



## July 8, 2025 Arts and Economy Committee Agenda

**City Hall, Council Chambers, 2nd Floor – 1221 SW Fourth Avenue, Portland, OR 97204**

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**Tuesday, July 8, 2025 9:30 am**

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**Session Status:** Adjourned

**Committee in Attendance:**

Councilor Olivia Clark

Councilor Mitch Green, Co-Chair

Councilor Jamie Dunphy

Councilor Loretta Smith

Councilor Ryan, Co-Chair

Councilor Ryan presided.

Officers in attendance: Diego Barriga, Acting Council Clerk

Committee adjourned at 11:23 a.m.

### Regular Agenda

1

[Appoint Matt Donahue to the Arts Access Fund Oversight Committee for term to expire December 31, 2028](#)  
(Report)

**Document number:** 2025-269

**Introduced by:** Mayor Keith Wilson

**City department:** Arts & Culture

**Time requested:** 15 minutes

**Council action:** Referred to City Council

Motion to send Report, Document Number 2025-269 to the full Council with recommendation the appointment be confirmed: Moved by Green and seconded by Clark. (Aye (5): Clark, Green, Dunphy, Smith, Ryan)

2

[Presentation on Performing Arts Venues Work Group Recommendations Report](#) (Presentation)

**Document number:** 2025-270

**Introduced by:** Councilor Dan Ryan; Councilor Mitch Green

**Time requested:** 70 minutes (1 of 2)

**Council action:** Placed on File

3

[Public Hearing on Performing Arts Venues Work Group Recommendations Report](#) (Public Hearing)

**Document number:** 2025-271

**Introduced by:** Councilor Dan Ryan; Councilor Mitch Green

**Time requested:** 30 minutes (2 of 2)

**Council action:** Placed on File

Portland City Council, Arts and Economy Committee  
July 8, 2025 - 9:30 a.m.  
Speaker List

Name	Title	Document Number
Dan Ryan	Councilor, Committee Co-Chair	
Diego Barriga	Acting Council Clerk	
Olivia Clark	Councilor	
Mitch Green	Councilor, Committee Co-Chair	
Jamie Dunphy	Councilor	
Kraig Cook	Council Policy Analyst	
Dawn Isaacs	Arts Education Coordinator	2025-269
Matt Donahue	Arts Access Fund Oversight Committee Candidate	2025-269
Loretta Smith	Councilor	
Chariti Montes	Director, City Arts Program	2025-270
LaJune Thorson	(Testimony)	2025-271
Chris Bergstrom	(Testimony)	2025-271
Anna Richter Taylor	(Testimony)	2025-271
DIANA STUART	(Testimony)	2025-271
Rose Etta Vennetucci	(Testimony)	2025-271
Michelle David	(Testimony)	2025-271
Rachael Lembo	Interim Executive Director, Portland's Center for the Arts	2025-270
Chris Oxley	Metropolitan Exposition Recreation Commissioner	2025-270

## **Portland City Council Committee Meeting Closed Caption File**

**July 8, 2025 – 9:30 a.m.**

This file was produced through the closed captioning process for the televised city Council broadcast and should not be considered a verbatim transcript. The official vote counts, motions, and names of speakers are included in the official minutes.

**Speaker:** Good morning everyone. Happy July 8th. I call the meeting of the arts and economy committee to order. Diego, will you please call the roll?

**Speaker:** Good morning. Clark. Here. Green. Here. Dunphy.

**Speaker:** Here.

**Speaker:** Smith. Ryan.

**Speaker:** Here. So welcome. So, co-chair green and I have had a lot of conversations about how arts is a part of the economy. Hence the fact that we knitted them together. And we know, like a lot of you that are here today, all of you here today, that all economic recovery begins with a vibrant arts scene. So thank you all for knowing that we're preaching to the choir, and I look forward to the robust conversations we'll have today in our agenda. First, we're going to consider an appointment to the arts access fund oversight committee, and then we will have a presentation on the performing arts venues work group recommendations report, and we'll hear related testimony. That will be the bulk of our meeting. So let's go ahead and read item one. Oh, before that, craig, you're in the box. Will you please read the statement of conduct?

**Speaker:** Good morning. Welcome to the meeting of the arts and economy committee to testify before this committee in person or virtually. You must sign up in advance on the committee agenda at [w-w-w. Aid.gov](http://w-w-w.Aid.gov) agenda and economy

committee, or by calling 311. Information on engaging with the committee can be found at this link. Registration for virtual testimony closes one hour prior to the meeting. In person. Testifiers must sign up before the agenda item is heard. If public testimony will be taken on an item, individuals may testify for three minutes unless the chair states otherwise, your microphone will be muted when your time is over. The chair preserves order. Disruptive conduct such as shouting. Refusing to conclude your testimony when your time is up or interrupting others testimony or committee deliberations will not be allowed. If you cause a disruption, a warning will be given. Further disruption will result in ejection from the meeting. Anyone who fails to leave once ejected is subject to arrest for trespass. Additionally, the committee may take a short recess and reconvene virtually. Your testimony should address the matter being considered. When testifying, state your name for the record. If you are a lobbyist, identify the organization you represent. Virtual testifiers should unmute themselves when the clerk calls your name. Thank you.

**Speaker:** Thank you so much, craig and diego, will you please read our first item?

**Speaker:** Item one appoint matt donahue to the arts access fund oversight committee for a term to expire December 31st, 2028.

**Speaker:** I think don, is. There you are. Hi, don. Come on up. And that's matt. Great. All right.

**Speaker:** Good morning. I'm don isaacs. I'm the arts education coordinator for the city of Portland. Go ahead and go to the next slide. Today we're bringing an appointment to the arts access fund oversight committee. As you all know, the arts access fund is fueled by the arts tax and supports more than 28,000 public elementary students and having access to arts education throughout their kindergarten through fifth grade school career. And it also strengthens our local arts organizations. Whenever we talk about the arts access fund, I always want us

to spend a moment centering on children. And so I'm sharing this slide this morning of some kids over in the Portland building in the gallery space there. This spring, we hosted an exhibit of their artwork and also an opening for their families to come and celebrate and see them and hear their voices. So the arts access fund, it impacts what happens daily in schools, but also ripples out into the community, creating these moments for children and families. And the funds success is a testament to the hard work of the oversight committee provided by volunteers. And so today, the office of arts and culture. We are pleased to support the appointment of matt donahue as the representative of the tax supervising and conservation commission on the arts access fund. Next slide. This committee is appointed by the mayor and confirmed by council. It's charged with ensuring that the fund is being implemented as required, to review expenditures made and to report their findings annual annually to City Council. The committee currently has ten members, and the representative from the tax supervising and conservation committee. Commission ended their term in December of 2024. Members are appointed for four year terms and may serve any number of terms not to exceed eight years. Total consecutive service. Next slide. So today we have with us matt donahue. He is a member of the tax supervising and conservation commission. And he brings valuable knowledge and experience to the oversight committee. His appointment will ensure the continuity of the committee's work and providing oversight to the arts access fund. Next slide. A bit about matt. He is currently the managing director in public finance at zero, and works with state and local governments in the pacific northwest to finance crucial infrastructure projects. He worked in education for a decade and began his public finance career as a manager in the state of new jersey's office of public finance. He's worked in the pacific northwest for 14 years and led over 200 government financings as an investment

banker, municipal advisor or placement agent. He's currently the vice chair of the Multnomah County tax supervisory and conservation commission, and he serves on a board for non-profits and is an active musician. Matt's going to share a few words. Thank you.

**Speaker:** Thank you for your consideration. Volunteer to be the tcc member for the oversight committee. Combines a couple of my interests and passions, that being the arts and fiscal responsibility. So I am a parent of two daughters who benefited from the arts tax as being elementary school students in Portland public schools. So I know the effect and the impact that it can have and can't imagine what their education would have been like without it. Having an art teacher there in that school. So I look forward to serving on the committee to make sure the funds are spent equitably and fairly and keep the confidence of the public in the in this tax and in funding arts. Thank you.

**Speaker:** Thank you matt. Next slide. So in closing here we have a picture of a really happy Portlander. They are very excited that their grown ups are paying the arts tax. And they colored in the fliers that were sent in the mail this spring. And also our next steps here for the appointment. Matt's term will run from if appointed from July 31st, 2025 until December 31st, 2028. And with this appointment, the committee will have 11 members and a representative from the tsk. We're considering the committee full at this point, and we won't be doing any further recruitment for now. And we thank you and appreciate your support and referring this appointment to the full council for approval.

**Speaker:** Thank you so much, don, and thank you, matthew, for being here in person. And I just have to add, you're everywhere. I saw you at the was it youth symphony and that was your daughter's final.

**Speaker:** My daughters played violin in the Portland youth symphony. Yeah, yeah, to play with esperanza spalding that night. It was incredible.

**Speaker:** So you're an active parent of musician? Yeah. That's great. I see that we have a couple councilors with their hands up. Councilor clark.

**Speaker:** Thank you. Chair. Ryan. Hi, matt. Great to see you again. Really appreciated all the questions that you asked us during the tsk hearing. And that was a really, I thought, an excellent meeting. And I appreciate your service there. And I was glad to hear that you volunteered for this, that you weren't drafted, because it seems like a pretty big responsibility given everything that you do. So really appreciate your willingness to do that. But I just wondered, and I'm going to tiptoe into something maybe a little controversial here, but just wondered if you have thoughts to share with us about the tax, the \$35 income tax, because it's relatively controversial. I mean, I pay it, happy to pay it. But, you know, it's a regressive I just wondered if you have any thoughts about it.

**Speaker:** Not any strong opinions. I would say, you know, I think, yeah, maybe it's not the perfect vehicle for supporting and funding the arts, but it is what we have. And, you know, I think the oversight committee is charged with just maintaining the trust so that maybe, you know, my opinion was we could need to increase the public funding for the arts. I mean, they didn't have a music teacher in my kids school, which I thought was was really tough. So, yeah, you know, no strong opinions about the vehicle, but just that we need to make sure that the funds are spent in the right way so that, you know, people continue to support tax in whatever form it is current or something different.

**Speaker:** Thank you, mr. Chairman. Do you mind if I ask another question? Actually, I appreciate that. And I really appreciate your willingness to serve and what you do on tsk as well. I wanted to ask don a question. I noticed that you have



the authority. This is all new to me. You have the authority to have additional members more than the ten. Is there a reason that you've held it at ten? What was your rationale for that? Ten plus the tsk position which is required?

