

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 22-05

For the Purpose of approving rental rates for three years for Portland's Centers for the Arts (Portland's) beginning in fiscal year, 2022/2023 through 2024/2025.

WHEREAS, the Metropolitan Exposition Recreation Commission (MERC) sets facility rental rates for the MERC venues, and;

WHEREAS, operating expenses have been steadily increasing over the years but rental rates at Portland's have not increased more than 3% annually, and;

WHEREAS, Portland's's financial situation makes it increasingly difficult to subsidize local arts organizations as deeply as it has in the past, and;

WHEREAS, Portland's has a mandate from MERC to operate in a fiscally-responsible manner, and;

WHEREAS, Portland's desires to spend more resources on its Diversity, Equity and Inclusion initiatives, and;

WHEREAS, Portland's seeks increased rental rates beginning in fiscal year 2022/2023 per Attachment A, and;

WHEREAS, the MERC Budget Committee as part of the budget process recommended increasing rental fees for Portland's and recommends approval to MERC.

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

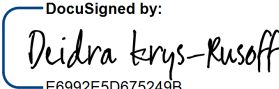
Approves rental rates for Portland's Centers for the Arts for fiscal years 2022/2023 through 2024/2025 per Attachment A..

Passed by the Commission on April 6, 2022.

Approved as to form:
Carrie MacLaren, Metro Attorney

By: 
Nathan A. S. Sykes, Deputy Metro Attorney


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Chair


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Secretary/Treasurer

MERC Staff Report

Agenda Item/Issue: For the Purpose of approving rental rates for Portland's Centers for the Arts beginning in fiscal year, 2022/2023 through 2024/2025

Resolution No.: 22-05

Presented By: Robyn Williams

Date: April 6, 2022

Background and Analysis: In 1995, the Commission established criteria that would allow for four tiers of rental rates at P5 facilities-resident company, preferred non-profit, non-profit and commercial in 1998. The rates were based on a percentage of the commercial base rate. The Commission approved an extension of these four tiers that are in effect today.

In June 2002, the Commission approved an increase of rental rates by CPI for every year beginning July 1, 2002 for all P5 users. At the time CPI was running at 3% and continued to do so for several years so this became the standard annual increase for all rent.

In June 2009, the Commission approved a "0%" increase for the resident companies and non-profit user groups for FY 10 and FY11, but allowed increases by CPI or a minimum of 3% going forward.

In March 2020, the Commission approved a rental rate increase for all-Commercial rate increased 30%, Non-profits increased 15%, Featured tenants increased 20% and resident companies increased 30%.

In June 2020, due to forced closures as the result of COVID, the Commission suspended the March increase and froze rates for non-profits and resident companies.

Portland's Centers for the Arts has not increased rental rates more than 3% annually in more than 20 years.

Portland's provides deeply subsidized rental rates to local non-profits. In 2016 an operating expense study was conducted. Data showed that Portland's subsidized its resident companies and local non-profits approximately \$2.3 million.

Portland's is mandated to operate its venues in a fiscally responsible manner and preserve these public assets. It also has a responsibility to serve the entire community and to deepen its Diversity Equity and Inclusion goals by directing more funding to restore its Education and Community Engagement department and provide support and access to diverse user groups and audiences.

Portland's is recommending that arts organizations return to having their rate based as a percentage of the commercial base rate-Not for profit-20% discount, Featured Not for Profit-50% discount and Principal/Resident Company-70% discount. This will be implemented over a three year period and continue to align with the commercial base moving forward.

The MERC budget committee has reviewed P5's proposed operating budget and recommended increasing rental rates effective July 1, 2020.

Fiscal Impact: Rental increases are expected to generate:

FY23 \$90K

FY24 \$200K

FY25 \$350K

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 22-05 For the Purpose of approving rental rates for Portland's Centers for the Arts beginning in fiscal year 2022/2023 through 2024/2025.

Attachment "A"

2022/2023 Rental Rates

	Keller	ASCH	Newmark	Winningstad	Brunish
Tier 1 - Commercial Rates					
Performance - Evening	\$6,875 vs 10%	\$6,875 vs 10%	\$ 2,360	\$ 1,075	\$ 540
2nd Performance - Same Evening	\$5,270 vs. 10%	\$5,270 vs. 10%	\$ 1,870	\$ 790	NA
Non-Ticketed Event	\$ 9,625	\$ 9,625	\$ 3,060	\$ 1,310	\$ 655
1/2 House Performance Evening	\$5,270 vs. 10%	\$5,270 vs. 10%	\$ 1,870	NA	NA
Performance - Matinee	\$5,270 vs. 10%	\$5,270 vs. 10%	\$ 1,300	\$ 915	\$ 460
Performance - Morning	\$ 2,945	\$ 2,945	\$ 1,060	\$ 860	\$ 430
Rehearsal/Load-in Day	\$ 3,440	\$ 3,440	\$ 1,295	\$ 550	\$ 275
Main Street - \$980					

