



November 29, 2006

David Bragdon
Metro Council President
600 SE Grand Ave.
Portland, OR 97232

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Dear Mr. Bragdon,

The Portland Development Commission (PDC) has been reviewing options surrounding the development of a headquarters hotel adjacent to the Oregon Convention Center (OCC). The current proposal on the table is a publicly owned 600 room hotel. While PDC had reviewed smaller hotel options, as well as options for private ownership, they are nearing a conclusion that suggests a publicly owned hotel is the only realistic option. Undoubtedly, a headquarters hotel is an important addition to marketing OCC to some market segments. However, the idea of public ownership concerns many in the lodging industry. It is clear that Metropolitan Exposition Recreation Commission (MERC) and METRO are considering being the public entity that may own the hotel if one is to be developed.

Members of the lodging industry have remained open to reviewing any and all pro forma documents for a 600 room publicly owned hotel. Over the past several weeks members have met with staff of PDC, MERC, METRO and the Oregon Convention Center. Additionally, several members of Tri-County Lodging Association (TCLA) have participated on PDC's Headquarters Hotel Technical Advisory Committee (TAC). It is critical that careful review of the various studies be done by local hospitality industry professionals. They are keenly aware of local market conditions (i.e. average daily rates, occupancy and more).

It is imperative that the city—and region for that matter—proceed cautiously when considering a publicly owned hotel. Tri-County Lodging Association has gone on record stating that the Association would support a 400 room hotel with minimal public subsidy. While TCLA's long-standing position is different from current proposals set forth, members of TCLA will continue to review any and all options relating to a headquarters hotel.

If there is any additional information we can provide, please do not hesitate in contacting us.

Respectfully,

A handwritten signature in black ink, appearing to read 'J Gregg Mindt', is written over the word 'Respectfully'.

J Gregg Mindt
Executive Director

CC: Mayor of Portland, Portland City Commissioners, Metro Councilors, Multnomah County Commissioners