



PROSPER
PORTLAND

Workshop Block B: Entertainment Venue

Economic Impact Study Roundtable #2

September 20, 2023

Meeting Agenda

8:30 am	Welcome + Purpose
8:50 am	Economic Impact Analysis: Review Report Revisions + Questions
9:15 am	Music Industry & Local Business Requests + Discussion
9:55 am	Close Out
10:00 am	Meeting End

Updated Findings from Economic Impact Analysis

Jerry Johnson, Johnson Economics

Overview of Adds & Edits

Collecting data on the live music industry is challenging, as venues and operators are not well organized and not a reporting entity that produces reliable data for the whole spectrum of the industry. Pollstar is cited in this report as it is readily available, but feedback from local industry professionals indicates that it does not include a significant share of venues who do not report through their system.

Music Portland provided data from Near Hear, a free event calendar and music aggregator that coordinates local events in the Portland metro area. Data from 30 days of live performances in the Portland area was extrapolated to create an estimated annual average of individual ticket sales to audiences. The Near Hear data covered 58 local venues, many of which are quite small.

Information from these estimates is summarized in the following tables:

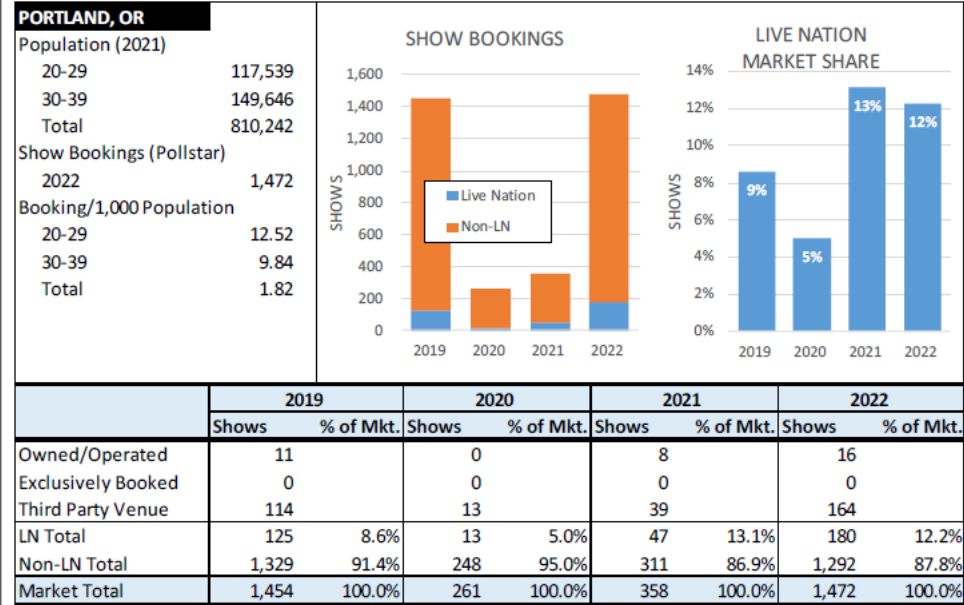
OVERVIEW OF SELECTED LIVE MUSIC VENUES AND ESTIMATED ACTIVITY IN THE PORTLAND METRO AREA

Venue Type	Venues	Shows per		Tickets @ 80%
		Year	80%	
Mixed Use	121	12,824	1,538,880	
Dedicated	49	8,836	5,235,574	
Total	170	21,660	6,774,454	

CAPACITY	VENUES	SHOWS		TICKETS	
		TOTAL	SHARE	TOTAL	SHARE
		< 100	6	780	8.0%
100-200	18	3,664	37.7%	373,060	7.0%
201-300	10	1,594	16.4%	327,514	6.2%
301-500	8	1,670	17.2%	535,760	10.1%
501-1,000	8	1,149	11.8%	625,352	11.8%
1,001-3,000	4	668	6.9%	1,123,488	21.2%
> 3,000	4	195	2.0%	2,291,200	43.2%
TOTAL	58	9,720	100.0%	5,304,774	100.0%

SOURCE: Music Portland and Near Hear

The overall level of reported bookings in the market has rebounded to 2019 levels following sharp declines during the pandemic. Live Nation has had a relatively low market share of bookings in the market, estimated at 12% in 2022. Live Nation promoted shows have largely been booked at third party venues. Pollstar's definition for the Portland metro area extends north to Ridgefield and includes the RV Inn Style Resorts Amphitheater which is operated by Live Nation.



