

METROPOLITIAN EXPOSITON-RECREATION COMMISSION

RESOLUTION NO. 2000-15

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 Newmark (formerly Intermediate) Theatre of PCPA, and entered into a three-year agreement for occupancy of office and workshop space in the New Theatre Building, in addition to usage of the Newmark 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.

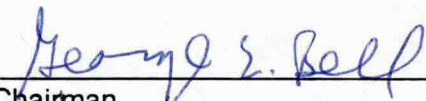
3. That in July, 1994, the OSF-Portland group was transformed into an independent non-profit corporation identified as Portland Center Stage, with the intended purpose of continuing as a resident company of the Newmark Theatre, presenting an annual season of plays to the Portland Community. In February, 1995, the Commission authorized a third three-year Agreement through June 30, 1997; and in May 1997 the Commission authorized an amendment to extend through June 30, 2000.

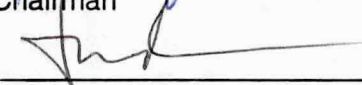
4. That it is in the best interest of the Portland community that Portland Center Stage continue in residency in the Newmark Theatre for three additional years ending June 30, 2003, on the terms which have been negotiated and which are set forth in the attached Exhibit A.

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

BE IT THEREFORE RESOLVED that the Commission approves a three-year extension of the resident company agreement with Portland Center Stage and authorizes the General Manager to execute an extension of that Agreement incorporating the terms attached hereto as Exhibit A.

Passed by the Commission on May 17, 2000.



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, 2003

Resolution No: 2000-15

Date: May 17, 2000

Presented by: Harriet Sherburne

BACKGROUND: In 1995, the Commission authorized entering into a third 3-year agreement with Portland Center Stage (PCS) through June 30, 1997. The 1995 agreement updated a number of terms and conditions to reflect the operating situation for PCS as a principal tenant of the Newmark (formerly Intermediate) Theatre, and as an occupant of office, costume, storage and rehearsal space in the New Theatre Building. Because there was little change proposed for the next 3-year term, it was agreed that an amendment to extend the arrangement to June 30, 2000 was the appropriate format for the action. It is now appropriate that another amendment to extend be enacted for years 13-15 of the relationship.

1. The 1995 Agreement contained 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 has allowed the company to build upon its success, and to enhance financial strength over the long term. The expanded program of 6 plays per production season is continued for the term 2001-03, with the understanding that the number of weeks per play may be varied at the discretion of PCS.
2. The Extension Agreement recognizes the completion of Brunish Hall and provides for PCS use of the room for rehearsals and other organization activities in conjunction with the production of their annual season of plays. The dates and rental are consistent with the policies adopted by the Commission in April 1999. Rental on the unfurnished rehearsal hall was \$3,600 per year; rental for Brunish Hall is \$10,500 for Year #1, \$10,800 for Year #2, and \$11,250 for Year #3.
3. The provisions regarding user fee charges to PCS has been continued to reflect the changes approved by the Commission in April 1997, 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 Newmark Theatre are tied to the Tier 4 Rates and Rental Policies for non-profit principal tenants, as adopted and updated by the Commission from time to time.
5. The rental schedule for rehearsal, office and other support space is escalated 10% over the 3 year term, by annual steps of 3%, 3%, and 4% (an average \$1,700 increase each year). This is reasonable in the current market context and consistent with annual increases in the rental schedule for the PCPA Theatres.

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
NEWMARK THEATRE OF THE PORTLAND CENTER FOR THE PERFORMING ARTS**

The Agreement entered into on March 20, 1995 and extended by Amendment on May 14, 1997 by and between the Metropolitan E-R Commission (MERC) and Portland Center Stage (PCS) (hereinafter "the Agreement") is amended as follows:

1. The original and extended term of the Agreement shall be extended an additional three years until June 30, 2003, unless sooner terminated by the mutual agreement of the Parties or as provided in the Agreement.
2. In all instances where they occur in the Agreement, "Newmark Theatre" shall replace the name "Intermediate Theatre"; "PCPA Operation Department" shall replace the name "PCPA Operations/Technical Services Department"; "Brunish Hall" shall replace the name "rehearsal hall".
3. PCS will produce a season of six plays annually during the period from approximately October 1 through April 30 of each production season (approximately 30 weeks) in 2000-01, 2001-02 and 2002-03. 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 uninterrupted strike. At least nine months prior to commencement of each season (December), PCS will provide MERC with a preliminary schedule of set-up dates, closing dates, dark days, rehearsal days and all other available scheduling information related to its use of the Newmark Theatre for the upcoming Season. PCS will finalize the schedule at the earliest possible date and will also provide MERC with timely notice of any changes in this information that occur during the term of the Season. PCS will execute a standard form Limited License Agreement for each annual season; the extension amendment shall be included by reference and take precedence.
4. Section 2. Season of Plays in its entirety, and subsection 3.C. Use of the Intermediate Theatre are obsolete and are hereby deleted from the Agreement.
5. Subject to the exceptions contained in subsection B of Section 4. Office, Storage and Workshop Space of the Agreement, and Section 6 herein, and effective July 1, 2000, PCS will have full and exclusive use of the office storage and workshop non-public spaces specified for the time periods and rental rates in the schedule attached hereto as EXHIBIT "B". The locations of the office and workshop spaces are more specifically described in the floor diagram attached to the original Agreement as Exhibit "B". 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 any or all of the spaces for the full number of months stated in the Agreement and MERC shall, in turn, eliminate PCS rent for any such periods on a full-month basis only.
6. Subsection A.6. is hereby deleted and replaced as follows: In accordance with adopted policy, PCS will occupy the public space Brunish Hall for the period from approximately August 1 through the end of March of each production season for rehearsal of plays to be presented in the Newmark Theatre, and pay the Principal Tenant Rehearsal Rate. At least nine months prior to commencement of each season (December), PCS will provide MERC with a preliminary schedule of dates for rehearsals in Brunish Hall, and after no more than 90 days (March) provide final confirmation for rehearsals dates and for dates open between production rehearsals. MERC, at its sole discretion, shall have the right to rent confirmed open dates to other parties. PCS shall have full and exclusive use of Brunish Hall for the confirmed dates for the purposes of rehearsals and PCS non-public internal activities to include meetings of board of directors and staff; meetings and social events of production crew and cast; meetings and projects of PCS Volunteers; requirements for use of approved caterers shall be waived for such non-public internal activities. No activity open to the public may be conducted on any dates occupied for rehearsals without payment of additional rent in accordance with adopted rate schedules.