**Speaker:** Well, we think that the committee is well represented now with some good broadness and depth in terms of experience, especially now that we're filling out the role. And we recently appointed new members at the end of last year. And so we went through a recruiting phase. And so for now we were going to consider the committee full. It's a good functioning number to at 11.

**Speaker:** Okay. Councilor dunphy.

**Speaker:** Thank you, matthew, thank you for signing up for some of the thankless jobs in our community. Truly. You know, the tsk is perhaps one of the most thankless jobs. It's incredibly hard. Arts oversight committee is also exceptionally thankless. I've spent a lot of years at some of those meetings, so thank you for signing up for it. You know, I will say also, I'm glad to hear that you have both the background in finance and public dollars and how dollars are supposed to be spent, but also the appreciation for how this impacts our community. I saw that here, that you're a musician. What's your instrument?

**Speaker:** I started out playing drums. Don't hold that against me. But my more currently playing upright bass in bluegrass bands.

**Speaker:** Fantastic. There's been a lot of really good work that has been done over the last couple of years with regard to the arts oversight committee, and I'm really excited to see how the office of arts and culture has really stepped up to make sure that we are meeting the terms of this, and I'm feeling bullish that you will be on this as well, because I think you have a really good I mean, based off of the at least the tcc hearing that we had, you have a good skill to be able to look at what is on the piece of paper here and what's supposed to be on the piece of paper here, and

figure out what the, the, the gap there is. So please hold our school districts accountable for getting the outcomes that they have. And please look forward to working with this committee in the near future. All of you working in the community to make sure that we can do some improvements to the system, because while you were your response to councilor clark's question was. Perfect and appropriate. And you know, not this is not a policy discussion right now. I think we all can agree that this arts tax system needs to be improved in some significant ways to make it sustainable for the future. 35 bucks doesn't buy as many teachers in 2025 as it did in 2012, so I will look forward to hearing your your insights as you get your feet under you in this role. So thank you.

**Speaker:** Thank you, councilor dunphy, councilor green.

**Speaker:** Thank you. And thank you, matt and don, for bringing this forward on your service. I'm glad that councilor clark kind of broached the question, because I was on the fence of whether I would ask about the arts tax, too. But I guess my question to you would be that suppose this committee, or any member of council decided to take up a question of what would reform of the art tax look like? Is that something that you, in your position on the committee, would be comfortable engaging with council and providing some feedback using your expertise on on really the question being fiscal stewardship? I, I appreciate fiscal responsibility, but this is really a stewardship of a resource that we have. Would love to know if you'd be willing to provide feedback and help us craft the right reform approach.

**Speaker:** Yeah, absolutely.

**Speaker:** Okay. That's all I need to hear. Thank you.

**Speaker:** Thank you, councilor green. Councilor dunphy, you're back up.

**Speaker:** Yeah. Sorry. I had one more quick question. Historically, in the city, people sort of generalized as saying that arts tax goes to public schools. That's

Portland public schools, right. But we actually have seven school districts. Each of those districts approaches how they are funding their arts teachers a little bit differently. What are your I mean, and this may be too early in the process to ask, but I'm sure you've looked into it. What are your thoughts on how those disparities are not disparities, but those different approaches are being implemented? And do you think that your committee that you're joining should have more of a say in how those dollars are being spent by districts?

**Speaker:** I'm aware of the different methods that the districts use, but I'm not familiar with the details to it, so I can't answer that at this time. That's fair enough.

**Speaker:** It's a bit of a wonky question.

**Speaker:** I'm happy to walk away whenever.

**Speaker:** When you come back in a year, we'll check in.

**Speaker:** Yeah. Thank you.

**Speaker:** Thanks.

**Speaker:** Thank you, councilor dunphy, any other questions? Okay. Do I have a motion chair?

**Speaker:** Ryan, I move the appointment of matt donahue to the arts access fund oversight committee, be sent to the full council with the recommendation that the appointment be confirmed.

**Speaker:** Second.

**Speaker:** Second.

**Speaker:** Okay, we have a second by councilor clark. The motion has been moved by councilor green and seconded by councilor clark. Any more discussion? No. Good. Will the clerk please call the roll?

**Speaker:** Clark?

**Speaker:** Yes.

**Speaker:** Green.

**Speaker:** Yes.

**Speaker:** Dunphy.

**Speaker:** Thank you for your service, i.

**Speaker:** Smith I Ryan.

**Speaker:** Thank you. Matt i. The motion carries and the appointment of matt donahue to the arts access oversight committee will move to the full council for recommendation. That will be confirmed shortly. Thank you so much for being here in person. We appreciate it.

**Speaker:** Thank you.

**Speaker:** Jake. Let's go ahead and read item two and three together. Since they merit that in terms of discussion.

**Speaker:** Item two presentation on performing arts venues, work group recommendations, report item three public hearing on performing arts venues work group recommendations report.

**Speaker:** Thank you diego. We want to read these two together so the testimony would be comprehensive. I just want to start off with a little bit of context. As a former commissioner, I was quite attached to this work group being formed. We were having the restoration of the keller project. Then we had the psu venue become a let's see, they were being pitted against each other, if you will, and we were trying to make the right decision on how to move forward with that. But why that conversation was going on. As a former commissioner that had the arts portfolio, I heard from basically everybody that that tries to do performances at our p5 system to be less than content with the current system. And it was comes down to this. It was really hard for them to continue to pay the leases that they were asked to pay the rent, if you will, to use the facilities and make ends meet. So there

was there was been a lot of indigestion about this for probably 20 to 30 years. And so we, we, we wanted to make sure that it didn't matter what we were going to build or rebuild or restore. If we continue to be a part of a system that's not working. And so I just am thrilled that charity, montez and your leadership to staff this group, and I know there's people in the group today that were part of this, this group. Could you all please either stand or raise your hand? Those that are in attendance today that served on this committee, thank you so much. Thank you for your service. And we do hope that we hear from you later. I know that you met quite a few times. It was a lot of work, and I don't think our volunteers that serve on such councils or task force get enough credit. So just know that we're really grateful to all of your service. So with that, I it's my distinct pleasure to introduce director of the arts and culture office charity montez, who will lead us through a presentation. Thank you for being here. Director montez, it's good to see you. And we look forward to hearing your report.

**Speaker:** Thank you. Councilor Ryan. Co-chairs. Thank you, councilors. For the record, my name is charity montez, and I serve as the director of the office of arts and culture. Again, thank you for inviting me to address the arts and economy committee this morning. And actually, I think we've got a slideshow, but if we could go back to the first slide. Thank you. So today I'm going to share some of that background on the city metro relationship as it pertains to the Portland five centers for the arts and the resolutions that led us to convene the performing arts venues workgroup. I'll share the findings of our venues experts and dig into the recommendations from the performing arts venues workgroup itself, and i'll share what we know about next steps for these recommendations and how this work fits into the overall future of the keller project that councilor Ryan just sort of mentioned. But first, I wanted to orient us to the venues themselves. The Portland

five centers for the arts refers to the five city owned performing arts facilities at the heart of downtown Portland. That's the arlene schnitzer concert hall, the keller auditorium, the antoinette hatfield hall, which houses three venues the newmark theater, the dolores winningstad theater, and the brunish theater. These five venues are central to Portland's creative economy and cultural life, drawing over 800,000 attendees to downtown Portland every year and serving as a home to both local and local arts groups and national touring productions. Next slide please.

Currently, the city owned venues are managed by a department at metro, also called Portland five centers for the arts. Under the oversight of the metropolitan exposition recreation commission, or merc, which operates within metro, our regional government. This management structure was established through a consolidation agreement back in 1989 between city and metro to support regional tourism and to maximize the benefits of our cultural facilities. However, an audit conducted by metro in 2022 found that governance structures were difficult to navigate and that there was a lack of shared understanding about the costs of the Portland five building deficiencies in recent years. These audit findings, combined with shifts in the arts ecosystem, have prompted us to reassess how we manage and operate our cultural assets to better serve Portlanders, the region and the cultural economy. And then, since July 1st, 2024, the office of arts and culture has had administrative oversight of the venues, and that was previously held with the city's spectator venues team. Next slide please. On October 31st, 2024, metro and city both passed parallel legislation establishing the performing arts venues workgroup to evaluate management of the Portland five centers for the arts facilities. And in simplest terms, the workgroup was tasked with identifying immediate and long term areas for improvement by exploring two questions how can we better operate in the model that we have, where the city owns and manages

the Portland five venues, and what other operating models are out there? And is there an alternative that would better serve our shared goals? Next slide please. So we started digging into this work in December of 2024, and over the last seven months, we addressed all of the resolution directives. Specifically, that resolution outlined the following. Convene the workgroup with key stakeholders and the city and metro, along with representatives from our arts and culture, communities and labor partners. Consider opportunities and challenges to immediate and long term operations, maintenance, and planning of the venues while aligning with regional goals for cultural and economic development. Engage venues experts to conduct a business model and governance analysis that includes a study of alternative operation models and present short and long term recommendations to the city administrator by June 30th, 2025. I'm happy to say that we delivered ahead of schedule by one week until June 25th. The workgroup's recommendations report, along with a cover memo from dca, sonia shymansky and metro general manager of visitor venues craig stroud, was presented to city administrator jordan metro council president peterson and the metro council, and then this arts and economy committee also received a courtesy copy of the recommendations and the appendices. Next slide please. So late last year, we launched a process to recruit members for the performing arts venues workgroup and selected 19 people. These workgroup members brought a depth of experience in relevant areas including arts and culture, venue management, business finance, labor development, and government. They represented small, medium and large non-profits, arts organizations, as well as commercial arts presenters, and they brought local, regional and national perspectives. Additionally, two labor unions who work in the venues had representation on the workgroup. The workgroup met every other week for five months starting in January. Over that time, they explored various

