

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 99-50

Authorizes PCPA Capital Campaign and Fund through Friends of the Performing Arts Center

The Metropolitan Exposition-Recreation Commission finds:

1. There are capital improvement project and enhancement needs at the Portland Center for the Performing Arts that cannot be met through the resources of the annual operating budget for the facility; and
2. There are opportunities for private gifts and donations that can be realized through an organized PCPA Capital Campaign and Fund through the Friends of the Performing Arts Center; and
3. Since its founding in 1994 Friends of the Performing Arts Center has conducted advocacy activities that have generated significant awareness and donations for capital enhancements to PCPA facilities; and
4. MERC has authorized an on-going marketing services agreement with Friends of the Performing Arts Center (Res. No. 93-14) with term ending June 30, 2000 that may be amended to extend the term and to provide means for initiating the PCPA Capital Campaign and Fund.

BE IT THEREFORE RESOLVED THAT:

1. The MERC General Manager is authorized to negotiate Amendments to the Agreement between MERC and Friends to extend the term for a reasonable period; to authorize establishment of the PCPA Capital Campaign and Fund including appropriate safeguards and procedures; and to compensate Friends for securing donations to the Fund;
2. The MERC Executive Committee is authorized to review and approve the negotiated terms and conditions, and to authorize the General Manager to execute approved Amendments.

Passed by the Commission on December 15, 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: Authorize PCPA Capital Campaign and Fund through Friends of the Performing Arts Center

Resolution No: 99-50

Date: December 15, 1999

Presented by: Harriet Sherburne

BACKGROUND: Private fund raising efforts in the 1980's brought donation of millions of dollars from businesses and citizens of the community to fund purchase and renovation of the Arlene Schnitzer Concert Hall and development of the New Theatre Building containing the Newmark and Winningstad Theatres. In 1992 the Commission approved the PCPA Naming Policy that updated the dollar sums linked to various naming opportunities in the three buildings comprising PCPA. In 1993-94 MERC supported the formation of the Friends of the Performing Arts Center through a contract for marketing services that has been continued through amendments to extend to June 30, 2000. Over the course of 6 years, Friends has hosted a number of highly successful promotional events including 1995 New Year's Eve Gala raising funds for a new stage curtain at Civic Auditorium; 10th Anniversary Celebration Open House (1997) and Gala (1998) leading to the naming gift for the Newmark Theatre and anonymous donation for naming the 4th Floor Hall to be dedicated in February 2000. Friends obtained grant funding of \$100,000 for replacement of the electronic sign on Broadway, and sponsored the Open House and Main Street public art completion in September 1998. Since its inception, Friends has achieved a solid reputation in the community and has successfully raised funds for capital enhancements to the PCPA Facilities.

Friends proposes to continue its support and advocacy through creation of a "Sell the Seats" Capital Fund Campaign to renew public involvement and financial support for these key arts facilities. Through the PCPA Naming Policy, MERC has approved naming seats for \$500 in the ASCH and Newmark Theatres; to date approximately 650 seats in the ASCH have been sold, principally through the construction campaign. Thus there is opportunity to raise more than \$2 million through a strategic campaign to "Sell the Seats" in the remaining locations of ASCH, Newmark – plus Civic Auditorium. Friends proposes payment of 10% of the proceeds of the Campaign to the organization as compensation for the volunteer and staff work involved. As the campaign draws attention to the theatres, there is potential for larger gifts linked to the naming opportunities throughout the 3 buildings and 4 theatres. In order to reach a broad market and to maximize sales opportunities, the "seat pricing" would be expanded to include \$500 per seat in prime locations; \$400 per seat in first balcony locations; and \$300 in upper balcony locations of ASCH and Civic. All Newmark seats remain at \$500 per seat.

A separate PCPA Capital Fund would be established to receive the net proceeds of the capital campaign; with controls and procedures that assure that funds are disbursed only for capital projects approved by MERC, PCPA and Friends. Research is underway to identify the appropriate safeguards and structure for the fund, to have it in place by February 2000.

FISCAL IMPACT: The Capital Campaign has the potential to raise more than \$2 million through the "Sell the Seats" program, dedicated to otherwise unfunded capital projects and enhancements of the performing arts facilities. The funds raised through the campaign could serve as match for other grants and gifts, in order to expand the impact on the facilities. The fund would supplement the resources of the MERC approved annual budget for PCPA operation and maintenance.

RECOMMENDATION: PCPA Advisory Committee, PCPA Liaison Commissioners and MERC staff recommend Commission approval of the Resolution.