

REQUEST FOR PROPOSALS
FOR AN OREGON CONVENTION CENTER

HEADQUARTERS HOTEL

Portland, Oregon
RFP #04-09

September 2004



Requested by
Portland Development Commission
222 NW Fifth Avenue
Portland, Oregon 97209

**Submissions due
December 20, 2004
5:00 p.m.**

**Questions regarding this RFP should be directed to
Michael McElwee, Development Manager
503.823.3351, mcelweem@pdc.us**

www.pdc.us/bizwithpdc



**REQUEST FOR PROPOSALS FOR AN
OREGON CONVENTION CENTER HEADQUARTERS HOTEL**

Working in partnership with the Metropolitan Exposition and Recreation Commission (MERC), the Portland Development Commission (PDC) invites written proposals for the development, financing, design, construction, and operation of a headquarters hotel proximate to the Oregon Convention Center in Portland, Oregon. Proposals are solicited in accordance with the terms, conditions, and instructions as set forth in this Request for Proposals (RFP).

“Respondents” to this RFP shall include a hotel Developer selected through the Request for Qualifications (RFQ) process received by PDC on October 31, 2003 and a hotel Operator that has teamed with the Developer.

**The deadline for submitting the Response to this RFP is 5:00 p.m. on December 20, 2004
(If mailed, the proposal must be received by PDC by this date and time)**

Proposals must be time stamped in the new PDC office at:

222 NW Fifth Avenue; Portland, Oregon 97209

Late proposals will not be accepted.

Faxed or emailed proposals will not be accepted

Respondents must submit Ten (10) photocopies of their proposal in addition to the original. The original proposal must be the actual document received by PDC and must be clearly marked “Original.” An electronic copy of the proposal on compact disc (CD) in PDF format is also required. All financial and budget information must be provided in Excel format.

Respondents must submit their RFP response (original, CD and copies) in a sealed package. Any additional or alternative proposals must be submitted in separate sealed packages and labeled accordingly. PDC is not responsible for submissions not properly identified. Respondents are required to complete Forms A and B (including the attachments thereto that are specified in Sections 7.1.2 and 7.2.2), which includes specific information about the Developer and Operator. To help maintain the confidentiality of the requested information, ten copies of these forms are to be submitted in a separate envelope from the remainder of the proposal.

Questions regarding this RFP may be submitted in writing to PDC by October 20, 2004. PDC will issue response to such questions through written addenda to all potential Respondents, by November 1, 2004. PDC reserves the right to conduct a mandatory pre-submittal meeting. PDC reserves the right to reject any and all proposals or to accept any proposal deemed to be in its best interest. PDC shall not be obligated to enter into any contract with any Respondent on any terms or conditions. Questions regarding this RFP should be directed to:

Mr. Michael McElwee; Development Manager
Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209
(503) 823 - 3351
mcelweem@pdc.us

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1. PURPOSE

- 1.1. The Portland Development Commission (PDC) solicits responses to this Request for Proposals (RFP) from only those developers selected through the Request for Qualifications (RFQ) process received by PDC on October 31, 2003.
- 1.2. Unlike the RFQ, this RFP requires the Respondent to propose a highly qualified and financially capable “Development Team” for the design, financing, construction and operation of a convention center headquarters hotel (the “Project”). The Development Team should include the Developer, architect, general contractor, equity owners, lender/underwriter, hotel “flag,” and hotel operator (the “Operator”). The evaluation criteria shown in Section 12 will give favorable consideration to Development Teams with significant experience in developments similar in scope and quality to the proposed Project, and which also demonstrate that they have sufficient financial resources and experience to finance and complete the Project in accordance with a fixed schedule.
- 1.3. PDC will give priority to proposals that are privately funded, provided the proposal complies with the program requirements or targets set forth in this RFP. Proposals requiring public ownership of the hotel or substantial use of public credit will be accepted, but will be evaluated in light of the additional risk placed on public entities required to provide the additional funds. For proposals requiring public ownership or substantial public credit, PDC reserves the right to approve all members of the development team, and the right to seek an Operator (and hotel flag) through a supplemental request for proposals.
- 1.4. Through this RFP process, PDC intends to select a Development Team and initially enter into a Memorandum of Understanding (“MOU”) with the Respondent. PDC also intends to enter into a subsequent negotiated Disposition and Development Agreement with the Respondent to procure the development of the Project within an established development plan, schedule, and financing plan acceptable to PDC.
- 1.5. In addition, the selected Developer and Operator will be required to enter into a Room Block Agreement with the Metropolitan Exposition and Recreation Commission (MERC), which reserves the greater of (a) 75% of the newly developed or rehabilitated rooms or (b) 500 rooms for potential convention center-related bookings for a specified period and makes the rooms available to convention center users at a to-be-negotiated competitive group discount rate.

2. PROJECT SCOPE

- 2.1. PDC seeks the development of a high-quality, full-service, Headquarters Hotel, with a target opening date in Winter 2008, to attract more large conventions and tradeshow to the Oregon Convention Center (OCC). PDC’s broader goals are to leverage the economic benefits of the OCC to the City of Portland, add quality jobs for the Portland workforce, and increase tax revenues.

