

# METROPOLITAN EXPOSITION-RECREATION COMMISSION

## RESOLUTION NO. 99-09

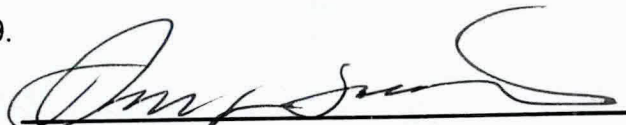
Approval of PCPA Rental Policy and Rates for the 4<sup>th</sup> floor space of the New Theatre Building, effective on completion in FY 1999-2000.

### The Metropolitan Exposition-Recreation Commission finds:

1. MERC has received two major donations which provide resources for completing the 4<sup>th</sup> floor space of the New Theatre Building.
2. The PCPA Advisory Committee has conducted three public workshops for discussion of a design program for the space, as well as the appropriate usage and rental rates for the completed area.
3. Through the public workshops and discussions with potential users, staff have developed recommended policies and rates to be in effect upon completion of the space in the year 2000.
4. Preliminary recommendations were reviewed with PCPA Advisory Committee and potential users to reach agreement on recommendations to the Commission.

Be it therefore resolved that the Metropolitan Exposition-Recreation Commission approves the PCPA Rental Policy and Rates for the New Theatre Building 4<sup>th</sup> floor space attached as Exhibit "A", to be effective upon completion of the space in Fiscal Year 1999-2000.

Passed by the Commission on April 7, 1999.

  
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:** PCPA Rental Policy and Rates for  
New Theatre Building 4<sup>th</sup> Floor Space

**Resolution No:** 99-09

**Date:** April 7, 1999

**Presented by:** Harriet Sherburne

**BACKGROUND AND ANALYSIS:** In December, 1997, the Commission acted to accept a major gift of \$650,000 to PCPA for the naming of the Newmark Theatre; this naming opportunity had historical ties as a resource for completion of the 4<sup>th</sup> floor of the New Theatre Building. In January, 1999, the Commission acted to accept a second major gift of \$350,000 to PCPA for the naming of the completed 4<sup>th</sup> floor space. In 1998, the Commission approved contracting with a design team to implement drawings and specifications for construction, within the gift resources available. A series of discussion papers were prepared for review in public workshops; from these sessions, staff developed the recommended design program and budget for construction. The PCPA Advisory Committee conducted two additional public workshops and several discussions on potential use, market conditions, and rental rates to be considered for the space – now that construction funding was secured. The public process and Advisory Committee deliberations are now formulated into a succinct statement of rental policy and rates which would be implemented upon completion of the space in 2000. Two rental tiers are identified: Standard Rate (for commercial and other users); Non-Profit Rate (for arts organizations including Principal and Featured Tenants approved by the Commission).

For more than 10 years, the resident company Portland Center Stage, has been a major user of the 4<sup>th</sup> floor space in its unfinished condition, governed by a series of 3-year agreements with the Commission. It is vital to their on-going operation that PCS continues to have the grouping of functions which have been located in the NTB since the inception of their program: administrative offices, costume shop, rehearsal hall. The current 3-year agreement ends in June, 2000; it provides that they will vacate the rehearsal hall upon notice that the construction project will proceed. PCS is currently in the market for space elsewhere for the 1999-2000 season, when construction will be underway. Their needs have received extensive consideration throughout the workshop process, and parties have agreed that it is in the public interest that the Commission continue to make the 4<sup>th</sup> floor space (in completed condition) available to PCS for rehearsals during their performance seasons throughout another 3-year lease term. PCS has agreed to manage rehearsal usage September through April in such a manner as to make openings in the schedule for other activity in the space. This scheduling accommodation would be formalized in the lease agreement.

**FISCAL IMPACT:** The rental policy and rates have been formulated in consideration of the current cost of operation of the New Theatre Building for various types and levels of activity, and in relation to existing market pricing for similar facilities and uses. The rates are projected to cover the actual incremental cost of their operation in FY 99-00. The major donations will cover the cost of design, permits and construction, as well as limited furnishings and equipment. Thus the project and use of the completed facilities, including rehearsal hall for PCS, will have minimal impact on future budgets, and are not projected to increase operating income shortfall for PCPA.

**Discussion with Commission Liaison and or Users:** The PCPA Advisory Committee, including Commission Liaison representatives, have given extensive attention and guidance to the project, policies and rates. The group supports these recommendations, including future action by the Commission to contract with Portland Center Stage for rehearsal activity in the space through 2003.

**RECOMMENDATION:** Staff recommend that the Commission adopt the Rental Policy and Rates attached to the Resolution. Further, Staff recommend that the Commission approve in principle the lease of rehearsal hall facilities to Portland Center Stage through the next 3-year lease agreement.

Exhibit "A"

## Rental Policy & Rates

### 4<sup>th</sup> Floor Space - New Theatre Building

The room (3,500 SF) will be completed as an intimate, informal multi-purpose enclosed theatre arts space with minimal technical capability serving up to 200 people, and providing flexibility for an array of uses compatible with its size and context within the New Theatre Building of the Portland Center for the Performing Arts. The new lobby area (1,000 SF) is contiguous to existing stairs and corridors, and shall be treated as part of the common public area of the overall building; except when its use is integral to activity scheduled in the enclosed room, the lobby will be considered as separate and available for compatible activity at the discretion of PCPA.

- *First priority* in booking the room shall be for activities of non-profit arts organizations qualified as PCPA Resident Companies (Principal Tenants) as approved by the Commission. Such organizations presenting 10 or more ticketed performances in the Newmark Theatre shall receive schedule preference in the room during their contracted season.
- Booking of additional events will be considered on a case-by-case basis; however, local arts-related events will be granted preferred status over other activities.
- Preference may be given to annual events as well as to commercial or non-profit users with a history of presenting events in PCPA facilities.
- For efficient use of limited PCPA booking resources, scheduling priority may be given to events which use one-week time units (Monday through Sunday).
- The Lobby and Room may be booked by PCPA for use in conjunction with major events presented in the Newmark, Winningstad and Lobby areas of the building (e.g., Portland Creative Conference, Chef's Night Out, Gala Parties).
- In the process of scheduling the room, PCPA shall apply general practice for "holds", including Tentative, Firm, 2<sup>nd</sup> Hold status, as well as the established challenge process for "clearing" dates. PCPA shall determine the appropriate form if rental agreement.

	Standard Rate Commercial & Others		Non Profit Rate Principal, Featured and other Arts Organizations
<u>Non Perf. Event</u>			
Day or Evening	\$100/hour additional time \$550 - 6 hours		\$ 50/hour additional time \$ 275 - 6 hours
<u>Performance Event</u>			
Day/Evening	\$650	Mon/Tue/Wed	\$ 150 per day
	\$650	Thurs.-Sun.	\$ 200 per day
		Fri./Sat.	\$ 300 per day
Weekly	N/A	Mon.-Sun.	\$1,100
<u>Rehearsal</u>			
Day	N/A		\$ 75 per day
Week	N/A	Principal Tenant Only	\$ 500 per week
Month	N/A	Principal Tenant Only	\$1,750 per month