

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 03-17

For the purpose of approving an amendment and extension to the Agreement For Use Of The Intermediate Theatre Of The Portland Center For The Performing Arts between MERC and Portland Center Stage, and authorizing the MERC General Manager to execute the amendment and extension.

WHEREAS, MERC and Portland Center Stage have been parties to the Agreement For Use Of The Intermediate Theatre Of The Portland Center For The Performing Arts ("the Agreement") over the last ten years; and

WHEREAS, the term of the Agreement expires on June 30, 2003;; and


WHEREAS, Portland Center Stage has been a major user of Brunish Hall as a rehearsal space and this space is vital to PCS's ongoing operation; and

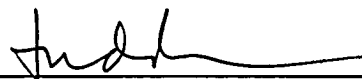
WHEREAS, the Portland Center Stage and the Portland Center for the Performing Arts have met, agreed to terms and desire to amend and extend the Agreement to include different rates, and cancellation and buy out penalties.

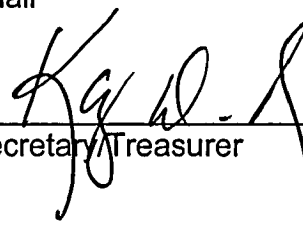
BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approves the amendment and extension of the Agreement For Use Of The Intermediate Theatre Of The Portland Center For The Performing Arts in a form substantially similar to the attached Exhibit "A" and authorizes the General Manager to execute the amendment and extension on behalf of the Commission.

Passed by the Commission on March 26, 2003.

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

By: 


Chair


Secretary/Treasurer

MERC STAFF REPORT

AGENDA ITEM/ISSUE: Approve amendment to extend for a three-year term the existing MERC agreement with Portland Center Stage under the changes and conditions as outlined below.

RESOLUTION No.: 03-17

PRESENTED BY: Robyn Williams

DATE: March 26, 2003

BACKGROUND AND ANALYSIS:

For more than 10 years, Portland Center Stage has occupied office and storage space at PCPA and been a major user of Brunish Hall as a rehearsal space in both its unfinished condition as well as after it was built out 3 years ago. This relationship has been governed by a series of 3-year agreements with MERC/PCPA. It is vital to their on-going operation that PCS continues to maintain this usage in the NTB since the inception of their program: administrative offices, costume shop, box office, storage and rehearsal hall (Brunish Hall). The current 3-year agreement ends in June, 2003.

PROPOSAL: Rental 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 downtown Portland facilities. The proposed rental schedule is escalated 12% over the 3 year period at 0%, 6% and 6%. Discussions with PCS reflected a desire on their part to hold off any increases the first year as they continue to work towards financial stability and then make up the difference in the next two years. Should PCS desire to leave prior to the end of the contract, six months advance notice would be required in order to have adequate time to re-lease the space. Failure to provide adequate notice would result in PCS being responsible for six months worth of rent. Regardless of the notice given, PCS will also be responsible for the 4% rental increase that was deferred in year one should they leave prior to the end of the contract.

Usage of Brunish Hall remains a shared use schedule. PCS will rent the space approximately seven months of the calendar year for use as a rehearsal hall. During times of technical/load in periods the room will be vacated for other uses as arranged by PCPA. This releases the space for significant blocks of time and those blocks include two Friday/Saturday slots in each block. PCPA staff believes a significant hardship would be put upon PCS if access to this space is lessened. PCPA is allowed a significant block in December for holiday bookings and in the spring-which is the height of the wedding season-and staff feel this is a fair and equitable use of the hall.

Financial Impact: \$4,678 increase in Year 1 due to additional square footage being added; \$3,208 increase in Year 2 (6%); \$3,402 increase in Year 3 (6%)

RECOMMENDATION: Staff recommends that the PCS lease agreement be extended for 3 years at the rates in Attachment A with the cancellation and buy out penalties mentioned above.

