



DATE: September 11, 2019
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 19-43

Authorizing Actions to Fund Improvements to the Arlene Schnitzer Concert Hall in the South Park Blocks Tax Increment Finance District

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolutions No. 7338 and 7339

Staff are seeking two actions by the Prosper Portland Board of Commissioners (Board) to fund improvements to the Arlene Schnitzer Concert Hall (ASCH) located in the South Park Blocks Tax Increment Financing (TIF) District:

1. Resolution No. 7338 will authorize the Executive Director to execute an Intergovernmental Agreement (IGA) with the City of Portland (City) and Metro that will authorize a \$1,500,000 Prosper Portland investment in the ASCH.
2. Resolution No. 7339 will formally amend the fiscal year (FY) 2019-20 Budget by authorizing an additional \$1,000,000 to the Infrastructure appropriation from Contingency in the South Park Blocks TIF District fund in order to fund the IGA with the City and Metro.

If approved, these actions will provide Metro, which operates the AHSC (one of the five venues of Portland's Centers for the Arts, also known as the Portland 5) with funds to make critical seismic, cosmetic, and electrical upgrades to the marquee at the City-owned ASCH; see a map in Attachment A.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

These actions align with Prosper Portland's Strategic Plan goal of forming 21st century civic networks, institutions, and partnerships.

BACKGROUND AND CONTEXT

Portland 5 is the fifth largest performing arts center in the United States and presents more than 1,000 annual music, theater, dance, and lecture performances; its venues draw more than one million patrons to downtown Portland's Cultural District and generate an average of \$60,000,000 in regional spending per year. In addition, Portland 5 hosts an education program that aims to remove barriers and provide access to a diverse selection of performing arts and world-class lectures. It offers free performances at its venues and in the community, career shadow opportunities, summer internships, and curriculum support. The education program intentionally seeks and supports teachers and students in Title-I schools in Portland and the greater region.

While the ASCH's iconic Portland blade sign facing the corner of SW Broadway and SW Main Street was upgraded last year, the marquee just below the blade sign is at the end of its useful life (see current photos in Attachment B). With the current casing worn and warped, it no longer matches the appearance of the recently upgraded blade sign. If approved, Prosper Portland funding will help replace the rusted sheet metal, upgrade electrical wiring, update structural elements to meet current seismic code, restore the marquee cabinet to its original appearance, and replace the letter boards with electronic LED graphical displays. The graphic display will return the marquee to the original design of the black background and white lettering (see a rendering in Attachment B). Changing to a digital display will improve pedestrian, bicycling, and employee safety by removing the need to manually replace letters. It will also provide more flexibility for quickly changing the marquee message in response to event or community needs. The total project cost is estimated at \$1,800,000, including design, permits, construction, electronic display, and associated equipment.

The building display elements for this project were included in design work for the Portland blade sign by Architectural Resources Group. The design was updated in the fall of 2018 to reflect the addition of a new display. All engineering design and specifications are complete. The State Historic Preservation Office has given unconditional approval for the proposed white on black design. The Encroachment Permit Application has been submitted to PBOT. The project will move forward with a request for bids for construction in late fall of 2019 pending completion of the Type II Land use review. Construction contracting will be completed in early 2020 for the purpose of starting and completing construction in the summer of 2020 when the ASCH is closed for a major renovation.

The City and Metro have an operating and management agreement for the oversight of Portland 5 venues through the Metropolitan Exposition Recreation Commission (MERC), which works to protect the public investment in three of Metro's visitor venues: Oregon Convention Center, Portland Expo Center, and Portland's Centers for the Arts. Metro will serve as the agent on behalf of City to contract and complete the required improvements of the marquee at the ASCH. Prosper Portland will direct funds on behalf of the City to Metro to fund the improvements. Through the IGA, the City and Metro have committed to meeting the terms of the South Park Block TIF resources, including using the funds in a way that is consistent with statutory requirements and spending timelines.

