

METROPOLITAN EXPOSITION-RECREATION COMMISSION
Resolution No. 97-13

Changing the user fee rates charged to PCPA non-profit Principal Tenants, effective July 1, 1997.

The Metropolitan Exposition-Recreation Commission finds that:

1. Ensuring the long-term viability of the local non-profit performing arts organizations is important to MERC and the Performing Arts Center (PCPA). MERC pledged in 1992 to take steps to review and reduce, as justifiable and appropriate, the user fee structure for the PCPA non-profit Principal Tenants as a means of providing support to these local arts organizations. Implementation of the user fee correction has been dependent upon securing adequate long-term support funding for PCPA operations.
2. Following the recommendations of the Final Report of the City/Metro Facilities Consolidation Advisory Committee, the Transition Team, and negotiations among the City of Portland, Multnomah County, and Metro, dedicated funding for PCPA operations has now been secured, effective July 1, 1997. The City of Portland passed Resolution No. 35582 pledging a total of \$600,000 per year for a period of five years, towards operations of PCPA and Stadium, including \$300,000 targeted towards establishment of a \$.50 per ticket use fee for the nonprofit principal tenants of PCPA.
3. Arts and business leaders and the non-profit Principal Tenants have studied the cost of using PCPA facilities as compared to similar theatres in the U.S. and reached a consensus recommendation for the flat user fee rate of \$.50 per ticket. To ensure equity and fairness to non-profit Principal Tenants performing lower-priced student, youth, or other special community outreach performances, a special rate of 4% per ticket is appropriate on tickets priced at \$5.00 or below.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission:

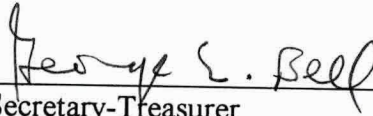
1. Extends its appreciation to the City of Portland for its passage of Resolution No. 35582, and calls upon the City to proceed with budget decisions for FY 1997/98 and beyond to appropriate and deliver to MERC \$600,000 per year in support of PCPA and Stadium, to include \$300,000 per year targeted towards establishment of a \$.50 per ticket user fee for the non-profit Principal Tenants of the PCPA.

1. Conditioned upon appropriation of the \$600,000 per year from the City of Portland, the Commission hereby approves the new PCPA user fee rates charged to PCPA non-profit Principal Tenants, effective July 1, 1997, as follows:
 - A flat \$.50 per ticket user fee for public performances presented by PCPA non-profit Principal Tenants;
 - A rate of 4% per ticket on tickets priced at \$5.00 or below for student, youth, or other special community outreach performances by the non-profit Principal Tenants.

Passed by the Commission on April 9, 1997.



Chair



Secretary-Treasurer

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

By:



Katie Pool, Sr. Assistant Counsel

MERC Staff Report

Agenda Item/Issue: Approving the change in the user fee rate to a \$.50 fee per ticket to public performances presented by PCPA non-profit Principal Tenants effective July 1, 1997, conditioned upon appropriation and delivery to MERC of \$600,000 per year from City of Portland to support PCPA and Stadium operations. Approving a special rate of 4% of ticket price for tickets priced at \$5.00 or below for student, youth, or other special community outreach performances by the non-profit Principal Tenants.

Resolution No.: 97-13

Date: April 9, 1997

Presented by: Harriet Sherburne

Background Analysis: The MERC user fee charge on tickets for performances of the PCPA non-profit Principal Tenants has been the subject of considerable discussion and concern since 1991. PCPA's priority under its 1994 business plan was to cut operating costs and raise revenue in order to overcome its financial crisis and achieve financial stability. This has precluded a reduction in the user fees requested by the non-profit Principal Tenants. (Any reduction in the user fee was linked to securing longer term operations support for PCPA). For historical background, see attached Exhibit A.

Long term dedicated operations support for PCPA has now been secured from Multnomah County and the City of Portland, with the latter including \$300,000 per year targeted towards establishment of a \$.50 per ticket user fee for the nonprofit Principal Tenants of the PCPA. This will replace the existing user fee schedule of \$.50/\$1.00/\$1.50. The new rate would apply only to Oregon Ballet Theatre, Oregon Symphony, Portland Center Stage, Portland Opera, Oregon Children's Theatre Company, Musical Theatre Company, Portland Youth Philharmonic, Tears of Joy, and Tygres Heart Shakespeare Company.

In addition, to ensure equity and fairness in the application of the new flat rate, a new special rate of 4% of ticket price is necessary for tickets priced at \$5.00 or below for student, youth, or other special community outreach performances by the non-profit Principal Tenants. The facility manager would have the discretion to handle administration of this 4% charge either as a flat fee per performance or a per ticket charge in the season contract.

Fiscal Impact: Staff analysis dated December 4, 1996 (attached Exhibit B) showed a financial impact of approximately \$300,000 per year through application of the \$.50 per ticket rate for the selected non-profit groups. This will be offset by \$300,000 in financial support from the City of Portland. The fiscal impact of the 4% per ticket user fee on tickets priced at \$5.00 and below for student and youth performances will be negligible.

Review by PCPA Advisory Committee: These changes were reviewed in detail at the Advisory Committee meeting held on March 26, 1997, and received unanimous support for approval by the Commission.

Recommendation: Staff recommends approval of the changes in the existing user fee rates charged to PCPA non-profit Principal Tenants, effective July 1, 1997. These changes are conditioned upon appropriation and delivery to MERC by the City of Portland of \$600,000 per year to support operations of PCPA and Stadium, including \$300,000 per year targeted towards establishment of a \$.50 per ticket user fee for the non-profit Principal Tenants of the PCPA.