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City Club of Portland (Portland, Or.)

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REPORT — ACTS TO AMEND THE CITY CHARTER RELATING TO THE CIVIC AUDITORIUM

The Board of Governors, The City Club of Portland:

Your committee was authorized to study and report on the three measures appearing on the municipal ballot May 19, 1950, which relate to the Civic Auditorium. Since, however, each measure must be considered on its own merits and voted upon separately, your committee has divided this report into three sections, placing the appropriate ballot title above each section. At the end of each section your committee has made a specific recommendation.

In addition to studying the measures covered by the ballot titles printed herein, your committee interviewed Commissioner Kenneth L. Cooper, in whose department the Bureau of the Auditorium is presently administered, and Mr. William Duggan, manager of the Auditorium. Your committee also inspected the Auditorium, its fixtures and equipment.

Introductory Statement

The Auditorium was built in 1917 at an original cost of \$667,000. It is well constructed and in fundamentally sound condition today. It would probably cost not less than \$1,500,000.00 to duplicate the structure at the present time. The location is perhaps not ideal, particularly in view of the prospect of developing a Civic Center in the City of Portland, but it is at least satisfactory. No alteration, remodeling or repair except absolutely necessary maintenance has been made on the building since it was constructed. The interior decorations are still those originally provided.

Although the original charter provision creating the Auditorium Bureau and authorizing the construction of the building provided for the appointment of an Auditorium Commission to give the project a business administration, no commission has ever been appointed, the members of the City Council serving as such commissioners.

The past administration of the Auditorium has not always been business-like. The facilities and equipment have been made available, not only to civic, religious and pseudo-religious groups at a ridiculously low figure, but also has been rented to booking agencies and other commercial renters, at charges less than reasonably necessary to cover the over-all cost. Large areas on the second floor of the building have been provided free for years past to the Oregon Historical Society and to the Civil Service Board at no charge, the Auditorium supplying light and heat at substantial cost to the City.

The deplorable condition of the Municipal Auditorium has been the result of neglect over practically the entire period of its existence and down to within a year or two of the present time. Adequate custodial care has not been provided, and as a result much of the equipment, including folding chairs, kitchen utensils, china and silverware, has almost completely disappeared. Stage equipment, including spotlights, music stands and stage sets, must be provided by the tenant. Even the dressing rooms are equipped — and most inadequately — with borrowed or donated furniture. One of the two boilers in the building's heating plant has been out of commission for some time; should the other one become a casualty, it would not only prevent use of the Auditorium for any purpose, but if it occurred in severe weather such as was experienced last winter, might result in serious damage to the building. The ventilating system has not been working satisfactorily for years and is at the present time so loaded with accumulations of dust that if it ever started to work it might cause serious damage to the draperies and decorations in the building. Probably the stage has suffered more from general wear and tear than any other part of the equipment. It is so rough and splintery that it has to be covered with a canvas before it can be used, particularly for dance troupes. The poor condition of the Portland Auditorium seems to have become a byword in the theatrical business.

The Auditorium has apparently been operated habitually at a loss. In 1948 there was an operating deficit of about \$12,000. The deficit was nearly cut in two in 1949. This resulted from increasing the fees and charges to users of the Auditorium, a schedule of which is attached to this report and marked Exhibit A, and from a more aggressive policy on the part of the management in securing additional attractions for Portland.

It seems entirely possible that if a program of rehabilitation were carried out and the facilities and equipment put in first class condition, the schedule of fees and charges could be increased further without discouraging any of the ordinary renters and in addition might attract many additional bookings.

This Committee is unanimous in its conclusion that the City of Portland should have a first class municipal auditorium. It is indispensable to the cultural life of any American city. The question remains as to how best to finance the rehabilitation of the present structure.

History of Current Proposals

In 1941 the City Council retained Mr. Walter Church, Portland architect, to make an estimate of the cost of rehabilitating and modernizing the building. The estimate submitted at that time was \$48,000, but the program was disapproved by the City Council. World War II intervened and during these years the project could not be undertaken.

Recently as a result of considerable dissatisfaction on the part of the public and criticism on the part of booking agencies, the City Council at a budget meeting approved a program of rehabilitation of the structure, its equipment and facilities, for the purpose of making it suitable for the more remunerative attractions which would increase its income and make the Auditorium self-supporting. The Council agreed to authorize the issuance of utility certificates to the amount of \$75,000 to carry out this program.

Mr. Walter Church was again retained to make an estimate of the costs of the necessary work, and according to these estimates the cost at the present time would approximate \$150,000. This amount included the following estimates of approximate costs:

New seats	\$35,000
Public address system	10,000
Accoustical treatment	35,000
Redecorating and stage	15,000
Heating and ventilating	15,000
Plumbing, fire escapes, new roofs and miscellaneous equipment	40,000

Thus it appeared that the \$75,000 of utility certificates which the Council had authorized would fall far short of the needs of the situation.

A further difficulty was presented when Blyth and Company, which had tentatively contracted to purchase the utility certificates, received a legal opinion to the effect that the City Charter does not authorize the issuance of utility certificates for the contemplated purposes. The basis for this opinion was the fact that Section 10-104 of the Charter authorizes the issuance and sale of such certificates only for "the construction or acquisition by purchase, condemnation or otherwise" of a utility such as the Auditorium.

This led the Council to propose both the Charter Amendment broadening the purposes for which utility certificates may be issued in the future, and the Charter Amendment authorizing issuance of \$150,000 of general obligation bonds for immediate purposes.

The Utility Certificate Proposal

CHARTER AMENDMENT

SUBMITTED TO THE VOTERS BY THE COUNCIL

An Act to amend Section 10-104 of the city charter so as to extend the purposes for which interest bearing public utilities certificates may be issued and sold, to include repair, remodeling, alteration, reconstruction and replacement of any public utility operated by or for the City.

SHALL THE CHARTER BE SO AMENDED?

502 Yes, I vote for the amendment.

503 No, I vote against the amendment.

As pointed out above, under the present Charter provision, utility certificates can be issued and sold only "for the construction or acquisition" of any public utility operated by or for the City. The extension of this provision to include the use of the proceeds of such certificates for "the repair, remodeling, alteration, reconstruction or replacement of any public utility" owned or operated by this City, would seem to be desirable enlargement of this provision.

It should, perhaps, be pointed out that the adoption of the proposed amendment with reference to the issuance and sale of public utility certificates will not enlarge the total amount of such certificates which may be issued by the City of Portland. The present limitation is seven per cent of the total assessed valuation within the City. Furthermore, any repairs, remodeling, alteration or reconstruction projects which may be undertaken and financed through the sale of such certificates will be subject to the same restrictions as to bidding, etc., which apply to other public works.

It seems impractical to your committee to undertake the present necessary renovation of the Civic Auditorium through the medium of utility certificates. Payable as they are out of revenues, the past earning experience of the Auditorium would hardly encourage a ready sale of \$150,000 of these certificates. If public utility certificates are to find

a ready market at a good price, there must be some prospect of revenues from the operation of the Auditorium.

On the other hand, occasion may arise in the future when the use of utility certificates for making needed repairs or changes either in the Auditorium or in the other public utilities operated by the City might be extremely desirable or necessary. And with a thoroughly modern, attractive and well equipped plant, and good business-like management, there is no reason why utility certificates could not be used for future requirements of the Auditorium.

Recommendation

Your committee recommends that the City Club go on record as approving this charter amendment.

The \$150,000 Bond Proposal

CHARTER AMENDMENT

SUBMITTED TO THE VOTERS BY THE COUNCIL

An Act to amend the city charter by adding a new section so as to provide for issuance and sale of general obligation bonds of the city totaling not more than \$150,000.00, for expenses and cost of repairing, remodeling, alteration or reconstruction of the municipal auditorium, fixing terms and conditions of issuance and sale, exempting said bonds from the charter debt limitation and making the revenues of the auditorium over and above cost of operation and maintenance primarily liable for payment of principal and interest.

SHALL THE CHARTER BE SO AMENDED?

504 Yes, I vote for the amendment.

505 No, I vote against the amendment.

In the opinion of your committee, the \$150,000 bond issue covered by the proposed charter amendment would provide a satisfactory means of financing the rehabilitation of the Auditorium. Although these bonds would be a general obligation of the City, the net revenues received from the operation of the Auditorium would be pledged to payment of this issue. There would seem to be no reason why, if the Auditorium is put in proper condition and is efficiently managed, it should not produce a net profit.

Whether or not any operating profit can be realized, the Auditorium should be put in a decent state of repair and condition, or should be closed to public use. It has reached such a point that unless it is thoroughly worked over, it may have to be closed, the prospects of which the citizens of this community should not countenance.

Recommendation

Your committee also recommends that the City Club go on record as favoring the amendment authorizing a bond measure for the rehabilitation of the Auditorium.

Civil Service Proposal

CHARTER AMENDMENT

SUBMITTED TO THE VOTERS BY THE COUNCIL

An Act to amend the charter of the City of Portland so as to include employees of the Bureau of Municipal Auditorium within the classified civil service of the city, and making special provisions relating to classification of present employees of said bureau.

SHALL THE CHARTER BE SO AMENDED?

560 Yes, I vote for the amendment.

507 No, I vote against the amendment.

With particular reference to the proposed Charter Amendment extending Civil Service to all Auditorium employees, including the provision for freezing present permanent employees in their positions, it must be remembered that the Auditorium, if it is to operate successfully, will have to operate in competition with other theatrical concerns. Perhaps even more than an ordinary commercial theater, it is subject to the vicissitudes of bookings. The records indicate that it frequently goes for weeks without a single engagement. At other times it may be booked nearly solid for days or weeks on end. Furthermore, it is used for a larger variety of entertainment than the usual theater, providing

facilities for everything from recitals and concerts to wrestling matches. Each of these attractions involves completely different types and numbers of personnel.

It might be feasible to include certain Auditorium jobs, such as the janitorial service, under Civil Service regulation; but the measure does not call for such selective application. The proposed Charter Amendment would arbitrarily freeze all employees of the Auditorium Bureau and subject them to the Civil Service regulations. It would seem to be not only uneconomical, but even impractical, to attempt to operate the Auditorium with a fixed staff under Civil Service regulations.

Recommendation

For these reasons your committee recommends that the City Club go on record as disapproving the adoption of the Civil Service requirement for Auditorium employees.

Respectfully submitted,

W. B. BOONE

HARRY W. BRUCK

DONALD G. DRAKE

HERMAN D. KENIN

E. T. PARRY

MCDANNELL BROWN, *Chairman*

Approved May 5, 1950, by Allan Hart, Section Chairman, Legislation and Elections, for transmittal to the Board of Governors. Received May 8, 1950, by the Board of Governors and ordered published and submitted to the membership for discussion and action.

Appendix A

The following is a list of the schedule of charges presently in effect for use of the Municipal Auditorium:

Religious, eleemosynary and "non-profit" organizations	\$175
Commercial attractions, top admission \$2.40	270
Commercial attractions, top admission \$3.60	500
The same, if over ten attractions per year	400
Political meetings	\$180 to 200
Basement	75
Wrestling and boxing	200

Plus 7% of the gate over \$1500 up to an additional \$300.

As to the usual commercial attractions, the rental charge includes eighteen ushers, two doormen, one stage hand, one set of tickets, light, heat and janitorial service. As for wrestling and boxing matches, this includes the setting up of the ring, cost \$75 to \$105.

There are other factors, cost, service and/or equipment involved, but the foregoing is a reasonably adequate indication of the schedule.