Music Industry & Local Business Requests + Discussion

City of Portland & Prosper Portland

Beam Development & Colas Development

Live Nation

What We Heard / Topic Areas

Summary of Recommendations or Requests at Initial Roundtable Meeting & Recent Music Portland Event

1. Industry Capacity Building

Portland has a strong independent music scene comprised of artists, makers and technicians, and local venue operators. The city and industry partners could do more to promote the local music scene, support independent venues, and formalize the infrastructure of the music industry.

2. Venue Development

The new venue fills a gap in the market and its location in the central city with industrial zoning makes this a viable site. Be thoughtful about how the venue impacts/supports district activation and safety, local businesses adjacent to the site and within the district, and traffic and noise within the district.

3. Live Nation as a Venue Operator

Local venue operators have had a strong working relationship with the local Live Nation representative when booking at locally owned venues. Live Nation becoming a venue operator raises concerns about competition for artist bookings, increasing its footprint as an operator within Portland, purchasing additional independent venues, and access for local talent.

Topic Areas

1. Industry Capacity Building

Portland has a strong independent music scene comprised of artists, makers and technicians, and local venue operators. The city and industry partners could do more to promote the local music scene, support independent venues, and formalize the infrastructure of the music industry.

1. Industry Capacity Building / City of Portland

Requests	Response
<p>City / Prosper Portland</p> <ul style="list-style-type: none">• Invest in promoting local music scene and artist capacity with Music Portland• Work with local industry to establish data collection system for independent venue operators	<p>City / Prosper Portland</p> <ul style="list-style-type: none">• Mayor Wheeler and Commissioner Rubio to propose budget decision package in annual budget process to expand the Office of Film & Events to include Music (e.g. Office of Film, Music & Events) and cover related navigation, programming, staffing, and data collection to better support the music industry's events, profile and needs.
<ul style="list-style-type: none">• Support music performances and event opportunities in downtown Portland (ex. renovations to waterfront & activations)• Increase amount of and affordability of rehearsal space for musicians	<ul style="list-style-type: none">• Include music performance venue needs and opportunity sites in Central City TIF exploration process and through engagement with RACC regarding 2% for Arts program.

1. Industry Capacity Building / Live Nation

Requests

Live Nation

- Support smaller/local promoters who have invested in an artist's growth and committing to partner with local promoters

Response

Live Nation

- This venue will be an open room which means local promoters can book shows and that it will not be exclusive to Live Nation shows.
- The addition of this venue fills a need in the market for both artists and promoters.
- Live Nation has a strong track record of booking shows at independent venues and will continue to book shows at these venues. The expectation is that this venue will only increase the demand for live events in the city which will result in increased bookings at venues across the city and an ecosystem which offers a room for artists at all stages of their career.

Topic Areas

2. Venue Development

The new venue fills a gap in the market and its location in the central city with industrial zoning makes this a viable site. Be thoughtful about how the venue impacts/supports district activation and safety, local businesses adjacent to the site and within the district, and traffic and noise within the district.

2. Venue Development / Beam & Colas

Requests

Beam & Colas

- Clarify impact of venue impacts on CES local businesses
- Share findings from traffic and noise impact studies

Response

Beam & Colas

- The economic impact on Central Eastside district businesses will be positive. As outlined Johnson Economics report, “Anticipate increased hotel bookings, and attendees are likely to link an event with local restaurant and/or bar expenditures, providing a net gain to economic activity in the city.”
- Additionally, peak activity from concerts occurs when most industrial and industrial office businesses are closed.
- Our development team will present the transportation impact study to the CEIC’s Land Use Committee. This presentation will be open to the public.
- Our initial findings show that the high levels of noise present within the district such as train horns and interstate traffic will require acoustical engineering that is focused on keeping that noise out of the venue. The result will be a building that contains sound produced in the venue to a level that outperforms code requirements.