- 2.2. PDC’s interest in the Project is based in part on the findings of a February 2003 analysis commissioned by PDC and prepared by the Strategic Advisory Group (SAG). This study found that the economic benefits of the expanded convention center can be leveraged by the development and/or rehabilitation of 800 convention-quality (high-quality, full-service) hotel rooms in close proximity to OCC. SAG found that the addition of 800 convention-quality rooms could generate \$6.3 billion in additional new spending over 30 years (the typical bond amortization period), support 2,400 jobs per year, and generate an additional \$250 million in state and county taxes.
- 2.3. Based on PDC’s assessment of SAG’s conclusions, PDC prepared and adopted the *Headquarters Hotel Implementation Strategy* which established the following targets for the Hotel:

Hotel Feature	Target (1)
Number of Rooms	800 convention-quality rooms in one or more facilities; new or rehabilitated rooms
Minimum Quality of Facility	3.5 stars
Proximity to OCC	Within two blocks, preferably connected
Minimum Number of Full-Service Restaurant	One
Amount of Meeting and Ballroom Space	25,000 square feet
Room Block Committed to OCC	The greater of (a) 75% of the newly developed/rehabilitated rooms or (b) 500 rooms
Number of Parking Spaces	0.5 stalls per room
Green/Sustainable Features	LEED Silver or Higher

(1) These targets are not requirements, as explained in Sections 2.4 through 2.8, below.

- 2.4. This RFP allows the Respondents the option of achieving the 800-room target through (a) the development of a new 800-room hotel or (b) a combination of new development and rehabilitation which together totals 800 rooms. The target facility may be constructed in two phases provided that 600-rooms are rehabilitated or constructed in the first phase.
- 2.5. If a Respondent proposes a package of new development and rehabilitation of an existing hotel, whether under the same or differing ownership, the proposal must explain how the operations will be integrated to ensure ease in booking rooms and a consistent experience for all guests, notwithstanding which facility they are booked in.
- 2.6. This RFP does not expressly require any other specification, such as the mix and size of other functional or design elements (e.g.; banquet facilities, suites, meeting rooms, parking, etc.), to be incorporated in the hotel. By providing this flexibility, PDC and MERC seek to allow maximum creative latitude to the Development Teams. However if a proposal departs from the targets described in 2.3 above, the proposal must include an explanation of why the mix and size of proposed elements was chosen.

- 2.7. The quality of design, materials, and furnishings of the new and/or rehabilitated hotel must be commensurate with first-class convention hotels in major cities having convention centers which compete with the OCC and cater to the needs of the national convention and trade show industry, such as Seattle, Austin, Charlotte, Louisville, San Antonio, Columbus, Salt Lake City, Denver, Phoenix, Indianapolis, Fort Lauderdale and Vancouver BC.
- 2.8. Although this RFP establishes targets for a certain scale and set of amenities for the Project, this is not intended to limit Respondents' creativity or ability to propose an alternative scale or set of features and amenities deemed to better suit the goals of PDC through this Project. PDC is open to proposals that offer distinctive features and amenities that go above and beyond those outlined above and put forward a finer class of development that would set Portland and the OCC apart from other destinations. PDC reserves the right of final approval of the Project scale, features, and amenities.
- 2.9. PDC seeks development proposals that create vibrant linkages and connections between OCC and the proposed hotel. The hotel design may, but is not required to, incorporate a pedestrian tunnel between the hotel and OCC.
- 2.10. PDC expects competent, efficient management to operate and market the Project. The Operator selected to manage the property must (a) have a prominent national sales office network and sales force positioned to primarily pursue convention and group-meeting demand, (b) have a series of convention center hotels in its portfolio in other U.S. major convention destinations, and (c) make a financial commitment to the Project.
- 2.11. Respondents are to target, to the greatest extent practical, the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Green Building Rating System standard for a silver level certification for the Project, with the goal of maximizing long-term benefits, such as operating and maintenance savings, while minimizing up-front Project cost. All costs necessary to achieve this certification should be clearly identified in the proposal. PDC's Green Building Policy is provided in Appendix E.
- 2.12. PDC is committed to providing greater opportunities for minority and women ownership in projects PDC supports. To this end, PDC strongly encourages respondents to indicate ownership participation by minority and women firms, if any, in their proposals.

3. OBJECTIVES

The *Headquarters Hotel Implementation Strategy (2003)* identified the following objectives for the Headquarters Hotel:

- Maximize Impact on Area Economy
- Increase Economic Impact of the Oregon Convention Center
- Minimize Public Investment and Risk
- Maximize Positive Impact on Area Hotels

- Meet Key Public Objectives (M/W/ESB contracting and employment, design quality including green/sustainable architecture, Lloyd District redevelopment objectives)

4. SITE

- 4.1. PDC is in the process of assembling the site shown in Figure 1 for possible use for a new hotel (the "PDC Site"). Proposals may, but are not required to, make use of the PDC Site for all or a portion of their development site. Subject to (a) completion of site assembly and (b) execution of a Right of Entry agreement by the proposer and PDC, PDC will provide the proposer with access to the PDC Site for a site evaluation.
- 4.2. If a site other than the PDC Site is proposed, the proposed site should be within two blocks of the OCC.

5. ROOM BLOCK GUIDELINES

- 5.1 The selected Respondent will be required to enter into a Room Block Agreement with MERC, wherein a block of rooms (anticipated to be the greater of (a) 75 percent of the new or rehabilitated rooms constructed in response to this RFP or (b) 500 rooms) are reserved for a period of time for the exclusive use of MERC or organizations authorized by MERC for bookings in conjunction with conventions, trade shows or other events at the OCC.
- 5.2 This RFP does not require any specific terms for the Room Block Agreement. PDC's and MERC's initial expectations regarding Room Block Agreement terms are described below. Proposals should either expressly state the acceptance of these terms, or propose alternative terms and include an explanation of why the alternative term(s) is proposed:
 - 5.2.1 The Room Block Agreement is to terminate no less than 20 years after the hotel's date of opening. During the term of the Agreement, MERC, its agents or organizations using the Convention Center will be entitled to contract for all or part of the Hotel Room Block under the terms of the Agreement. This includes the possibility of contracting, during the term of the Agreement, for a Room Block on dates which take place after the termination date of the Agreement.
 - 5.2.2 Unless otherwise released in writing by MERC, the Hotel Room Block shall be reserved for all dates 18-months or further in the future from the first day of the then current month. For example, if the current date is September 10, 2004, then all dates from March 1, 2006 forward would be reserved for Convention Center-related bookings by MERC or organizations authorized by MERC.
 - 5.2.3 Guest rooms booked as part of the Hotel Room Block shall be made available at a competitive group rate. The definition of "competitive group rate" will be defined in the Hotel Room Block Agreement. This RFP requests that the Operator propose a method for establishing the "competitive group rate" as part of its proposal. This RFP does not expect a guaranteed group rate for the term of the

Agreement. Rather, it foresees the possibility of receiving proposals which offer percentage discounts from rack rates (perhaps by time of year), qualitative standards, or "best effort commitments" to negotiate the group rate on an on-going basis.

5.2.4 MERC shall have no obligation to pay for dates or portions of the Hotel Room Block which are not booked or used.

5.2.5 The Room Block Agreement will require the Operator and any successors to be bound by its terms, and will be an encumbrance on the land that survives bankruptcy.

6. FINANCING

6.1. It is PDC's goal to minimize the level of public financial participation in the Project and to attain the most distinctive, highest-quality and marketable project possible.

6.2. Subject to demonstrated evidence that financial assistance in the amount requested is required to achieve PDC's objectives for the hotel, PDC will consider financial plans that incorporate public assistance. PDC is currently able to provide favorable terms for acquiring or leasing the PDC Site and up to \$4 million of tax increment financing assistance for a hotel that meets the public policy objectives described in this RFP. Public assistance beyond this level may be considered for meritorious hotel proposals, subject to compliance with all laws applicable to the proposed financial assistance and agreement by the governmental entities required to provide the additional financial assistance.

6.3. Proposals for public or public non-profit ownership of the hotel will be accepted, but will be evaluated in light of the additional risk placed on public entities by such a proposal and the willingness of a public entity to be responsible for such risks.

6.4. In the event public ownership of the hotel is proposed, the proposal may incorporate shared use of facilities or operations with the OCC, such as parking or meeting rooms, provided that such proposed shared use (a) does not interfere with the efficient operations of OCC and (b) does not impair the tax exempt status of the bonds issued for construction of OCC. However, the evaluation of proposals incorporating shared use of OCC facilities may take into account (a) the additional costs and operational difficulties presented by such a proposal to OCC and (b) the lesser aggregate (OCC plus convention hotel) amount of convention-related facilities (i.e. parking, meeting space, banquet space etc.) proposed compared to other proposals.

6.5. The selected proposal need not be the proposal with the lowest request for public assistance; the amount and nature of the public assistance requested will be judged in relation to the size and quality of the proposed facility. However, the amount of requested public assistance and associated public financial risk will be key factors in selecting the final proposal (See Section 12 for scoring methodology).

- 6.6. Proposals must include a financial analysis that details the assumptions used in the recommended development program. The financial analysis should include operating projections by the Operator and detail the assumptions and market support for such projections. In addition, a financing plan and project schedule must be submitted. For those financing plans proposing financial assistance, the financing plan must clearly state the amount(s) requested, when they are required, and the **anticipated** funding source(s) and structure. In describing the finance plan, Respondents must complete Forms C through G, which are included in the Attachments to this RFP. Respondents may include such supplemental information as deemed necessary to explain the finance plan and its underlying assumptions.
- 6.7. If a public funding option is proposed that involves project bonds issued or backed by the City, then the City reserves the right to select and/or approve the underwriter for the publicly financed portion of the project.

7. SUBMISSION REQUIREMENTS

The proposal must be attached to a Transmittal Letter not to exceed one page in length. The Transmittal Letter must include the following:

- Identification of the Respondent's Team members (the Developer, hotel flag, Operator, architect, major equity owners, lender/underwriter and general contractor/construction manager), a single contact person for all correspondence and notifications and its legal counsel.
- In at least one copy, an original signature of a partner, principal or officer of the Respondent, with a statement that the signatory is authorized to submit the proposal.

In addition, and attached to the Transmittal Letter, the Respondents must include an executed Offer to Negotiate, which is provided in Attachment C to this RFP.