On June 12, 2019 through Resolution No. 7316, the Prosper Portland Board approved an amendment to the South Park Blocks Urban Renewal Plan (SPB Plan) to include the ASCH as a public building, enabling it to benefit from TIF investment in a manner that is consistent with the SPB Plan goals. Subsequently, on June 19, 2019 through Resolution No. 37436, the Portland City Council approved the SPB Plan amendment as required by Oregon Revised Statutes Chapter 457.085 (2)(j).

The SPB Plan amendment also included the Multnomah Central Library as a public building eligible for TIF funding; as such, on August 14, 2019 through Resolution No. 7326, the Prosper Portland Board approved an IGA with Multnomah County Library District to invest in improvements at the Central Library from the South Park Blocks TIF Infrastructure budget. The original appropriation for the FY 2019-20 budget did not allocate resources for the Central Library and ASCH investments; rather, the initial use of these funds was planned for commercial or business lending activities that are Program Related Investment targeted activities. Since the Central Library and ASCH investments will not generate a return to Prosper Portland, staff will revisit the impact of this allocation to other TIF districts in the comprehensive November 2019 budget revision in order to keep consistent with the overall grants and infrastructure budget.

EQUITY IMPACT

Prosper Portland's investment in the ASCH provides numerous community and public benefits including:

1. Upgraded marquee using a digital format removes the need to manually replace letters and increases pedestrian, bicycling, and employee safety;
2. Maintenance of an iconic downtown Portland building and venue that hosts a variety of performing arts and provides access and education with a focus on Title-I schools in the Portland region; and
3. Opportunities for people of color and women contractors to participate in construction.

Prosper Portland-funded improvements to the ASCH will be subject to the agency's Business and Workforce Equity programs.

COMMUNITY PARTICIPATION AND FEEDBACK

Prosper Portland staff attended the Downtown Neighborhood Association's Land Use and Transportation Committee meeting on May 21, 2019 and the Portland Business Alliance's Central City Committee meeting on May 30, 2019. At these meetings, staff discussed the opportunity for Prosper Portland to partner with the City and Metro to invest into the ASCH; both entities expressed support for the investment.

BUDGET AND FINANCIAL INFORMATION

Should the Prosper Portland Board approve Resolution No. 7339 to amend the FY 2019-20 budget, there will be sufficient resources in the South Park Blocks TIF District to fund improvements to the ASCH (see Attachment C).