topics, including the needs and wants of users in the theaters, the current operating model, the state of performing arts centers, nationally common operating models across north America, and possible operational changes for Portland five. All in all, the workgroup spent 20 hours of in-person time together. Considering these complex issues and countless hours outside of those meetings to prepare. And since this kind of work takes a village, we pulled together a project team to support it. Our project manager was sue pack, the arts, culture and special events manager at Portland parks and recreation. She's on special assignment with the office of arts and culture. And then rachel lembo, executive director of Portland five centers for the arts. And I acted as hosts to the workgroup. Facilitation was provided by kearns and west. Next slide please. The city also engaged ams planning and research, a nationally recognized consulting firm, to support the workgroup and the project team with data, national benchmarking and operating scenarios. Ams has expertise in arts and culture and performing arts centers, and they track data from hundreds of arts and entertainment organizations. And really, they provided critical industry context for the workgroup, and as part of their work, ams analyzed Portland five's business model and governance structure, comparing it with 50 significant performing arts centers across north America. They presented their analysis to the workgroup. They shared information on best practices for performing arts centers, and they shared a framework for evaluating future management and governance changes. Next slide please. Some of the key takeaways from ams's findings include that nearly 90% of major performing arts centers nationally are operated by private nonprofits, even when they are publicly owned, and only about a third of them are publicly owned. Ams benchmarked Portland five to a comparison group of nine performing arts centers with budgets ranging from 15 million to 30 million annually, and found that Portland five hosts



more events than its peers and has above average venue utilization. But its revenue per available seat is significantly lower. That's because Portland five operates under a rental model, and most makes most of its revenue from rental fees, rather than ticket sales. They don't present most of the shows. Portland five relies heavily on earned revenue 85% versus the 77% for the comparison group, and contributed revenue at Portland. Five is almost entirely government based, while comparison groups include more diversified revenue sources, including individual philanthropy. Ams also found that admin costs at p5 are well within the range of comparable centers, and that Portland five essentially breaks even with a 2% operating margin average versus 12% for the comparison group. Finally, based on industry best practices, ams advised that major capital repairs and replacements should never be funded by general operating revenues, as has been p5's practice. Next slide please.

So during their time together, the workgroup members explored a number of complex issues. Their recommendations report lists several management options, along with the tensions inherent to them, and a set of values and guiding principles by which to evaluate the models and subsequent processes. I will start with their short term recommendations. Next slide please. The workgroup identified immediate actions that can strengthen Portland five's operations within the existing model, where the city owns the buildings and metro operates them. One increase earned revenue through more bookings and expanded food and beverage offerings. Two improve relations with local arts organizations and three improve booking policies and make them more transparent to improve rental clients understandings of the booking of their booking options and to increase use of the venues. Next slide please. Still, in short term recommendations, the workgroup reached consensus that the backlog of deferred maintenance and much needed modernization, upgrades and replacements impede Portland five's ability to

operate efficiently and effectively. The workgroup also concluded that the current practice of funding capital maintenance with operating dollars is unsustainable, and a poor practice. They recommend that capital planning begin immediately, including an assessment of facility conditions to size the capital investment needed and identification of new funding sources for capital. Next slide please. The workgroup recommends that the city of Portland, as owner of the buildings, be the single entity responsible for continuing this work, leading for future investigation, analysis and public engagement to determine an improved operating model. The current two government model, with the city owning the theaters and metro management managing them, is not recommended by the workgroup, and instead the workgroup recommends that the city and metro begin preparing a plan for dissolution of the intergovernmental agreement, while the city works with stakeholders to continue assessing options and identify a new long term operating model or models. Next slide please. And that brings me to the workgroups long term recommendations. The workgroup determined that more time and analysis are required to recommend a future operating model for the venues. However, the workgroup did identify multiple plausible scenarios, tensions that should be considered, and values and guiding principles to drive future analysis. Next slide please. The workgroup considered numerous operating models and recommends these five scenarios for further study. All assume continued city ownership of the venues. Nonprofit, either an existing or newly formed nonprofit organization manages operations for profit, a local or national for profit venue operator, either existing or new. Manages operations. University run, a Portland based university with an interest in programing. Manages operations. City run the city of Portland manages operations or multiple venue operators. Separate out the venues under different operators and operating models, and example of the workgroup

highlighted would be an existing nonprofit managing operations at the arlene schnitzer concert hall, an existing for profit managing operations at the keller auditorium, and the city managing operations at antoinette hatfield hall. Each of these scenarios presents its own set of opportunities, risks and trade offs that will need further evaluation. And I should also point out that the workgroup did consider scenarios where ownership of the venues was transferred to metro, but that was not recommended for further study or consideration. Next slide please. Additionally, the workgroup surfaced several areas of tension that future analysis will need to address continued co-management or separation of the venues. Currently, all three buildings and five venues are operated together. Some workgroup members foresee more innovation and streamlined operations by separating the venues, while others expect increased costs, loss of living, wage jobs, and loss of efficiencies of scale by separating the venues. Another tension is the expansion of philanthropy. Some workgroup members believe that Portland five needs to dramatically expand contributed revenue beyond government support, while others worry that that could divert a significant portion of the region's arts funding capacity to the detriment of other arts organizations. If funders are funding the venues, do they have funding to fund the arts orgs that are presenting in the venues? And then cost pressures? The workgroup recognized that pressure to increase fees and revenues for operational sustainability might have adverse impacts on commercial and nonprofit users of the facilities. Next slide please. Regardless of the model selected, the workgroup established values and guiding principles that any future analysis by the city should be filtered through. Through their value statement, the workgroup affirms that arts and culture are essential to a healthy, thriving society. Public venues must serve the public good. Access to creative expression is a civic right. Community voice must inform institutional

direction, decision making and resource allocation. Sustainability is a shared responsibility and a strategic imperative, and the Portland five venues must be a home for all, reflecting and amplifying the full spectrum of people, perspectives and creative practices that make up Portland's cultural identity. Next slide please. The workgroups guiding principles include recognition of Portland five's place in the arts and culture ecosystem, and recognition that the Portland five venues exist to support and strengthen our arts ecosystem across the Portland metro area and throughout Oregon. Public value. Local access to the performing arts must remain relevant and responsive to the needs of the community. This includes establishing a mission and vision for the venues, making sure that the venues are maintained at world class levels, and that they serve as cultural destinations and creative engines, boosting our arts economy and the broader economy. Capacity. The financial and operational model for the venues must ensure resiliency, transparency and community focus. That includes operating with adaptable practices that can withstand market fluctuations and evolving community needs, and finally, support Portland. Five venues function as a generative force in the community. This means that public and private partnerships are leveraged. There are strategies in place to fund deferred maintenance and capital improvements and emergency contingencies, consistent with the operations of world class venues, and that volunteer and community engagement opportunities for community members actively contribute to the life and stewardship of the venues. Next slide please. That brings me to the end of the performing arts venues workgroup recommendations. But as I mentioned, I wanted to share how this work fits into the overall future of the keller project. The keller auditorium is one of Portland five centers for the arts venues, and it was built in 1917. It's the only performance space in greater Portland that can host large scale theatrical performances, but like many older buildings, it

was not built to withstand a major earthquake. In 2024, City Council considered options for a major renovation of the Keller Auditorium or a new build on a new site, and in October 2024, council accepted the recommendation to pursue a strategy to develop two Broadway-capable venues, avoiding a prolonged closure of the Keller Auditorium and greenlighting a market feasibility study and subsequent financing strategy. Next slide please. This slide, the sequencing plan for the two Broadway-capable venues was initially presented to council for that October 2024 resolution, and it was later updated to include the studies that the city is leading, which are circled in blue. The Office of Arts and Culture launched the market feasibility analysis to consider the viability of two Broadway-capable venues earlier this month. The market feasibility study will tell us what the market in Portland can bear from both the audience demand side and the venue. Renters and arts presenters supply side. The study will provide recommendations to the city on the most viable pathway for venue development, and we anticipate that that study will be completed by the end of winter. The city's spectator venues team has been leading on the traffic studies for both expanded programming at the Keller Auditorium and a new performing arts center at PSU, and the results of those traffic studies will be available later this summer. And then the last on that list, the Venues Workgroup. So the Venues the Performing Arts Venues Workgroup has completed its recommendations report. And the workgroup has been sunset. The Merc received the recommendations last week on July 2nd. And we're here today sharing recommendations with the Arts and Economy Committee. And then on July 15th, Metro Council will receive and discuss the recommendations during a work session. And then finally, it's not listed on here, but we are working to set up a steering committee to help guide the conversation as the city considers the future of the Keller Auditorium and the potential for a new performing arts center at PSU. Next

slide please. That ends my formal presentation. I listed committee discussions and questions, but I think you wanted to pause here and go to public testimony.

**Speaker:** Yes. Thank you, director montez. Committee, I think it makes sense to hear the people who showed up to testify first before we get into our q&a. Is that good? Yes. Diego, do you have the list? Please read the first three names.

**Speaker:** Lejeune, thorson, anna richter, taylor, chris bergstrom.

**Speaker:** I know. Okay. Hi, I'm lejeune thorson. I'm president of the downtown neighborhood association. I'm happy to have this opportunity to share some thoughts and some questions. The taxpayers need to trust. The city is in good fiscal hands. I think the new city budget has shown responsible leadership from the council and the mayor, even though the process was really difficult and messy at times. But we came, we came through, and we appreciate that. Taxpayers want to know that we can take care of our assets, the assets we already own, and that those assets are supported by the market. And as charity was, was saying how the city, how is the city assuring that capital investments are maintained and protected? Taxpayers need the assurance before additional venues are added to our publicly owned inventory. The market feasibility study is the most important information that must be available before going forward and making decisions about venues. The dnr wants to see the market feasibility study expedited as resolution 27 680 said it would be when the when will the steering committee be selected and convened? I know charity mentioned that she was working towards that. We would have thought that this would have happened before some of the other decisions were made and the project manager, I didn't really catch the names that were mentioned. I don't know what their positions are and I'm interested in knowing that. And resolution 27 680 assures the public that there will be public input. Besides the work group and this committee meeting, when will the public input be

encouraged and heard? I'd like to just add one more thing. And that's about the arts tax. It may be messy, but a lot of people who support the arts grew up with the arts, and that is so important that children be exposed to the arts. So I want to thank you for that, and I hope you'll consider these these questions and our concerns. Thank you.

