

ORDINANCE No.

Authorize Intergovernmental Agreement with Metro to provide funding for the Arlene Schnitzer Concert Hall Acoustical Enhancement Project not to exceed \$1,500,000 (Ordinance)

The City of Portland Ordains:

Section 1. The Council finds:

1. The Spectator Venues and Visitor Activities Fund (SVVAF) is a self-sustaining enterprise fund established to provide oversight of City-owned spectator and performing arts facilities and to support City travel, tourism and visitor development efforts. Under the Office of Management and Finance, the SVVAF budgets, monitors, and accounts for resources and requirements of programs, direct expenses at specified City-owned facilities, and debt service payments on certain City debt obligations.
2. Through Ordinance 186263, adopted by the Council on September 25, 2013, the City approved the *Amended Agreement Regarding Consolidation of Regional Convention, Trade, Spectator And Performing Arts Facilities Owned And Operated By The City Of Portland And Metro*. This Agreement obligates the City to a fixed annual contribution to the operating costs of the Portland'5. While no additional financial contributions are required of the City beyond its annual contribution, it is in the City's interest to support and assist the Portland'5 with the cost of strategic capital improvements that help assure the continued success of the venues.
3. The Portland'5 Centers for the Arts facilities includes the Arlene Schnitzer Concert Hall (ASCH) a multi-purpose entertainment venue which is now home to the Oregon Symphony. Symphony presentations at the ASCH require use of an acoustical shell so both the audience and the musicians can hear and enjoy the music. The existing acoustical shell at ASCH is past its useful life and is being replaced with a modern electronic acoustical system that will improve the acoustical quality for all guests and performers at the venue.
4. Installation of the modern electronic acoustical system will help the ASCH remain a highly desired venue for a wide range of performers and will allow the Oregon Symphony to continue to make it their home venue. It will also reduce set-up/take-down time for the symphony, allowing shows to move-in/move-out more quickly, ultimately allowing the venue to book more shows closer to together increase the arts and cultural shows available in Portland, and increase revenue generation to support Portland'5.

5. The costs for the acoustical project are being paid for through a public/private partnership. Due to COVID-19 venue closures, an accelerated project schedule has been adopted, ahead of the original project completion date at the end of 2021.
6. The City is loaning funds to Metro at this time in order to progress construction and allow for project completion during the mandated COVID-19 closure.
7. The terms of this Intergovernmental Agreement are consistent with a Letter of Intent dated February 3, 2020 between the City and Metro signed by the City of Portland's Chief Administrative Officer.
8. The \$9.8M project has secured \$3M in donor funding, \$1M from the P'5 Foundation, \$2M from the Visitor Facilities Intergovernmental Agreement (VFIGA), \$1.8M from P'5's capital reserve account and \$0.5M granted in FY 2018-19 from the City's Spectator Venues and Visitor Activities Fund. This loan from the City's SVVAF closes the remaining \$1.5M to complete the project. Under the terms of the Intergovernmental Agreement, it is anticipated that the loan will be repaid/forgiven upon issuance of the Portland'5 Bonds by the City in accordance with the VFIGA (as amended in 2019).
9. The City and Metro now desire to enter into an Intergovernmental Agreement to allow the City to provide Metro up to \$1,500,000 from the SVVAF for the purpose of completing the acoustical enhancement project at the Arlene Schnitzer Concert Hall.

NOW, THEREFORE, the Council directs:

- a. The Mayor is hereby authorized to sign an Intergovernmental Agreement with Metro in a form substantially similar to that attached hereto as Exhibit A.
- b. The City's Chief Administrative Officer is granted authority to act on behalf of the City and to amend this Intergovernmental Agreement provided the amendments do not substantially alter the City's financial obligations.

Passed by the Council:

Mayor Ted Wheeler
Prepared by: Karl Lisle
Date Prepared: August 17, 2020

Mary Hull Caballero
Auditor of the City of Portland
By

Agenda No. 730
Item Type: Ordinance No. _____
Council Meeting Date: September 16, 2020

Title: Authorize Intergovernmental Agreement with Metro to provide funding for the Arlene Schnitzer Concert Hall Acoustical Enhancement Project not to exceed \$1,500,000 (Ordinance)

AGENDA TYPE

- Consent**
 Regular
 Time Certain Start Time

Item 1 of 1

Total amount of time needed for presentation, testimony and discussion (Regular and Time Certain Only): 15 Minutes

INTRODUCED BY: Mayor Wheeler

COMMISSIONER / AUDITOR APPROVAL

Mayor - Finance & Admin. - Wheeler Digitally signed by Mustafa Washington
Date: 2020.09.08 12:30:30 -0700'
 Position 1/ Utilities - Fritz
 Position 2/ Works - Vacant
 Position 3/ Affairs - Hardesty
 Position 4/ Safety - Eudaly
 City Auditor - Hull Caballero

BUREAU APPROVALS

Bureau: OMF/CAO
 OMF/CAO: Tom Rinehart Digitally signed by Tom Rinehart
Date: 2020.08.19 13:25:37 -0700'
 Bureau Approval: Tom Rinehart Digitally signed by Tom Rinehart
Date: 2020.08.19 13:25:50 -0700'

Prepared By: Karl Lisle
 Date Prepared: August 17, 2020

- 1) Is a completed Impact Statement attached? Yes
 3) Is the item a Code ordinance? Yes No
 If yes, **Auditor Office** Approval
 5a) Is item a Portland Policy Document or Administrative Rule? Yes No

- 2) Does the item amend the budget? Yes No
 If yes, **Budget Office** Approval
 4) Is this item a contract (current or future), code, easement, franchise, comp plan or Charter? Yes No
 If yes, **Attorney Office** Approval Digitally signed by Ken McGair
Date: 2020.08.20 15:59:54 -0700'
 Ken McGair
 5b) If yes, is the City Policy/Admin Rule directive in the ordinance or resolution? Yes No

ACTION TAKEN:

CLERK USE: DATE FILED 9/8/20

Mary Hull Caballero
 Auditor of the City of Portland

By: Keelan McClymont Digitally signed by Keelan McClymont
Date: 2020.09.08 14:05:15 -0700'
 Deputy

FOUR-FIFTHS AGENDA

1. Fritz
2. Vacant
3. Hardesty
4. Eudaly
Wheeler

COMMISSIONERS VOTED AS FOLLOWS:

	YEAS	NAYS
1. Fritz		
2. Vacant		
3. Hardesty		
4. Eudaly		
Wheeler		

EXHIBIT A

INTERGOVERNMENTAL AGREEMENT

**Between
City of Portland Office of Management and Finance
And
Metro
For the**

Arlene Schnitzer Concert Hall Acoustical Enhancement Project

THIS INTERGOVERNMENTAL AGREEMENT (this “Agreement”), dated this _____ day of _____, 2020 (the “Effective Date”), is made by and between City of Portland, Office of Management and Finance (“the City”) and Metro, a Oregon metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, (“Metro”). The City and Metro may be referred to jointly in this Agreement as the “Parties” and individually as a “Party.”

RECITALS

- A. The City, through its Office of Management and Finance (“OMF”) owns the Arlene Schnitzer Concert Hall as part of the Portland’s Centers for the Arts group of venues. The Arlene Schnitzer Concert Hall originally opened in 1928 as the Portland Public Theatre and later was renamed the Paramount Theatre before receiving a generous donation to restore its Italian Rococo Revival architecture from Portland residents Arlene and Harold Schnitzer. It is located at 1111 SW Broadway.
- B. Metro is an elected regional government that covers three counties and twenty-four cities in the Greater Portland region and operates the Portland’s Centers for the Arts under the Amended Consolidation Agreement of Regional Convention, Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and Metro. The Metropolitan Exposition Recreation Commission (“MERC”) oversees this agreement and provides expertise, governance, and policy direction regarding the business of operating the venues.
- C. The Portland’s Centers for the Arts is the fifth largest performing arts center in the United States. It operates five theaters in three separate buildings in downtown Portland. The historic Arlene Schnitzer Concert Hall is one of these five venues. With over 2,700 seats, it is the region’s premiere large concert hall and serves as home to the Oregon Symphony.
- D. The current acoustic shell is original, 33 years old and from when the Concert Hall first opened after renovations in 1987. As it currently stands, the shell benefits primarily the symphony as its job is to push sound out towards the audience. The new acoustic shell will benefit all users as it allows the acoustics of the hall to change. The new shell will allow Portland’s to tune the hall at the push of a button so it best suits the acoustic needs of whomever is on stage. The current shell is also problematic as it was not built to the best standards for a

symphony shell: on symphony rehearsal days, the stage cannot be cleared fast enough to set up for a show that evening. This project will replace the existing hard orchestra shell, dramatically improve acoustics for all performers using the hall and reduce set-up/take-down time for the symphony, allowing shows to move-in/move-out more quickly, ultimately allowing the venue to book more shows closer together and generate more program revenue. The total amount of improvements is estimated to be \$9,800,000 and the work is expected to be complete by Summer 2021.

E. Of the total project cost of \$9.8 million, \$3 million has been secured in donor funding, \$1 million secured from the Portland’5 Foundation, \$2 million granted from the Visitor Facilities Intergovernmental Agreement, \$1.8 million granted from the Portland’5 reserve account and \$0.5 million granted from the City of Portland Spectator Venues and Visitor Activities Fund and an additional loan of up to \$1.5 million from the City of Portland Spectator Venues and Visitor Activities Fund (SVVAF). All other funding efforts should be exhausted before utilizing funding support from the City’s SVVAF.

F. Portland’5 and the Symphony are continuing to actively seek philanthropic contributions to the project from other sources to reduce the amount of the loan from the City of Portland Spectator Venues and Visitor Activities Fund to complete the project.

G. Metro will serve as the agent on behalf of the City to contract and complete the acoustic enhancement project at Arlene Schnitzer Concert Hall.

H. In furtherance of the City’s commitment to the Portland’5 venues and the City’s social fabric and arts, the City will provide Metro a funding advance from a proposed debt issuance from the Visitors Facilities Intergovernmental Agreement bonds to support the City-owned Arlene Schnitzer Concert Hall (“the Project”). Metro agrees to enter into this Agreement in support of the City and in furtherance of the important City public policy objectives served by the Project.

I. On February 3, 2020, the City of Portland Office of Management and Finance and Metro signed a Letter of Intent regarding the Proposed Agreement for loan to Metro/Portland’5 for the Acoustical Enhancement Project at the Arlene Schnitzer Concert Hall.

J. After consultation with City Council offices and the City of Portland Chief Administrative Officer, the City and Metro have agreed to the following terms and conditions regarding the loan to complete the acoustical enhancement project at the Arlene Schnitzer Concert Hall.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the conditions, covenants and agreements set forth below, the Parties hereby agree as follows:

ARTICLE 1
CITY OF PORTLAND FUNDING TERMS

1.1 **City Funding Amount.** On the terms and conditions of this Agreement, City agrees to disburse funds in a total amount not to exceed ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) subject to forecasted availability. Metro may use the funds solely for the Project and on the terms and conditions set forth herein. Metro will be responsible for providing financial resources over and above the loan amount to cover any and all remaining Project costs and will be responsible for completing the Project regardless of any cost overruns or delays, whether or not in its control.

1.2 **Disbursement.** The City shall disburse the one-time payment of funds to Metro. Funds may be transferred at Metro's request in up to three installments of any amount so long as the total amount loaned from the Spectator Venues and Visitor Activities Fund does not exceed \$1,500,000.

1.2.1 **Timing of Availability of Funds.** The funds may be available for issuance to Metro as soon as October 19, 2020 if all the conditions are met. Metro must exhaust all other forms of project funding before the City's funding can be awarded. After that point, Metro may request the City's funds at any time. The City will provide the requested funds within thirty (30) days of the request.

1.2.2 **Conditions Precedent to Payment.** The disbursement of the payment is subject to the following conditions prior to disbursement:

- (a) City shall have determined, in its sole discretion, that there is sufficient budget appropriation and availability to loan Metro the full payment. As of the date of the execution of this Agreement, the City warrants that it has the funds available for Metro as required under this Agreement;
- (b) Metro has shared a complete scope of work for the project with all sources and uses (including a reasonable contingency) and a project schedule demonstrating the funds will be spent and the Project completed by October 25, 2022.
- (c) No litigation is pending that prevents Metro from performing their respective obligations under this Agreement; and
- (d) No Event of Default shall have occurred.

1.3 **Repayment of Funds to City.** The City and Metro agree that repayment of the funds to the City's Spectator Venues and Visitor Activities Fund shall be made by either of the following two methods. No interest shall accrue on the principal during the term of the loan.

1.3.1 Lump Sum Repayment. Between the date the funds are transferred from the City to Metro and January 1, 2024, Metro, Portland’s or any other party may elect to repay the City at their discretion. If Metro chooses to issue the Portland’s bonds (as defined in the Executed Second Amended and Restated Visitor Facilities Intergovernmental Agreement, Section 1 Definitions, “P’s Renovation Bonds”), Metro has an obligation to pay back this amount in its entirety to the City.

1.3.2 Bond Proceeds. Within six (6) months of the issuance of bonds or other debt obligations backed by the Visitor Facilities Intergovernmental Agreement (VFIGA), the \$1.5 million will be paid back to the City’s Spectator Fund.

1.3.3. City’s Obligation to Indemnify. To the extent permitted by law and within the limitations of the Tort Claims Act, City shall defend, save, hold harmless, and indemnify Metro, and their respective officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever, including attorneys fees, resulting from, arising out of, or relating to the activities of City or its officers, employees, subcontractors, or agents under this Agreement. City shall have control of the defense and settlement of any claim that is subject to this paragraph. However, neither City nor any attorney engaged by City shall defend the claim in the name of Metro or any department of Metro, nor purport to act as legal representative of Metro or any of their respective departments, without first receiving from the Metro Attorney, as applicable, authority to act as legal counsel for Metro, nor shall City settle any claim on behalf of Metro without the approval of the Metro Attorney, as applicable. Metro may, at their respective election and expense, assume its own defense and settlement.

1.3.4. Breach of Agreement. If City breaches a material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within thirty (30) days after City receives written notice from Metro specifying the breach it shall be an Event of Default under this Agreement. In the case of a breach that cannot with due diligence be cured within a period of thirty (30) days, it shall be an Event of Default under this Agreement if City does not commence the cure of the breach within thirty (30) days after City receives written notice from Metro and thereafter diligently prosecute to completion such cure within sixty (60) days unless such cure requires additional time as is reasonably necessary;

ARTICLE 2 METRO’S REPRESENTATIONS AND WARRANTIES

2.1 Metro represents and warrants to the City as follows:

2.1.1 **Authority.** Metro has full power, authority, and legal right to execute and deliver this Agreement and to incur and perform its obligations hereunder. The execution and performance by Metro of this Agreement has been duly authorized by all necessary action of Metro.

2.1.2 **No Violations or Default.** No event has occurred, and no condition exists that constitutes an Event of Default (as hereinafter defined) by Metro. Each of the following shall constitute an “Event of Default”:

- a) **Breach of Agreement.** If Metro breaches a material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within thirty (30) days after Metro receives written notice from the City specifying the breach it, shall be an Event of Default under this Agreement. In the case of a breach that cannot with due diligence be cured within a period of thirty (30) days, it shall be an Event of Default under this Agreement if Metro does not commence the cure of the breach within thirty (30) days after Metro receives written notice from the City of Portland and thereafter diligently prosecute to completion such cure within sixty (60) days unless such cure requires additional time as is reasonably necessary; or
- b) **Misuse of Funds.** It shall also be an Event of Default under this Agreement and the City shall be irreparably harmed by such default, if Metro uses any portion of the City loan in a manner materially inconsistent with the purposes of this Agreement or in violation of applicable laws, statutes, or rules.

2.1.3 **Return of Unspent Funds.** In the event that Metro spends less than the \$1.5 million it borrowed on expenses related to the project, Metro shall return the unspent balance to the City of Portland immediately regardless of whether the non-expenditure is due to lower than anticipated costs, failure to complete the Project, or otherwise.

ARTICLE 3 CITY’S AGREEMENT AND ACKNOWLEDGMENT

The City acknowledges that the City loan is being made for the City’s benefit, and that the Arlene Schnitzer Concert Hall is an important City asset. The City will fully cooperate in all respects with Metro as needed for implementation and completion of the Project.

ARTICLE 4 METRO’S AFFIRMATIVE COVENANTS

5.1 Metro covenants and agrees as follows:

5.1.1 **Records and Inspection.** Metro shall keep proper books of account and records on all activities associated with the Prosper Portland Grant (collectively, the “Records”). Metro shall maintain the Records in accordance with generally accepted accounting principles. Metro shall permit the City and/or its duly authorized representatives, to inspect, review and make excerpts and transcripts of the Records with respect to the receipt and disbursement of funds, provided that any such examinations and audits shall be at the reviewing party’s sole expense.

Access to the Records is not limited to the required retention period. The authorized representatives shall have access to the Records at any reasonable time for as long as the Records are maintained. This Section 5.1.1 shall survive any termination of this Agreement.

5.1.2 **Audits.** The City, either directly or through a designated representative, may conduct financial and performance audits of the use of the proceeds at any time at City's expense; provided, however, that to the extent that an audit reveals any intentional malfeasance, Metro shall reimburse the City for any costs associated with the audit and Metro shall correct any deviations discovered as a result of the audit. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in *Government Auditing Standards* by the Comptroller General of the United States General Accounting Office. In the event of an audit, Metro agrees to provide the designated auditor with reasonable access to Metro's employees and make all such financial, performance and compliance records available to the auditor. This Section 5.1.2 shall survive any termination of this Agreement.

5.1.3. **Green Building.** If a Green Building Policy is applicable to the scope of work under this Agreement, Metro will adhere to the City's Green Building Policy. It is understood by the Parties that the Green Building Policy does not apply to the acoustical shell upgrades anticipated by the Parties as the Scope of Work. However, if the scope of the project changes the parties will reanalyze the applicability of the Green Building Policy, which addresses building systems and interiors.

5.1.4 **Metro's Obligation to Indemnify.** To the extent permitted by law and within the limitations of the Tort Claims Act and the Oregon Constitution, Metro shall defend, save, hold harmless, and indemnify the City and their respective officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever, including attorneys fees, resulting from, arising out of, or relating to the activities of Metro or its officers, employees, subcontractors, or agents under this Agreement. Metro shall have control of the defense and settlement of any claim that is subject to this paragraph. However, neither Metro nor any attorney engaged by Metro shall defend the claim in the name of the City or any bureau of the City, nor purport to act as legal representative of the City or any of their respective bureaus, without first receiving from the City Attorney, authority to act as legal counsel for the City, nor shall Metro settle any claim on behalf of either entity without the approval of the City Attorney. The City may, at its election and expense, assume its own defense and settlement.

**ARTICLE 5
RIGHTS AND REMEDIES
UPON EVENT OF DEFAULT**

8.1 Rights and Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the non-defaulting party may, at its option, exercise any one or more of the following rights and remedies:

8.1.1 **Repayment.** Either party may declare the entire original City funding advance pursuant to this Agreement, to be immediately due and payable in full and, upon such declaration, the defaulting shall pay to the non-defaulting party the amount declared to be immediately due and payable. This provision will not apply if the parties dispute whether there is an Event of Default.

8.1.2 **No Election Required.** The non-defaulting party shall have any other right or remedy provided in this Agreement, or available at law, in equity, or otherwise in such order and manner as it may select.

8.1.3 **Rights and Remedies Cumulative.** All rights and remedies described in this Article 5 are cumulative and in addition to any other remedy the non-defaulting party may have by agreement, at law, or in equity. Partial exercise of any right or remedy shall not limit or restrict any party's subsequent exercise of such right or remedy nor shall it restrict any party's contemporaneous or subsequent exercise of any other right or remedy.

8.1.4 **No Waiver.** No failure on the part of any party to exercise, and no delay in exercising, any right, power, or privilege under this Agreement shall operate as a waiver of that right or any other right. No modification or waiver of any provision of this Agreement shall be effective unless in writing, and then only in specific instance and for the purpose given. No notice or demand on any party shall entitle that party to any other notice or demand in other similar circumstances.

ARTICLE 6 MISCELLANEOUS

9.1 **Counterparts.** This Agreement may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by the Parties hereto shall constitute a full and original instrument, but all of which shall together constitute one and the same instrument.

9.2 **Survival.** All agreements, representations, and warranties shall survive the execution and delivery of this Agreement, any investigation at any time made by the City or on its behalf and the making of the City funding advance.

9.3 **Notice.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed effective (1) when actually delivered in person, (2) one business day after deposit with a commercial courier service for "next day" delivery, (3) two business days after having been deposited in the United States mail as certified or registered mail, or (4) when transmitted by facsimile (answer back or receipt confirmed), addressed to the receiving Party as follows (with copies to any other Parties):

If to the City:
City of Portland
Office of Management and Finance

Chief Administrative Officer
1120 SW 5th Avenue #1250
Portland, OR 97204

If to Metro:

Metro
Chief Operating Officer
600 NE Grand Avenue
Portland, OR 97232

9.4 **Successors and Assigns.** Neither the City nor Metro may assign this Agreement, in whole or in part, without the prior written consent of the other Party. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective permitted successors and assigns.

9.6 **Governing Law, Jurisdiction, Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to its conflicts of law principles. Any legal action regarding this Agreement must be brought and conducted in the federal or state court, as appropriate, serving Multnomah County, Oregon, and the parties hereby consent to the jurisdiction and venue of such courts.

9.7 **Validity; Severability.** If any provision of this Agreement is held to be invalid, such event shall not affect, in any respect whatsoever, the validity of the remainder of this Agreement, and the remainder shall be construed without the invalid provision so as to carry out the intent of the Parties to the extent possible without the invalid provision.

9.8 **Time of Essence.** Time is of the essence of this Agreement.

9.9 **Relationship of the Parties.** Nothing contained in this Agreement or any acts of the Parties hereto shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture or of any other association other than that of independent contracting parties.

9.10 **No Third Party Beneficiary Rights.** No person not a party to this Agreement is an intended beneficiary of this Agreement, and no person not a party to this Agreement shall have any right to enforce any term of this Agreement.

9.11 **Funding Acknowledgement / Signage.** Any oral reports made to neighborhood, business, or other civic organizations, as well as to any members of the press should acknowledge work being done is based on a partnership between the City and Metro.

9.12 **Amendments.** This Agreement may only be amended by a written agreement signed by the City and Metro. The City's Chief Administrative Officer and Metro's Chief Operating Officer and their respective designees are authorized to take all actions necessary to implement

the terms of this Agreement and may authorize non-material amendments of this Agreement without further action by City of Portland’s City Council and Metro Council, respectively, so long as the amount of the City funding is not increased.

9.13 **Merger Clause.** This Agreement contains the entire agreement between the City and Metro with respect to the subject matter thereof. It supersedes all prior written or oral discussions or agreements concerning work to be performed by either Party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

City of Portland By _____ Ted Wheeler, Mayor APPROVED AS TO FORM: By _____ City Attorney	Metro By _____ Marissa Madrigal, Chief Operating Officer APPROVED AS TO FORM: By _____ Metro Attorney
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IMPACT STATEMENT

Legislation title: Authorize Intergovernmental Agreement with Metro to provide funding for the Arlene Schnitzer Concert Hall Acoustical Enhancement Project not to exceed \$1,500,000 (Ordinance)

