



DATE: July 13, 2022
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 22-26

Authorizing an Amendment to the Intergovernmental Agreement with the City of Portland Office of Management and Finance and Metro to Modify the Scope of Work Regarding the Arlene Schnitzer Concert Hall Improvements in the South Park Blocks Tax Increment Finance District

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7460

This action by the Prosper Portland Board of Commissioners (Board) will authorize an amendment to an existing Intergovernmental Agreement (IGA) with the City of Portland (City) Office of Management and Finance (OMF) and Metro to fund additional improvements to the Arlene Schnitzer Concert Hall (ASCH) located in the South Park Blocks Tax Increment Financing (TIF) District and to extend the IGA expiration from October 25, 2022, to December 31, 2022, to support project completion.

If approved, this action will allow Metro, which operates the AHSC (one of the five venues of Portland's Centers for the Arts, also known as the Portland 5) to re-allocate existing funds to make critical plumbing upgrades to accommodate a new sewer connection from a private to public sewer main that provides service to the building (see a map in Attachment A).

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action aligns with Prosper Portland's Strategic Plan goal of forming 21st century civic networks, institutions, and partnerships.

BACKGROUND AND CONTEXT

On September 11, 2019, through Resolution No. 7326, the Prosper Portland Board adopted authorized the Executive Director to execute an IGA with the City and Metro whereby Prosper Portland would provide \$1,500,000 for investment into ASCH. The funds were used to make improvements to the ASCH's marquis that is situated within the iconic Portland blade sign facing the corner of SW Broadway and SW Main Street and was at the end of its useful life. Work included replacement of rusted sheet metal; upgrade of electrical wiring; updated structural elements to meet current seismic code; restoration of the marquee cabinet to its original appearance; and replacement of the letter boards with electronic LED graphical displays. While the total project cost was anticipated to be \$1,800,000, work was completed well-under budget at \$1,013,181, leaving a balance of \$486,819.

The IGA stipulates that any unused project funds need to be returned to Prosper Portland. However, the source of these funds requires them be invested in a tax-exempt property and the ASCH still requires key infrastructure improvements in order to be a functional cultural asset. The City and Metro wish to reallocate the remaining funds towards the sewer system upgrades. Specifically, the funds will be used to modify internal sanitary piping within the building to flow into a new tank and pump assembly in the lower-level mechanical room, and provide a new pressurized, insulated pipe which will run underneath the audience chamber and stage house to connect with the approved City connector line running beneath Salmon Street. Access to the mechanical room is very limited, so the tank must be hand built on site. The facility must remain in operation during most of the project.

The project cost is estimated to be \$1,727,200 and is being funded through a combination of City Council-approved funding, Prosper Portland, and potentially Portland 5's capital fund. Design and construction contracts have been awarded to MFIA Engineers and Fulcrum Construction, firms selected by Metro through competitive Request for Proposals processes. The internal building work will be completed by the end of calendar year 2022 for the sewer main switch to begin by the City Bureau of Environmental Services in early 2023.

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 institutions. 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 City and Metro have an operating and management agreement for the oversight of Portland 5 venues through the Metropolitan Exposition Recreation Commission, 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 continue to serve as the agent on behalf of City to contract and complete the required improvements of the sewer upgrade at the ASCH. Through the amended IGA, the City and Metro will continue to commit to meeting the terms of the South Park Block TIF district funds, 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 (Plan) to include the ASCH as a public building, enabling it to benefit from TIF investment in a manner that is consistent with the Plan goals. Subsequently, on June 19, 2019, through Resolution No. 37436, the Portland City Council approved the Plan amendment as required by Oregon Revised Statutes Chapter 457.085 (2)(j).

EQUITY IMPACT

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

1. An upgraded sewer connection that preserves the viability of ASCH as 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
2. 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 Construction Business and Workforce Equity Policy.

COMMUNITY PARTICIPATION AND FEEDBACK

While there was no specific public participation related to this action, 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, for the initial scope of the IGA. 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

Prosper Portland will not incur any additional expenses, as the originally committed funds have already been disbursed through the existing IGA. Should the Prosper Portland Board approve Resolution No. 7460 to amend the IGA, the City/Metro will continue to draw down those existing resources from the South Park Blocks TIF District to fund improvements to the ASCH.

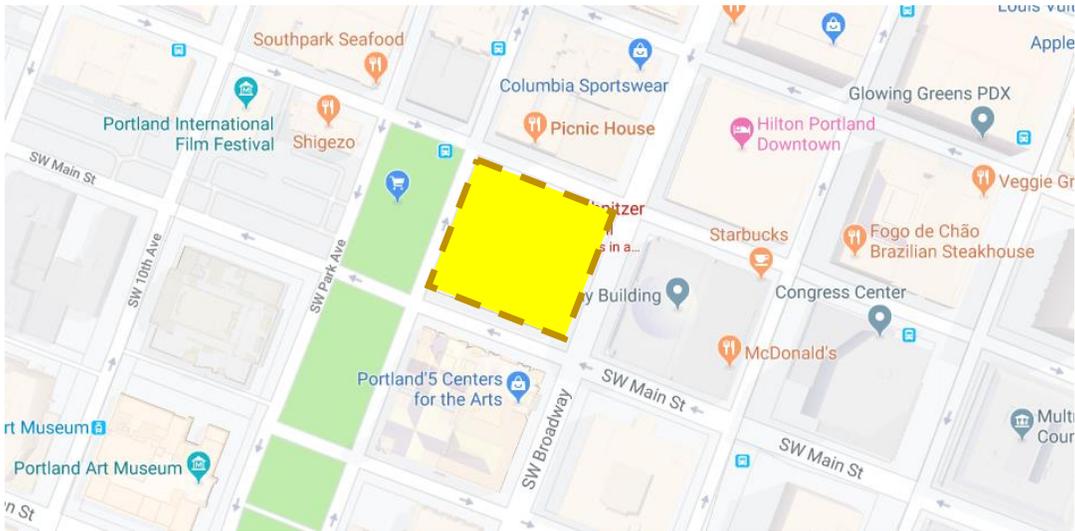
RISK ASSESSMENT

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

ATTACHMENTS

- A. ASCH Location

Arlene Schnitzer Concert Hall Location



1037 SW Broadway, Portland, Oregon