

# 2019-2020 ANNUAL REPORT

## City of Portland Spectator Venues and Visitor Activities Program

### MISSION STATEMENT

Contribute to Portland's economic and cultural vitality by developing and managing first class spectator and performing arts facilities and by supporting a robust travel and tourism industry in the city, region, and state.

### Program and Fund Overview

Housed in the City of Portland Office of Management and Finance, the Spectator Venues and Visitor Activities Program oversees City-owned spectator and performing arts facilities and supports City travel, tourism and visitor development efforts.

Program responsibilities include venue operations management, maintenance, capital improvements; financial planning; liaison duties; contract administration; debt service; and special projects for popular City destinations.

### Venue Portfolio

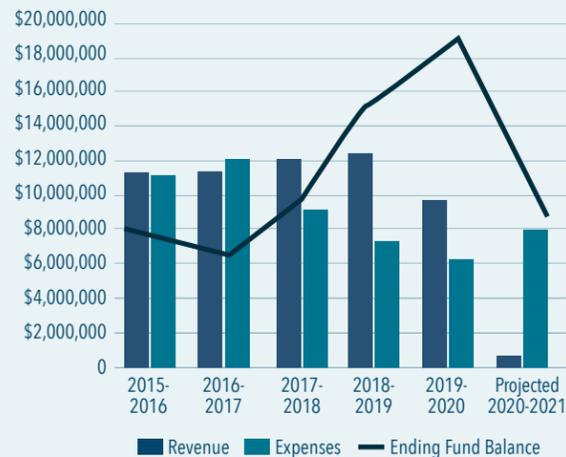
CITY-OWNED VENUE	CAPACITY	OPERATOR
Keller Auditorium	3,000 Seats	Portland's Metro Visitor Venue Program
Arlene Schnitzer Concert Hall	2,800 Seats	Portland's Metro Visitor Venue Program
Antoinette Hatfield Hall	1,400 Seats	Portland's Metro Visitor Venue Program
Veterans Memorial Coliseum (VMC)	12,000 Seats	Rip City Management
Rose Quarter Parking: East and West Garages and Benton Lot	1,000 Spaces	Rip City Management
Rose Quarter Commons	Programmable Public Space	Rip City Management
Providence Park Stadium	25,000 Seats	Peregrine Sports

# Revenues and Expenses

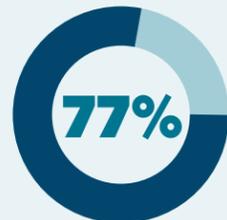
## Primary Revenue Sources

- 1 Ticket User Fees** 47%  
ticket taxes
- 2 Parking Fees** 20%
- 3 Visitor Facilities Agreement** 19%  
annual allocation from Visitor Facilities Trust Account (dedicated tourism funds from transient lodging taxes and vehicle rental fees)
- 4 Other** 14%  
e.g., rents, interest, etc.

## Fund Performance



In 2019-2020



of program revenue

was driven by Rose Quarter events

Providence Park Stadium is exempt from paying user fees until 2022 as part of the agreement between City and Operators to construct 2019 expansion.

# Economic Impact

Portland event venues play significant roles in local economic activity.

- ✓ Population Base
- ✓ Location Accessibility
- ✓ Hotel Supply

make Portland a competitive host for events across the country.

**Providence Park** hosted **42** soccer matches and served **552,045** patrons

## Providence Park Stadium



Providence Park is widely regarded as one of the best soccer-specific stadiums in the U.S.

Built by the Multnomah Athletic Club in 1926 and acquired by the City in 1966 as a multi-purpose stadium, Providence Park is home to the Major League Soccer Portland Timbers and National Women's Soccer League Portland Thorns.

This historic stadium has also hosted a variety of events beyond soccer, including concerts, youth camps and business events. On average, the Stadium hosts 150 events per year.

## Major Projects

**Completed**—In June 2019, the Portland Timbers opened an approximately \$75 million privately funded stadium expansion, which raised the maximum capacity from 21,144 to 25,218. The expansion also added three new levels. As part of the agreement for the private expansion investment into the public stadium facility, no revenue will be generated to the Spectator Fund from stadium events.

**Underway**—In spring and summer 2020, the City worked with a consultant team of architects and engineers to complete the ADA refinement plan for Providence Park. The plan analyzed 120 barriers that required calculated solutions to meet ADA compliance standards as well as cost estimates for each solution. The Spectator Venues Program will work with the operators to incorporate these solutions into future projects wherever possible.

## P'5 Venues

Generated **\$82.4 million** in visitor spending during the 2018-2019 fiscal year

Generated **790 jobs**

**P'5** hosted **648** events and served **672,246** patrons

## Portland'5 Center for the Arts



Portland'5 is the fifth largest performing arts center in the United States and is home to more than 20 arts organizations.

The Portland'5 Centers for the Arts operates five theaters in three separate City-owned buildings in downtown Portland: the Arlene Schnitzer Concert Hall, Keller Auditorium and Antoinette Hatfield Hall, which houses the Brunish, Newmark and Winningstad theatres.

