

MAKING A GREAT PLACE



Convention Center Hotel PROJECT FACT SHEET



Why do conventions matter?

In addition to supporting local jobs, the convention business means big bucks for local businesses as visitors lodge, dine, shop and recreate throughout the state.

National convention attendees spend \$333/day.

In FY 2014, convention attendee spending totaled \$516.6 million in the Portland metropolitan region.

Learn more:

www.oregonmetro.gov/hotel

Metro and its partners at the City of Portland, Multnomah County and Portland Development Commission are working together to create jobs, boost the region's tourism economy and leverage private investment in our community through the Oregon Convention Center (OCC) hotel project.

In summer 2014, Metro entered into a development and finance agreement with Mortensen Development to design and build a LEED-certified 600-room Hyatt Regency Hotel directly adjacent to the OCC to serve national convention clients, exhibitors, sponsors and planners.

According to independent analysis, the hotel will achieve these project goals:

- Create 3,000 jobs (2,000 construction and 950 hotel & hospitality)
- Attract 5 to 10 new mid-sized conventions to Portland each year
- Boost annual hotel business by 70,000 to 110,000 new room nights
- Increase convention-related tourism spending to \$600 million per year
- Generate \$5.6 million in new state tax revenues and \$4.7 million in new local tax revenues annually

Hotel construction and operations will follow local requirements to ensure firms employing and/or owned and operated by women and minorities are put to work. A labor peace agreement was signed between Hyatt and the union representing workers.

Construction is planned to begin in winter 2015 and be complete in early 2018.

Sustaining and creating good jobs

Each year, the OCC supports roughly 5,000 jobs, translating to nearly \$200 million in personal earnings.

A new convention center hotel is expected to create 2,000 union construction jobs and 950 permanent hotel and hospitality jobs in the metropolitan region.

In October 2012, a labor peace agreement was signed between Hyatt and the national union representing hotel workers, UNITE HERE. With this agreement, Hyatt has pledged to allow union discussions and organizing to occur, should employees be inclined to do so.

Oregon Convention Center Hotel

Estimated project costs and partner investments

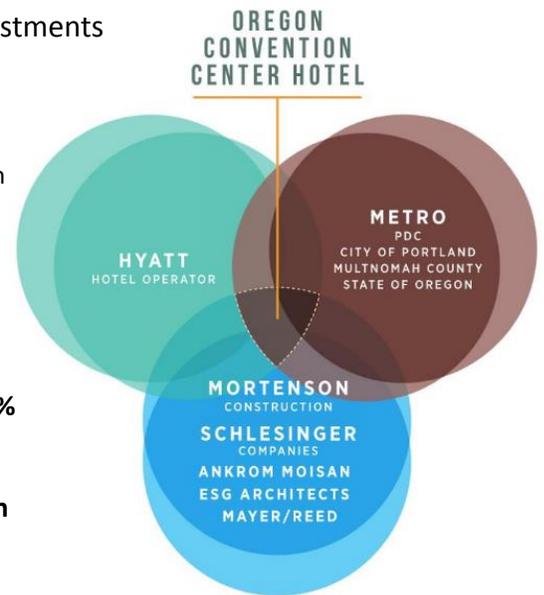
Private investment – approximately 60%
Hyatt/Mortenson Development ~\$134 million

Public investment – approximately 10%
Metro (OCC reserves) \$4 million
PDC loan (OCC URA) \$4 million
Lottery funds \$10 million

Construction financing – approximately 30%
Metro revenue bond* \$60 million

Total project cost: \$212 million

*Bonds will be repaid by visitors staying at the OCC hotel.



Convention Center Performance & Economic Forecast

Since opening in 1990, the OCC has generated \$4.7 billion in regional economic impact as a result of its business, measured by direct tourist and indirect business spending in the tri-county metropolitan area.

The convention business is a mature industry (50+ years) that fluctuates with the US economy. The industry began its recovery in 2011 and is expected to reach pre-Great Recession levels this year.

National convention attendees spend an average of \$333 per day during their stay – in hotels, restaurants, retail shops and other local businesses.

Portland loses mid-sized national conventions to other cities with convention center hotels. In the fall of 2014, 8 major conventions bypassed the OCC for this reason, costing our economy \$85 million. The impact to the Portland area's hotel industry is over 106,000 lost room nights during the booking period.

Portland ranks as a highly attractive convention and travel destination. A survey of national meeting planners found that they were 79% more likely to bring their convention to Portland and book the OCC with an adjacent convention center hotel.

A convention center hotel is expected to boost the OCC's business significantly, attracting 5-10 new conventions each year and increasing the facility's annual economic impact by \$120 million. State and local tax revenues are expected to increase by \$11 million. Over 32 years, the State of Oregon is expected to receive over \$180 million in transient lodging and income tax revenues.