

Future of Keller Collaboration Team

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.





Agenda

- What We Are Solving For
- Project Background & Process
- Mayor's Direction
- Proposed Project
- Team Findings
- Invited Speakers - Halprin Landscape Conservancy & Portland State University
- Discussion & Resolution to Accept Recommendation and Direct Staff to Engage Consultant to Conduct a Market Feasibility Analysis

What We Are Solving For

- Like most older civic buildings, the Keller was not built to withstand a major earthquake
- A 2020 seismic report provided a preliminary analysis of renovations needed to meet modern safety standards
- Guest amenities, backstage facilities, and mechanical and production systems are also outdated
- Keller Auditorium needs upgrades to continue operating long into the future

Project Background & Process

- On August 14, 2024, City Council directed City staff to bring the Halprin Landscape Conservancy and Portland State University teams together to develop a collaborative solution to the future of Keller project
- City staff and stakeholders from both teams spent five weeks developing the proposal before you today
- The project team met weekly to work toward a collaborative solution

Project Background & Process

- The team established collaborative norms with local facilitator Ben Duncan, Vice President of Kearns & West
- Engagement agreements were made during meetings - be visionary, be bold
- Engagement agreements were made between meetings - seeking to create a shared vision with group consensus
- Detailed discussions took place, ranging in topics from a revitalized downtown, to supporting an arts and culture economy
- Brainstorming and SWOT analysis (strengths, weaknesses, opportunities, threats) of big ideas

Mayor's Direction

City Council is prepared to decide on the future of the Keller Auditorium. Before a final decision is made, Council has a desire to fully explore all opportunities for a collaborative solution that allows for the full activation of the entire Halprin sequence, including both the existing Keller Auditorium and the proposed PSU venue site. We realize that this is a very tight timeline but believe this potential win-win scenario is worth full exploration and pursuit.

City Council would like the group to recommend to Council a collectively supported plan that includes site selection, financing, and development sequencing for seismically secure venue(s) to host Broadway shows and other programming that the Keller Auditorium currently hosts.

The plan must allow for the continuous operation of such programming, without any extended disruptions or venue closures. This recommendation will include a draft, high-level construction timeline and financing strategy.

Ideally, the recommended plan will also outline a shared understanding of cooperation and collaboration across the primary two stakeholder groups moving forward.

Project Background & Process

- Four targeted interest areas were explored:
 - Market demand
 - Financing
 - Sequencing
 - Climate impacts
- Industry experts from resident companies and labor were invited to join and discuss and review findings and assumptions

No Suitable Alternative Temporary Venue

The following local venues are not capable of hosting large theatrical performances during a Keller closure:

- Arlene Schnitzer Concert Hall
- Veterans Memorial Coliseum
- Moda Center Theater of the Clouds
- Expo Center
- Oregon Convention Center
- Local High School Auditoriums
- Other Portland's 5 Centers for the Arts Theaters
- Crystal Ballroom
- *Live Nation Venue (new)*
- *AEG/Monqui Venue (new)*

Proposed Project

The collective scenario below represents the team's unified recommendations:

| Program Element | Description |
|---|--|
| Two Broadway-capable venues: one on PSU site and one on existing Keller site | Need Market Feasibility Analysis to Determine Appropriate Seat Count |
| Market Feasibility Analysis | Industry standard to inform market demand and capacity of the Portland market |
| Traffic Studies | Informs options for the development of Third Avenue at Keller site; will also help understand transportation impacts of PSU site |
| Initiate Funding Asks | PSU and City begin funding requests |
| City/PSU Project Team and Steering Committee | City mobilizes core project team and recruits community-wide steering committee |

Team Findings | Market Demand

Subcommittee Examined Two Fundamental Questions

- 1) Can Portland support two venues with the production capabilities to accommodate Broadway performances?
- 2) What size performing arts venues are needed in the City?

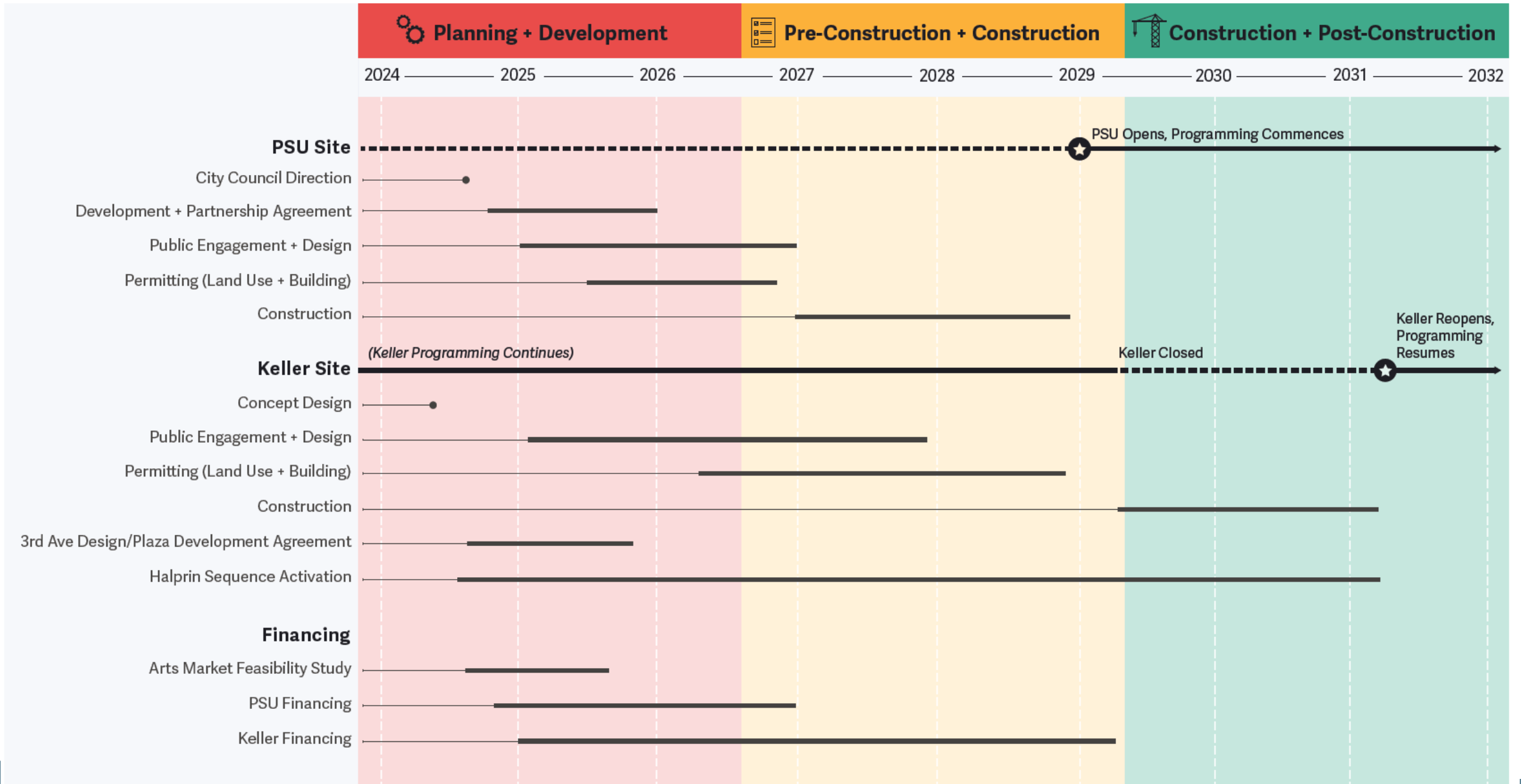
Scope of a Market Feasibility Analysis

- Defining the Portland Market to determine regional draw
- Considering the market demand from both the perspective of the audience and the performing arts organizations and presenters
- Evaluating the market supply by analyzing current and planned performing arts venues in Portland

