

# Open to the public

## The Portland Hyatt Regency Convention Center was largely union-built

The hotel opened Dec. 19—on budget, and ahead of schedule

By Don McIntosh

Portland-area planners have been talking about a designated convention center hotel since 1990, when the Oregon Convention Center opened. On Dec. 19, 2019, it finally opened for business, about two months ahead of schedule.

Known as the Hyatt Regency Portland at the Oregon Convention Center, it's 14-stories tall and has 600 rooms, every one of them with a view. It's located directly across the street from the landmark twin glass spires of the convention center, and directly in front of the TriMet MAX Light Rail stop, and it has already booked several dozen upcoming conventions.

The hotel was built and financed by Mortenson, a Minneapolis-headquartered developer that has offices in Portland and 10 other cities. But the project, estimated at \$224 million when it began, likely wouldn't have penciled out without substantial public subsidy, including \$60 million in revenue bonds that will be repaid by hotel taxes at the new hotel; \$10 million in economic development funds that came from Oregon Lottery revenue; and \$4 million from the Metro regional government's visitor facilities reserve fund. All told, public subsidy accounted for about 30% of the development cost, while Mortenson's development arm put up about 70%.

Because of the public dollars, contractors on the project were required to pay the prevailing wage and benefits for each construction craft. That — and a *de facto* partnership between Mortenson and the Columbia-Pacific Building Trades Council — meant the hotel was built largely by union workers.

"As it was going through the process of design and construction and the political process, the unions were always there as our partners and supporters," says Mortenson operations director Mike Clifford. "And we reciprocated with having union contractors on the project for the majority of the scopes of work and the trades."

Clifford also said Mortenson was extremely impressed with



### PORTLAND HYATT REGENCY AT THE CONVENTION CENTER

- **Broke ground** July 14, 2017
- **Opened for business** Dec. 19, 2019
- **Construction cost** \$97,366,163
- **Construction work-hours** 751,927
- **Size** 14 stories, 440,000 square feet
- **Rooms** 600 guest rooms, each featuring city, river or mountain views, modern bathrooms and 65-inch TVs.
- **Event space** 39,000 square feet of meeting space, including up to 18 meeting rooms plus the 11,822 square foot ballroom which can accommodate up to 1,200 attendees.
- **Dining** Three food and beverage venues: Unity-Q, a restaurant with Asian, Latin and American variations on BBQ; Spoke & Fork, the lobby restaurant and bar, with a 55-foot granite bar and lounge area; and The Market, a 24-hour grab-and-go spot with café seating
- **Other amenities** a fully equipped fitness center, a Hyatt Regency club lounge
- **LEED certification** Gold

the commitment to safety and the quality and professionalism of the union workforce on the project.

The public subsidies also came with conditions to benefit the community, including commitments to employ women and minorities as workers and contractors, and give building trades apprentices opportunities to gain experience.

As tracked by Mortenson, 27.4% of the construction work overall was done by apprentices, exceeding the project tar-

get of 20%. Women did 7.5% of the work, more than on most construction jobs but just half the project goal of 15%. Workers of color did 28.1% of the work, coming close to the project goal of 30%.

In practice, the project was a test run of Metro's Construction Careers Pathways Project, which aims to give women and minorities greater opportunities for jobs on public construction projects. To that end, Mortenson contributed \$300,000 and Metro contributed \$150,000 to

fund local pre-apprenticeship training programs that get job-seekers ready for careers in the building trades.

As for contractors, the goal was to have 20% of the work go to those classified as Disadvantaged, Minority-Owned, Women-Owned, or Emerging Small Businesses. That included not just construction firms but security, waste disposal, and planning. In the end, Mortenson reported that those firms accounted for 28.5% of the \$97,366,163 total direct construction cost.

Another of the conditions of the public subsidy was that the new hotel block off 500 of the hotel's 600 rooms for convention groups. Metro has long seen a convention center hotel as a necessary ingredient to attract bigger conventions. Without it, the Convention Center itself has been losing money every year, though convention center visitors do contribute significantly to the local economy.

Finally, under a "labor peace agreement" signed by Hyatt and UNITE HERE Local 8 before the project began, hotel managers won't mount an anti-union campaign if and when the approximately 120 hotel workers seek to unionize.

On opening day Dec. 19, a day after Mortenson handed the keys over to Hyatt, Hyatt sold the hotel to Xenia Hotels and Resorts for \$190 million, \$317,000 per room. The fact that the sales price was less than the cost to develop the hotel seems to bolster the case that the project wouldn't have penciled out financially without public subsidy. Xenia is a real estate investment trust (REIT), a publicly traded holding company that invests in "luxury and upper upscale hotels and resorts," according to its press statement. Ten Hyatt-managed hotels make up about 30% of its holdings. A Metro spokesperson said the labor peace agreement continues in force regardless of who owns the hotel.

### TWO YEARS IN TWO MINUTES

Watch the Convention Center Hyatt Regency go up in a time-lapse construction video, courtesy of Mortenson Construction:  
[https://youtu.be/2eT34Bjx\\_zl](https://youtu.be/2eT34Bjx_zl)

## We built it!

Mortenson, the developer and general contractor, directly employs about 150 members of the Carpenters, LiUNA Local 737, and Cement Masons Local 555. On the Hyatt project, it also employed numerous union contractors and subcontractors, including:

- Advanced Technology Group (ATG)**  
Carpenters, IUPAT 10, LiUNA 737, UA 290
- Ambrose Glass** Glaziers 740
- Arctic Sheet Metal** SMART 16
- Arrow Roofing** Roofers 49
- Brundage Bone Concrete Pumping**  
Operating Engineers 701
- Carr Construction** (structural steel erection) Ironworkers 29
- Chick Of All Trades (COAT) Flagging**  
(traffic control) - LiUNA 737
- Cochran Inc.** IBEW 48
- DeWitt Construction** Carpenters (Pile drivers), LiUNA 737, Operating Engineers 701
- EC Electrical** IBEW 48
- Extreme Excavating** Carpenters, LiUNA 737, Operating Engineers 701
- Faison Construction** (concrete paving) Carpenters, LiUNA 737
- Floor Factors** Linoleum, Carpet & Soft Tile Applicators 1236
- Garner Construction** (tower crane, man hoist) Operating Engineers 701, LiUNA 737
- General Sheet Metal Works** (metal panels, flashing) SMART 16
- Gibson Door & Millwork** (doors) Carpenters
- Insulation Contractors** Carpenters
- ISEC** Carpenters
- J&S Masonry** Bricklayers Local 1 - Oregon; LiUNA 737
- JH Kelly** Carpenters, IBEW 48, UA 290
- LaRusso Concrete** Carpenters, Cement Masons 555
- Long Painting** IUPAT 10
- McClone Construction** (structural concrete and concrete form work) Carpenters, LiUNA 737, Cement Masons
- McDonald & Wetle** Roofers 49
- Milne Masonry** Bricklayers 1, LiUNA 737
- Mission Glass** Glaziers 740
- NW Scaffold Service** Carpenters
- OEG** IBEW Local 48
- O'Neill Electric** IBEW Local 48
- Otis Elevator** Elevator Constructors 23
- PCI** Carpenters, IUPAT 10
- Safway Scaffold** Carpenters
- Service Master Building** LiUNA 737
- Teufel Landscape** LiUNA 737
- Tice Electric** IBEW 48
- Viking Fire Protection** UA 669  
Sprinklerfitters
- Western Rebar** (reinforcing steel) Ironworkers 49
- Williamsen & Bleid** (painting and coatings) IUPAT 10