To facilitate review by the Selection Committee, proposals must be submitted in accordance with the following format:

7.1 Development Team Qualifications: Developer

- 7.1.1 The Developer shall complete and submit one (1) copy of the Form A "Developer's Confidential Statement of Legal Status and Financial Capability." Form A, including the attachments set forth in Section 7.1.2 below, must be submitted at the same time as the rest of the submittal to PDC. Form A is enclosed as part of this RFP and **must be used**. *NOTE: Form A (together with Forms B) may be submitted in confidence to PDC. To the extent allowable by the Oregon Public Records Law, PDC agrees to keep this information confidential.*

To ensure confidential handling, completed forms should be placed in a separate envelope from the non-confidential elements of the proposal and marked CONFIDENTIAL, accompanying the proposal, and addressed to Mr. Henry Lazenby, PDC Attorney.

7.1.2 The Developer shall attach to Form A:

- a. Copies of audited financial statements for the previous two years, presented in accordance with generally accepted accounting principles, and accompanied by an unqualified opinion of certified public accountants. If the date of the certified financial statement precedes the date of submission by more than six months, also attach an interim balance sheet no more than 60 days old. If the Developer is publicly traded, a copy of the latest Annual Report and all intervening Quarterly Reports will be sufficient to meet this requirement, so long as the Reports provide equivalent certified financial information. The Developer shall also attach to Form A, copies of any annual reports, financial rating reports, or other documents indicating the financial condition of the Developer.
- b. The name, title, address, and phone number of three references having first-hand knowledge of the Developer's performance on projects listed above. Each reference should, if possible, relate to a different project: Only references from clients or owners will be considered. References from project partners, such as the architect, contractor, etc., will not be considered.

7.1.3 Please include in your proposal the information requested in paragraphs (a) through (c) below only if there is a need to update the information regarding the Developer that was included in your response to the Request for Qualifications.

- a. Organization and management approach, including the identification and role of key individuals who will be involved in the implementation of the project, and their background and experience.
- b. Description of the Developer's previous relevant development experience, including that of joint venture partner, emphasizing Convention Center hotel projects and other hotel projects exceeding 200 rooms undertaken in the past ten years by your proposed development entity or principals in the development entity that will be assigned to this Project (and only those assigned to this Project). Only projects that are completed, under construction or contracted for development should be included; projects currently in negotiation should not be included and will not be considered in the evaluation. The proposal must define if the project is attributable to the Developer or a principal prior to joining the Developer. Provide a brief description showing location, date, type of project, construction cost

and financing of each project. Also include the current status of each project and the specific role of the Developer in the project. In the evaluation process, weight will be given to Developers with a demonstrated track record in developing high-quality, full-service convention headquarter and conference center hotels.

- c. Provide, in an appendix to your proposal, the resume of key personnel of the Developer.

7.2 Development Team Qualifications: Operator

7.2.1 The Operator shall complete and submit one (1) copy of the Form B "Operator's Confidential Statement of Legal Status and Financial Capability." Form B, including the attachments set forth in Section 7.2.2 below, must be submitted at the same time as the rest of the submittal to PDC. Form B is enclosed as part of this RFP and **must be used**. *NOTE: Form B (along with Form A) may be submitted in confidence to PDC. To the extent allowable by the Oregon Public Records Law, PDC agrees to keep this information confidential. To ensure confidential handling, completed forms should be placed in a separate envelope from the non-confidential elements of the proposal and marked CONFIDENTIAL, accompanying the proposal, and addressed to Mr. Henry Lazenby, PDC Attorney.*

7.2.2 The Operator shall attach to Form B:

- a. A copy of audited financial statements for the previous two years, presented in accordance with generally accepted accounting principles, and accompanied by an unqualified opinion of certified public accountants. If the date of the certified financial statement precedes the date of submission by more than six months, also attach an interim balance sheet no more than 60 days old. If the Operator is publicly traded, a copy of the latest Annual Report and all intervening Quarterly Reports will be sufficient to meet this requirement, so long as the Reports provide equivalent certified financial information. The Operator shall also attach to Form B, copies of any annual reports, financial rating reports, or other documents indicating the financial condition of the Operator.
- b. The name, title, address, and phone number of the five references that have first-hand knowledge of the Operator's performance in properties listed above. Each reference should, if possible, relate to a different project. Only references from clients or owners will be considered. References from project partners, such as the developer, etc., will not be considered.

7.2.3 Please include in the proposal the following information:

- a. Description of the organization and management approach to operations, including the identification and role of key individuals that will be involved in the operations of the project, and their background and experience.
- b. Description of the Operator's previous experience in operating convention center hotels which shows the location, dates of operation, type of operations, performance, and current status of each hotel. A maximum of five representative hotels must be described. Those included in the description should be those which are most similar to the OCC Headquarters Hotel in terms of size, class, and location.
- c. Description of the level of financial commitment the Operator will make to this Project, and the financial commitments made by the Operator to the hotels listed in response to Paragraph b, above.
- d. Provide, in an appendix to your proposal, the resume of key personnel of the Operator.