**Speaker:** Thank you.

**Speaker:** Hello. My name is chris bergstrom. Some of you guys know me. Councilor dunphy was great to see you at niva last week or a couple weeks ago. Doing some good work there. And thank you, councilor clark, for answering all my random questions all the time. So appreciate it. I spent the last 23 years working in live entertainment. I happen to be a Portland native, but I toured the world over work shows, six out of seven continents. I'm still holding out for a little run down to antarctica, but until the mcmurdo gets a chamber orchestra, it's probably not going to happen. But done presidential events and been blessed by the dalai lama. I've been all over the place and I've done this for a living. I've had one career and that report was great. I worked for p5 for a while. I actually turned down some opportunities for world tours to come back and see if I could help solve some problems. That report looks pretty bad and we need more money, apparently from you guys. Just what you want to hear. Unfortunately, that's not true. And I was researching my data on this for a while, and I formed a little group called the Oregon arts conservatory to kind of research this, because nobody was really talking about the alternates. And last year, in about November, it was stated that this year was going to be the biggest year in live entertainment history, and we've already achieved it as of July 1st. So anybody telling you that we haven't recovered or there's not enough money, doesn't understand the problem, doesn't understand the industry, so much so that the rest of the world feels like the emperor has no

clothes, and they're not willing to tell you that. In fact, the next thing they say is, let's sell them a wardrobe because we're that clueless. And I've been all over the world doing this. I lived in nashville, la at a high level. When I was notified that I was laid off from p5 budget cuts, everybody's had to make some cuts. I received many texts, one of them from the largest artist management group in the country, going, well, I'm glad you're done with that art scene because it's dead anyway. I don't love that feeling, but you can't say he's wrong. And then a bunch of artists asked me if I was done playing theater and wanted to get back to work. There was nothing good about working for an arts group in my hometown for my career, but I did it because I love it. Conservatively. With our research, we could double in three years. The financial impact of just these five theaters with its current architecture, the main thing you got to do is change leadership. Unfortunately. And also, I didn't know it was an option not to pay the art tax. Is that is that optional for okay? It is. We have to pay. Okay. Great. I read that article and some people weren't paying it. I didn't know that was an option. So yes, I know it's not okay. It's not an option. Great. I'm glad I clarified that. And I really believe and if you want to have more information, people have my info and we would love to show you how we could actually do it with its current architecture and revitalize downtown, to use a phrase we're using and bring a lot of money into it. And so there we go. Thank you very much.

**Speaker:** Hi. My name is anna richter taylor. Good morning, councilors. I'm here on behalf of rich jaffe with who's the ceo of broadway across America. We've met with you. And seeing how many people are here to testify, i'll kind of skip over some of the background about who broadway across America is. But one thing that I think is important is we've been a partner here with Portland opera and p5 for over 30 years, bringing shows to the keller auditorium, and also bring broadway across America, represents shows in 48 other markets across north America, and works



with a variety of venue operators, local governments, nonprofits, universities for profits. And so our hope with rich's contributions to this work group is to bring that experience and knowledge base to both the venue operations workgroup as well as what's happening around the market, feasibility analysis and the other broader evaluations. Because Portland is a great city, it's one of the top markets in the nation for Broadway shows. We have the largest, second, largest subscribership and every show is at capacity. So we know that this is a city that when you invest in the arts, it will revitalize the downtown. Broadway has had experience in other cities where it's transformed into destinations for the entire live performing arts and sports ecosystem. And so I'm here today. Unfortunately, rich is with a family commitment. But just to reiterate that Broadway is here as a partner with the city and all of the other arts organizations and those who care about the arts and whatever we can do to contribute to the broader vision and execution of that vision, to continue to revitalize downtown and build a strong arts, culture and ecosystem. We are your partner and happy to help. Formerly on committees and informally as you're just exploring other options and ideas about what has worked elsewhere and what hasn't. We are here as a resource to you as you need us. So thank you.

**Speaker:** Thank you, thank you.

**Speaker:** Diana. Stuart. Michelle. David.

**Speaker:** Good morning.

**Speaker:** Good morning.

**Speaker:** My name is diana stuart. I'm a board member of the downtown neighborhood association, the dna. And I'm here today, along with miss thorsen, to advocate on behalf of our hundreds of members who live, study, work and owns businesses in the central city amidst our beloved venues. We are here to

collaborate with you in our mutual efforts to bring Portland back to life, in part by addressing the critical operation and capital maintenance issues identified by the work group recommendations. We appreciate the workgroup's report presented to you today. However, as a side note, please take a look at the membership of the workgroup you heard today. Who made up that workgroup? Who's missing? There is no representation of citizens who are the users and the community living amidst the venues which we and the city support and want to see thrive. You heard today key guiding values articulated by the p5 workgroup. One of the most important was, quote, community voice must inform institutional direction, decision making and resource allocation. This oversight in failing to include citizen representation is a failure to live up to our value system. It's not too late to remedy this omission by urging that a dna representative be designated to join the workgroup. If any further activity on that workgroup is contemplated, as well as to be part of the psu keller steering committee, which is soon to be selected as required by City Council resolution 37 680, adopted in October of 2024. Additionally, that steering committee should be designated much like the p5 workgroup, to actively participate in the sequencing plan that was described for you today involving the keller and psu broadway capable projects. That sequencing plan, as we understand it, was updated in January of 2025. But it's my understanding that that timetable is not a product of the p5 workgroup. If in fact, that's correct, it would be helpful to know who was involved in its creation and its sequencing determinations of particular concern. If you look back at that sequencing plan, is the especially given the dire capital maintenance problems of the p5 facilities, is the sequencing determination that psu will begin the permitting and land use process this summer. While the feasibility study is not yet completed. In fact, if you look at it, the plan indicates that the feasibility study won't be finished until next summer, while the

permitting process for psu will begin this summer, the city resources and funding should not be further utilized until we understand whether this city can adequately support all of our p5 institutions, their capital maintenance needs, and before we take on additional projects, thank you very much.

**Speaker:** Thank you. Diane. Diego, is there more testimony?

**Speaker:** Yes, we have michelle, david. And following that rose at a venitucci.

**Speaker:** Let's see.

**Speaker:** Let's see. Michelle is joining us online. Apologies. Just having a second to connect.

**Speaker:** And rosetta.

**Speaker:** That would be great. Thank you rosetta.

**Speaker:** Hi everyone. Good to see you all. First I want to say thank you. Thank you for the workgroup. It was really hard and it was really cool. At the same time, I got to hang out with all some people that I didn't get to hang out with before. I pretty much just want to say there is so much work left to do. I don't think any of us are anywhere close to deciding what to do next. There's way too much work left being on the workgroup. We worked through lots of different ideas and honestly, I can't tell you which one I would get 100% behind because there's still a lot of work left to do. With that said, we still all have to go to work today, and we have to figure out how to fund these buildings and keep them open. We need to figure out how not to get stuck in the elevators between, cuz, I mean, there's a lot going on, right? And I agree with what everyone else is saying. We are here, we are vibrant. People are coming downtown because of live performing arts. So I look forward to more of this work. I would love to be on the steering committee. If that's a thing, that would be great. I spent a lot of time on this. As some of you know, I've been doing this here in Portland since 1983, started at psu in lincoln hall auditorium, been working in what

is now the p5 venues for the last 35 years. As a union stagehand, I've been around. I know what's broken. I got to tell you one thing, though. You know what's fixed right now? We have the best management of p5 that I have seen since I've been here. We have the best merc council, and we have the best City Council. I think right now there's something really special happening. All of the people that are leaders right now, we have something new and exciting. You are all really paying attention. You all care about our ecosystem and you all want to see it actually fixed. So again, I just want to thank you. I think the time is right to do what's right for the ecosystem, for everyone. And feel free to keep talking to me because I'm happy to see this to the end. Thank you.

**Speaker:** Rosetta. It looks like michelle joined us. Hi michelle, you have three minutes.

**Speaker:** Fantastic. Thank you so much. Councilors. Thank you to councilors green, Ryan, dunphy, and clark for chairing and hosting this committee. As the former music, arts and culture liaison for mayor Wheeler, I've always been passionate about the intersection of art and economy, and I am so delighted that this exists now. So thank you for this amazing opportunity. I come to you today with many hats. Broadway season ticket holder, audience nerd, mutual aid person, operator of an immersive arts venue here in downtown Oregon, downtown Portland. And those are a lot of the motivations that brought me, along with rosetta and 17 other people, to be part of this committee. And so much like rosetta, I just wanted to share that I chose to be part of this committee because I believe in the importance of creative, the creative economy of people in Portland and surrounding areas, having a great time and lifting everybody up. And I thank the city and for the region for having the wisdom to think about these things with the knowledge, the wisdom, the technology that we have now in 2025. Portland has always been an arts

community in every aspect. It's been stumptown's dna and the steps that Portland's taking right now to have these difficult conversations and really think about what's going to serve the city today and not what was most optimal 30 years ago, 40 years ago is fantastic. I see what this city is and county and metro are doing now as all. Steps that go towards bringing us all towards a more vibrant and delightful creative future. Thank you so much to everybody who served along myself in being part of this process. Once again, these are only recommendations if folks get the opportunity to learn more about the process, which we will in the next 70 minutes, I want to share my perspective as a workgroup member that the this the scope of what was handed over to us as a work group was not necessarily commensurate with the scope and scale and wisdom in that room. I look forward to this initial conversation, and I look forward to opening this conversation up to more and more people. As was already pointed out, there's a huge opportunity for more community dialog and feedback. Thank you so much for letting us be part of this conversation. And i'll be in city hall in just a few. Thank you.

**Speaker:** Thank you michelle. Thank you michelle. Does that conclude the testimony of diego?

**Speaker:** That concludes testimony.

**Speaker:** So colleagues, I think we received a lot of information. The testimony was awesome and necessary. We also have people here from the p-5 committee. Thank you, director montez, for coming back up. I was going to ask you to so you're already on it. And perhaps there will be times where people from the p5 group can come up. Does that make sense? If there's questions that they could also answer, okay. There's already a counselor with their hand up. As we get this dialog started. Counselor dunphy, thanks.

**Speaker:** I have a couple of questions. And charity, I'm not sure if you're the right person, or maybe some of the members of the workgroup might. If somebody in the room who was on the work group feel super inclined, please run up. But you mentioned at the top of the presentation, you mentioned about how we have a backlog of maintenance of these p5 venues and an underdeveloped capital inventory and an upkeep schedule. Can you explain a little bit how p5 under mcc has been approaching capital investments and like using bonds versus the operational? Just expand a little bit about what the recommendation in the in the presentation was really saying, how have we been doing things versus how should we be doing things? And, you know, national best practices?