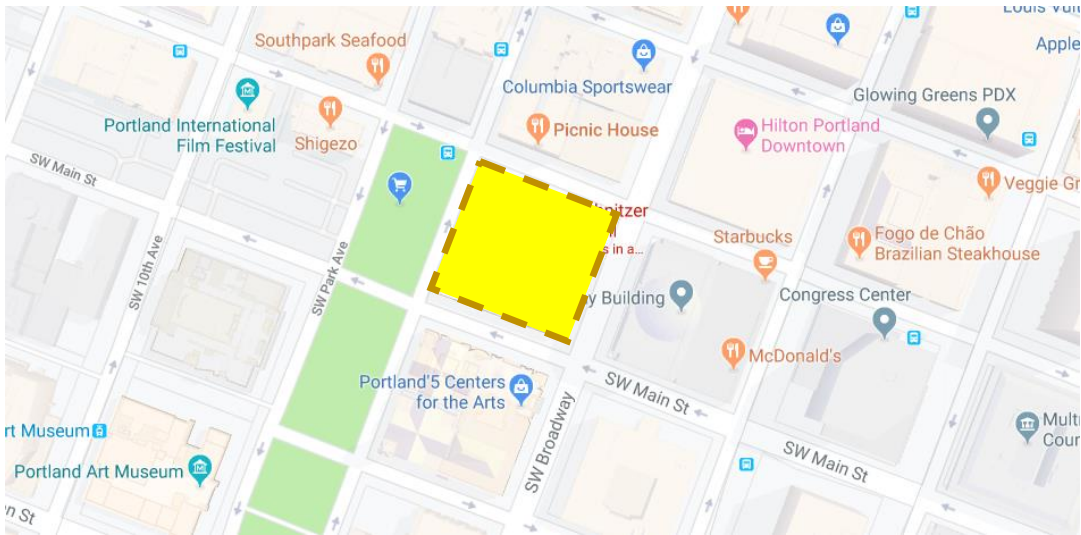
RISK ASSESSMENT

There are very few risks to this proposed action. The City and Metro assured Prosper Portland they have the full amount of financial resources required to make the improvements and will submit certified invoices to ensure the funds were spent on TIF-eligible improvements.

ATTACHMENTS

- A. ASCH Location
- B. ASCH Photos and Rendering
- C. South Park Blocks TIF District Budget

ARLENE SCHNITZER CONCERT HALL LOCATION



1037 SW Broadway, Portland, Oregon

ARLENE SCHNITZER CONCERT HALL PHOTOS AND RENDERING



Arlene Schnitzer Concert Hall Marquee Today



Arlene Schnitzer Concert Hall Marquee Rendering with Improvements

SOUTH PARK BLOCKS TIF DISTRICT BUDGET

**Financial Summary
 Five-Year Forecast**

<u>South Park Blocks TIF Fund</u>	<u>Revised 2 FY 2018-19</u>	<u>Adopted FY 2019-20</u>	<u>Forecast FY 2020-21</u>	<u>Forecast FY 2021-22</u>	<u>Forecast FY 2022-23</u>	<u>Forecast FY 2023-24</u>
Resources						
Beginning Fund Balance	7,093,859	5,942,593	5,330,411	1,113,726	1,354,901	1,243,739
Revenue						
Fees and Charges	500	500	500	2,734	-	-
Interest on Investments	89,973	92,969	83,510	40,332	31,867	623
Loan Collections	43,503	43,502	43,502	342,818	5,781	5,200
TIF - Short Term Debt	-	2,000,000	-	-	-	-
Total Revenue	133,976	2,136,971	127,512	385,884	37,648	5,823
Total Resources	7,227,835	8,079,564	5,457,923	1,499,610	1,392,549	1,249,562
Requirements						
Administration						
A00026-Debt Management-SPB	22,821	7,821	7,821	7,821	7,821	-
Administration Total	22,821	7,821	7,821	7,821	7,821	-
Economic Development						
Traded Sector						
A00595-Lean Manufacturing-SPB	10,000	10,000	-	-	-	-
Business Lending						
A00205-BL-General-SPB	200,000	200,000	600,000	-	-	-
Economic Development Total	210,000	210,000	600,000	-	-	-
Housing						
A00167-Affordable Housing-SPB	946,311	-	-	-	-	-
Housing Total	946,311	-	-	-	-	-
Infrastructure						
Public Facilities						
A00598-Multno. Cty. Library-SPB	-	2,000,000	-	-	-	-
Infrastructure Total	-	2,000,000	-	-	-	-
Property Redevelopment						
Redevelopment Strategy						
A00297-Project Development-SPB	-	-	2,500,000	-	-	-
A00594-Joyce Hotel-SPB	-	-	1,000,000	-	-	-
Redevelopment Grants						
A00498-Prosperity Investment Program (PIP) Grant-SPB	50,000	50,000	100,000	-	-	-
Property Redevelopment Total	50,000	50,000	3,600,000	-	-	-
Total Program Expenditures	1,229,132	2,267,821	4,207,821	7,821	7,821	-
Personnel Services	1,321	-	-	-	-	-
Total Fund Expenditures	1,230,453	2,267,821	4,207,821	7,821	7,821	-
Interfund Transfers - Indirect Charges	54,789	481,332	136,376	136,888	140,989	-
Contingency	5,942,593	5,330,411	1,113,726	1,354,901	1,243,739	1,249,562
Total Fund Requirements	7,227,835	8,079,564	5,457,923	1,499,610	1,392,549	1,249,562