7.3 Development Team: General Contractor or Construction Manager (GC/CM)

- 7.3.1. Name, address, and telephone number of the GC/CM and the principal person assigned to the Project.
- 7.3.2 Principals of the GC/CM organization (officers, directors, principal stockholders, general and limited partners, project manager) including the names, addresses, title of positions, description of the character and extent of interest in the project.
- 7.3.3 A description of the GC/CM's previous relevant experience, emphasizing major hotel projects undertaken in the past fifteen years by the GC/CM entity and the specific principals in the GC/CM entity that will be assigned to this Project (and only those assigned to this Project). Provide a brief description showing location, date, type of project, construction cost and financing of each project. Also include the current status of each project and the specific role of the GC/CM in the project.
- 7.3.4. The name, title, addresses and phone number of three references who have first-hand knowledge of your performance in projects listed above. Each reference should, if possible, relate to a different project. References from members of your current Development Team will not be considered.
- 7.3.5. A statement describing the GC/CM's bonding capacity for the proposed hotel.
- 7.3.6 Describe the status and nature of any bankruptcy, adverse regulatory action, professional disciplinary proceeding, and/or major lawsuit (\$500,000 or greater) or settlement that GC/CM, principal of the GC/CM organization (officers,

directors, principal stockholders, general and limited partners, project manager), or GC/CM's parent entity has been involved in within the past ten years.

7.3.7 Provide, in an appendix to the proposal, the resumes of key GC/CM personnel.

7.4 Development Team: Architect

7.4.1. Name, address, and telephone number of the Architect and the principal assigned to the Project.

7.4.2 Principals of the development organization (officers, directors, principal stockholders, general and limited partners, project manager) including the names, addresses, title of positions, description of the character and extent of interest in the project.

7.4.3 A description of the firm's relevant hotel experience in the last ten years, emphasizing major hotel projects (defined as those exceeding 200 rooms). Provide a brief description showing location, date, type of project, construction cost and financing of each project. Also include the current status of each project and the specific role of the Architect in the project. In the evaluation process, weight will be given to Architects with a demonstrated track-record in designing convention headquarters and conference center quality hotels.

7.4.4 Major Hotel projects undertaken in the past ten years by the firm principal and project managers that will be assigned to this Project (and only those assigned to this Project).

7.4.5. The name, title, addresses and phone number of three references who have first-hand knowledge of the firm's or principal's performance in projects listed above. Each reference should, if possible, relate to a different project. References from members of your current Development Team will not be considered.

7.4.6 Describe the status and nature of any bankruptcy, adverse regulatory action, professional disciplinary proceeding, and/or major lawsuit (\$500,000 or greater) or settlement that the Architect, principal of the Architect (officers, directors, principal stockholders, general and limited partners, project manager), or Architect's parent entity has been involved in within the past ten years.

7.4.7 Provide, in an appendix to the proposal, the resumes of key Architect personnel that will be assigned to the project.

7.5 Development Proposal: Basic Concept

7.5.1 Provide a description of:

- A. The ownership and general financial structure proposed for developing and operating the hotel.
- B. The anticipated size and composition of the potential market for the Headquarters Hotel, including convention and non-convention related business.
- C. Key hotel design characteristics and amenities that are required to serve the projected market.

7.5.2 Provide a narrative description of the:

- A. Development objectives, including whether new development, rehabilitation of existing hotel or a combination of new development, and rehabilitation are being proposed
- B. Phasing, if any
- C. Size by phase (full description, including without limitation, total gross building area, footprint and number of stories, number of rooms, number of parking spaces),
- D. The nature of the design and quality of materials, including factors taken into consideration in developing the layout and materials.
- E. The interrelationship of the proposed Project with the OCC, and
- F. Other factors or information which may be helpful to understanding the proposed development project.

7.5.3 If the proposal incorporates shared use of OCC facilities, provide a narrative description of the facilities proposed to be shared and how such sharing is proposed to occur, including the financial, business and operational terms of the shared use.

7.6 Development Proposal: Site

7.6.1 Describe the site or site(s) on which you propose to develop the Headquarters Hotel.

- a. If the proposed site is the PDC Site, only a statement to that effect is required.
- b. If another site is proposed, either in lieu of or in addition to the PDC Site, and either for new construction or rehabilitation of existing facilities, identify the properties by address or street intersection and provide an 8½x 11” map designating such properties, explain your control of the site, and provide a preliminary title report pertaining to the site. =
- c. If an ancillary development is being proposed in addition to the Headquarters Hotel, please identify and describe the site and your control of the site, and provide a preliminary title report pertaining to the site.

7.6.2 If sites in lieu of or in addition to the PDC are required by the development proposal, describe the type of control the Developer/Operator has over these

locations (e.g.; is it owned, under an option, the terms of the option, etc.) and, if applicable, the strategy and conditions of securing ownership of the site.

7.7 Development Proposal: Concept Design

The following information must be provided based on a **Concept-level Design**. Reproducible drawings must be included in the proposal in an 8.5” x 11” format. In addition, one set of drawings in a 24” x 36” format must also be submitted.

7.7.1 If renovation/expansion of an existing hotel is proposed, for each hotel proposed to be renovated/expanded, provide the following at a “concept” level of detail:

- A. A completed Form C.1 describing the existing hotel prior to the proposed expansion/renovation.
- B. A completed Form C.2 describing the proposed expansion/renovation.
- C. A written description of program elements, space allocation, and level of amenity for each element being renovated or built.
- D. For each phase, a Site Plan, at an appropriate scale. Site plan must show for renovated project:
 - a. Footprints of building(s) by phase
 - b. Open spaces
 - c. General location of pedestrian ways, driveways, parking, service areas, and major landscape features
 - d. Such other information as deemed relevant by Respondent.
- E. For each phase, if different by phase, a street level or ground to sky perspective (reproducible line drawings), at a level of detail sufficient to show the overall amenity level to be provided, showing the proposed project from the Convention Center and from MLK Boulevard (or, if not PDC site, from major streets or view corridors). In addition, such other views as deemed relevant by the Respondent.
- F. For each phase, Building plans of the renovated hotel, as follows:
 - a. Ground floor and, if applicable, mezzanine plan
 - b. Plan of floor with main lobby, if other than ground floor or mezzanine.
 - c. Plans for other floor containing major restaurant, meeting room, banquet, or other non-room program elements.
 - d. Prototypical floor plan for guest rooms and suites.

- G. For each phase, if different by phase, an elevation of the exterior wall of the entrance and, if different, the exterior wall most visible from the OCC. In addition, Respondents may provide such additional elevations as deemed relevant.
- H. For each phase, if different by phase, such Building Sections of the renovated hotel as deemed relevant by the Respondent showing organization of functions and spaces.

7.7.2 If new hotel development is proposed, provide the following at a “concept” level of detail:

- A. Complete Form D describing the new hotel development being proposed.
- B. A written description of program elements, space allocation, and level of amenity for each element.
- C. For each phase, a Site Plan, at an appropriate scale. Site plan must show:
 - a. Footprints of building(s) by phase
 - b. Open spaces
 - c. General location of pedestrian ways, driveways, parking, service areas, and major landscape features
 - d. Such other information as deemed relevant by Respondent.
- D. For each phase, if different by phase, a street level or ground to sky perspective (reproducible line drawings), at a level of detail sufficient to show the overall amenity level to be provided, showing the proposed project from the Convention Center and from MLK Boulevard (or, if not PDC site, from major streets or view corridors). In addition, such other views as deemed relevant by the Respondent.
- E. For each phase, Building plans, as follows:
 - a. Ground floor and mezzanine-level plan
 - b. Plan of floor with main lobby, if other than ground floor and mezzanine level.
 - c. Plans for other floor containing major restaurant, meeting room, banquet, or other non-room program elements.
 - d. Prototypical floor plan for guest rooms and suites.
- F. For each phase, if different by phase an elevation of the exterior wall of the entrance and, if different, the exterior wall most visible from the OCC. In addition, Respondents may provide such additional elevations as deemed relevant.

- G. For each phase, if different by phase, such Building Section showing organization of functions and spaces as deemed relevant by the Respondent.

7.7.3 For all proposals, describe:

- A. The proposed facilities for food and beverage services.
- B. The proposed business center services, including communications technologies and the Internet.
- C. The proposed parking facilities, including number of parking spaces.
- D. The need, if any, to modify the surrounding street network.
- E. Any additional amenities or development being proposed, including, but not limited to, office or retail space.
- F. How your proposal responds to the following Urban Design Goals for the HQ Hotel Project:
 - 1. Reinforcement of the OCC's identity, clarity of the OCC entrance, and connections between the OCC, the hotel and the surrounding district.
 - A. Creation of a public circulation system, including entrance and lobby orientation, that responds to the Convention Center entrance, the LRT station, the planned streetcar alignment and existing and planned public spaces and amenities.
 - B. Hotel building masses, orientation, and design that do not detract from the iconic towers of the Convention Center.
 - C. Integration of the LRT platform, street space and building lobby, if possible.
 - 2. A design that reinforces MLK and Grand as attractive urban corridors, active pedestrian environments, and gateways to the district.
 - A. Attractive, comfortable and active interfaces between the buildings and the street that enhance the public realm, including ground floor uses that activate the street in strategic locations.
 - B. Structured parking strategy that minimizes the vertical "layering" effect, i.e. retail-parking-hotel rooms.
 - C. A coherent massing strategy that responds to the presence of light rail, the busy traffic patterns on MLK and Grand, and clearly stated assumptions about the future development potential of adjacent blocks.

7.8 Project Schedule

Respondents shall provide a project schedule, from authorization to negotiate through opening of the Hotel, assuming that a Development Agreement with PDC is executed by September 22, 2005 and a proposed opening date (for the first phase of development, it a phased approach is

proposed) of Winter, 2008. If a multi-phase or multi-site (i.e. new construction and rehabilitation of an existing hotel) hotel development is proposed, please include the development schedule for each individual phase or site.

7.9 Financial Proposal

If alternative project scenarios and financing approaches are considered, full information for each alternative is required.

