



Convention center hotel Portland City Council, Multnomah County to take financing plan

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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=/2013/09/convention_center_hotel_portla.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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The financing plan for a publicly backed hotel intended to draw more business to the Oregon Convention Center is headed to the Portland City Council and the Multnomah County Commission this week, and both bodies appear ready to give their OK.

Neither gets an up-or-down vote on the \$198 million project spearheaded by **Metro** (<http://www.oregonmetro.gov/>), the regional government that operates the convention center. But they do have to approve the usage of a local lodging tax that would be used to pay off \$60 million in bonds issued by Metro that would help finance the Hyatt-flagged hotel.

That would be in addition to \$18 million in state and local grants and loans already approved to support the project.

The lodging tax agreement between the city, county and Metro needs updating anyway -- for example, it sets aside money for TriMet's Fareless Square, which **disappeared in 2012**

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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>)

Convention center hotel: Multnomah County approves financing plan (<http://www.oregonlive.com/front-porch/index.ssf/2013/09/convention>)

Convention center hotel: Portland City Council gives its OK, wants more reporting (<http://www.oregonlive.com/front-porch/index.ssf/2013/09/convention>)

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(http://www.oregonlive.com/news/index.ssf/2010/01/starting_today_fareless_square.html).

But in addition to the new fund to pay off hotel bonds, it would also creates new revenue streams for the city and the county. The city would receive \$500,000 a year (plus inflation) from the lodging taxes for Rose Quarter facilities and tourism support, and the county would receive a tourism fund that starts at \$500,000 a year and rises to \$1 million a year by 2021.

Portland Mayor Charlie Hales said Tuesday there is "growing ... but not necessarily unanimous support" on the City Council for the project, which will have a first reading of the agreement this Wednesday but won't vote until at least next Wednesday.

"My understanding is that the risk to the city is well-contained and pretty small," Hales said. "Metro is taking a bigger risk, and it's their project. That's how it should be."

And Nick Christensen, a reporter employed by Metro to cover the agency, reported last week that Multnomah County Commissioner Loretta Smith **said a majority of the county board was ready to approve the lodging tax plan** (<http://news.oregonmetro.gov/1/post.cfm/hyatt-portland-county-poised-approve-091113>). It is set to vote on Thursday.

Both the city and county are also considering a non-binding memorandum of understanding that might seek to address specific concerns raised by members of the elected bodies.

A draft (http://media.oregonlive.com/front-porch/other/RESOLUTION_VFIGA_-_MOU.pdf) posted on the Multnomah County website says that the governments are "committed to achieving" a development fee not to exceed 6 percent of the project cost and an appraisal of the land cost for the project to make sure StarTerra LLC, a development partner in the project who owns the land where the hotel is planned, isn't overpaid.

Hales said that Metro is "taking our concerns seriously," but that it seems unlikely the project financing plan would be drastically changed from **the terms Metro approved in August** (http://www.oregonlive.com/front-porch/index.ssf/2013/08/convention_center_hotel_metro_3.html).

"They've done a lot of due diligence," Hales said. "I think everybody is ready to call the question."

Paige Richardson, a spokeswoman for a coalition of local hotel owners who oppose the project, said the group is going to wait and see how the city and county vote, then continue to push Metro to "make a better deal."

But failing that, the group is considering referring the financing plan to voters.

"Metro has divorced Hyatt and the developers from any responsibility on the \$60 million bond," Richardson said. "If it is referred, then the whole deal stops until the voters decide if this is a smart use of their money."

Meanwhile, the **Oregon Restaurant and Lodging Association** (<http://www.oregonrla.org/>) on Tuesday asked the City Council in a **letter** (<http://media.oregonlive.com/front-porch/other/Convention%20Center%20Hotel%20Project%20-%20Letter%20to%20Mayor%20Hales%20from%20Bill%20Perry,%20ORLA%209->

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17-10.pdf) to include a mechanism to that will keep hotel rates from falling at competing hotels, and to prevent lodging taxes collected at competing hotels to be used to cover the Hyatt bond debt.

In addition, Bill Perry, the group's vice president for government affairs, said Metro's estimate of 600-700 employees at the hotel is "completely unrealistic." (Metro's most recent fact sheet says the hotel would create 950 permanent hotel and hospitality jobs in the region, but not necessarily at the Hyatt.)

He says major hotels try to employ one person for every two rooms, or less. That means the Hyatt would employ fewer than 300 people.

"I do not believe that this proposal has been presented to the public in an honest fashion," he wrote.

Hales said he'd like to see a rate floor that would prevent the Hyatt from lowering the cost of a nightly stay beyond a certain level -- as the competing hoteliers have asked -- but that such a mechanism was likely logistically unfeasible.

