WHEREAS, the Portland Development Commission (“PDC”) is implementing the Oregon Convention Center Urban Renewal Plan, originally adopted May 18, 1989, by the Portland City Council by Ordinance No. 161925 (as subsequently amended, the “Plan”);

WHEREAS, Goal 1 of the Plan is to maximize the regional job potential of the Oregon Convention Center (“OCC”) through recruitment of a headquarters hotel in the vicinity of the OCC to capitalize on the convention center’s capacity;

WHEREAS, PDC is the owner of Block 26 and the southern half of Block 43 (the “PDC Block 26/43 Property”), which were acquired in 2001 and 1999, respectively, for development of a headquarters hotel;

WHEREAS, PDC is the owner of a 13,500 square foot parcel located at the northwest corner of NE Holladay Street and NE Martin Luther King, Jr. Boulevard (the “PDC Block 47 Property”) and has entered into a Memorandum of Understanding dated April 2, 2012, with StarTerra, LLC, for the potential disposition of the PDC Block 47 Property for the purposes of developing a Convention Center Hotel;

WHEREAS, Metro and its subsidiary, the Metropolitan Exposition and Recreation Commission (“MERC”), are responsible for a number of programs and facilities, including the OCC, and have partnered with Multnomah County, the City of Portland, and PDC to solicit competitive proposals for a privately-owned Convention Center Hotel (“CCH”) adjacent to the OCC;

WHEREAS, Metro has identified properties adjacent to the OCC that may be suitable for development of the CCH, including the PDC Block 26/43 Property and the PDC Block 47 Property;

WHEREAS, Metro, Multnomah County, the City of Portland, and PDC agreed to a Statement of Principles dated April 13, 2012, pledging support to proceed with a developer selection process to determine the feasibility of a privately-owned Convention Center Hotel;

WHEREAS, on April 30, 2012, the PDC Board endorsed Metro’s Request for Proposals (“RFP”) process for a CCH;
WHEREAS, on May 11, 2012, Metro issued the RFP and subsequently received two proposals, one from a team led by Mortenson Development and Hyatt Hotels ("Mortenson/Hyatt"), and one from a team led by Garfield Traub Development, LLC, Langley Investment Properties, and Starwood Hotels and Resorts ("Garfield Traub/Langley/Starwood"), for the development of a privately-owned Convention Center Hotel with public investment;

WHEREAS, an Evaluation Committee consisting of visitor industry stakeholders and representatives from Metro, PDC, Multnomah County, and the City of Portland evaluated the two proposals and recommended that Metro move forward with negotiations with the Mortenson/Hyatt development team;

WHEREAS, the Mortenson/Hyatt team proposed development options on both the PDC Block 26/43 Property and the PDC Block 47 Property, which the Evaluation Committee determined were worthy of further evaluation and consideration;

WHEREAS, the Mortenson/Hyatt team has agreed to pursue a written Labor Peace Assurance with the appropriate labor organization; and

WHEREAS, development of a CCH on either the PDC Block 26/43 Property or the PDC Block 47 Property could further implementation of the Plan.

NOW, THEREFORE, BE IT RESOLVED, that PDC approves the selection of the Mortenson/Hyatt proposal, submitted in response to the RFP, for development of a privately-owned CCH;

BE IT FURTHER RESOLVED, that the Executive Director is authorized to enter into direct negotiations with the Mortenson/Hyatt development team on a Disposition and Development Agreement (and other appropriate agreements) (the “DDA”) for disposition of the PDC Block 26/43 Property and/or the PDC Block 47 Property and provision of PDC financing, for development of a privately-owned CCH; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by Portland Development Commission on September 12, 2012

Gina Wiedrick, Recording Secretary
RESOLUTION NO. 6964

RESOLUTION TITLE:
APPROVING THE SELECTION OF THE MORTENSON/HYATT DEVELOPMENT TEAM AND AUTHORIZING NEGOTIATIONS WITH MORTENSON/HYATT ON POTENTIAL DISPOSITION OF REAL PROPERTY IN THE OREGON CONVENTION CENTER URBAN RENEWAL AREA FOR CONSTRUCTION OF A CONVENTION CENTER HOTEL

Adopted by the Portland Development Commission on September 12, 2012

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☑ Consent Agenda  ☑ Regular Agenda

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

Date:

September 13, 2012

Gina Wiedrick, Recording Secretary