

## **ORDINANCE No. 190278**

Authorize Intergovernmental Agreement with Metro to provide special appropriation operating support for Portland's Centers for the Arts not to exceed \$1,600,000 (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. In December 1989, the City and Metro entered into an Intergovernmental Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and Metro (commonly called the "Consolidation Agreement") to establish consolidated management and operation agreements for these facilities.
2. The Consolidation Agreement has been amended over time to reflect changing conditions.
3. Through Ordinance 186263, adopted by the Council on September 25, 2013, the City approved the most recent amended Consolidation Agreement.
4. The Metropolitan Exposition Recreation Commission ("MERC") oversees the Consolidation Agreement and provides expertise, governance, and policy direction regarding the business of operating the venues.
5. The Consolidation Agreement obligates the City to a set annual contribution to the operating and capital costs of the Portland's Centers for the Arts. While no additional financial contributions are required of the City beyond its annual contribution, it is in the City's interest to support and assist the Portland's with costs that help assure the continued success of the venues.
6. With event revenue making up over 80% of Portland's's operating budget, Portland's venues have been under financial stress since March 2020 when the venues had to immediately close their doors.
7. Portland's has implemented an aggressive cost-reduction program including staff reductions, furloughs, deferring projects and other actions, but without additional funding support, Portland's's cash reserves would have been exhausted by September 2020.
8. Emergency financial support from State and City CARES Act allocations as well as Metro have stabilized Portland's's financial situation and should be sufficient to last through the spring of 2021, but additional support is needed to allow the organization to last until events can resume, currently anticipated to be Fall 2021.

9. Allowing Portland's to shut down would cause irreparable harm to the City's performing arts sector and could result in a significant unfunded liability for the City as it would have to resume control of the buildings without an operator or a clear path to reopening after the COVID-19 pandemic.
10. Through Ordinance 190195, adopted by the Council on November 12, 2020, the City approved a \$1.6 million General Fund appropriation to Metro for Portland's as part of the Fall budget monitoring process (BMP) to support operating expenses.
11. Operating support includes any expense that will maintain stewardship over the City's assets, such as insurance, maintenance, security, utilities, engineering, ground lease, and Portland's staff hours.
12. With this \$1.6 million funding from the City, Metro estimates that Portland's should be able to successfully reopen the theaters in the Summer or Fall of 2021. If the venue closure extends beyond fall 2021, or if the return to theaters is slow, additional operating support may be needed in FY 2021-2022.
13. The City and Metro now desire to enter into an Intergovernmental Agreement to allow the City to provide Metro with a General Fund Special Appropriation for Operating Support not to exceed \$1.6 million.

NOW, THEREFORE, the Council directs:

- a. The Chief Administrative Officer is hereby authorized to sign an Intergovernmental Agreement with Metro in a form substantially similar to that attached hereto as Exhibit A.
- b. The City's Chief Administrative Officer is granted authority to act on behalf of the City and to amend this Intergovernmental Agreement provided the amendments do not substantially alter the City's financial obligations.

Passed by the Council: February 3, 2021

Mayor Ted Wheeler and Commissioner Rubio  
Prepared by: Karl Lisle  
Date Prepared: January 27, 2021

**Mary Hull Caballero**  
Auditor of the City of Portland  
By *Megan Lehman*  
Deputy

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Agenda No.  
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Title

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<b>INTRODUCED BY</b> Commissioner/Auditor: Mayor Wheeler and Commissioner Rubio	CLERK USE: DATE FILED <u>January 19, 2021</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance & Administration - Wheeler <small>Digitally signed by Ted Wheeler on Date: 2021.01.19 11:10:11 -0800</small>	Mary Hull Caballero Auditor of the City of Portland  Keelan By: <u>McClymont</u> <small>Digitally signed by Keelan McClymont on Date: 2021.01.19 20:59:28 -08'00'</small> Deputy
Position 1/Utilities - Rubio <small>Digitally signed by Carmen Rubio on Date: 2021.01.12 10:30:50 -08'00'</small>	
Position 2/Works - Ryan	
Position 3/Affairs - Hardesty	
Position 4/Safety - Mapps	
<b>BUREAU APPROVAL</b> Bureau: OMF Bureau Head: Carmen Merlo <small>Digitally signed by Carmen Merlo on Date: 2021.01.08 15:22:02 -08'00'</small>	<b>ACTION TAKEN:</b>  January 27, 2021 Passed to Second Reading February 3, 2021 at 9:30 am
Prepared by: Cynthia Castro Date Prepared: 1/8/2021	
<b>Impact Statement</b> Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
<b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>City Auditor Office Approval:</b> required for Code Ordinances	
<b>City Attorney Approval:</b> Ken McGair <small>Digitally signed by Ken McGair on Date: 2021.01.10 13:24:04 -08'00'</small> required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date January 27, 2021	

<b>AGENDA</b>  <b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____  Total amount of time needed: _____ (for presentation, testimony and discussion)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 30%;">FOUR-FIFTHS AGENDA</th> <th colspan="2">COMMISSIONERS VOTED AS FOLLOWS:</th> </tr> <tr> <th></th> <th style="width: 20%;">YEAS</th> <th style="width: 20%;">NAYS</th> </tr> <tr> <td>1. Rubio</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>2. Ryan</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>3. Hardesty</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>4. Mapps</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>Wheeler</td> <td style="text-align: center;">✓</td> <td></td> </tr> </table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Rubio	✓		2. Ryan	✓		3. Hardesty	✓		4. Mapps	✓		Wheeler	✓	
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<b>CONSENT</b> <input checked="" type="checkbox"/>  <b>REGULAR</b> <input type="checkbox"/>  Total amount of time needed: _____ (for presentation, testimony and discussion)																						