Team Findings | Finance

| Sources: | Keller Renovation | New City-owned Auditorium | Total City Keller & New Auditorium | PSU 6-800 Seat Auditorium | PSU Parking Structure | Total PSU Small Auditorium And Parking | Optional Private Hotel/Conf. Center | Optional Local Arts Organization Building | Optional Hotel/Conf. Center/Local Arts Building | Grand Total |
|---|----------------------|---------------------------------|--|---------------------------------|-----------------------------|--|--|--|--|----------------|
| Philanthropy - Individual, Foundation and Corporate Giving | \$ 50 | \$ 50 | \$ 100 | \$ 30 | \$ - | \$ 30 | \$ - | \$ 32 | \$ 32 | \$ 162 |
| Investor Equity/Conventional Debt | | | | | | | \$ 71 | | \$ 71 | \$ 71 |
| Local Funding: | | | | | | | | | | |
| Local Gov't obligation bonds | \$ 128 | \$ 130 | \$ 258 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 258 |
| Tax Increment Financing (TIF) | - | 50 | 50 | 8 | - | 8 | - | - | - | 58 |
| City-backed revenue bonds | 10 | - | 10 | - | - | - | - | - | - | 10 |
| One-time appropriation from the Portland Clean Energy Fund (PCEF) | 25 | 28 | 53 | - | - | - | - | - | - | 53 |
| Local Improvement District (LID) | 3 | - | 3 | - | - | - | - | - | - | 3 |
| Total Local Funding | \$ 166 | \$ 208 | \$ 374 | \$ 8 | \$ - | \$ 8 | | \$ - | \$ - | \$ 382 |
| State Funding: | | | | | | | | | | |
| One-time appropriation from the State of Oregon | \$ 20 | \$ - | \$ 20 | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20 |
| Article XI-G Bonds | | | | 85 | | 85 | | | | 85 |
| Article XI-F(1) Bonds | | | | | 37 | 37 | | | | 37 |
| State Bonds | - | 100 | 100 | | - | - | | | | 100 |
| Total State Funding | \$ 20 | \$ 100 | \$ 120 | \$ 85 | \$ 37 | \$ 122 | \$ - | \$ - | \$ - | \$ 242 |
| Total Sources | \$ 236 | \$ 358 | \$ 594 | \$ 123 | \$ 37 | \$ 160 | \$ 71 | \$ 32 | \$ 103 | \$ 857 |
| Uses: | | | | | | | | | | |
| Project Costs: | | | | | | | | | | |
| Total Project Costs | \$ 236 | \$ 358 | \$ 594 | \$ 123 | \$ 37 | \$ 160 | \$ 71 | \$ 32 | \$ 103 | \$ 857 |
| Total Uses | \$ 236 | \$ 358 | \$ 594 | \$ 123 | \$ 37 | \$ 160 | \$ 71 | \$ 32 | \$ 103 | \$ 857 |

Team Findings | Sequencing



Team Findings | Climate Impacts

Subcommittee Key Takeaways

- 1) Carbon Emission Analysis in Buildings, measured through:
 - Embodied carbon - carbon emissions with materials used to construct building
 - Operational carbon - carbon emitted from operating a building, primarily from combusting fossil fuels to generate heat and power
- 2) Lifecycle of buildings produce variable impacts, such as:
 - HVAC performance - heating/cooling account for the majority of a building's energy consumption/carbon emissions
 - Seismic requirements - a building retrofit would likely include steel reinforcements to the substructure, substantially increasing climate impacts/embodied carbon in building
 - Glazing - as the amount of glass increases, the building's operational efficiency decreases
 - Deconstruction vs demolition - an existing building renovation that complies with the City's deconstruction ordinance will have a lower carbon footprint than one that only sends demolition materials to the landfill
- 3) City Green Building Policy compliance

Invited Speakers

We would now like to invite up our partners who participated in the collaboration process from

The Halprin Landscape Conservancy

Portland State University



Council Action

- I. Discussion
- II. Resolution
 1. Accept Future of Keller Collaboration Team recommendation
 2. Direct staff to engage a consultant to conduct Market Feasibility Analysis
 3. Direct staff to develop Letter of Intent with Portland State University