July 1, 2002 to June 30, 2003

Room	Sq Feet	\$ Foot	ANNUAL	MONTHLY	RENT	BUY OUT / MO
628	1798	\$ 13.40	\$ 24,093.20	\$ 2,007.77	\$ 24,093.20	
515	320	\$ 7.10	\$ 2,272.00	\$ 189.33	\$ 2,272.00	
517 ¹	808	\$ 7.10	\$ 5,736.80	\$ 478.07	\$ 4,302.60	
519	306	\$ 7.10	\$ 2,172.60	\$ 181.05	\$ 2,172.60	
516/518 ²	58	\$ 7.10	\$ 411.80	\$ 34.32	\$ 274.53	
119	147	\$ 13.40	\$ 1,969.80	\$ 164.15	\$ 1,969.80	
B48	436	\$ 5.65	\$ 2,463.40	\$ 205.28	\$ 2,463.40	
B49	484	\$ -	\$ -	\$ -	\$ -	
F Room	344	\$ -	\$ -	\$ -	\$ -	
Brunish ³	3500			\$ 1,875.00	\$ 11,250.00	
8201			\$ 39,119.60	\$ 5,134.97	\$ 48,798.13	

July 1, 2003 to June 30, 2004

Room	Sq Feet	\$ Foot	ANNUAL	MONTHLY	RENT	BUY OUT / MO
628	1798	\$ 13.40	\$ 24,093.20	\$ 2,007.77	\$ 24,093.20	\$ 80.31
515	320	\$ 7.10	\$ 2,272.00	\$ 189.33	\$ 2,272.00	\$ 7.57
517 ¹	808	\$ 7.10	\$ 5,736.80	\$ 478.07	\$ 4,302.60	\$ 19.12
519	306	\$ 7.10	\$ 2,172.60	\$ 181.05	\$ 2,172.60	\$ 7.24
516/518 ²	58	\$ 7.10	\$ 411.80	\$ 34.32	\$ 274.53	\$ 1.37
119	147	\$ 13.40	\$ 1,969.80	\$ 164.15	\$ 1,969.80	\$ 6.57
B48	436	\$ 5.65	\$ 2,463.40	\$ 205.28	\$ 2,463.40	\$ 8.21
B49	484	\$ 5.65	\$ 2,734.60	\$ 227.88	\$ 2,734.60	\$ 9.28
F Room	344	\$ 5.65	\$ 1,943.60	\$ 161.97	\$ 1,943.60	\$ 6.59
Brunish ³	3500			\$ 1,875.00	\$ 11,250.00	\$ 75.00
8201			\$ 43,797.80	\$ 5,524.82	\$ 53,476.33	

July 1, 2004 to June 30, 2005 (6% Increase)

Room	Sq Feet	\$ Foot	ANNUAL	MONTHLY	RENT	BUY OUT / MO
628	1798	\$ 14.20	\$ 25,538.79	\$ 2,128.23	\$ 25,538.79	\$ 43.37
515	320	\$ 7.53	\$ 2,408.32	\$ 200.69	\$ 2,408.32	\$ 4.09
517 ¹	808	\$ 7.53	\$ 6,081.01	\$ 506.75	\$ 4,560.76	\$ 10.33
519	306	\$ 7.53	\$ 2,302.96	\$ 191.91	\$ 2,302.96	\$ 3.91
516/518 ²	58	\$ 7.53	\$ 436.51	\$ 36.38	\$ 291.01	\$ 0.74
119	147	\$ 14.20	\$ 2,087.99	\$ 174.00	\$ 2,087.99	\$ 3.55
B48	436	\$ 5.99	\$ 2,611.20	\$ 217.60	\$ 2,611.20	\$ 4.43
B49	484	\$ 5.99	\$ 2,898.68	\$ 241.56	\$ 2,898.68	\$ 5.09
F Room	344	\$ 5.99	\$ 2,060.22	\$ 171.68	\$ 2,060.22	\$ 3.62
Brunish ³	3500			\$ 1,987.50	\$ 11,925.00	\$ 40.50
8201			\$ 46,425.67	\$ 5,856.31	\$ 56,684.91	