7. 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 ticket 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 for Principal Tenants 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 timing on User Fee decisions by MERC is necessarily subject to the schedule for funding decisions by the owner of the PCPA facilities.

8. Section 12 Rental is hereby deleted and replaced as follows: The rental for PCS use of the Newmark 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.
9. PCPA 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 statement with any adjustment to the previously estimated statement.
10. Section 10. Tours is obsolete and is hereby deleted from the Agreement.
11. Section 11. Advertising of PCS Productions subsection E is hereby deleted and replaced as follows: In each season of this Agreement, PCS may hang two banners from the permanent banner display brackets located on the Broadway façade of the New Theatre Building. PCS will provide the banners and pay the cost of their installation and removal. PCS will provide liability and property damage insurance and will defend, hold harmless and indemnify MERC from any liability resulting from the installation and display of the banners as provided in Section 19 Indemnification and Liability Insurance.
12. All other terms and conditions of the Agreement shall continue in full force and effect, except as specifically modified herein.
13. 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 documents or Agreement shall be in force or effect unless in writing executed by all parties hereto.

PORTLAND CENTER STAGE

METROPOLITAN E-R COMMISSION

By:  _____

By:  _____

MERC General Manager

APPROVED AS TO FORM:

Daniel B. Cooper, General Counsel

By:  _____

Kathleen A. Pool
Senior Assistant Counsel

EXHIBIT " B "

July 1, 2000 - June 30, 2001:

Room	<u>Per Square Feet</u>	<u>Square Feet</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>	<u>Contract Rent</u>
628	1,798	\$12.50	\$22,475	\$1,873	\$22,475.00
515	320	6.65	2,128	177	2,128.00
517	808	6.65	5,373	448 *	4,030.00
519	306	6.65	2,035	170	2,035.00
516/518	58	6.65	386	32 **	257.00
119	147	12.50	1,837	153	1,837.00
B48	<u>436</u>	5.30	2,311	193	<u>2,311.00</u>
	3,873				\$35,073.00
Brunish Hall	3,500			\$1,750	<u>\$10,500.00</u>
			Total		<u>\$45,573.00</u>

* Rented 9 months of the year

** Rented 8 months of the year

July 1, 2001 through June 30, 2002

Room	<u>Per Square Feet</u>	<u>Square Feet</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>	<u>Contract Rent</u>
628	1,798	\$12.90	\$23,194	\$1,933	\$23,194.00
515	320	6.85	2,192	183	2,192.00
517	808	6.85	5,535	461 *	4,151.00
519	306	6.85	2,096	175	2,096.00
516/518	58	6.85	397	33 **	265.00
119	147	12.90	1,896	158	1,896.00
B48	<u>436</u>	5.45	2,376	198	<u>2,376.00</u>
	3,873				\$36,170.00
Brunish Hall	3,500			\$1,800	<u>\$10,800.00</u>
			Total		<u>\$46,970.00</u>

* Rented 9 months of the year

** Rented 8 months of the year

EXHIBIT " B "

July 1, 2002 - June 30, 2003:

Room	<u>Per Square Feet</u>	<u>Square Feet</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>	<u>Contract Rent</u>
628	1,798	13.40	\$24,093	\$2,008	\$24,093.00
515	320	7.10	2,272	189	2,272.00
517	808	7.10	5,737	478 *	4,303.00
519	306	7.10	2,173	181	2,173.00
516/518	58	7.10	412	34 **	275.00
119	147	13.40	1,970	164	1,970.00
B48	436	5.65	2,463	205	2,463.00
	<u>3,873</u>				<u>\$37,549.00</u>
Brunish Hall	3,500			\$1,875	<u>\$11,250.00</u>
			Total		<u>\$48,799.00</u>

* Rented 9 months of the year

** Rented 8 months of the year