

(http://2013/12/convention_center_hotel_opponents_want_to_refer_public_backing_to_voters/OREGONLIVE/default/empty.gif/7a61335a436c4874746e6f4

25 comments

Oregon Convention Center hotel opponents want to refer public backing to voters



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A May 2013 rendering of a proposed Hyatt Regency hotel at the Oregon Convention Center. (Metro)

Print (http://impact.oregonlive.com/front-porch/print.html?entry=2013/12/convention_center_hotel_oppone.html)
(<http://connect.oregonlive.com/staff/njus-e/index.html>) By Elliot Njus | enjus@oregonian.com
(<http://connect.oregonlive.com/staff/njus-e/posts.html>)

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on December 19, 2013 at 12:13 PM, updated December 19, 2013 at 2:54 PM

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Opponents of a proposed publicly backed Hyatt hotel at the Oregon Convention Center said Thursday they intend to collect signatures to refer the deal to voters.

CONVENTION CENTER HOTEL

Oregon Convention Center hotel opponents want to refer public backing to voters
(http://www.oregonlive.com/front-porch/index.ssf/2013/12/convention_center_hotel_opponents_want_to_refer_public_backing_to_voters/)

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Convention center hotel: Portland City Council gives its OK, wants more reporting
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Convention center hotel: Poll from hotel opponents suggests little support for public backing
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Convention center hotel: Portland City Council, Multnomah County to

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The project is being advanced by the Metro regional government, but the announcement came shortly after the Multnomah County commissioners on Thursday formalized the funding mechanism first laid out in an intergovernmental agreement in September. A tax on hotel stays -- which would be used to pay back bond debt for the proposed hotel -- is authorized under county code.

If the referendum makes the ballot, voters would have a choice to either keep or undo the tax changes that clear the way for the hotel.

The coalition of hoteliers opposing the public backing for the project says it will collect 11,000 signatures needed to refer the measure to the ballot. In June, the group -- calling itself the Coalition for Fair Budget Priorities -- released



About Elliot Njus
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polling **suggesting little public backing for the proposed subsidy** ([http://www.oregonlive.com/front-](http://www.oregonlive.com/front-porch/index.ssf/2013/09/convention_center_hotel_poll_f.html)

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"These convention center hotels are very high-risk propositions," said Sandeep Kaushik, a spokesman for the group. "The way the deal is structure, if the hotel is successful, this already highly profitable multinational corporation is going to make some money. And if it doesn't succeed, the taxpayers are going to be on the hook."

If the proposed Hyatt Regency failed to meet its projections, the the bond debt would be backfilled with hotel taxes collected at competing hotels. The opposing hoteliers are also concerned their rates could be undercut by the subsidized Hyatt.

In a written statement, Metro President Tom Hughes called the group a "small but well-funded" minority and defended his agency's record on promoting tourism, pointing to a 76.5 percent occupancy rate at downtown hotels this year at an average daily room rate of \$121.88.

Metro says a public subsidy is needed to secure a block of 500 hotel rooms and other amenities that could be marketed to out-of-town conventions. That, the regional government says, would bring more large events to Portland, bringing in tourism dollars and filling more hotel rooms overall.

"The hotel project is a jobs initiative," Hughes said. "Beyond the project itself, many local jobs will be created and sustained by the new convention business that will come to town because of the hotel," Hughes said. "With the addition of 5 to 10 new national conventions meeting in Portland each year, the local economy will experience an infusion of \$120 million more each year in tourist spending."

Those numbers come from **a study commissioned by Metro** (http://www.oregonlive.com/front-porch/index.ssf/2012/12/metro_releases_market_impact_s.html) and conducted by consultancy Strategic Advisory Group, which recommended moving forward with the project. Opponents say the study paints too rosy a picture.

The proposed 600-room Hyatt Regency hotel would be built by a development team led by Mortenson Development of Minneapolis.

It would be built using \$18 million in state and local grants and loans. But the largest subsidy comes in the form of about \$60 million in revenue bonds to be paid off with lodging taxes paid by hotel guests.

Mortenson and its partners would put \$119.5 million toward the \$198 million project.

The petitioners have 90 days from Thursday to file a referendum petition with the county elections office and collect 11,294 signatures, 4 percent of the number of voters during the last presidential election. Depending on how much time is taken to collect signatures, the referendum could appear on either the May or September ballot.

-- Elliot Njus

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Refer the METRO leaders who came up with this brainchild back to the voters as well.

