

MAKING A GREAT PLACE



Hyatt Regency Portland at the Oregon Convention Center

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.

Attendees at National conventions spend an estimated \$333/day while staying in town.

In FY 2015, convention attendee spending totaled more than \$538 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 Hyatt Regency Portland hotel project.

In 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 Oregon Convention Center (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 early 2017 and be completed by mid 2019.

Sustaining and creating good jobs

In FY 2015, the OCC supported 5,240 local jobs, translating to more than \$230 million in personal earnings.

The Hyatt Regency Portland is expected to create 2,000 union construction jobs and 950 permanent hotel and hospitality jobs in the metropolitan region.

In 2012, a labor peace agreement was signed between Hyatt Hotels 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.

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Estimated project costs and partner investments

Due to delays, the project cost increased from \$212 million to \$240 million. Mortenson Development and Hyatt Hotels have agreed to fully absorb this increase.

Private investment – approximately <70%

Hyatt/Mortenson Development ~\$165 million

Public investment – approximately <6%

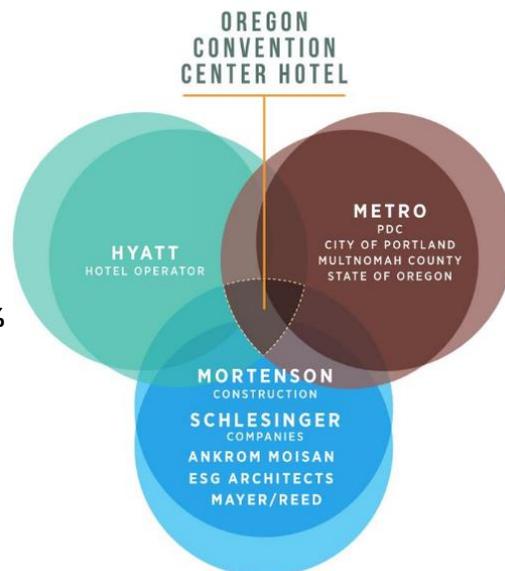
Metro (OCC reserves) \$4 million
Lottery funds \$10 million

Construction financing – approximately ~25%

Metro revenue bond* \$60 million

Total project cost: \$240 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 an estimated \$5 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, locally, transient lodging tax collections are at an all-time high for a second year in a row. Future years are projected to remain strong as well.

Despite the strength of the Portland tourism market, the city continues to lose mid-sized national conventions to other cities with convention center hotels. According to Travel Portland, 16 major conventions bypassed the OCC for this reason last summer, totaling a loss of \$39 million in visitor spending for the region. The impact to the Portland area's hotel industry is over 68,000 lost room nights during the booking period.

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.

The Hyatt Regency Portland at the Convention Center 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, which helps fund tourism marketing and promotion across the state.