July 1, 2005 to June 30, 2006 (6% Increase)

Room	Sq Feet	\$ Foot	ANNUAL	MONTHLY	RENT	BUY OUT / MO
628	1798	\$ 15.06	\$ 27,071.12	\$ 2,255.93	\$ 27,071.12	\$ 2.54
515	320	\$ 7.98	\$ 2,552.82	\$ 212.73	\$ 2,552.82	\$ 0.24
517 ¹	808	\$ 7.98	\$ 6,445.87	\$ 537.16	\$ 4,834.40	\$ 0.60
519	306	\$ 7.98	\$ 2,441.13	\$ 203.43	\$ 2,441.13	\$ 0.23
516/518 ²	58	\$ 7.98	\$ 462.70	\$ 38.56	\$ 308.47	\$ 0.04
119	147	\$ 15.06	\$ 2,213.27	\$ 184.44	\$ 2,213.27	\$ 0.21
B48	436	\$ 6.35	\$ 2,767.88	\$ 230.66	\$ 2,767.88	\$ 0.26
B49	484	\$ 6.35	\$ 3,072.60	\$ 256.05	\$ 3,072.60	\$ 0.46
F Room	344	\$ 6.35	\$ 2,183.83	\$ 181.99	\$ 2,183.83	\$ 0.33
Brunish ³	3500			\$ 2,106.75	\$ 12,640.50	\$ 2.37
8201			\$ 49,211.21	\$ 6,207.68	\$ 60,086.01	

1. At 9 Months

2. At 8 Months

3. At 6 Months

**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 amendments on May 14, 1997 and May 17, 2000 by and between the Metropolitan Exposition-Recreation Commission 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, 2006, unless sooner terminated by the mutual agreement of the parties or as provided in this amendment.
2. Effective July 1, 2003, PCS will have use of the office, storage and workshop non-public spaces specified in the attached Exhibit "A" for the time periods and rental rates listed in Exhibit "A." The rental rates for the specified areas shall be due and payable in advance on the first day of each month.
3. Paragraph 17 of the Agreement is hereby deleted and replaced as follows:

Subject to the limitations of this paragraph, either party may terminate this Agreement by giving the other party six months prior notice in writing. If PCS fails to give MERC prior notice of its intent to terminate this Agreement, PCS shall pay MERC for all rent due for the six-month period following termination. If PCS elects to give notice to MERC fewer than six months before the date of termination, PCS shall pay MERC sufficient rent so that the total period of notice provided plus rent paid equals six full months. Whether or not PCS gives MERC prior notice of its intent to terminate, PCS shall pay MERC a sum equal to the four percent (4%) rental increase the parties agreed to defer from the 2003-2004 year to the 2004-2005 year.

4. PCS shall 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 2003-04, 2004-05, and 2005-06. 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.

5. Effective July 1, 2003, in accordance with adopted policy, PCS shall have use of Brunish Hall for the period from approximately August 1 through the end of March of each year for rehearsal of plays to be presented in the Newmark Theatre, and shall pay the rates specified in the attached Exhibit "A." At least nine months prior to the 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 rehearsal 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.

6. All other terms and conditions of the Agreement shall continue in full force and effect, except as specifically modified by the May 14, 1997 Amendment, the May 17, 2000 Amendment, or this Amendment.

7. Except as specifically provided herein, this document, together with the original Agreement, the May 14, 1997 Amendment, and the May 17, 2000 Amendment, 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, the Agreement, or prior amendments, has been or is relied upon by any party. No modification or amendment of this document or the Agreement shall be in force or effect unless in writing executed by all parties hereto.

**METROPOLITAN EXPOSITION-
RECREATION COMMISSION**

By: 
General Manager

Date: 7/5/03

Approved as to Form:
Daniel B. Cooper, Metro Attorney

By: 

Date: 8/12/03

PORTLAND CENTER STAGE

By: 

Title: CE

Date: 7/2/03