Contact name: Karl Lisle

Contact phone: 503 823 5876

Presenter name: Karl Lisle

Purpose of proposed legislation and background information:

- This Intergovernmental Agreement (IGA) authorizes the City of Portland Spectator Venues & Visitor Activities Fund (SVVAF) to advance Metro up to \$1.5 million to support the completion of the Arlene Schnitzer Concert Hall acoustical enhancement project.
- The amount provided to Metro under this IGA will be repaid to the SVVAF when Portland's Renovation Bonds, supported by the Second Amended and Restated Visitor Facilities Intergovernmental Agreement (VFIGA) are issued sometime after January 1, 2024.
- Current reserves in the SVVAF are adequate to cover this cost in FY2020-21, even with little or no event revenue to the fund during the year.
- The total project budget is \$9.8 million coming from the following sources:
 - \$3 million in private donor contributions
 - \$1 million from the Portland's Foundation
 - \$2 million from the Visitor Facilities Intergovernmental Agreement
 - \$1.8 million from Portland's capital reserves
 - \$0.5 million from the SVVAF for project planning in 2018-19
 - \$1.5 million through this IGA
- Metro continues to pursue additional foundation funding to reduce the amount needed from the SVVAF to complete the project.
- Metro will exhaust all other forms of project funding (public and private) before it requests up to \$1.5 million from the City Spectator Fund to complete funding for the project.
- This investment was outlined in a Letter of Intent dated February 3, 2020 between the City and Metro.
- The project was already well under construction when the depths of the financial impacts of COVID-19 and duration of the mandated venue closures became known. By that time, it would have been more costly to stop work on the project and return to a traditional orchestra shell. This would have jeopardized the private and non-profit contributions to the project and produced no benefits. Instead, the project schedule has been advanced to complete the work during the mandated COVID-19 closures. This will reduce any closure periods necessary in 2021 when the venues (hopefully) are once again operating.

Financial and budgetary impacts:

- This action has minimal direct impact to the City as the SVVAF Fund is being reimbursed for this expenditure from Portland's Bonds.

- The Second Amended and Restated Visitor Facilities Intergovernmental Agreement approved by the City in December 2019 provides up to \$40 million in future bond funding for Portland's Renovations from the Visitor Facilities Trust Account. This funding mechanism has been used to fund past public investments in visitor facilities including the Oregon Convention Center, Civic Stadium (now Providence Park) and the Convention Center Hotel. Portland's Renovation Bonds may be issued in a single or multiple issuance between 2024 and 2030. When these bonds are issued, the SVVAF will be repaid in full.
- This project (funded in part through this IGA) will improve the condition and value of a City-owned property which has positive implications for the City over the long-term.
- The public funds in this project have leveraged \$4 million in private and nonprofit contributions. The City's \$2 million investment in the project represents less than 20% of the project cost, and \$1.5 million of that will be reimbursed to the City (SVVAF) through future bond proceeds.
- Meanwhile, the City's asset receives a \$9.8 million improvement. This is an excellent investment for the City.
- The Spectator Venues & Visitor Activities budget will be adjusted to reflect this expense in the Fall BMP.

Community impacts and community involvement:

- The community will benefit from the project because the acoustic qualities of the Arlene Schnitzer Concert Hall will be dramatically improved with the new state-of-the-art electronic shell project. Prior to this project, sound quality could vary dramatically depending on the area in which one was seated. With this project, sound quality will be excellent regardless of location within the hall. In other words, those seated in the less expensive seats will get the same sound experience as the most expensive ones. This benefit also directly aligns with the City's equity goals.
- The project will dramatically reduce the set-up/take-down time for the Oregon Symphony, allowing symphony rehearsals to occur on the same days as commercial shows load-in. This will allow Portland's to book more shows closer together, which means growing performance opportunities for the community and increased revenue generation for Portland's and the performers.
- There has been no targeted public involvement in this project to date, although it has been discussed at the public Metropolitan Exposition and Recreation Commission.

100% Renewable Goal:

- The project funded by this IGA is not expected to significantly increase or decrease energy use at the facility.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
 NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount