



Council President Peterson, Metro Councilors, and City Administrator Jordan,

Thank you for the opportunity to present this recommendation to you. The Portland's Centers for the Arts venues are beloved cultural destinations in the heart of downtown, attracting over 800,000 attendees a year to a variety of events, providing stages for local arts groups to perform, and generating more than \$90 million of economic contributions for the region.

Over the last six months, the City of Portland and Metro have convened a group of stakeholders to evaluate the operations, maintenance, and long-term planning of the City-owned Metro-operated Portland's Centers for the Arts venues (Portland's). The City and Metro tasked the Workgroup with developing short- and long-term recommendations to improve the venues' operations, governance, and alignment with regional economic and cultural goals. As part of the evaluation process, the Workgroup delved into Portland's current operational and management realities; the myriad needs and wants of users, including patrons, local arts groups, commercial artists, union-represented employees, and the broader community; the current state of performing arts centers nationally; and alternative operating models.

During their time together the Workgroup explored a number of complex issues. Their recommendations list several management options, along with tensions inherent to them, and a set of values and guiding principles by which to evaluate the models in subsequent processes.

The Workgroup recommends the City of Portland be the single entity responsible for continuing this work – leading the future investigation, analysis and public engagement. The current two-government model, with the City owning the theatres and Metro managing them, is not recommended by the Workgroup. The Workgroup recommends that the City and Metro begin preparing a plan for dissolution of the intergovernmental agreement while the City works with stakeholders to continue assessing options to identify a new long-term operating model(s).

The Workgroup reached consensus that the backlog of deferred maintenance and necessary building modernization upgrades and replacements impedes Portland's ability to operate efficiently and effectively. They recommend capital planning begin immediately

– including facility condition assessments and identification of capital funding sources – and they emphasize that capital projects should not be funded by operating revenues, as is the current practice.

The Workgroup also made recommendations for improvements within the existing model, including increasing revenues through expanded bookings and enhanced food and beverage offerings, more engagement and coordination with local arts groups, and updates to booking policies. We and our staff are supportive of these recommendations. They address questions the Workgroup was asked to explore, and are responsive to considerations raised by staff, clients and other Portland's stakeholders. Thank you for your support of this process, and for your guidance about next steps.

A handwritten signature in black ink, appearing to read "Craig Stroud". The signature is fluid and cursive, with a long horizontal stroke at the end.

Craig Stroud
General Manager of Visitor Venues

A handwritten signature in black ink, appearing to read "Sonia Schmanski". The signature is written in a cursive style with distinct letter shapes.

Sonia Schmanski
Deputy City Administrator, Vibrant Communities

Performing Arts Venues Workgroup

Recommendations Report

To the City of Portland Deputy City Administrator of
Vibrant Communities and the Metro General
Manager of Visitor Venues

June 2025

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Background

On October 31, 2024, Portland City Council unanimously adopted Resolution #37684 and Metro Council unanimously adopted Resolution No. 24-5438 to establish a Performing Arts Venues Workgroup (Workgroup) to evaluate management of Portland's arts facilities.

The Workgroup was tasked with evaluating the operations, maintenance, and long-term planning of City-owned Metro-operated Portland's Centers for the Arts venues: Antoinette Hatfield Hall (housing the Brunish, Newmark, and Winningstad Theatres), Arlene Schnitzer Concert Hall, and Keller Auditorium. The Workgroup was asked to examine operational challenges and opportunities, with a focus on aligning management and operations with regional economic and cultural goals, and to explore alternative operating models.

The Workgroup selection process included targeted recruitment to arts organizations and key stakeholders and an open application process. The 19 Workgroup members were selected by a committee and have a breadth of experience in relevant areas including arts & culture, venue management, business, finance, labor, development and government. They also represent small, medium and large arts organizations as well as local, regional and national perspectives.

The Workgroup met for five months and explored various topics: needs and wants of users of the theatres, the current operating model, the state of performing arts centers nationally, common operating models across North America, and possible operational changes for Portland's.

Introduction from the Workgroup

The Portland's venues¹ are among the most visible and impactful cultural assets in Oregon and the Pacific Northwest. As a coalition of community stakeholders and arts leaders, the Workgroup has developed values and guiding principles to help shape a resilient, responsible, and community-rooted vision for the future stewardship of the venues.

Arts and culture are moral imperatives to a healthy society and serve as galvanizing forces within society. The purpose of Portland's venues is to support the ecosystem for the greater Portland metro area, and all Oregonians.

Our goal is to ensure these venues remain drivers of cultural vitality, economic health, and civic engagement. These principles prioritize public value, service, community engagement, financial and operational sustainability, and access to the arts for all.

¹ "Portland's Centers for the Arts" is the current operating name for the management of the Arlene Schnitzer Concert Hall, Keller Auditorium, and Antoinette Hatfield Hall, which includes the Brunish, Newmark, and Winningstad Theatres. Its usage in this document refers solely to these venues and does not constitute an endorsement of, nor an objection to, the current or any future management or organizational model.

Through this framework, we affirm the Portland's venues must be managed as public assets in service to the local artistic voices, audiences, and communities they exist to support.

Short-Term Recommendations

Improvements within the Existing Model: The Workgroup recognized the limited opportunities for immediate improvements within the existing operating model, due to limited time and the desire for more information, but identified the following short-term actions:

- **Increase revenues:** The current operator should expand efforts to increase revenue by maximizing venue usage (reducing “dark days”) and invigorating food and beverage options.
- **Improve relations with local arts organizations:** The current operator should engage more frequently with local arts organizations to solicit feedback on operations, support, and coordination, and commit to actionable solutions.
- **Improve booking policies:** The current operator should develop transparent booking policies, to improve client understanding of booking options and increase use of the venues.

Capital Planning and Funding: Significant risks and liabilities impede Portland's ability to operate efficiently and effectively, including the backlog of deferred maintenance and necessary building modernization upgrades and future replacement. The Workgroup recommends prioritizing the following actions:

- **Do not fund capital with operations:** A national scan of best practices conducted by AMS Consulting indicated that performing arts centers across North America do not fund capital maintenance with operations, as Portland's currently does.
- **Begin capital planning immediately:** Work should begin immediately to initiate capital planning and identify capital funding sources.
- **Complete Facility Condition Assessments:** These should be completed so that needed capital improvements and estimated costs are known and investments prioritized.

Accountable Entity: This Workgroup is the beginning of a process to identify the most effective operating model for Portland's, and a single entity must lead the vision and drive change. As the owner of the buildings, the City of Portland is expected to lead the investigation, analysis, and public engagement process.

Change to Operating Model: The Workgroup felt that the two-government model, with the City owning the buildings and Metro managing them, is not their preferred operating model. The Workgroup recommends that the City and Metro begin preparing a plan for the dissolution of the intergovernmental agreement while the City works with stakeholders to continue assessing options to identify a new long-term operating model.²

² One member explicitly disagreed with this recommendation.

Long-Term Recommendations

Given the complexity of factors that influence the success of operating models, and the limited time afforded the Workgroup, more analysis and consideration are required to recommend a future operating model. However, the Workgroup identified multiple plausible scenarios, tensions that should be considered, and values and guiding principles to drive future operating model analysis.

Scenarios: The Workgroup considered numerous operating model scenarios for further investigation (below). All scenarios assume continued City ownership of the P'5 venues. Members did not reach agreement on a specific operating model scenario to recommend, but there was discussion of possible operating scenarios:

- **Non-profit:** Either an existing or newly formed non-profit organization manages operations.
 - Example: A new organization co-led by existing arts groups to manage operations.
- **For-profit:** A local or national for-profit venue operator, either existing or new, manages operations.
- **University:** A Portland-based university with an interest in programming manages operations.
- **City:** The City of Portland manages operations.
- **Multiple venue operators:** Separate out the venues under different operators.
 - Example: an existing non-profit manages operations at the Arlene Schnitzer Concert Hall, an existing for-profit manages operations at Keller Auditorium, and the City manages operations at the three theatres within Hatfield Hall.

See the meeting summaries and slide decks from the April 16 and April 30 meetings in the Appendices for more details about the risks, benefits, and open questions the Workgroup discussed about the various scenarios. AMS Consulting's materials in the Appendices also provide analysis of each scenario.

Tensions: The Workgroup identified several areas of tension that require careful consideration and balance, including:

- **Continued co-management or separation of the venues:** Some Workgroup members foresee potential improvements by separating the venues, including more innovation, nimbler operations, and streamlined decision making, while others expect increased costs as well as losses in living-wage jobs, efficiencies of scale and calendar coordination.
- **Expansion of philanthropy:** While all Workgroup members concur that philanthropic investment is crucial to a healthy performing arts ecosystem, some Workgroup members believe Portland's needs to dramatically expand contributed revenue beyond government support, while others worried that it could divert a significant portion of the region's arts funding capacity to the detriment of other arts organizations.

- **Cost pressures:** The Workgroup recognizes that pressure to increase fees and revenues for operational sustainability might have adverse impacts on commercial and nonprofit users of the facilities. Further exploration of new revenue streams and/or different business models is therefore warranted.

Values and Guiding Principles: Additional analysis should be driven by the following values and guiding principles established by the Workgroup.

Values Statement

The Workgroup affirms that:

- Arts and culture are essential to a healthy, thriving society.
- Public venues must serve the public good, with transparency and accountability.
- Access to creative expression is a civic right, not a privilege.
- Community voice must inform institutional direction, decision-making, and resource allocation.
- Sustainability—financial, cultural, and ecological—is a shared responsibility and a strategic imperative.
- The Portland’s venues must be a home for all, reflecting and amplifying the full spectrum of people, perspectives, and creative practices that make up our cultural identity.

Guiding Principles

1. Recognition of Portland’s in the Arts & Culture Ecosystem

Arts and culture are moral imperatives for a healthy society. They are vital to the wellbeing of Oregonians and serve as galvanizing forces for connection, creativity, and civic identity. The Portland’s venues exist to support and strengthen the arts ecosystem across the Portland Metro area and throughout Oregon.

2. Public Value

Local access to the performing arts must remain relevant and responsive to the needs of the community. As public venues, Portland’s venue management is tasked with stewarding public value by ensuring that the venues:

- Establish a mission and vision that centers service to the Portland community in collaboration with stakeholders.
- Are well-kept and maintained at the level of world-class cultural spaces.
- Are welcoming and inclusive of all Portlanders—audiences, artists, organizations, renters, and community members.
- Serve as cultural destinations and creative engines that generate and attract resources for our local arts ecosystem and broader economy.
- Actively support local arts organizations and artists by working in collaboration with the community to ensure spaces and operations remain relevant, responsive, accessible, and community centered.

- Understand public value as the act of strengthening and building community—with the community—which in turn generates long-term cultural and economic vitality.

3. Capacity (Functions, Resources, Capabilities)

To ensure a resilient, transparent, and community-focused financial and operational model, Portland's venue management must:

- Maintain clear, consistent, and open communication with its stakeholders—local artists, renters, audiences, and community members.
- Operate with sustainable, adaptable practices through a diversified infrastructure that can withstand market fluctuations and evolving community needs.
- Re-evaluate and strengthen an active advisory body composed of local stakeholders to guide strategic direction and hold Portland's venue management accountable to these guiding principles.
- Maximize venue activation by appealing to traditional and non-traditional uses.
- Uplift local artists and organizations by leveraging the venues' collective reputation and infrastructure.

4. Support (External Resources & Community Contributions)

To ensure Portland's venues function as a generative force within the community, the Portland's venue management must:

- Leverage public and private partnerships to uplift local organizations, expand community engagement, and build sustainable support for Portland's venue management and its mission.
- Develop strategies (short- and long-term) to fund deferred maintenance, capital improvements, and emergency contingencies in a manner consistent with the operation of world-class venues.
- Deepen and optimize the relationship between the venues and the communities they serve, fostering loyalty, financial stability for the communities and the venues, and marketing access for local organizations and events.
- Expand volunteer and engagement opportunities for community members to actively contribute to the life and stewardship of the venues.