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37680

Resolution

Accept the Future of Keller Collaboration Team recommendation to pursue a strategy to develop two Broadway-capable venues, avoiding a prolonged closure of the Keller Auditorium, while greenlighting the path ahead for a Market Feasibility Analysis and subsequent financing strategy

Adopted

WHEREAS, the City of Portland recognizes the need for a comprehensive and collaborative approach to downtown revitalization that celebrates investments in creative placemaking that supports arts and cultural opportunities to restore and enhance our Central City as a vibrant, inclusive, and thriving urban center; and

WHEREAS, the March 2020 Keller Seismic Analysis Summary Report outlined the structural deficiencies of the Keller Auditorium and potential options to renovate or replace the building; and

WHEREAS, the key options outlined in the Seismic Analysis for the facility's future include different scales of work: Option 1b: limited building renovation that addresses only seismic upgrades; Option 2: a major renovation including new additions; and Option 3: a new facility on the existing site or an alternative site; and

WHEREAS, in 2017, a private design competition was held to conceptualize what might be possible for a grand scale Keller renovation on site; and

WHEREAS, an association of neighborhood property owners and design professionals, the Halprin Landscape Conservancy, became interested in continuing this work and further refining Option 2 with a large-scale renovation concept to see if it would be feasible; and

WHEREAS, in a joint letter dated September 14, 2022, between the City of Portland and Metro, the City and Metro each committed \$200,000 in funding toward the Halprin Landscape Conservancy while requiring an additional private match of \$200,000 to further develop a large-scale renovation option to determine its feasibility; and

Introduced by

[Mayor Ted Wheeler](#)

City department

[Spectator Venues and Visitor Activities Program](#)

Contact

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Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date
October 10, 2024
Requested Start Time
2:00 pm
Time Requested
2 hours

WHEREAS, on September 27, 2023, Halprin Landscape Conservancy presented their concept for a renovated Keller Auditorium to Portland City Council; and

WHEREAS, in order to better understand the possibilities of replacing the theater with a new state-of-the-art facility on an alternate site as outlined in Option 3 of the Seismic Analysis, the City released a Request for Expression of Interest (RFEI) on July 12, 2023, to explore potential new performing arts facility sites in Portland; and

WHEREAS, on August 11, 2023, the City received eight proposals in response to the RFEI and narrowed them down to five on September 25, 2023 for further discussion; and

WHEREAS, further discussions were conducted the week of October 23, 2023, with the five proposers and on November 9, 2023, the top two proposals were selected for further study: Urban Renaissance Group at Lloyd Center and Portland State University; and

WHEREAS, on January 31, 2024, the two proposers were each awarded \$50,000 grants from the City's Spectator Venues Program to develop conceptual designs and test the feasibility of their sites for a new performing arts facility; and

WHEREAS, on May 22, 2024, the City received an economic impact study to better understand the impacts of a closure of the venue for a potential future renovation which showed that the combined economic impact of a venue closure, with no alternative location for shows, would be profound; and

WHEREAS, on May 28, 2024, an independent cost consultant with extensive experience in performing arts facilities retained by Metro, estimated the costs of the three proposals: Keller renovation, \$290M; Lloyd Center, \$429M and Portland State University, \$447M; and

WHEREAS, on May 29, 2024, all three groups presented their renovation and new facility design concepts to City Council and more than 61 community members and interested parties signed up to testify and provide written testimony; and

WHEREAS, on May 31, 2024, formal public outreach began, including targeted stakeholder engagement meetings with Metropolitan Exposition and Recreation Commissioners, Arts Organizations, Portland's Centers for the Arts Youth Council, Travel Portland, Portland Metro Chamber, Portland's Staff, Labor (IATSE Local 28), Independent Venues and Portland's Community Arts and Culture Council, and a monthlong public survey to hear community members' values and priorities for a new or renovated premier performing arts facility; and

WHEREAS, on July 8, 2024, the formal public outreach period closed and the City and its consultants began analyzing feedback data to create a community engagement summary report for City Council; and

WHEREAS, during the outreach period and at the May 29, 2024, City Council presentation, two key themes emerged: first, that there is a preference among users, arts groups, employees, labor unions, operators, regional tourism interests and Central City business interests to avoid any closure period that impacts the ability to hold large productions at Keller Auditorium; and second, that there is a high level of attachment to the current site, its proximity to the Keller Fountain, and concern about what would happen to the current site if large theatrical productions were moved to a new venue; and

WHEREAS, after evaluating the economic impact study and receiving extensive input from users, arts groups, employees, operators, regional tourism interests and Central City business interests, it is evident that the negative impacts of a construction closure could be avoided if an alternative option exists that would not shutdown operations for any extended period of time; and

WHEREAS, on August 14, 2024, the City Council was presented with the results from community engagement and the Mayor directed staff to work with the Halprin Landscape Conservancy and Portland State University teams to identify a solution to bring the two teams together to form a recommendation that best meets the needs of Portlanders and avoids a prolonged closure of Portland's premiere large performing arts theater; and

WHEREAS, the joint teams met nine times over the course of five weeks to address the varying considerations that would lead to two Broadway-capable venues; and

WHEREAS, subject matter experts from Portland's, the resident companies and labor were invited to review the proposed strategy and provide input to the joint teams; and

WHEREAS, the joint teams reached consensus on a two-Broadway capable venue strategy;

NOW, THEREFORE, BE IT RESOLVED that this resolution with the attached Exhibits A-G is accepted by the City Council; and

BE IT FURTHER RESOLVED that the City Council directs staff to engage a consultant through an expedited procurement process to conduct a Market Feasibility Analysis which will inform the appropriate seat count for a Broadway-capable venue(s); and

BE IT FURTHER RESOLVED that to allow for continuous operations and prevent a prolonged closure of performing arts programming the first Broadway-capable venue would be constructed at the Portland State University site on 310/330 SW Lincoln Street; and

BE IT FURTHER RESOLVED that the City will develop a Letter of Intent (LOI) with Portland State University for future site development that includes the following topic areas: development concepts, traffic study impacts, policy visions, financial evaluation, building programming, desired scope and

operations of the building, an outline of an intergovernmental agreements and other miscellaneous items as needed; and

BE IT FURTHER RESOLVED that the Deputy City Administrator is authorized to designate a steering committee to participate in the process as needed; and

BE IT FURTHER RESOLVED that the Deputy City Administrator is authorized to stand up a project team of technical experts with Portland State University to develop a detailed financial plan, provide input into the initial phases of the project, project construction management direction and direct a cohesive, comprehensive philanthropic strategy; and

BE IT FURTHER RESOLVED that the Deputy City Administrator is authorized to direct staff to explore the development of Third Avenue, beginning with a traffic study to evaluate the impact of street closure.

Exhibits and Attachments

 [Exhibit A - Summary Memorandum](#) 108.83 KB

 [Exhibit B - Final Process Memorandum from Kearns and West](#) 201.48 KB

 [Exhibit C - Temporary Venue Analysis](#) 222.07 KB

 [Exhibit D - Climate Impacts Memorandum](#) 429.26 KB

 [Exhibit E - Market Feasibility Memorandum](#) 277.97 KB

 [Exhibit F - Sequencing Diagram](#) 750.58 KB

 [Exhibit G - Finance Summary](#) 157.95 KB

Impact Statement

Purpose of Proposed Legislation and Background Information

The Keller Auditorium was originally constructed in 1917 as a large brick auditorium. It was substantially renovated and modernized in 1968. However, much of the original structure remains behind the concrete facade. After the Keller Auditorium was added to the City's list of unreinforced masonry (URM) buildings in 2016, work began to investigate the seismic stability of the facility.

In March 2020, the Keller Seismic Analysis Summary Report was completed, which outlined the structural deficiencies of the Keller and laid out potential options to consider moving forward:

- Limited building renovation addressing seismic upgrades;
- Major building renovation including new additions;
- Building a new facility on the existing site or an alternative site.

In 2017, a private design competition was held to explore what a large-scale renovation might look like. In 2022, neighboring property owners and design professionals joined the Halprin Landscape Conservancy (HLC) to further develop a design concept for the space. The City and Metro each provide HLC with \$200,000 in funding to further develop the renovation concept. HLC's contributed an additional \$200,000+ in private funding to the effort.

In 2023, HLC unveiled their renovation concept for the existing facility. During the same year, the City began to explore what building a new facility might look like on an alternate site.

Through a request for expressions of interest process, eight sites were submitted by proposers to host a new performing arts facility across Portland. After an evaluation process, two sites were selected for further study: Lloyd Center and a site owned by Portland State University at the south end of downtown. Both entities were awarded \$50,000 grant agreements from the City's Spectator Venues and Visitor Activities Fund to develop more detailed conceptual designs to test the feasibility of their sites.

On May 29, 2024, all three design concepts were presented to City Council for the first time. Over 60 members from the public testified at the meeting. On May 31, 2024, formal outreach began on the design concepts and efforts continued through July 8, 2024.

On August 14, 2024, staff presented the results from the community engagement efforts and it became clear that Portland cares about the performing arts significantly and the Broadway market is strong. At that meeting, the Mayor directed staff to work with both the HLC and PSU teams to identify whether a unified recommendation could be made related to the future of performing arts at the Keller.

Over the subsequent 5 weeks, staff brought the teams together and met for 9 sessions together, led by Deputy City Administrator Donnie Oliveira and professional facilitator Ben Duncan from Kearns and West.

Financial and Budgetary Impacts

This resolution directs City staff to engage a consultant through an expedited procurement process to conduct a Market Feasibility Analysis, the cost of which is to be determined.

This resolution also directs City staff to undertake a traffic study, the cost of which is to be determined.

Economic and Real Estate Development Impacts

This resolution is not formally endorsing a project; it is establishing a direction that may eventually lead to a project to replace and/or renovate the Keller Auditorium.

As noted in the Crossroads Consulting Economic Impact Analysis report conducted for the City in May 2024, Americans for the Arts released the findings of their Arts and Economic Prosperity 6 study, which is an economic and social impact study of the nation's non-profit arts and culture industry. The study found that the industry generated \$151.7 billion of economic activity in 2022, which supported 2.6 million jobs and \$101 billion in labor income. In the City of Portland, more than \$723.8 million was generated in total output, which supported over 6,440 total jobs and \$309.2 million in resident income.

Also stated in the Crossroads Consulting report is the projected economic impact of the Keller Auditorium: in 2027 it is projected to generate \$46.8 million in output and in 2028 it is projected to generate \$49.5 million in output.

This project could result in up to over \$800 million in real estate investment in the Central City if a combined effort between the City of Portland and Portland State University were to be undertaken.

Community Impacts and Community Involvement

The Future of Keller Collaboration project would significantly impact the arts economy and culture of Portland. With increased capacity for a wide range of performances, this project will enhance Portland's art culture and provide economic benefits including job creation in construction, tourism, and the local arts community. Future phases of community involvement will include continued partnership with key stakeholders and opportunities for public comment. The project team is committed to ensuring ongoing communication with the community.

100% Renewable Goal

Any efforts to transform the existing Keller site and build a new facility will adhere to the City of Portland's Green Building Policy, upholding the most current environmental building standards embedded within City code.

Financial and Budget Analysis

This resolution does not formally endorse a project but establishes a direction that may eventually lead to a project to replace and/or renovate the Keller Auditorium. The resolution directs City staff to engage a consultant through an expedited procurement process to conduct a Market Feasibility Analysis, the cost of which is to be determined. It also directs City staff to undertake a traffic study, the cost of which is also to be determined. How the studies will be funded is still being worked out, with options including requests for General Fund one-time resources, or some combination of Office of Arts and Culture funding or Spectator Venues funding. However, oversight and responsibility for the City's performing arts theaters is transitioning out of the Spectator Venues Program and into the Office of Arts

and Culture, so Spectator Fund resources may be less appropriate going forward.

Spectator Venues states that in the Crossroads Consulting Economic Impact Analysis report conducted for the City in May 2024, Americans for the Arts noted that in the city of Portland, the non-profit arts and culture industry generated more than \$723.8 million in total output in 2022, which supported over 6,440 total jobs and \$309.2 million in resident income. Also stated in the Crossroads Consulting report is the projected economic impact of the Keller Auditorium: in 2027 it is projected to generate \$46.8 million in output and in 2028 it is projected to generate \$49.5 million in output. This project could result in up to over \$800 million in real estate investment in the Central City if a combined effort between the City of Portland and Portland State University were to be undertaken.

Document History

Item 867 Time Certain in [October 9-10, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/9)
(<https://www.portland.gov/council/agenda/2024/10/9>)

City Council

Adopted

Aye (5):

Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler