

MINUTES OF THE COUNCIL CONVENTION AND VISITOR FACILITIES
COMMITTEE OF THE METROPOLITAN SERVICE DISTRICT

January 23, 1990
Regular Meeting

Committee Members Present: David Knowles (Chair), Roger Buchanan (Vice Chair), Gary Hansen, Ruth McFarland and George Van Bergen

Committee Members Absent: None.

Chair David Knowles called the meeting to order at 4:00 p.m.

1. Convention Center Construction Update

Mr. Glenn Taylor, Metro Construction Coordinator distributed and summarized Construction Status Report No. 30 dated January 19, 1990. He said that work in place was 79 percent complete and billing approximately 82 percent complete including materials stored on- and off-site. He said that glazing work and interior work including painting and installation of lighting and plumbing work was progressing on schedule. Mr. Taylor said that the contractor still showed the project eight days behind schedule, however, it was Metro's contention that it was the contractors responsibility to make up the time. Mr. Taylor said that there were no new problems that the Committee should be aware. Councilor Buchanan asked if there had been any new problems regarding obtaining permits. Mr. Taylor said there had not been.

2. Update from Portland Development Commission and Portland, Oregon Visitors Association on Headquarters Hotel and Issue of Room Pricing and Competitiveness

Mr. Chris Kopca and Les Prentice of the Portland Development Commission and Ms. Jan Schaeffer from the Portland/Oregon Visitors Association (P/OVA) made the presentation. Ms. Schaeffer said that the Veterans of Foreign Wars had planned to hold their 1993 convention at the Oregon Convention Center, but had subsequently decided not to convene in Portland due to hotel room rates and the rooms being scattered between 27 different hotels. Ms. Schaeffer reported that a replacement super computing convention had been booked for November 11-21, 1993. She said that 2,200 delegates were expected, and approximately \$1 million was expected to be generated.

Chris Kopca distributed a report titled "Headquarters Hotel Advisory Committee Report to the Portland Development Commission as adopted on January 16, 1990." Mr. Kopca said that the report had concluded that a headquarters hotel would put Portland in a more competitive position for convention business and could increase convention business by 50 percent. He said that such a hotel would need to have approximately 500 committable rooms; and

in order to have 500 committable rooms, the hotel would need to have a total of 700-800 rooms in addition to meeting space and ballrooms.

Mr. Les Prentice said that the public would receive a greater return on the public's investment in the Convention Center if a headquarters hotel were built. He said that a headquarters hotel would attract a convention market that the Center would not be able to efficiently satisfy without the hotel. Mr. Prentice said the Headquarters Hotel Advisory Committee had looked at issues of timing, financing and location. He also said that the Advisory Committee had discussed expanding existing facilities as well as building a new one. Mr. Prentice said that The Red Lion Inns and Hotel Corporation and Holladay Investors had both suggested development projects. The Red Lion proposal was to expand its Lloyd Center facility to serve in the interim until a headquarters hotel was constructed. The Holladay Investors proposal would be a phased, new development, and did not include a ballroom in the first phase.

Mr. Prentice said that the PDC had employed a consultant to evaluate site opportunities and as a result of that analysis, the Advisory Committee favored a four-block site north of the Convention Center for the headquarters hotel. Councilor Buchanan asked if other sites not in the direct vicinity of the Convention Center had been considered. Mr. Kopca said that the Committee had recommended the headquarters hotel be located within a close vicinity of the Center, although it was not anticipated that all of the conventioners would stay at the headquarters hotel.

In response to questions Councilor Van Bergen raised regarding limited improvement districts (LID) and urban renewal districts Mr. Kopca said that under an urban renewal district, authority could be granted to issue bonds against the appreciated assessed tax value of property. Councilor Van Bergen asked what impact an urban renewal district would have on the Convention Center's tax liability. Mr. Kopca said that he thought the Convention Center was a non-taxed property, and therefore, the urban renewal district would have no effect on the Convention Center property tax. Councilor Knowles said that there had been discussion among property owners in the area to form an LID where the improvement district would levy a tax upon itself to be used strictly within that district. Councilor Van Bergen noted that an LID was for a specific period of time; renewable for a specific period of time and for the benefit of a specific group of people. He cautioned that an LID would not be a regional financing strategy.

Councilor Hansen said that he would like to more clearly understand long-range plans for Memorial Coliseum and what effect that would have on the headquarters hotel since the Coliseum was

a strategic piece of property between the Convention Center and proposed site for the headquarters hotel. Councilor Van Bergen also inquired whether there was an appeal process regarding the issuance of urban renewal bonds. Mr. Kopca said that formation of such a district would require a comprehensive plan amendment which could be appealed to the Land Use Board of Appeals.

3. Convention Center Grand Opening Update

Metro Exposition-Recreation Commission member Barbara Klein introduced Mindy Leek of Northwest Strategies, the Grand Opening Celebration Project Manager. Ms. Klein said that preliminary plans emphasized that the celebration should be for all people and a marketing tool for the Convention Center. She said that opening events would include a trade show, opening day breakfast and gala dinner celebration, and that the events would take place September 20-22, 1990. She also said that other ideas included a special art presentation and media preview. She noted that all activities would be self-funding, and no hotel/motel tax revenues would be used.

There was no other business, and the meeting was adjourned at 5:35 p.m.

Respectfully submitted,



Gwen Ware-Barrett
Clerk of the Council

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