

IMPACT STATEMENT

Legislation title: Authorize Intergovernmental Agreement with Metro to provide Portland's funding for the Arlene Schnitzer Concert Hall Sewer Reconnection Project not to exceed \$150,000 (Ordinance)

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Purpose of proposed legislation and background information:

- The Arlene Schnitzer Concert Hall is owned by the City of Portland and operated by Metro as part of the Portland's Centers for the Arts.
- This Intergovernmental Agreement (IGA) authorizes the City of Portland to transfer up to \$150,000 to Metro for the purpose of design and preconstruction to connect the Arlene Schnitzer Concert Hall to the public sewer line located in SW Salmon Street.
- This funding was included in the FY 2021-22 Fall Supplemental Budget approved by the City Council on November 17, 2021.
- Currently, the Arlene Schnitzer Concert Hall's connection to the public sanitary sewer in SW Taylor Street is via private lateral in the public right-of-way.
- This arrangement does not comply with current City Code and the Bureau of Environmental Services is requiring the Concert Hall to connect to the closer SW Salmon Street sewer main.
- Because the SW Salmon Street sewer is much shallower, extensive changes to the plumbing system within the building, including the installation of holding tanks and pumps is required. Preliminary, low-confidence cost estimates suggest the project could cost as much as \$960,000.
- This work must be completed prior to a planned rehabilitation of the SW Taylor Street sewer during 2023. The ~\$8M ratepayer-funded BES pipe relining project cannot begin until the private laterals are decommissioned. The longer the project is delayed, the greater the risk of collapse of the old sewer, or the private lateral. Either of these events would create a loss of service to the properties using the pipes and necessitate expensive and complicated emergency repairs.
- BES is unable to fund work on the private portion of the sewer system even though the concert hall is owned by the City.
- The \$150,000 provide under this IGA will allow Metro to complete the project design, bring in a contractor, and place deposits on required equipment. Additional funding will be needed to complete the project.

Financial and budgetary impacts:

- As a nearly 100-year-old building, it is not uncommon that the Arlene Schnitzer Concert Hall's mechanical systems would need periodic upgrades.

- Between fiscal year 2016-2017 and 2020-2021, Portland’s invested \$23.2 million into capital projects at the City-owned performing arts facilities including the Arlene Schnitzer Concert Hall, Antoinette Hatfield Hall and Keller Auditorium.
- Due to the impacts of COVID-19 and the extended venue closure, Portland’s financial capacity is limited, and City assistance is required to complete this City-mandated project. Portland’s combined capital and operating fund balance was over \$13M in 2019 but is projected to dip below \$2M in early 2022.
- The project funded through this IGA will improve the condition and value of a City-owned property which has positive implications for the City over the long-term.

Community impacts and community involvement:

- The community will benefit from the project because the Concert Hall hosts classical, jazz, pop, rock, folk and gospel music, dance, theatre, travel films, conferences and weddings and access to sanitary sewer (lavatories) in the venue is imperative for operation.
- As the region’s premiere large concert hall, maintain operations at the facility is critical to the ongoing recovery of the performing arts ecosystem. Closure of the hall would be catastrophic for many local music and performing arts organizations and have widespread negative economic impacts for the City.
- There has been no public involvement in this project to date, although it has been discussed with some members of the Portland City Council and the Metropolitan Exposition and Recreation Commission.

100% Renewable Goal:

- The project funded by this IGA is not expected to significantly increase or decrease energy use at the facility.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount