522	4,322	1.25	5,403	450*	3,602
119	147	12.15	1,786	150	1,787
B48	<u>436</u>	5.15	2,245	187	<u>2,247</u>
	8,195				\$37,244

* Rented September 1, through April 30 = 8 months