Tier 2 - Non-Profit Rates

Performance - Evening	\$4,805 vs 5%	\$4,805 vs 5%	\$ 1,635	\$ 870	\$ 430
2nd Performance - Same Evening	\$3,665 vs 5%	\$3,665 vs 5%	\$ 1,295	\$ 640	NA
Non-Ticketed Event	\$ 6,755	\$ 6,755	\$ 2,050	\$ 1,065	\$ 525
1/2 House Performance Evening	\$3,665 vs. 5%	\$3,665 vs. 5%	NA	NA	NA
Performance - Matinee	\$3,665 vs. 5%	\$3,665 vs. 5%	\$ 1,340	\$ 825	\$ 370
Performance - Morning	\$ 2,055	\$ 2,055	\$ 1,255	\$ 810	\$ 345
Rehearsal/Load-in Day	\$ 2,405	\$ 2,405	\$ 955	\$ 475	\$ 220
Main Street - \$760					

Tier 3 - Featured Tenant Rates

Performance - Evening	\$ 2,635	\$ 2,635	\$ 955	\$ 490	\$ 270
2nd Performance - Same Evening	\$ 2,130	\$ 2,130	NA	NA	NA
Non-Ticketed Event	\$ 3,900	\$ 3,900	\$ 1,210	\$ 620	\$ 325
Performance - Matinee	\$ 2,130	\$ 2,130	\$ 785	\$ 465	\$ 230
Performance - Morning	\$ 1,195	\$ 1,195	\$ 730	\$ 455	\$ 215
Rehearsal/Load-in Day	\$ 1,390	\$ 1,390	\$ 520	\$ 250	\$ 140

Tier 4 - Principal/Resident Company Rates

Performance - Evening	\$ 1,315	\$ 1,315	\$ 480	\$ 240	\$ 160
2nd Performance - Same Evening	\$ 930	\$ 930	NA	NA	NA
Non-Ticketed Event	\$ 1,785	\$ 1,785	\$ 545	\$ 270	\$ 195
Performance - Matinee	\$ 940	\$ 940	\$ 265	\$ 200	\$ 140
Performance - Morning	\$ 535	\$ 535	\$ 205	\$ 185	\$ 130
Rehearsal/Load-in Day	\$ 630	\$ 630	\$ 255	\$ 165	\$ 85

2023/2024 Rental Rates

	Keller	ASCH	Newmark	Winningstad	Brunish
Tier 1 - Commercial Rates					
Performance - Evening	\$7,080 vs 10%	\$7,080 vs 10%	\$ 2,430	\$ 1,110	\$ 555
2nd Performance - Same Evening	\$5,425 vs. 10%	\$5,425 vs. 10%	\$ 1,925	\$ 810	NA
Non-Ticketed Event	\$ 9,915	\$ 9,915	\$ 3,150	\$ 1,345	\$ 675
1/2 House Performance Evening	\$5,425 vs. 10%	\$5,425 vs. 10%		NA	NA
Performance - Matinee	\$5,425 vs. 10%	\$5,425 vs. 10%	\$ 1,335	\$ 945	\$ 475
Performance - Morning	\$ 3,035	\$ 3,035	\$ 1,095	\$ 885	\$ 445
Rehearsal/Load-in Day	\$ 3,545	\$ 3,545	\$ 1,330	\$ 570	\$ 285
Main Street - \$1,010					

Tier 2 - Non-Profit Rates					
Performance - Evening	\$5,295 vs 5%	\$5,295 vs 5%	\$ 1,810	\$ 890	\$ 445
2nd Performance - Same Evening	\$4,050 vs 5%	\$4,050 vs 5%	\$ 1,435	\$ 655	NA
Non-Ticketed Event	\$ 7,430	\$ 7,430	\$ 2,305	\$ 1,090	\$ 540
1/2 House Performance Evening	\$4,050 vs 5%	\$4,050 vs 5%	NA	NA	NA
Performance - Matinee	\$4,050 vs 5%	\$4,050 vs 5%	\$ 1,215	\$ 800	\$ 380
Performance - Morning	\$ 2,265	\$ 2,265	\$ 1,065	\$ 770	\$ 355
Rehearsal/Load-in Day	\$ 2,650	\$ 2,650	\$ 1,025	\$ 470	\$ 230
Main Street - \$785					