2. Venue Development / Live Nation w Beam & Colas

Requests

Live Nation + Beam/Colas

- Activate the building during non-performance times to serve as a district anchor

Response

Live Nation + Beam/Colas

- Live Nation's vision is that this venue serves is a community asset and anchor for the district. The design of this venue will allow it to serve as a multipurpose event space hosting concerts, comedy shows, corporate events, product launches and a wide range of civic event like Town Halls, graduations, community nights fundraisers and more.
- This venue will serve the district as a gathering center and hub of cultural activity. We are open to collaborating on future activation of SE Salmon Street.
- Research from Sound Diplomacy has also shown that live music improves community perceptions of public spaces and has been linked to reduction in crime. In addition to bringing foot traffic to the area, we will be thoughtful in our exterior lighting scheme to ensure the venue contributes to safety in the immediately surrounding area.

Topic Areas

3. Live Nation as a Venue Operator

Local venue operators have had a strong working relationship with the local Live Nation representative when booking at locally owned venues. Live Nation becoming a venue operator raises concerns about competition for artist bookings, increasing its footprint as an operator within Portland, purchasing additional independent venues, and access for local talent.

3. Live Nation as a Venue Operator / Beam & Colas

Requests

Beam / Colas

- Include a lease term that Live Nation will not pursue acquisition of other small music venues

Response

Beam / Colas

- This is not a market term and isn't reasonable nor is it industry standard to include such a term in a lease transaction of this nature.

3. Live Nation as a Venue Operator / Live Nation

Requests	Response
Live Nation <ul style="list-style-type: none">• Clarification and reduction of radius clause	Live Nation <ul style="list-style-type: none">• Radius clauses are primarily a function used for festivals and are not typically used for a venue of this type.
<ul style="list-style-type: none">• Keep the floor standing only and do not bring in telescopic seating (e.g. no dividing venue to smaller than 2000)	<ul style="list-style-type: none">• This venue is designed to be flexible to meet the needs of artists and other special events including community events. The primary use for this venue will be for standing, general admission shows.• This venue is a ballroom and the floor does not have rake. Telescopic seating will not be added at any time on the GA floor.• The option to offer a fully seated show allows us to meet the needs of the artist or a local promoter when other venues in the city are not available.
<ul style="list-style-type: none">• Offer a discounted booking rate for local nonprofit organizations and opportunities for youth (eg all ages acts)	<ul style="list-style-type: none">• Live Nation frequently hosts nonprofit and community organizations in its venues through its Special Events team. Our Special Events team works diligently to accommodate nonprofit budgets.
<ul style="list-style-type: none">• Seek out local partners for collaborations (eg. merchandize production and food/beverage) & codify commitment	<ul style="list-style-type: none">• Live Nation is committed to working with local partners as much as possible at this venue including through food and beverage. We frequently partner with local vendors for our F&B offerings for fans and in our artist hospitality programs.

Key Question: Is there public subsidy for this project?

Answer: No, this is a market rate transaction and there is no public subsidy for this project.

- Prosper Portland will ground lease Workshop Block B to Colas/Beam Development to develop and own a facility and manage leasing.
- The lease rate will be based on market rate appraisal and is common real estate practice to create a long-term revenue stream while maintaining the ability for the property to return to the lessor at the end of the lease term.
- Prosper Portland has included this requirement since it issued the initial Request for Proposals seeking a development partner in 2017. The lease payments will support the agency's financial sustainability and enable the agency to make new investments in the district and throughout the city.
- Acknowledging Prosper Portland is the current owner of the property and it was purchased with public dollars and while there is no public subsidy for this project, we are listening to the music industry's concerns and requests per slides 6-14.

Close Out



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Building an Equitable Economy