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I don't think tax payers should be funding anything that hurts existing Hotels. The new hotel should have to shutter some of it's rooms when no large conventions are in town in order to prevent an over supply of rooms in the city.

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They won't put it to a vote. Remember the OHSU tram? Remember the HUGH cost overruns and delays. Expect the same from this hotel. If they must have a new hotel, keep the government and tax dollars out of it. You can bet the investors of Hyatt and Mortenson would make sure they toe the fiscal line.

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If it's too risky a project for the wealthy, then it's too risky for taxpayers. The wealthy like to get richer gambling with other people's money.

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Getting the 11,000 signatures shouldn't take more than a week if properly organized. Metro will get this slammed back into their face. Expect 60% of voters rejecting the subsidy.

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Bring the petition over here. I will sign it. No more subsidies.

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If put to a vote this thing will go down in flames. I stopped signing initiative and referendum petitions long ago because of all the deception and lies, but I will be actively looking for this one. Metro may think Hyatt deserves public welfare and free money, but I'm willing to bet most metro area residents would think otherwise.

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There are no consequences of long-term failure of the project for the politicians and 'customer-friendly' real estate development professionals at Metro. 1 in 4 kids locally goes to bed hungry each night - direct the \$60 million to local hunger relief and offer free or cheap transit passes to conventioners. Hyatt does not need the money.

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We shouldn't be surprised when every legal and administrative roadblock is thrown up to prevent a public referendum on this. And certainly big bucks will be spent by our local governments (under the guise of information) to convince the low-info voters that this is all for their own good - and the kids of course. We've seen it all before and the only real mystery is when will Patricia McCaig make her entrance onto the stage.

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Convention center hotels are losers and have to be subsidized, so they don't go broke. The problem is, once the convention is over, the hotels rooms empty out and the vacancy rate sores.

It does not make sense to subsidize the convention center and the convention center hotel, the coliseum, the performing arts centers, soccer stadiums, etc. and so on.

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You mean soars here, but sores as a verb ain't bad either.

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Yes you are correct, but it does hurt when the motel empties out.

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Finally! Hilton is a billion dollar, global company. They don't need taxpayer money to build a hotel (it's kind of their whole job). What happened to taking out a private loan, like every other business in this country? Put it to the voters, no way they support this waste of money for a billion dollar company.

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"What happened to taking out a private loan, like every other business in this country?"

That's just not the way it's done in these parts. For our local pols it's just another example of telling the voter that you "...sure have a pretty mouth".

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@ian: might help if you identify the right hotel being discussed here. It's Hyatt, not Hilton.

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Tom Hughes is looking to keep Metro a viable entity, as well as to prop up himself up in the local political circles. Everything said about this project from blowhard should be taken with a grain of salt.

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...as in grains of salt in taxpayer wounds?

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Careful! Don't want to get between Penny Pritzker and a greenback dollar! Obama might be unhappy with his darling favorite billionaires not getting the grease as planned.

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Nomad...

Dont draw attention to the connection to Our Dear Leader. Next thing you know, the IRS will be auditing you.

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I guess I have a hard time understanding why the City (& it's not just Portland) foots the bill for these huge stadiums and Convention Center hotels. Hyatt is quite capable of building their own hotel with their own money. The sports teams are also quite capable of paying for their own stadiums, so pay your overly paid players a bit less and build your own stadium. Why do the tax payers have to pick up that tab? Help me understand. I'm so totally against using taxpayers money for this stuff. That's almost as bad as the misappropriation of funds that the Water Dept does to pay for bike-lanes.... and why should that happen? It can't be legal.

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Specifically regarding Convention Centers, the thought is the significantly larger multi-day conventions that won't pick a location without a headquarter hotel right next to the convention center (with a large block of rooms principally for the convention organizers) will boost the local economy through tourism. The goal is not to make money off the hotel or through the convention itself, but through the tourism that will result as a side effect. The larger and longer lasting the convention the more likely the attendees (or at least a greater percentage) will be coming from out of town, spending their out of town money here.

Still not sure if I support the idea but I believe that is the rational.

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The Economy is recovering so rapidly that Big Convention business is exploding !! (Not. The trend is the other direction, actually.)

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Yeah, I'm not arguing the case. I just think folks confuse the issues too often with comments like "if it will make so much money then why hasn't it happened on its own?" Possibly because the concept is not for the hotel to rake in profits but for the local economy as a whole to benefit from the increase in size and number of conventions. That's my understanding of the concept...not saying in reality it WOULD benefit the local economy enough to justify the public investment but it very seldom seems like that aspect of the project is brought up.

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