**Speaker:** First, I'll say this doesn't say how should we be doing things? The work group was specifically told not to look at a specific funding measure. They were asked not to give a recommendation that says, go out for a bond or do this. That is that is up to you. All that sort of funding mechanism and what the funding mechanisms are. And then I did want to note that the executive director of p5 and a mcc commissioner, Chris Oxley, are here, and they might be best suited to answer the question about how p5 under mcc is currently managing the capital. Is that okay if we bring them up? Chris, did you want to come up to you? Thank you.

**Speaker:** Good morning counselors. My name is Rachel Lembo. I use she/her pronouns and I am the interim executive director for Portland Five Centers for the Arts. To speak to your question of how are we currently funding capital? Also, just to give a little bit of context. So I've been back at p5 as executive director, deputy director for almost a year. But prior to the pandemic, I was the finance manager for Portland Five for about four years. So I'm pretty intimately aware of how they fund things. And essentially the entire time that Metro has run these venues, we have funded capital primarily through operating surplus profit, essentially. So we would

build a budget that would say, this is what we are going to charge. The clients here will be our expenses. Pre-pandemic, we generally had a surplus, probably 2 to \$4 million a year. And we would set that aside for capital maintenance. In addition, we sometimes the city would help fund certain projects. The city does give ongoing support. Right now it's about \$1 million a year. We use about half of that, at least for capital. We have received some grants for capital work. We do have a Portland foundation, a nonprofit arm that's a separate entity that has at times raised money for capital. But definitely the predominant funding source for capital has been operating surplus. And the challenge with that, especially in these years where our operating surplus is definitely less than a million this year, we're actually expecting an operating deficit is that then we have nothing available to fund capital. And even in the years where we had an operating surplus, we were only able to fund the most pressing capital needs. We would do a roof replacement because there was danger of water leakage, which would lead to additional capital problems, but we haven't been able to stay on top of it where we're modernizing the buildings and investing in new equipment for the buildings. And so that has been a chronic challenge for p5.

**Speaker:** And you said that if it's if it's based off of. Profits that the p5's have been able to accomplish, and I remember correctly, p5's are operating at about a 2% profit margin versus about 12% on a national best practices. That 10% margin difference is pretty significant. Why are we continuing to operate under this situation and not try if, if, if the goal to not goal, but if the current policy is to use operating margins in order to address capital backlog, why are we also not at the same time moving to a model that maximizes profit? Like you said, that we were operating as a rental model versus a presenter model. Why have we not made that

transition? Is that a policy choice that City Council or metro need to make, or is that something bigger?

**Speaker:** It could be approached as a as a policy choice. What I will say is that our, our current model is really as a host, our primary users of the venue, 70% of the use days are local non-profits. So any move toward generating more revenue means shifting that ratio so there's less time for non-profits and more time for commercials. Because to be super frank, we make much more money on commercial shows. The non-profits all receive discounts to rent our space at different varying tiers, but the value of p5 has been as the home of these local non-profits. And so they are prioritized. They receive scheduled dates first. We really look to make sure that they have the times that they need in the theater. And then we book commercial touring shows or the shows that we present around that the work that we've done presenting is we've started it. It's fairly new over our 30 year term of managing the buildings. We have amped it up. The pandemic certainly knocked it back down. But I will say this past year was our most profitable year when we profited about \$450,000 in just the I believe there were maybe 17 or 18 shows that we presented. So that is an area that we are looking to continue to grow. But it doesn't come without risk. Right? So if we if we are on we have potential to make profit. We also have the potential to lose money. So we are very cautious in exploring that because we don't want to end up funding any of those shows that don't do well.

**Speaker:** Just one more quick question and follow up to that, colleagues. I'm sorry.

**Speaker:** Councilor, could I expand on that just a little bit? Thank you. I'm chris oxley. I'm a I'm a city appointed murk commissioner. Been on commission now for about a year and was was put into the firestorm as kind of metro mercs representative and the p5 project also longtime venue expert sports entertainment



music arts my entire career and run a consulting firm in that space. I think it's also worth noting that p5 and all the merc venues, including expo and oc, are partially funded through transient lodging tax dollars, and that goes to as effectively as part of a contributed revenue stream. And as we know, transient lodging tax dollars are incredibly challenged at the moment. And all three venues, well, all p5 plus the other two are quite challenged in that in that space as well. Transient lodging tax dollars aren't expected to be back to pre-pandemic numbers until 2030 at its best. And so if you think about these businesses in earned revenue and what we're talking about in terms of profit and from an operating perspective, and then what you have from a revenue perspective, which is, is tax dollars and or philanthropic dollars, there has to be a proper balance between those two things for arts, frankly, and arts venues and arts programming to survive, frankly. And I think that's where we, we find ourselves today. And so when we think about capital maintenance being at the whim of your profitability, with contributed revenues of tax and, and frankly, you know, and I think we can all know Portland is a very immature city from a arts, philanthropic, philanthropic perspective. We don't see the type of investment that a lot of cities, other cities see. And so you couple that with challenging times from transient lodging tax dollars, as well as a lot of a lot of labor expense, a lot of higher expenses related to the building. And then you have this \$6 million plus roof situation that completely wipes out your reserves. That's at the heart of, I think, what the workgroup is trying to bring forward, to say you can't be at the whims of your profitability to maintain your buildings, and that system doesn't work. And while there are things incrementally that can be done in terms of the profitability of the venue, we can look at how things are, the mix of events from commercial to nonprofit. The more nonprofit, the more the more the things you give away for free, the less money you're going to make commercially. And so I think it's more

than just like an operating decision as to what led to these challenges. It's frankly a fairly complex set of problems that you have to address more, more holistically than just look primarily at the operations of the venue itself.

**Speaker:** Absolutely. I think that's right. And I think we heard also in there that there were I think I saw that we externally contract with a vendor for concessions at a net loss when no, that is it is still making a net profit profitable. Okay. But I also have heard about the increased cost to many of the for rents for many of those nonprofit organizations and the fact that we actually don't own the ground underneath hatfield hall. Could you tell me a little bit about or could you talk about that, what that the lease situation for the hatfield hall is and whether the, the local, the church, who is the landlord have been collaborative in trying to work on these things and also, I guess further to that, I guess this maybe is a little bit more to charity is that as those rents have increased, we have often subsidized that with public dollars. And whether or not that makes sense to be sending those dollars to non-profits who then turn it to p5, who then give it to the church in order to pay for the rent, or whether there are other, better ways to do that. Could you talk a little bit about that?

**Speaker:** Sure. You said a lot of it. Exactly. The land that hatfield hall sits on is owned by the church. So we have a land lease that metro inherited from the city because it was that land lease was established when hatfield hall was built. It adjusts every five years and we adjust it accordingly. It's related to market value. I will say there was flexibility during the pandemic in terms of we were able to negotiate a little different than what that lease would have dictated it. Currently, we are following the lease. We don't we aren't currently under any special exception or negotiated rate, and I don't know that number off the top of my head, but I can certainly get you that amount.

**Speaker:** My understanding is that that lease is fairly oppressive, right? It's very expensive, particularly for the, for the, the arts organizations that are in that space. Those venues are, frankly, funded by the profitability of the brand or the schnitz. Right. And so you have an oppressive lease, you've got more non-for-profit activity. It's not generating any income. That building in and of itself, partially due to the lease and partially due to its use case, is going to be upside down, speaking frankly.

**Speaker:** Do you asked councilor dunphy about the subsidies for the nonprofit arts users this this year, the office of arts and culture added about \$300,000, just under \$300,000 for those resident and featured arts companies that also receive general operating support from our office as reimbursement. Basically, to offset the costs for their rental fees at Portland, five centers for the arts that are above. What were the rates in 20 2220 around there? Prior to that, the two years prior to that, City Council had allocated additional funding to do that. So this was the third year of step increases that had been announced in 2020, had been put on hold for the pandemic and then were started in 2022. So City Council determined that we needed to support that. But one of the things that we hear from the arts organizations is that rent is just one piece of it. They also, we've heard from a number of arts orgs that that underwriting the labor costs would be really what they want support with, because the rent is just the rent. The labor is actually a very large cost for a lot of the arts orgs. Yeah.

**Speaker:** Thank you, councilor dunphy, councilor.

**Speaker:** Thank you. Thank you. Co-chair. Good afternoon. How are you? Thank you. And I'm not sure if who I am supposed to be addressing, but I do want to thank the folks in the performing arts work group for putting together these recommendations, because I do believe that these venues are core to the Portland's identity, economic stability. And it is a pathway for us to bring back our

economy in downtown Portland. So that being said, I'm trying to. So how much how much is the cost of the venue at Portland state?

**Speaker:** I do not know that answer. That is there is a plan for a number of pieces for that venue. So it wouldn't be just one venue. There is a 1200 seat auditorium that is academic in nature, as well as a parking garage, and the potential for a Broadway capable hall. And I don't have the numbers.

**Speaker:** And so what about the Keller? What? What's the price tag? What is what is the estimated price tag for the Keller?

**Speaker:** There was a study, and I apologize because a lot of that work was done by spectator venues team. Before I started in this role, there was a study that looked at just the baseline. If you were going to do the seismic upgrades and most basic upgrades to the Keller auditorium, and it was a couple hundred million dollars. There was later a proposal from the Halprin landscape conservancy with a concept to renovate the Keller. When that was costed out, it was about \$400,000 million thousand. Wow. Nothing.

**Speaker:** So maybe is Anna still here?

**Speaker:** Yeah.

**Speaker:** Hi. Hi. There you are. So, apparently we didn't get a transportation bill through, but we did get a bond in the Oregon legislature. The \$137 million in bond for a PSU venue in the Keller.

**Speaker:** I. I don't work with PSU, but I do understand it was they did I think it was approximately that it was 85 million for the academic.

**Speaker:** Yeah. The Oregonian reported 155. And then at 137 on July 1st. So that's that's pretty exciting. We don't have a we don't have any kind of report to tell us if we can actually absorb to. But we already got a bonding mechanism.

**Speaker:** That bonding mechanism is specific for the 1200 seat academic hall, and that is not something that we are. It is clear that they need a 1200 seat academic hall.

**Speaker:** Yes. And they also noted that there was some money that was going to go to the keller, that some of that money was going to go to the keller as well. And so I didn't see anything in our information about that. So I was I was confused.

**Speaker:** There is no one here from psu to speak to their project.

**Speaker:** Yeah, but but what I'm saying is that they also included the keller's money for keller as well.

**Speaker:** May I ask a question, councilor? I mean, the Oregonian story did or did.

**Speaker:** The Oregonian story?

**Speaker:** I can research that and look.

**Speaker:** Yeah.

**Speaker:** Psu dollars were in what the christmas tree bill basically at the end of session. So the large pardon. Okay. Yes you can.

**Speaker:** Oxley to the rescue.

**Speaker:** Long time no see chris.

**Speaker:** She dialed a friend.

**Speaker:** Turn around in my chair okay. Recently recently came under contract with Portland state university as it relates to their their project. So there was nothing related to keller within that.

**Speaker:** That whole 137 was for psu.

**Speaker:** Yeah it was. And I have to pull the details. But part of it, just for clarity, was the for the academic hall, for parking infrastructure and which was 35 million something along those lines. So that was all commitments specifically to psu. Not not 1200.

**Speaker:** Seat venue.

**Speaker:** For 1200 seat portion of a of a broader development that may include a would include a Broadway capable and thank you all within the same site.

**Speaker:** Yeah. And the reason why I thank you. Good to see you. I haven't seen you in a long time. And the reason why I bring it up is because I need my colleagues to understand what's what's out there already. And going forward before we got our study back. And since we haven't had our study back to see if we can absorb it, I thought it was very interesting that we would have a bonding capacity of 137 million in this latest legislature, and we didn't even get a transportation bill. So. It's very interesting. And I think what you have done and put forward is great. My concern is will we be able to absorb these two venues, these two Broadway venues. And I was, you know, I remember when you came in and talked to our office about it. Anna and I didn't know that it was so popular. I don't go see Broadway shows, but I thought it was fascinating that that people are actually still going to Broadway shows. And to think that if we could build something that would, that would make people come downtown even more, and to have those two dual places, that that would be a good thing for our economy, because as people are moving away from downtown Portland, it this is an opportunity to help bring folks back into our inner core. So this this was really helpful. And but I wanted my colleagues to understand that there are lots of dollars in play. There's bonding capacity on the state level. There's multiple levels of it's not just city money that that would be paying for this. There are other mechanisms and in partnership that we could do something really good and great and bring Portlanders back into our downtown. So I just wanted to say thank you, and I appreciate the report and look forward to looking at that feasibility study. And I also wanted to talk to is Donna still here? Donna from downtown. Yes, ma'am. Hi. Hi. Could you come up for just a second?

**Speaker:** Certainly.

**Speaker:** Could you introduce yourself again.

**Speaker:** Diana Stewart.

**Speaker:** I would really I was, I was. I was troubled a bit that there were no community voices as a part of this. I didn't know that it wasn't. And I would be interested in to looking into that further to see what we could do to make that happen. I don't know, is Adam here from my staff? I thought I saw Adam, I think he just went out. But if you could wait afterwards so that we can talk and so I can learn a little bit more about this. I know we have. We're on a schedule, but we always want to make sure that the city, at least on our on this board and committee, that we want to make sure that community voices are heard and that you have a very important voice that I think is critical to this conversation. So thank you.

**Speaker:** Thank you very much.

**Speaker:** Director Montez, could you speak to the question, since you were overseeing the committee and the composite?

**Speaker:** Yeah. Thank you. Councilor Councilor Smith, we did have an open call for folks to apply to be on the workgroup. We had requested. There were a couple positions that were were assigned, like the Merc Commissioner, but we made it open to Metro staff, city staff, and we had a representative from from those staffs. We had representatives from the labor unions that work in the buildings. And then we did have folks who are arts advocates and experts in the community, but that do not present in the buildings and do not work for the nonprofits that present in the buildings. Okay. So they i, I would say that they were community voices.

**Speaker:** Okay. It's good that those community voices are there, but I do I was I was really struck by the comments that I heard from Miss Donna and wanted to make sure that those voices are heard as well. And I don't know the process. So I

don't want to overstep, but it seems you know her. Her request seems very reasonable to me. So I just want to figure out ways in which those voices, too, can be a part of the whole process.

**Speaker:** Thank you.

**Speaker:** Thank you.

**Speaker:** Thank you, thank you, thank you, councilor smith. That was a really important point to stay on. Next we have councilor green.

**Speaker:** Thank you, co-chair Ryan. Thank you. Charity, I just going to start by riffing off of councilor smith a little bit. I'll just tell you, never try to get anything past councilor smith because she's watching everything from the state, federal, state on down to the local. And I'm glad you raised that awareness for this committee, because it is extremely important. And we've heard from others about concerns about the sequencing. Do we are we going to take a data driven approach in this city for the kind of level of capacity that we need to support our arts ecosystem, or are we are we going to be reactive and kind of chase shiny objects? And I think it's important that we take the former approach that we really do ground ourselves in before we get much further along on the two venue model. We really need to have the market analysis, and I know that that's in the community and economic development service areas purview. And I think in the timeline, it's spring or summer of next year. Is that right?

**Speaker:** It's actually in my purview. So we have contracted funding partners to do the market feasibility analysis. We had a kickoff meeting with them last week, and we anticipate that the market feasibility study will be complete. Our stretch goal is at the end of this year.

**Speaker:** Okay. That's great to hear. Yeah. Let us know if there's anything we can do to support that. And I think this committee will be be interested in that.



**Speaker:** I hope you invite us back to share the results of that feasibility study.

**Speaker:** Oh, we will and I also want to speak a little bit to our downtown neighborhood association representatives here. I, I envision this committee structure that we have in this new form of government as a place to do public engagement outside of other boards. And I would, you know, councilor Ryan and I developed these agendas, and I think it's pretty timely to maybe have a couple sessions where we could have an open call for comment from folks who maybe are not vested in the arts economy per se, but are vested in the neighborhood and are vested because the economic impact of our of these institutions are significant for our downtown livability questions. And so I would love to hear from you in this committee in the, in the open public. And i'll work with councilor Ryan to see how we can make that happen in a way that doesn't impinge upon your work, charity. The other thing i'll say is, you know, again, and I think the composition of this committee is perfect because, you know, councilor dunphy anticipated a bunch of my questions. And so I don't have to raise those now, but I've got to my left. Councilor clark, who is always hammering home on asset management. And this is an asset management problem. And I've read the report here and I am concerned about, you know, there's probably a good reason in the past why we went down this operating surplus approach to, to capital maintenance, because there are some trade offs between bonding and paying out of cash reserves and cash flow. But I think I think we have an opportunity to reset and think about what our strategic approach could be. And, you know, in my experience, you pay for capital projects with capital finance and you need a capital finance plan. And I think that as we talk about the governance changes of p5 in relation to the city and metro, a robust short term and long term capital finance plan needs to be part of that discussion. And we'll do the hard work with you guys to figure that out. And i'll, you know, i'll

just kind of I think I did have a question here, though. Sorry. Let me let me find my. I guess I would just say in terms of the scenarios, one of the things I'd like to know a little bit more, I wonder if the workgroup considered this is when we talk about the multiple operators model, the multiple non-profits. You know, in the absence of the nuance and the context of those who are working in this space, my first instinct is that what you've done is you've reproduced overhead costs and you've expanded your overhead costs, and you've lost your economies of scale. But it could someone maybe give me or maybe you can give me some some flavor of why that may not necessarily be true in this case, or there might be some operational advantages to having multiple venue operators.

**Speaker:** Thank you for the question. That is one of the tensions that was raised. And so some folks did call out that there's a potential for losing economies of scale and duplicating those overhead and admin costs if you separate the venues. But some other folks were really thinking about if there, you know, if there's a mission driven programing, if something is based in, you know, if a nonprofit is operating, one of the things that philanthropy doesn't like to do is give money to government, but they can give money to nonprofit who has is managing a venue in a mission driven way with mission driven programing. And so there are there are reasons that you might look at a nonprofit for managing certain one of the venues or, you know, multiples of the venues, and there might be a reason that you would have a commercial operator as well. So it, it it kind of just keeps going, like, you're right that it it looks at multiple. If you look at breaking up the venues, then you've got multiple options in every single venue and it just keeps going.

**Speaker:** I appreciate that, and that's the kind of public private partnership opportunity for philanthropy is. That's a big deal. But I would I guess I would say you could have one big nonprofit.

**Speaker:** You know. Yeah. So one thing I didn't talk about, and that is not entirely unique to Portland, but there are many cities where the performing arts center doesn't include the symphony or the opera or the ballet, and those nonprofit arts presenters have their own buildings that are separate from the performing arts center. And sometimes that changes the numbers.

**Speaker:** Okay, that's that's very helpful. I guess I'll just close here and say that, you know, my wife was my first endorser when I ran for office. And if I want to keep her endorsement, I'm going to need to keep the p5 ecosystem healthy because she is she spends every last red cent she has going to Broadway shows and arts. And so we're pretty committed here, I think at the at this in this committee to making sure that we're taking care of what we have and that we don't continue this, this process of expanding without plans to take care of the assets that we're creating. So I'll just close it there. Thank you. Co-chair.

**Speaker:** Thank you. Co-chair green. Next up is councilor Clarke.

**Speaker:** Thank you. Co-chair. Lots of what I was going to say has already been said, but let me just emphasize a few things. And I want to go down a list. From what I heard from the speakers today, I'm really frustrated that we don't have the market study yet, but I'm glad to hear that we're going to get it by the end of the year, hopefully, because in some cases we're putting the cart before the horse and that's not a good thing. So I'm happy. If there's anything we can do to expedite the market survey, let us know. Definitely need to include the DNA. There's no question about that. And thank you so much for coming today to speak. We definitely need our neighborhood associations and community leaders involved. Why PSU is proceeding. That's they're proceeding with their 1200 seat venue and their parking structure. So that gives me a little relief, but I think we're still putting the cart before the horse. I want to go back to the whole concept of the alternative management

models, whether it's a nonprofit or whatever, whatever. I think that the p5 is really emblematic of what's going on citywide. First of all, we haven't cared for what we have citywide. This is not just a p5 problem. And as councilor green noted, I'm becoming the asset management queen around here is that we need to pay more attention to what we have already and take care of it. You know that the council passed a resolution, actually a budget note, to have the city get more serious about asset management, to come up with an asset management plan and to come out with an asset finance plan, which councilor green referenced obliquely. But we are working on that. And while we need the asset management plan, we also need to look at alternative ownerships, alternative public private partnerships, which you also mentioned. That's high on my list. And it's not just for p5, it's also for parks. It's for other kinds of programs because we're I think we're living in a time where there isn't going to be more money that we have to be more tax money. Let me be clear that we're going to have to come up with new ways, new kinds of ownership, new kinds of profit models, a new form of governments, government governance, if you will, for some of our assets. So I'm very, very interested in that. No longer I don't want to chase shiny objects anymore. I think that's been part of the city's problem is look over here. While we haven't been taking care of what we have. So I would urge the group to whatever, whatever group gets formed that you really seriously look at those different models, public private partnerships and what other communities around the country have done. I'm not interested in dividing up the facilities necessarily. I understand that there are some folks in the community that are, but I think it's important that we keep them together as a whole. I'm trying to think, is there anything else? Oh, I do have a question for you, charity. So given the state of affairs and p5, the asset management needs, whatever repair needs or

investment capital needs you have, are you working with tate white on the asset management plan?

**Speaker:** Great question. I have had initial conversations with tate and the office of arts and culture. Just got through the budget process with you all and shifted into community and economic development service area. So we've got a little bit of in-house sort of cleanup stuff we're doing, but I look forward to continuing conversations with tate.

**Speaker:** Terrific. I'm meeting with her, I think, this afternoon. So I will I will press her on. Thank you. On p5. I think that's really all I had to say. Just express a little bit of frustration, but also gratitude. And thanks to everybody who came today to speak. I really appreciate I think we learn a lot from the folks that speak at the dais. So thank you.

**Speaker:** Thank you, councilor clarke. I put my hand up knowing that a lot of the questions that I had would be asked. I appreciate that I was just reminiscing on I wish you all were around in October of 2024. I suddenly don't feel so alone. And i, I have to say, I didn't enjoy the compromise that we did in October 24th. I think I made that clear. The only reason I signed on was because of this study, and I think that we have some movement here. That's great. I do share the concerns that were expressed by the downtown downtown association neighborhood association. I didn't have any control over the composition of the group. And I do think we have to be careful not to lean on those with interest, with money, interests and make sure that it has balance, and that we also have the users occupy that space, about half the space. That would be great. You mentioned improvements, charity that you that you want in your short term guidelines, recommendations, short term recommendations, improve relations with local arts organizations, improve booking practices. Anytime. When I'm doing work like this, it's always good to have the

baseline data that what you're measuring so you'll know if things are improving. Do you have a data set of what that looks like on metrics so that we can see things are actually improving or not? I don't want to rely just on anecdotes.

**Speaker:** That recommendation is specifically for p5 for Portland, five centers for the arts staff. And I think that I would like Rachel to.

**Speaker:** Rachel, thanks. It's great to have all of you here. I'm really enjoying people coming up to the dais. Hi, Rachel.

**Speaker:** Happy to be here and be part of the conversation. As Tony mentioned, these workgroup recommendations were just released at the end of June. So my team is accepting these in and figuring out what what do we do with this? Where do we take this? I'd love your request for baseline measurement. I think we can certainly build that in. Part of me feels like this workgroup process was the first step. I'm new in this leadership role, but it gave me a lot of time, intense work time with a lot of our nonprofit groups, and we've already started engaging with them more. But I appreciate the comment, and we'll make sure that we can sort of document where we are now and then where we are going based on these recommendations.

**Speaker:** So when it comes to the improvement stated you, when will you have those baseline, the baseline date on that?

**Speaker:** I imagine that's something we can do this summer.

**Speaker:** Okay. Great. So co-chair Green let's make sure that we manage that with our partners here. And thank you. That would signal when you could come back or at least send us that report on what the baseline is.

**Speaker:** Oh.

**Speaker:** Oh here comes Chris. Yeah.

**Speaker:** Can I take liberty as a commissioner, please?

**Speaker:** Commissioner chris oxley.

**Speaker:** Thank you. I hate that term, but I appreciate all of you. I just want to address one thing and before we leave the conversation, and I'd love to have that discussion with councilor clarke. Yes. Frustrated that the market feasibility study isn't complete, I would be equally frustrated that the city hasn't completed facility condition assessments on these venues. And if without that information, we are hamstrung and this group was frankly hamstrung, the success of our arts and culture organizations within p5 is a three legged stool. We had a referendum on operating for metro and merc, right? We have not had the cip. We've not had a similar conversation about the state of the venues in the city's responsibility related to these venues. And the third leg of the stool is what the arts organizations need. We had some representation on that, but until we manage those three issues in conjunction with one another, we're not going to be able to solve this problem. And so first off, the things that you can control are facility conditions assessment, knowing if this is 10 million, 30 million, 70 million, \$100 million problem. And until we have that and what impact those the conditions of those venues have on the operations and their profitability and revenue potential, we won't know how to manage this situation. And so I just i, I'm a public servant. So I took the liberties today. I would normally not come up to the dais, but I wanted to make sure that this was a piece that was, was grounded with, with with this, with this group in particular.

**Speaker:** The room. Well, chris, stay up there. I think I think we all share in your frustration. Would that be true? I was actually going to bring up that question. You're like jumping out of your seat. All right. Go. Councilor clarke.

**Speaker:** I think thank you so much for saying that. I really appreciate it. We do need to have that assessment. We do need to have that list. And for me, because

the arts are so important to our economy and the downtown that we expedite that, that we put that at the top of the list for our future investments. I know we have a long list of pent up list of capital needs around the city, but because of the economy and the downtown, we really need to prioritize that. So thank you for mentioning that.

**Speaker:** We also take a lot of the information we received over the last three years, whether it's our creative future or group from the Oregon arts commission. There's so much data that says what we need to say about this as an economic case. So I hope we build upon that and not do that Portland thing where we take another year to be captain obvious and then give a study that we all probably could have figured out on the back of a napkin at the moment, being a little facetious right now, because we're all frustrated, but we do need to get going on that. And, director montez, what's the plan and how can we help partner with you to see this through?

**Speaker:** It's my understanding that Portland centers for the arts staff have already worked to contract folks to do facility condition assessments, and that those are scheduled for later this year.

**Speaker:** What's the timeline.

**Speaker:** Later this year?

**Speaker:** That's when it will be completed.

**Speaker:** That's when they'll start. Then I would like rachel to come back.

**Speaker:** Frustration response.

**Speaker:** Yes, we do have a contract in place to do the fcas, and we are finalizing the scope of work right now, and we expect those reports will be complete by the end of the calendar year.

**Speaker:** By the end of the calendar year.



**Speaker:** On all three.

**Speaker:** Buildings, and will build upon all of the other information that's been generated over the last few years.

**Speaker:** Yeah, but what it will really do, what we don't have that we really need, is the specific look at our buildings, at our equipment, at our infrastructure and, and what needs replacement and what are those estimated replacement costs.

**Speaker:** And with your finance background and how you had to operate with the overages, if you will, and operations to do that. You have a lot of context and lived experience here. So I think we have the right person to get us moving along here. Okay. And so the begin capital planning immediately in the short term recommendations, is that the dot here that we're talking about?

**Speaker:** I think certainly the first step is the fcas the second step, or maybe maybe it was actually step zero because we're already sort of in it is more collaboration between metro running p5 and the city. That's why I'm here. That's why charity and I have been working together. It's why chris is here as a merc commissioner is to make sure that everyone has this data in front of them, and we are all aware of the scope and scale of the issues with capital.

**Speaker:** I think your first slide is one of your first slides, where it shows how many layers there are just before you get to the people that are actually serving Portlanders and artists was said a lot. And so I think that your recommendation to simplify the operational model, the city owns all the assets. It's on our ledger. And then we have this thing right now where metro, then there's merc, and then like, so we have to clean that up. It's too many layers. Would everyone agree with that?

**Speaker:** Yes. Yeah. We went into the conversation and you know this this isn't working for anyone. I'm not going to get out ahead of metro council. There's a work session scheduled. But this isn't working for anybody and it hasn't for a very long

time. And so I don't know that, you know, merc would necessarily stand up and say, this is this has been great. The a's don't age well, right? They just don't. And this one in particular was contemplated with many, many more venues, many and served and served a much, a much greater purpose, from providence park to the veterans memorial coliseum to all of these venues that I'm insanely familiar with. But now we're down to p5 and we're operating under the same context. And so no, it doesn't work for anyone really at the table. And so this is where I think intentionality and, and some and some common goals being established between City Council and metro commission with the assistance of, of merc along the way. Because it's really those two bodies that control the future, making some hard decisions immediately. And sometimes, you know, you need to you need to break it to fix it. And with igas in particular, this seems like one of those seems like one of those moments. Again, speaking for myself, I'm not speaking on behalf of metro.

**Speaker:** I appreciate that. And you mentioned earlier that merc has a quite a portfolio. And so with the zoo and the convention center, expo center, it seems like they don't have the time sometimes to focus on what is so apparent in this meeting, which is the p5 and the arts ecosystem. So it's a it's a long list, correct?

**Speaker:** Yeah. I that's that's fair. But I would also I would also again you know and in the work group, you know on on record that the city hasn't necessarily taken accountability for their venues at the same time. And so there hasn't been this drive until we get to a point where we're reserves are effectively gone for the p5 venues, we have major structural issues related to the keller auditorium. We have, you know, we have arts organizations rising up and coming to the city's door, right? Coming to the to the city to say, fix this like we need we need your help. And so I don't know that we've necessarily. And this is where I'm, I'm I'm grateful that we actually have a committee of City Councilors that care about the issue and that are

trying to take up and solve this problem. We haven't ever had that previously. We've always had a representative necessarily on council in some good ones along the way, but not necessarily raising the level of, of concern about these venues and their sustainability and what it means for our, our, our, our arts organizations and, and frankly, the fabric of the city like that is a is a new this is a new day. We're treating it as a new day. And I think everybody's kind of taken the boundaries and, and the reins off to say, no, no one's happy. Let's figure out how we do this differently and how we do it better.

