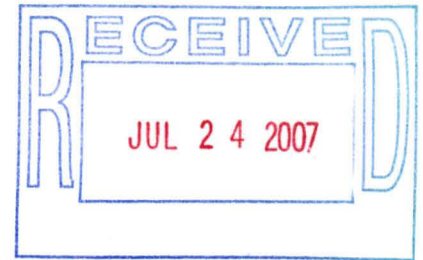




One original retained: TRIM Entry
One copy: Reed Wagner
Received under separate cover:
All Councilors



July 20, 2007

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

Dear David,

At a recent board meeting of the Tri-County Lodging Association (TCLA), we learned of the vacancy on the Metropolitan Exposition Recreation Commission (MERC) Board left by the recent resignation of George Forbes. As you know, George has been a long-time tourism industry veteran with ties to the lodging industry. A lodging representative on the MERC Board is viewed by TCLA as a high priority. It is our desire to see another lodging representative nominated and appointed to the MERC Board.

Continued representation on the MERC Board is essential. The lodging industry is sensitive to the issues faced by MERC and their facilities such as the Oregon Convention Center (OCC) and Portland Center for the Performing Arts. It is critical that someone truly understands the important connection between MERC's facilities and the lodging industry, particularly with many of the important operational and funding issues now faced by OCC.

The entire board of directors of TCLA looks forward to working with you as the Metro Council moves forward to approve nominations to the MERC Board.

Sincerely,

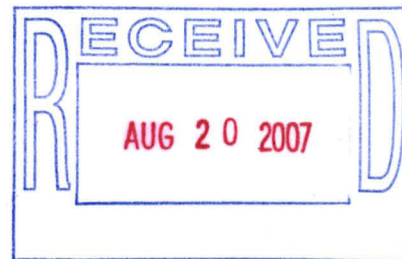
J. Gregg Mindt
Executive Director

CC: Metro Councilors
Multnomah County Chair Ted Wheeler
TCLA Board of Directors



August 16, 2007

President David Bragdon
Metro Council
600 NE Grand Ave.
Portland, OR 97232-2736



Subject: Headquarters Hotel Position Statement

Dear President Bragdon,

The members and board of directors of Tri-County Lodging Association (TCLA) are acutely aware of the issues surrounding the development of a headquarters hotel and Metro's role in the review of any and all development proposals. TCLA is supportive of the process and appreciative of the steps that Metro staff and councilors are taking to determine the viability and feasibility of a headquarters hotel.

Tri-County Lodging Association understands the long-term benefit that a headquarters hotel may have on the OCC and the regional economy. However, TCLA members have significant concerns to address before offering support of public ownership of a headquarters hotel. The concerns and desires of TCLA are as follows:

- No new, or increase in, transient occupancy taxes on area hotels should be considered as a backstop for funding operational gaps.
- The lodging industry is a long time advocate of the OCC, having supported the use of lodging taxes for the original construction and subsequent expansion. TCLA would like to see the OCC viewed and embraced by city leaders as an important economic driver for the city and entire region. It is evident that a 600-room headquarters hotel will have an impact on Portland's hotel market. This being the case, TCLA encourages the city and county to consider the use of additional dollars from existing transient lodging taxes to support Portland Oregon Visitors Association's (POVA) ability to market Portland and the OCC.
- An improved Business District surrounding the OCC is a necessary and vital component to the success of OCC. A headquarters hotel alone cannot be the only catalyst for improving the area's vibrancy. The Lloyd District Master Plan must be part of the discussion.
- A portion of the transient occupancy taxes from the headquarters hotel should be directed to support POVA in their marketing efforts of the region. Additionally, a portion of transient occupancy taxes should be directed to the Visitor Development Fund (VDF). These tax allocations should be consistent with those being paid by other hotels in Portland and should be outlined in any financial pro forma.
- A marketing plan should be developed and implemented as soon as possible in order to ensure success of the OCC as well as the headquarters hotel. This plan should include a revenue source that does not draw from existing allocations to POVA or the VDF.

Tri-County Lodging Association will continue to assist Metro in their necessary due diligence to determine the viability of such a project and looks forward to reviewing financial models forthcoming.

On behalf of the board of directors of TCLA, please let me know if I can answer any questions or provide further information. We look forward to working with all stakeholders over the next several weeks on this very important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregg Mindt", with a stylized flourish at the end.

Gregg Mindt
Executive Director
Tri-County Lodging Association

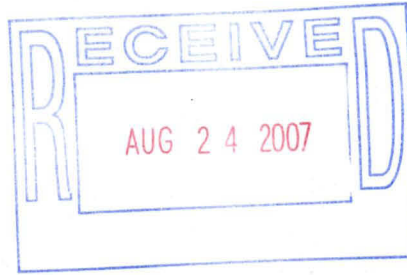
CC: Metro Councilors
Mayor Tom Potter
Portland City Commissioners
Multnomah County Commissioners
Clackamas County Commissioners
MERC Commissioners
Portland Oregon Visitors Association
Tri-County Lodging Association members

PORTLAND ARENA MANAGEMENT LLC

One Center Court, Suite 200, Portland, Oregon 97227
Telephone: 503.797.9737

August 23, 2007

Rod Park
Metro Councilor
600 NE Grand Ave.
Portland, OR 97232



Dear Councilor Park,

I am writing in support of the headquarters hotel. The number one reason Portland loses prospective conventions is because of the lack of a headquarters hotel. The addition of a headquarters hotel would bring with it a strong regional economic development, new jobs, a national competitive advantage, and many long-term benefits for both the headquarters hotel as well as the existing surrounding hotels.

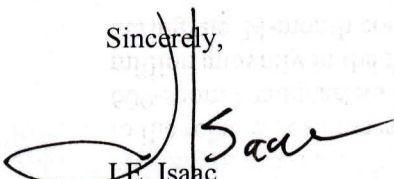
With the addition of a headquarters hotel comes strong regional economic development and creates many new jobs. HVS International estimates that a 600-room hotel would generate 8 additional conventions creating demand for 60,000 room nights annually. This additional business brings \$54.5 million annually to the related businesses, compared to a regional economic loss of \$40.8 million annually without the 600-room headquarters hotel. The 600-room hotel creates 820 new jobs and employee earnings of \$25.3 million annually in the first stabilized year (2014). The project also creates an additional 2,100 jobs during the 24-month construction period.

If planners don't find the hotel package they need for their convention, they have no problem taking their business elsewhere. Conventions serve as a gateway to Portland for subsequent business opportunities and tourism. A major hotel adjacent to the convention center would attract those new associations and groups that weren't interested in our area before. These national group delegates that would now be coming to Portland for conventions spend about \$300 per day throughout the community. A headquarters hotel would allow Portland to compete for 2,000-2,500 room night conventions. With a three-day convention that has 2,500 room nights with delegates spending \$300 a day, that amounts to over \$2 million in spending on the streets of Portland in just a few days.

As well as the benefits this hotel will have on the surrounding Portland area and businesses, it will also have a positive impact on the area hotels. Although, KPMG estimates a 2-3% drop in hotel nights at existing hotels initially, once the market is stabilized, these hotels can expect to benefit from this headquarters hotel. If a 2,500-room convention comes to Portland, almost 2000 local hotel rooms will be needed outside the headquarters hotel.

This headquarters hotel would be a great addition to the city and bring in many new events and conventions that we wouldn't be able to attract otherwise. I strongly recommend this addition to the city of Portland.

Sincerely,



J.E. Isaac
SVP, Business Affairs

September 10, 2007

Copy



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

Dear President Bragdon:

On behalf of the non-profit Oregon Sports Authority representing more than one hundred corporate members, we would like to encourage your support for the development of a Headquarters Hotel in Portland.

In our industry segment of sports tourism, a headquarters hotel in Portland is sorely needed. Many national and international sports bids, including the NBA All-Star Game, World Swimming Convention, International Sports Commissions, and many others do not consider hosting their event in Portland because they all require a headquarters hotel. The lost economic impact from this caliber of sports events and conventions exceed \$50 million.

A headquarters hotel with at least 600 rooms will give our region a competitive advantage against other regions when bidding for the larger sports events and sports conventions. Other hotels will benefit greatly from the overflow of these large sports conventions. Sports tourism is a progressively growing industry segment that our region cannot afford to lose.

Sports tourism in our region is directly related to the facilities we possess. There is no greater need at the present time than that of a headquarters hotel. It will create more than 800 jobs per year and allow our metropolitan region to become more nationally renowned as a sports tourism destination injecting millions of dollars each year into the regional economy. Your support will be most appreciated. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Drew Mahalic".

Drew Mahalic

CEO

Oregon Sports Authority



cc: Rod Park, Rex Burkholder, Robert Liberty, Brian Newman,
Kathryn Harrington, Carl Hosticka

oregonsports.org

Lloyd Executive Partnership

Larry Becker
Liberty Northwest

Dan J. Field
Kaiser Permanente

Steve Hickok
*Bonneville Power
Administration*

Scott Langley
Ashforth Pacific

J.E. Isaac
Portland Trail Blazers

Pat Egan
Pacific Power

September 10, 2007

David Bragdon, President
Metro
600 NE Grand Ave.
Portland, Oregon 97232

Dear President Bragdon:

The Lloyd Executive Partnership strongly supports a publicly-owned, privately-operated 600-room headquarters hotel for the Oregon Convention Center (OCC). The Lloyd Executive Partnership (LEP) was formed to provide a clear voice for the economic priorities of the Lloyd District property owners.

The OCC Hotel is one of three key priorities for the LEP, in addition to the eastside streetcar and the OCC Blocks Vision Plan. These three projects have the greatest catalytic potential for private and public job creation in the OCC Urban Renewal Area. The headquarters hotel alone will create as many as 820 jobs, with increased personal income of up to \$25.3 million, according to a 2007 report by KPMG. KPMG also estimates that the hotel brings an economic benefit of \$54.5 million *annually* to related businesses in the Tri-County area (Washington, Multnomah and Clackamas), and \$2 million in annual state and regional tax revenue.

Beyond its own public benefits, the hotel will maximize the existing public investment in the OCC. Portland Oregon Visitors Association (POVA) records show that the OCC lost 52 conventions just during 2006. In fact, since 1999 a total of 371 groups that represented future convention bookings were lost due to the lack of the HQ hotel/hotel issues. Without a 600-room hotel, KPMG estimates the regional economic loss at \$40.8 million annually, with lost tax revenue of \$1.9 million due to the erosion of existing convention business, estimated to be six conventions annually.

In addition to the headquarters hotel being an LEP priority, it has been a part of every strategic and vision plan for the Lloyd District and the Convention Center, beginning with the City of Portland's original Oregon Convention Center (OCC) Urban Renewal Area Plan (1989). The hotel is also a priority in the *Lloyd District 10-Year Development Strategy* (PDC, 2001) and the *Development Vision for the Oregon Convention Center Blocks* (PDC/Planning Bureau 2006).

700 NE Multnomah, Suite 340
Portland, Oregon 97232



Bragdon Letter
Page Two

In fact, the commitment to a Convention Center Hotel has been in place for 20 years. Now it is time to make that priority a reality and we hope that Metro will vote to make that happen.

The LEP is eager to work with you to make a publicly-owned, privately-operated headquarters hotel a success.

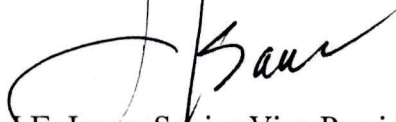
Sincerely,



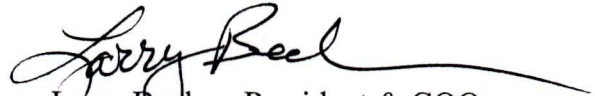
Scott Langley, President
Ashforth Pacific



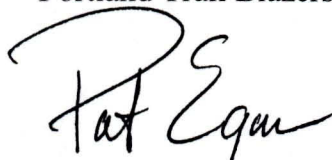
Steven Hickok, Deputy Administrator
Bonneville Power Administration



J.E. Isaac, Senior Vice President
Portland Trail Blazers



Larry Becker, President & COO
Liberty Northwest



Pat Egan, Vice President
Customer and Community Affairs
Pacific Power



Daniel J. Field, Interim Vice President
Strategy and Communication
Kaiser Permanente, Northwest Region

cc: Metro Council
Reed Wagner, Metro



PORTLAND BUSINESS ALLIANCE

Leading the way

September 11, 2007

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

Dear Council President Bragdon:

As Portland's regional chamber, the Portland Business Alliance works to support regional economic development and job creation. To that end, we urge your support of a Convention Center Hotel. The development of a headquarters hotel will maximize previous public investments in the Convention Center and have a positive effect on Portland's economy.

Due to a lack of a central headquarters hotel, the Portland area loses millions of dollars each year in private and public convention revenue to other cities across the nation. KPMG estimates that our region suffers an economic loss of \$40.8 million annually, with lost tax revenue of \$1.9 million. The lack of a headquarters hotel has been cited as the number one reason why Portland loses prospective conventions.

HVS International, which studies hotel market conditions, estimates that a new headquarters hotel could generate 8 additional conventions creating demand for 60,000 room nights annually. This demand would bring an economic benefit of \$54.5 million annually to related businesses in the metro-area, and \$2 million in annual state and regional tax revenue. The construction of the hotel alone would create an estimated \$224.6 million in spending and generate 2,100 jobs during the 24-month construction period.

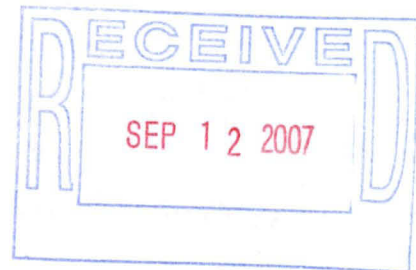
We urge Metro to press forward in its due diligence on this important project. The Alliance supports a convention center hotel, but must have more information on the public financing model under consideration including the underlying finances, how the debt service ratio will be covered if there is a financial gap in the project and how marketing of the convention center with a headquarters hotel will be funded to ensure new business is generated.

To ensure that Portland increases its competitiveness in bringing large conventions to our area, it is vital that our community works together to develop a headquarters hotel next to the Oregon Convention Center. We strongly urge Metro to review all of the benefits of the proposed hotel, as well as the costs to our local economy of failure to do so.

Thank you for the opportunity to comment.

Sincerely,

Sandra McDonough
President & CEO



Greater Portland's Chamber of Commerce
200 SW Market St., Suite 1770 • Portland, OR 97201
Phone 503.224.8684 Fax 503.323.9186
www.portlandalliance.com