Portland'5 brings over 1,000 music, theater, dance and lecture performances to Portland annually. The five venues draw over one million patrons to downtown Portland's Cultural District and generate an average of \$60 million in total spending every year.

## Major Projects

**Underway**—The Acoustical Enhancement Project at the Arlene Schnitzer Concert Hall will dramatically improve sound quality. Funded by public and private funding and donations, this project will be completed by Fall 2021. Directly aligning with the City's equity goals, all seats will experience high-quality sound regardless of ticket price or seat location.

**Underway**—The Marquee Enhancement Project at the Arlene Schnitzer Concert Hall will greatly improve the Marquee's appearance and functionality with new digital technologies. Funded by Prosper Portland, the project will be completed in early 2021. The project will eliminate the time-consuming and hazardous process of manually changing lettering and allow Portland'5 to welcome multiple events and audiences in a single day.

## VMC

Generated **\$30 million** in economic impact each year

Supported **300-400 jobs**

**VMC** hosted **93** events and served **246,163** patrons

## Veterans Memorial Coliseum



The VMC was the original home of the Portland Trail Blazers.

The VMC is a historic multi-purpose arena in the Rose Quarter Campus. The VMC serves as the primary home for the Western Hockey League Portland Winterhawks and was the original home of the Trail Blazers.

For the past 60 years, the VMC has hosted a wide range of events and played a vital role in Portland's history and community life.

## Major Projects

**Completed**—In 2020, the last original chiller unit was replaced. Work also began to rebuild the four original attic units that provide cool air to the arena bowl.

**Underway**—In fall 2019, conceptual design and scoping began with an architectural and engineering team for a major renovation at the VMC. Project timing is not set but would ideally take place over the next several years. Acknowledging the City's displacement of communities of color to build the VMC, design and scoping will reflect the City's commitment to racial and economic justice.

# Facilities

# Accessibility

The Spectator Venues Program works closely with the Office of Equity and Human Rights to track and report on ADA compliance efforts. Many venues require extensive ADA up-grades which will require additional funding sources to address.

**In addition to ADA accessibility efforts,** facilities host numerous community-oriented events at reduced costs.

Additionally, equity principles are a priority: 60% of professional services consultant contracts were awarded to Oregon certified COBID (Office for Business Inclusion and Diversity) firms.



The VMC hosted

✓ Several community blood donation drives

✓ Served as a site for donated meal assembly

for families in need.

## The Program

Eliminated

Upgraded

486 barriers



facilities



to include compliant hand railings, accessible stairs, and enhanced signage

# Travel and Tourism

As the City's liaison to the sports, travel, and tourism industry, the Spectator Venues Program works closely with travel and tourism organizations to promote local industry and attract events to Portland. In addition, program staff are involved in policies and projects surrounding local transient lodging taxes, which are a major contributor to the City's General Fund and have been used to support investments at some of the City's venues.

**During the 2019-2020 fiscal year,** the City, Multnomah County, and Metro successfully executed an amendment to the Visitor Facilities Intergovernmental Agreement that will, among other things, provide much-needed transient lodging tax funding for future capital investments at the Veterans Memorial Coliseum and the Portland's venues.

## Program Partners:



# Program Challenges

## Near Term

- The biggest challenge of the 2019-2020 fiscal year was the **outbreak of the global COVID-19 pandemic** and resulting venue closures. Projected revenues to the Spectator Venues Fund are down over 80% from the 2018-2019 fiscal year.
- **Emergency funding from the City, State and Metro has allowed Portland's to keep operating** at a minimum level during the extended closure.
- Depending on the pace of economic recovery post-COVID-19 and the public's willingness to return to events, the **Spectator Venues Fund may end up with negative net cash flows by the end of the 2021-2022 fiscal year.**



The program is relying on reserves to meet Rose Quarter, Stadium and administrative obligations in 2020-2021.

## Long Term

- Increasing costs from aging facilities will significantly impact the Fund's future health. **The costs of needed renovations at venues over the next decade will far exceed projected resources** of the Spectator Venues Fund.
- **Additional funding for major capital projects will be necessary** and will require widespread material and political support.
- **The original 1990s Rose Quarter agreements reach the end of their terms within the next 3-5 years** and will need to be renegotiated. This will require the City to renegotiate the VMC Operating Agreement as well as the Arena Ground Lease, which requires that the Portland Trail Blazers play at the Moda Center.
- Early discussions with the operators around the **Veterans Memorial Coliseum Operating Agreement** are anticipated to begin in the 2021-2022 fiscal year.
- **Significant public and private investments will need to be made on the Rose Quarter Campus** (includes both City-owned facilities as well as the privately owned Moda Center, garages and annex office building) to meet current and future facility demands and extend the agreements beyond 2025.



**Projecting**  
a steady recovery moving into 2022-2023 as reserves are expected to begin replenishing