7.9.1 Respondents shall provide a detailed development budget in conformance with the line items provided in form E. Respondent may collapse or add to line items shown on Form E to correspond to the cost estimating methodology employed by the Respondent. Escalation of costs for inflation should be included and so identified in the projections as shown in Form E. **Note: To the extent that public subsidy is necessary and given the scale of the hotel project, Oregon law will likely require prevailing wages to be paid. Cost estimates and financial projections should consider this anticipated requirement.**

7.9.2 Describe the proposed financing for the **development** of the project:

- A. Provide a narrative description of the proposed approach to funding the proposed development, clearly detailing any proposed financial responsibilities of the Developer, Operator, and PDC. This description must expressly state whether public or private ownership is proposed, and, if so, the nature of the arrangement and roles and responsibilities of the parties.
- B. Describe in detail the amount, nature and source of all proposed public contributions to project development, including without limitation, the amount and nature of any public equity contributions, loans, and credit enhancements, including any material terms regarding such contributions and timing. If a loan is proposed, the proposal must clearly state all material terms, including without limitation the proposed interest rate, payment schedule, whether and to what repayment is subordinated, and recourse for non-payment. In addition, the proposal must clearly state the amount of public subsidy incorporated in the loan proposal, which shall include such factors, if any, as the amount of below-market interest being forgone by PDC and the amount of interest foregone through deferred payment periods.
- C. Describe in detail the amount, nature and source of all proposed private contributions to project development, including without limitation, the amount and nature of any public equity contributions, loans, and credit enhancements, including any material terms regarding such contributions and timing. Respondents shall:

- a. Provide a list of owners of interest that may provide equity to the ownership entities and the estimated percentage of ownership of each.
 - b. Identify any equity support and/or subordination of fees to be made by Development Team members in support of the Project.
 - c. Provide a plan and demonstrate ability for obtaining both the remaining equity capital and, as required, debt financing necessary to undertake the development, including the rates of return these sources are likely to require. Respondents are encouraged to present evidence of equity capital and debt financing commitments from financial institutions, partners, and other resources, as part of the response.
- D. Complete Forms F-1, F-2 and F-3 summarizing the private and public contributions and borrowings toward the development of the project.

7.9.3 Describe the financial plan for **operations** of the proposed hotel:

- A. Is the operation of the proposed hotel intended to be totally private, without any public financial responsibility or profit sharing, or is there a financial role for the public sector in the operations of the proposed hotel?
- B. If a financial role for the public sector in the operations of the hotel is proposed, describe in detail the nature and amounts of such public participation. The proposed hierarchy of revenue sharing (including without limitation all hurdle rates, thresholds, maximums, conditions and contingencies) must be explained in detail.

7.9.4 Using Form G and providing such supplemental information as may be needed to fully explain financial assumptions and plans, prepare a development and operations pro forma of the proposed hotel and financing plan.

- A. Using Form G-1, Respondents shall provide the computation of net operating income for the proposed hotel (including any proposed phasing). In addition, Respondents shall provide in an attachment to Form G-1 any detailed of market studies and background information on the assumptions that underlie projected occupancy levels and rates.
- B. Using Form G-2, Respondents shall provide a statement of project revenues for the first ten years of operations, including the allocation of net operating income, proceeds from borrowings, and the residual value of the hotel in year 11.
- C. Using Forms G-3 through G-6, Respondents shall provide an analysis of the Project's development and 10-year operations cash flows for the

Developer, Operator, Private Investors, and Public funding partners. Based on these pro forma, Respondents shall calculate applicable financial performance criteria for each funding partner, including return on equity (cash-on-cash return) and internal rate of return (IRR). Respondents shall document all material assumptions on an attached sheet, and shall specify all hurdle rates required by the Developer, Operator and Private Investors.

7.10 Business Offer

- 7.10.1 Provide a detailed description of any modifications or clarifications regarding the Hotel Room Block Requirements specified in Section 5.2 of this RFP that you require or desire as part of your proposal.
- 7.10.2 Please propose a detailed provision to be included in the Hotel Room Block Agreement regarding how a competitive group rate will be ensured for rooms booked under the Hotel Room Block Agreement.
- 7.10.3 Provide a summary description of the financial and other assistance that you require or desire of PDC, or other governmental entities as part of your proposal.
- 7.10.4 Provide a detailed description of any other material condition, specification or restriction upon which your offer is made.
- 7.10.5 Provide a detailed description of any material terms or conditions not otherwise specified in your proposal which you will seek in the Development Agreement.

8. ADDENDA AND SUPPLEMENTAL INFORMATION

- 8.1. Addendum(s) to the RFP shall be provided to all Respondents who received the initial RFP should it become necessary to make revisions, request additional information, or respond to written inquiries relating to the RFP.
- 8.2. It may be necessary for PDC to request supplemental information from individual Respondents after proposals have been submitted and reviewed. Such information will be requested in writing to the specific respondent. This information will become a part of the original proposal submitted by the specific respondent and will be used by PDC in evaluating the proposal. =

9. MINORITY, WOMAN-OWNED AND EMERGING BUSINESS POLICY

The use of public funds, or the use of publicly leveraged interest in PDC projects, requires that the successful development team comply with the following programs:

- 9.1 Minority Business Enterprise, Women Business Enterprise and Emerging Small Business (M/W/ESB) Good Faith Effort Program.

The Portland Development Commission seeks to extend contracting opportunities to M/W/ESB certified firms in order to promote their economic growth, increase capacity and to expand competition in the market place. Respondents shall comply with the Portland Development Commission M/W/ESB Program that promotes the participation of Emerging Small Businesses (ESB), Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) in connection with PDC projects (collectively, "M/W/ESBs"). PDC will provide technical assistance to Respondents in the implementation of the M/W/ESB Program for the Project.

