

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING A) RESOLUTION NO. 24-5438
WORK GROUP TO EVALUATE OPERATING)
MODEL OF P’5) Chief Operating Officer Marissa Madrigal in
concurrence with Council President Lynn
Peterson

WHEREAS, City-owned performing arts venues, including Antoinette Hatfield Hall (Brunish, Newmark, and Winningstad Theatres), the Arlene Schnitzer Concert Hall, and the Keller Auditorium, are managed by Portland’s Centers for the Arts (Portland’s) under the oversight of the Metropolitan Exposition Recreation Commission (MERC) through Intergovernmental Agreements (IGAs) with Metro; and

WHEREAS, the City of Portland entered into a Consolidation Agreement with Metro in 1989, last amended in 2013, to operate and maintain arts facilities owned by the City; and

WHEREAS, these and subsequent agreements were created to support regional tourism and the hospitality industry, and to maximize the economic benefits of cultural and spectator facilities for the Portland-Multnomah County area; and

WHEREAS, the City of Portland effective July 1, 1993, removed the Portland Memorial Coliseum complex (Veterans Memorial Coliseum) and around July 1, 2000, removed the Civic Stadium (Providence Park) facility from the Consolidation Agreement through amendments; and

WHEREAS, under the oversight of MERC, Portland’s successfully managed facility closures related to the COVID pandemic, as well as secured \$10 million in Federal Shuttered Venue and other grants to bridge through a multi-year period with severe financial resource constraints; and

WHEREAS, a 2022 audit by Metro of the Portland’s IGAs found issues, including governance structures were difficult to navigate, a need for a shared understanding between the IGA parties regarding the physical condition and maintenance of Portland’s theaters, as well as an absence of a clear funding plan for maintenance, support for arts organizations, and diversity, equity, and inclusion efforts; and

WHEREAS, performing arts facilities are essential to the work of resident and featured arts organizations, including Broadway in Portland, Literary Arts, Metropolitan Youth Symphony, Oregon Ballet Theatre, Oregon Children’s Theatre, Oregon Symphony, Portland Opera, Portland Youth Philharmonic, Stumptown Stages, White Bird Dance, as well as many non-profit and for-profit users of the facilities; and

WHEREAS, the U.S. Bureau of Economic Analysis reported that Oregon’s arts and culture sector contributed \$8 billion to the state’s economy in 2020, accounting for 3.3% of the state’s GDP, 60,994 jobs, and total compensation of \$4.8 billion; and

WHEREAS, the 2023 report by Americans for the Arts, Arts & Economic Prosperity 6 (AEP6), found that Portland’s arts and culture nonprofit organizations alone generated \$400 million in spending, representing nearly half of the state’s nonprofit arts-related spending in 2022, and contributed \$72 million to local, state, and federal revenues in Multnomah County alone; and

WHEREAS, the fiscal year 2023 Economic Impact report from Crossroads Consulting, found that Portland's generated \$77 million in total spending, supported 520 full-time and part-time jobs, and contributed \$4.1 million in local and state taxes; and

WHEREAS, Portland City Council accepted Our Creative Future on May 22, 2024, charging the Office of Arts & Culture with implementing the tri-county framework to advance culture, creativity, and the arts within Clackamas, Multnomah, and Washington Counties; and

WHEREAS, the Office of Arts & Culture, formally established on July 1, 2024, began administrating oversight of City-owned arts facilities and managing the City's General Operating Support (GOS) grant program, which provides unrestricted funding to resident and featured companies of the Portland's theaters, along with 70 additional arts and culture organizations; and

WHEREAS, on October 10, 2024, City Council adopted Resolution #37680, directing City staff to conduct a Market Feasibility Analysis as part of the Future of Keller project – assessing seating capacity, financial models, project timelines, and future operating model options for two Broadway-capable venues; and

WHEREAS, Oregon Governor Tina Kotek has prioritized arts and culture, and the Governor's Central City Task Force recommended that the City of Portland "Make downtown a worthy destination"; and

WHEREAS, the sustainability of publicly-owned arts facilities, along with the financial and institutional health of Portland's arts and culture organizations, is central to the broader economic vitality and livability of the Portland area and the State; and

WHEREAS, Portland's managed replacement of the Arlene Schnitzer Concert Hall Cooling Tower in fiscal year 2024 for \$3 million and is nearly complete with roof replacement of the Arlene Schnitzer Concert Hall for a forecast project cost of \$7 million, which have drawn down the Portland's available fund balance to an estimated \$3.1 million for fiscal year 2025; and

WHEREAS, Portland's expects to have a strong event calendar year 2025 across all venues; and

WHEREAS, increased operating and capital costs have required Portland's to raise both rental and staffing rates charged to resident, non-profit, and other theatre users and patrons, and

WHEREAS, Leaders from resident company and arts non-profits have been contacting city and Metro elected officials, as well as MERC commissioners, Metro, and city staff to inform the parties that the rate increases are unmanageable given the precarious financial conditions of their organizations.

WHEREAS, establishing a Performing Arts Venues Workgroup will provide an opportunity to review and recommend improvements to the operations, maintenance, and long-term planning of City-owned arts facilities, and ensure alignment with regional goals for arts, cultural enrichment, and economic development; and

WHEREAS, the Portland City Council and Metro Regional Council agree that Portland's arts and culture sector is key to local, regional and statewide economic recovery and revitalization goals.

NOW, THEREFORE, BE IT RESOLVED, that the Metro Chief Operating Officer is directed to work with the City of Portland's Deputy City Administrator of the Vibrant Communities Service Area to convene a Performing Arts Venue Workgroup, which will include staff from Metro and the City of

Portland, representatives from the regional arts and culture community, including users and visitors of City-owned arts facilities and labor partners; and

BE IT FURTHER RESOLVED, that this Workgroup will consider opportunities and challenges to operations, maintenance, and long-term planning to align management and operations with regional goals for economic development and cultural enrichment; and

BE IT FURTHER RESOLVED, that the Metro Chief Operating Officer is directed to present recommendations to MERC and the Metro Council by end of fiscal year 2025 to address short term opportunities and challenges; and

BE IT FURTHER RESOLVED, that the Metro Chief Operating Officer is directed to present recommendations to MERC and the Metro Council by end of fiscal year 2025 to address significant conditions that require renegotiating the IGA.

ADOPTED by the Metro Council this [insert date] day of [insert month] [insert year].

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney