

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 05-18

For the Purpose of Setting Lobby Rental Rates for the Portland Center for the Performing Arts, effective July 1, 2005.

Whereas, over the past decade, PCPA has repeatedly encountered serious financial challenges, followed by short-term remedies. PCPA remains financially vulnerable because it relies heavily on earned revenue affected by changing market trends, because it heavily discounts rates for its non-profit Principal Tenants, and because subsidy dollars are not guaranteed and may vary over time; and

Whereas, rental rates increase annually by no less than increases in the Portland area consumer price index (CPI), and any increases above CPI require further Commission approval; and

Whereas, PCPA obtains earned revenue from rental rates paid by tenants of the facility to help pay for the maintenance and operations of the halls; and

Whereas, PCPA's rental fees for lobby events include insurance coverage, admissions labor and custodial staff, and insurance rates in the past year have increased significantly; and

Whereas, PCPA did a review of rental fees and charges for similar venues in the downtown Portland area, with the results showing that PCPA's lobby rental fees were close to or below market; and

Whereas, PCPA's lobby current rental fees do not result in significant revenue after PCPA pay insurance and labor costs; and

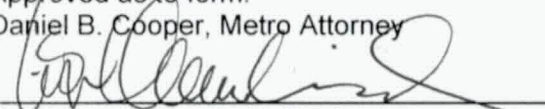
WHEREAS, The Commission finds that long-term financial stability is best achieved in an equitable manner and with the least impact on its arts tenants by increasing lobby rental fees only to such an extent as to cover PCPA's costs.

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

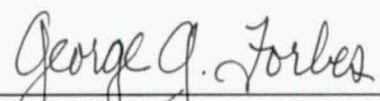
1. Approves new PCPA lobby rental rates in the amounts shown on the attached Exhibit "A," effective July 1, 2005; and
2. Approves annual increases to these rates beginning July 1, 2006, in the amount of any increase in the Portland area consumer price index (CPI). Any increases in excess of the increase in the CPI will require Commission approval.

Approved as to form:

Daniel B. Cooper, Metro Attorney


By: Lisa M. Umscheid, Senior Attorney


Chair


Secretary-Treasurer

MERC STAFF REPORT

Agenda item: For the Purpose of Setting Lobby Rental Rates for the Portland Center for the Performing Arts, effective July 1, 2005.

Resolution No.: 05-18

Date: June 22, 2005

Presented by: Robyn Williams

Background:

In October of 2002, a streamlined rate structure and annual CPI increase was approved by the Commission.

The last major increase to PCPA lobby rates was in 2004. The lobby rental rate for all facilities includes admissions staff (one house manager and three ushers), insurance coverage, set up and custodial cleanup. Insurance costs have increased dramatically in recent years, and have again increased this past year. Current rates do not cover this increased cost.

The proposed rates will cover the above mentioned cost as well as continue to provide a reasonable rate of return to PCPA. A survey of other reception type spaces in the downtown area was conducted and PCPA's rates are comparable while still maintaining affordable rates for non-profit users.

Fiscal Impact:

Based on previous years' usage, the increase will not generate any additional income to PCPA.

Recommendation:

Staff recommends that the Commission approve Resolution 05-18 approving a revised rate for each of PCPA's theater lobbies effective July 1, 2005.

Resolution No. 05-18 Exhibit A

LOBBY RATES

		04-05	05-06
ASCH	Tier 1	\$ 2,200	\$ 2,300***
	Tier 2	\$ 1,980	\$ 2,070***
	Tier 3	\$ 1,100	\$ 1,150**
	Tier 4	\$ 1,275	\$ 1,325****
NTB & Keller	Tier 1	\$ 1,800	\$ 1,875***
	Tier 2	\$ 1,620	\$ 1,690***
	Tier 3	\$ 900	\$ 940**
	Tier 4	\$ 320*	\$ 375*

- * Rent includes custodial staff only.
- ** Rent does not include staff or liability insurance.
- *** Rent includes 3 admissions staff, insurance coverage and custodial cleanup.
- **** Rent includes 3 admissions staff and custodial coverage, but no insurance coverage.