**Speaker:** Yeah, I think I can only speak from my experience as being one of those representatives. At the end of the old form of government is there was too many layers to work through to actually have any influence. So you felt like a figurehead, not that you wanted to be, but you had to go through all of the metro board. Then you had to go to merc. So your influence was so weak. And so we have to get rid of those layers. So if these are the city's assets, we as a council can have more direct oversight for our arts ecosystem. That's my point. And I think that we have to get comfortable in Portland now and then to just shake something up and rebuild it. But we can't keep doing these studies that says, this is messed up, this is messed up, this is messed up. And then five years later, still have the same conversation. So I think today what you're seeing is some urgency because we're finally daylighting something that's been a frustration since back when I worked at the ballet 20 years ago.

**Speaker:** Yes. Well, and kudos to you. Nobody likes to unravel an iga. And so the fact that we're here today is a testament to you bringing leadership in in your prior term, and we thank you for that.

**Speaker:** Well thank you. It was fun to get in some good trouble, but it's a lot more exciting when you feel like you have backup and you have a team. So this is good.

So the operational model just got covered. Would you say that we're on that? Okay, great. I think the last thing I want to say and I'm glad Rosetta was here, is that in your values and guidelines, you know, labor and living wage jobs and people that work in the arts, they deserve those living wage jobs. So we always have to keep labor front and center. And if Rosetta wants to come up and say anything, that would be great. Come on up.

**Speaker:** They're all looking at me.

**Speaker:** Like, oh my god.

**Speaker:** Thank you. Thanks, dan.

**Speaker:** You're welcome.

**Speaker:** I get to be the history lesson for everybody, because evidently I was the longest person who had worked in all of these buildings.

**Speaker:** So 1983.

**Speaker:** Yeah, it's been it's been a hot minute. So my union, we've been here since 1895. So we've been in all, you know, the old Keller Auditorium for a long time. So it's really, really important to me. I am a citizen of Portland. I pay all those taxes. It's hard. But, you know, I believe in paying them the labor portion. I mean, I've been doing this for a really long time, pre-union and union. And I got to tell you, we have health care. We're not homeless. We have retirement. I mean, there's a reason that costs money because you have all of these living wage jobs where we are taking care of. What's not really clear is because of the way it got broken up. So we used to be city employees. Then we were metro. So it's moved around. We've watched it break up. We've watched the different things happen. We were all under one employer and then we got separated out. So the user groups, the opera, the ballet, the symphony, Broadway, they all had to become the employer for all the different groups. So it all got split up and cost them more money. So whenever

anyone looks at p5, how many stagehands there are, the number looks tiny, but you have hundreds of people who work full time in these buildings, and they rely on these buildings for their health care and their retirement, because we get health care and retirement based on our hourly rate work. So we don't have to go work for one employer for 40 hours a week. I can work for the symphony for ten hours, the offer for ten hours, the ballet for ten hours, broadway for ten hours. And I get my health care. So I just want to make sure that I take another minute to. We are all really concerned. We've been here a long time. We've been moved around from employer to employer. We are concerned about our retirement changing every time we get an employer. Your healthcare changes sometimes, right? Your retirement changes. So I really want to make sure someone keeps talking to us about what's happening to all the labor and not just my stagehands, but, you know, our, our ushers and our ticket takers and our unite here bartenders. Like, there's a lot of us that have been talking. And again, I'm thankful I was on the workgroup. But please keep asking all the questions because I have a lot of retirement plans and it's a lot to manage to move them around. And you and it just it's not great. So again, thank you very much.

**Speaker:** Thank you. I did see director montez shaking her hand. So you'd be overseeing this and keeping labor at the table. I see that we have 15 minutes left and we have three more people with their hands up. So let's be really crisp, and then we'll conclude the meeting. Next is councilor dunphy.

**Speaker:** Thanks.

**Speaker:** I'll be very quick. I have two comments and two quick questions. First comment is, you know, thank you to my colleagues. Thank you to everybody here. I hope you are all hearing that there is a new attitude and a new urgency. I feel extremely bullish about moving rapidly on. I mean, no one likes to break up an iga,

but I'm down. Let's go. Portland needs to retain ownership of these buildings. We need to have serious leadership in building something for the future. So I'm I'm ready to hurt some feelings and get some things going because we need to do it and we can't wait another ten years. We can't have studies, we can't have these long timelines because things move slowly at best. So let's get out of our own way and break a few things along the way. I am also, as with my colleagues, I'm eager to see the feasibility study. I. I hope that this feasibility study will also look at the logistics of the keller specifically. As I understand it, loading is a nightmare at the logistics, at at at at the keller that the city as as chris had said, the city is a different city than it was when we signed an iga. It's a different city than when we built the keller, and the city that grew around it no longer accommodates those things, so we need to be open and honest about that and recognize that if we're going to have a viable future, we need to be intentional about that. I'm personally convinced that keller is just not going to be the venue we need for the next 100 years. It did an okay job for the last 100. My question, very quick question for charity. This feasibility study, does it include the impacts of two additional music venues that are being built in the city of Portland, the aeg presents venue at at the lloyd center and the proposed live nation venue?

**Speaker:** Yes it does.

**Speaker:** Okay, great, because that will definitely impact all of these different venues and their feasibility and their profitability. And my last one was my last quick question was about labor. And rosetta did a really good job of answering a lot of that. But my understanding is p5 runs a relatively modest operation. You don't have a marketing department.

**Speaker:** You're we do. It's small.

**Speaker:** Sure, but you're not. You know, you're not wasting tons of money on these sort of things. And I also understand, you know, we said rent is one part of the operating expenses, but my understanding is that the way the city and the county have deferred maintenance and not invested in that infrastructure is leading daily to increased operations costs, and that that is actually really a huge part of those expenses that those nonprofits are feeling. Can you maybe chris or rachel, either of you could talk about how that, that, that this open question that we still have not answered today is going to make it more expensive next year and more expensive the next year until we actually answer it?

**Speaker:** Yeah, i'll go first and you can add our facility management budget is by far the largest of any of our departments at p5, and it's because of maintenance. If we can't afford to replace a boiler, that often means that multiple times a week we are checking on that boiler. We are doing that trick that we know how to make it work, and buying the replacement parts like it's very time intensive to maintain these large pieces of equipment that we can't easily replace.

**Speaker:** Yeah.

**Speaker:** Yeah. Again, in the venue business for a long time, you generally you have a repair and maintenance plan within your budget and you have a capital plan within your budget. When you don't have a capital plan and nothing is getting replaced, you, you. You end up spending more in repair and maintenance than you would have otherwise all the way through the system to where everything at the end of the day, councilor clark, you'll appreciate it becomes a capital issue, right? Like it all comes back to it all comes back to capital. And so it does drive additional costs. The buildings don't operate as efficiently as they could from a sustainability perspective. You've got old systems that aren't operating. You'll have the schnitz have a have an air conditioning unit go out last year, last year and cost how many

shows right in the closure of the schnitz? Because because that unit had been deferred for too long and there wasn't a there wasn't a you couldn't ram your way through it. And so all of those things feed downhill, which is, you know, again, why I just keep talking about like your operator, your building owner and your arts organizations all working in sync. That's the that's the that's the solution at the end of the day. So yes, it becomes very, very problematic. And p5 is not immune.

**Speaker:** Thank you, councilor green.

**Speaker:** Thank you. Ryan and I will be brief. I just wanted to close out. I don't want to miss the opportunity to praise director montez for your for finishing this on time per the resolution. So that's great work. It's a lot to corral a work group with a huge issue and a mandate. So I thank you for that. And I also would like to say that, you know, whether or not keller is the future of, of the arts, particularly, I think there's a huge impact that it might have in terms of our downtown space activation, the potential for a for a plaza and kind of expansive commercial operation there, I think is quite compelling. And then I just want to echo we've hammered it home, but there's always, always, always a trade off between capital expense and increasing operations and maintenance. And if you if you're penny wise and pound foolish, you will pay for it on the back end. And then you're you're taking a run to failure model, which undermines our ability to have this arts ecosystem. So I just want to close that out and also thank and introduce craig for staffing our committee who's a new face here. It's a new member of council operations. So thank you.

**Speaker:** So clark.

**Speaker:** Just really quickly I and I echo what councilor green just said. By the way, I wanted to ask about the short term recommendations, the first list on improvements within the existing model, assuming we're not going to rip up the iga paper, you know, tomorrow, we're still working under this model. So those three



bullets increase revenues, improve relations with local arts organizations and improve booking policies. Are we going to proceed with those now?

**Speaker:** Yes, we will be working on my team will be working on assessing how we will approach those recommendations and putting together a project plan. We will do. I mean, we were already going to do that and communicate that to merc as the oversight body that we report to. But I can also share that with charity to make sure that it comes back to you.

**Speaker:** Great. That's fantastic I appreciate that. Thank you.

**Speaker:** Okay, we're wrapping up here. I just wanted to summarize some of the next steps. So we'll be this committee will be talking about the iga and how to move forward on that. We also look forward to the studies that we talked about. A lot of them are coming up soon. That needs to include that transportation study with the psu. What's that street?

**Speaker:** Third, lincoln and third.

**Speaker:** Yeah, yeah, that's been needed for some time. And I think the cart before the horse reference was merited when that was mentioned that we passed a big parking lot down for a bond without doing the transportation study first. So I hope that we get on that sooner than later. And charity. Montez. Sorry. I know you so well. I call you director montez. Co-chair green and I would like to meet with you soon so we could formalize these next steps and work in partnership with you. I want to thank everybody for being here today. I want to end on one more note. There will be some tension. Perhaps, between councilor dunphy and I on the keller. I'll be damned if the keller fountain, which is world renowned, one of the most iconic public art pieces our city will ever have, is not going to have something amazing right across from it. That's just like us not managing our assets with the fidelity that we should do. And I just can't, as a kid that grew up here, not see that

asset elegantly managed going forward. So i'll try to get into the world of and because I try to always get there, but I'm not letting go of what that renovated space will look like. Thank you all for being here today. We're going to keep our time boundaries because we have another committee starting soon, and we will all keep you in touch on this process. I think there will be at least a couple more committee meetings over the next six months that we focus on our arts ecosystem, because we all are passionate about it, and may we continue to stay together to see what success looks like. Thank you all for being here today. This meeting is now adjourned. Thank you.