Tier 3 - Featured Tenant Rates					
Performance - Evening	\$ 3,100	\$ 3,100	\$ 1,095	\$ 530	\$ 280
2nd Performance - Same Evening	\$ 2,440	\$ 2,440	NA	NA	NA
Non-Ticketed Event	\$ 4,465	\$ 4,465	\$ 1,400	\$ 655	\$ 340
Performance - Matinee	\$ 2,440	\$ 2,440	\$ 735	\$ 475	\$ 240
Performance - Morning	\$ 1,365	\$ 1,365	\$ 640	\$ 455	\$ 225
Rehearsal/Load-in Day	\$ 1,590	\$ 1,590	\$ 595	\$ 270	\$ 145

Tier 4 - Principal/Resident Company Rates					
Performance - Evening	\$ 1,695	\$ 1,695	\$ 600	\$ 285	\$ 165
2nd Performance - Same Evening	\$ 1,250	\$ 1,250	NA	NA	NA
Non-Ticketed Event	\$ 2,335	\$ 2,335	\$ 730	\$ 335	\$ 200
Performance - Matinee	\$ 1,255	\$ 1,255	\$ 330	\$ 240	\$ 145
Performance - Morning	\$ 710	\$ 710	\$ 265	\$ 225	\$ 134
Rehearsal/Load-in Day	\$ 830	\$ 830	\$ 325	\$ 170	\$ 85

2024/2025 Rental Rates

	Keller	ASCH	Newmark	Winningstad	Brunish
Tier 1 - Commercial Rates					
Performance - Evening	\$7,295 vs 10%	\$7,295 vs 10%	\$ 2,500	\$ 1,140	\$ 570
2nd Performance - Same Evening	\$5,590 vs. 10%	\$5,590 vs. 10%	\$ 1,985	\$ 835	NA
Non-Ticketed Event	\$ 10,210	\$ 10,210	\$ 3,245	\$ 1,390	\$ 695
1/2 House Performance Evening	\$5,590 vs. 10%	\$5,590 vs. 10%		NA	NA
Performance - Matinee	\$5,590 vs. 10%	\$5,590 vs. 10%	\$ 1,375	\$ 975	\$ 475
Performance - Morning	\$ 3,125	\$ 3,125	\$ 1,125	\$ 910	\$ 445
Rehearsal/Load-in Day	\$ 3,650	\$ 3,650	\$ 1,370	\$ 585	\$ 295
Main Street - \$1,040					

Tier 2 - Non-Profit Rates					
Performance - Evening	\$5,835 vs 5%	\$5,835 vs 5%	\$ 2,000	\$ 915	\$ 460
2nd Performance - Same Evening	\$4,470 vs 5%	\$4,470 vs 5%	\$ 1,585	\$ 670	NA
Non-Ticketed Event	\$ 8,170	\$ 8,170	\$ 2,595	\$ 1,110	\$ 555
1/2 House Performance Evening	\$4,470 vs 5%	\$4,470 vs 5%	NA	NA	NA
Performance - Matinee	\$4,470 vs 5%	\$4,470 vs 5%	\$ 1,100	\$ 780	\$ 380
Performance - Morning	\$ 2,500	\$ 2,500	\$ 900	\$ 730	\$ 355
Rehearsal/Load-in Day	\$ 2,920	\$ 2,920	\$ 1,095	\$ 470	\$ 235
Main Street - \$810					

Tier 3 - Featured Tenant Rates					
Performance - Evening	\$ 3,645	\$ 3,645	\$ 1,250	\$ 570	\$ 285
2nd Performance - Same Evening	\$ 2,795	\$ 2,795	NA	NA	NA
Non-Ticketed Event	\$ 5,105	\$ 5,105	\$ 1,625	\$ 695	\$ 350
Performance - Matinee	\$ 2,795	\$ 2,795	\$ 690	\$ 485	\$ 240
Performance - Morning	\$ 1,565	\$ 1,565	\$ 565	\$ 455	\$ 225
Rehearsal/Load-in Day	\$ 1,825	\$ 1,825	\$ 685	\$ 290	\$ 150

Tier 4 - Principal/Resident Company Rates					
Performance - Evening	\$ 2,190	\$ 2,190	\$ 750	\$ 345	\$ 170
2nd Performance - Same Evening	\$ 1,675	\$ 1,675	NA	NA	NA
Non-Ticketed Event	\$ 3,065	\$ 3,065	\$ 975	\$ 415	\$ 210
Performance - Matinee	\$ 1,675	\$ 1,675	\$ 415	\$ 290	\$ 145
Performance - Morning	\$ 940	\$ 940	\$ 340	\$ 275	\$ 225
Rehearsal/Load-in Day	\$ 1,095	\$ 1,095	\$ 410	\$ 175	\$ 90