March 20, 2007

City of Portland Planning Commission
1900 SW Fourth Avenue
Suite 4100
Portland, Oregon 97201

Subject: Sixteenth Amendment to the Oregon Convention Center Urban Renewal Plan

Dear Planning Commission Members:

During the Portland Development Commission (PDC) March 14 Commission Meeting, PDC’s Board unanimously approved the proposed Sixteenth Amendment to the Oregon Convention Center (OCC) Urban Renewal Plan. This decision subsequently requires the review of the Portland Planning Commission, followed by approval through ordinance from Portland City Council.

The ORS 457.085 (2)(j) states for a project which includes a public building, an explanation of how the building serves or benefits the urban renewal area is required. The proposed Sixteenth Amendment offers that explanation for a Headquarters (HQ) Hotel.

It is recognized a HQ Hotel, situated on the major intersection of NE Martin Luther King, Jr. Blvd. and NE Holladay, will serve as a catalyst for redevelopment surrounding the OCC. It will build upon the public infrastructure investment of light rail.

The convention business is a critical element of Portland’s economy. Convention delegates spend an average of more than $300 per day on accommodations, food and beverages, shopping, transportation, entertainment and other expenditures that support the local economy. In 2003, the OCC produced nearly $490 million in economic returns to the region and supported 7,700 jobs. This return could be greater with the additional convention business made possible by the HQ Hotel. According to ECONorthwest, with multiplier effects, the HQ Hotel could result in approximately:

- $104 million in estimated annual business sales;
- $ 41 million in estimated annual personal income;
- $ 3.8 million in annual tax revenue; and
- 1,500 estimated additional full-time jobs created
As part of PDC's public outreach, staff notified the HQ Hotel Technical Advisory Committee, multiple neighborhood, industrial and business associations, and the Northeast Coalition of Neighborhoods about the need for the amendment. The announcement contained:

- a description of the plan amendment;
- an explanation of the need for the amendment;
- an invitation to a February 13 Urban Renewal Advisory Committee (URAC) meeting;
- an invitation to PDC's March 14 Board meeting; and
- the tentatively scheduled March 27 Planning Commission meeting.

On February 13, the OCC URAC unanimously voted in support of the plan amendment.

PDC is hereby forwarding the Sixteenth Amendment, with supporting materials, to the Planning Commission for review. A City Council hearing on an ordinance approving the amendment is tentatively schedule for early May 2007.

Sincerely,

[Signature]
Mark Rosenbaum
PDC Chair

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