The 600-room hotel would be built by a development team led by Mortenson Development of Minneapolis. Metro says a public subsidy is needed to secure a block of 500 hotel rooms that could be marketed to out-of-town conventions.


The Portland City Council takes up the issue at 2 p.m. Wednesday at Portland City Hall, **1221 S.W. Fourth Ave**

(<https://www.google.com/maps/preview#!q=1221+SW+4th+Ave%2C+Portland%2C+OR+97204&data=!1m4!1m3!1d3058!2d-122.6786639!3d45.5149009!4m11!1m10!4m8!1m3!1d178838!2d-122.654422!3d45.5434085!3m2!1i1024!2i768!4f13.1!17b1>).

The Multnomah County commissioners meet at 9:30 a.m. Thursday at the Multnomah Building, **501 S.E. Hawthorne Blvd. in Portland**

(<https://www.google.com/maps/preview#!q=501+SE+Hawthorne+Blvd%2C+Portland%2C+OR+97214&data=!1m4!1m3!1d3058!2d-122.6604404!3d45.5122974!4m11!1m10!4m8!1m3!1d178838!2d-122.654422!3d45.5434085!3m2!1i1024!2i768!4f13.1!17b1>).

-- Elliot Njus



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Houston financed a downtown hotel for their convention center and it was a great success.

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No Taxpayer \$\$ to finance this biased fiasco! Like the CRC, the public does not want it, only developers and construction folks, or should I say Jerks! Maybe with Gov. Nike, Nike could use it's tax breaks to build it.

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Hales' comment about risk and the city v. Metro rings pretty hollow. There is NO risk to the city and Metro. The risk is to the taxpayer, just like it always is.

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Walt Nichols (<http://connect.oregonlive.com/user/wnichols/index.html>)

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My main objection to this project, here we go again creating jobs for many people that are not going to be making a living wage. (County, City and Metro government's.) Add to the contract to be forever, all labor on the site has to be paid \$5.00 per hour above the states general labor minimum wage. Then and only then should it be supported.

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steavis (<http://connect.oregonlive.com/user/steavis/index.html>)

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"And Nick Christensen, a reporter employed by Metro to cover the agency"

You must be kidding me. He's a PR flack in the mold of Winston Smith (1984.)

"I do not believe that this proposal has been presented to the public in an honest fashion,"

Upvote for understatement of the year. Of course, the above applies to all of these govt proclamations.

""growing ... but not necessarily unanimous support""

Upvote for Charlie for one verrrrrrrrrrrrrry small grain of truth "not necessarily unanimous". It's pretty simple, FOR votes = govt employees, NAY votes = those who are going to keep paying for this thing (the taxpayers.

I and everybody is still waiting for the ONE, 1, uno, eine example of somewhere in the

USA where a CC hotel has NOT ended in tears for the taxpayers.

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Nomad888 (<http://connect.oregonlive.com/user/Nomad888/index.html>)
3 months ago (http://oregonlive.com/front-porch/index.ssf/2013/09/convention_center_hotel_portla.html/post/2013-09-17/1379460552-177-405.html)

This is Porkland "progressive" government--fat giveaways of tax money to the Hyatt empire?

And Hyatt slips off the hook as Hale and the rest of the con artists pony up taxpayer money that could be helping schools?

What about the kids?

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Did you not pass simple economics? Kids don't bring in conventions. Kids don't bring in tourists. Kids don't support local restaurants. Kids don't bring in tax dollars. In fact, kids do just the opposite. You can throw lots on money at kids and there's not a lot to show for it in return. That's the reality of it. I'm not trying to diss kids but you're naive to think that money that could make its way into economic development could somehow be redirected to kids.

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It is not fiscally smart for the city . People don't want to come to Portland in the winter for a convention. And our summer time occupancy rates are great . If someone decided tomorrow to spend \$250 million buying land and building a hotel that's there prerogative. If stupid money wants to build, more power to them, but when you introduce a subsidy into the conversation, that raises our debt.

They are putting every man ,woman and child on the hook for more than 300 dollars each.
And the true number of people who are actual tax payers ...you get the picture.

Columbus Ohios new convention center has raised there occupancy rate , not even by a full one percent.

Hyatt Regency Dearborn hotel owner defaults on loan
<http://www.crainsdetroit.com/article/20090818/FREE...>
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http://www.jaxdailyrecord.com/showstory.php?Story_...
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With no other bidders emerging at a foreclosure auction Wednesday, the Hyatt Regency Jacksonville Riverfront Hotel will be officially turned over to its lenders in the coming days. However, the general manager of the 963-room Downtown hotel said the ...

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