The following website is maintained by the State of Oregon's Office of Minority, Women and Emerging Small Business (OMWESB). The OMWESB maintains a database of all M/W/ESB certified firms in the state. Development teams may wish to research this site for potential subcontractors and to familiarize themselves with the availability of specific types of subcontractors: www.cbs.state.or.us/external/omwesb/.

In addition, Goal 2 of the Oregon Convention Center Urban Renewal Plan (Section 400) states the following:

Goal 2: Target jobs and businesses created through urban renewal financed activities to first benefit North and Northeast Portland residents and then all Portland residents.

2.1 Support job development programs that assist in the recruitment, training, and placement of North/Northeast and Portland residents.

9.1.1 Respondents shall address the following questions in a detailed narrative. Answers to these questions will be used to evaluate each proposal per the evaluation criteria and scoring method outlined in section 12.5.

- A. Describe your Team's history of recruiting, employing and retaining a diverse workforce.
- B. Describe your CM/GC's history of and proposed methods for insuring the success of minority, women owned and other small construction contractors. Specifically, discuss any methods your CM/GC has used or plans to use to build relationships with these firms such as unique partnering agreements and or mentoring relationships.
- C. Many M/W/ESB certified contractors have voiced their concerns with the increasing difficulty of obtaining insurance and bonding. Describe any efforts your Team has made in the past to address these challenges as well as any methods you plan to use on this Project to address these challenges.
- D. PDC's M/W/ESB subcontracting goals are typically based on the value of the public benefit and apply to first-tier subcontractors and first-tier suppliers only. Please indicate your Team's willingness and ability to

adopt a 20 percent M/W/ESB utilization goal based on the total construction costs of the Project and an additional 10 percent utilization goal for M/W/ESB certified Professional Service firms based on the total development soft costs of the Project.

- E. This Project will create many permanent business opportunities in such areas as; building and landscape maintenance, food vendors, small retail shops as well as other service and supply areas. Describe your teams' plan and commitment to insure M/W/ESB certified firms are included in these business opportunities, consistent with the Goal 2 of the urban renewal plan.
- F. Respondents should indicate ownership participation by minority and women firms, if any, in their proposals.

9.2 Workforce Training and Hiring Program

Successful respondent shall comply with the City of Portland Workforce Training and Hiring Program aimed at increasing apprenticeship training and work opportunities for minorities, women and disadvantaged workers in the construction trades. Program guidelines and general conditions that are effective at the time the development agreement is executed shall be applied to the Project.

9.3 EEO Responsiveness

Successful respondent shall comply with all applicable provisions of Federal or state statutes and regulations and City ordinances concerning equal employment opportunities for persons engaged in the Project.

10. INSURANCE AND BOND REQUIREMENTS

10.1 The type and amount of insurance coverage and surety bonds may depend on the nature, financing, or ownership being proposed. Respondents shall either (a) incorporate the following insurance coverage and surety bonds in their proposal, or (b) where a different method of coverage or guaranty is proposed, detail the nature and extent of such proposed alternative coverage or guaranty and the reason(s) for proposing such alternative coverage or guaranty. Any alternative coverage or guaranty proposed must meet all applicable requirements of state and local law. The increased risks, if any, to the public objectives associated with proposals offering a lesser guaranty than stated below, either in terms of the nature or amount of the guaranty, will be taken into account in evaluating the proposal.

10.2 Unless otherwise expressly stated in the proposal, the proposals shall include the following insurance coverage and bonds:

10.2.1 Workers' Compensation Insurance must be provided with a limit of not less than that required by state law.

- 10.2.2 Commercial General Liability Insurance should be provided with a limit of not less than \$3,000,000 per occurrence, and \$10,000,000 aggregate.
- 10.2.3 Builder's Risk Insurance for the full 100% replacement cost of all proposed improvements (i.e. completed value).
- 10.2.4 Business Automobile Insurance with a limit of not less than \$1,000,000 per occurrence.
- 10.2.5 Performance Bond for the faithful and timely completion of the entire proposal (not just construction) should be provided with a limit of 100% of contract sum.
- 10.2.6 Payment Bond should be provided with a limit of 100% of contract sum.
- 10.3 Unless otherwise approved by PDC, all insurance and bond coverage is to be placed with firms with a Best's rating of no less than "A-", or, if not rated by Best's, with a rating in one of the two highest categories maintained by Standard & Poor's Rating Group and Moody's Investors Service.=_
- 10.4 Provide a statement of agreement to provide a guaranteed completion date and, if public ownership or substantial public credit is proposed, a guaranteed maximum price supported by a performance bond, or such alternative as set forth in Section 10.1, for the full contract sum, including business loss to OCC should the hotel not open by the committed opening date.
- 10.5 Provide demonstrated evidence that the Development Team has the capacity to provide the bond coverage proposed in Section 10.2. This evidence can take the form of a letter of credit, a certificate, a surety, or similar instrument from a qualified firm (meeting the requirements of Section 10.4) for the required performance bond; or such other evidence as the proposer may provide.

11. AWARD PROCEDURES

- 11.1. PDC will designate a Selection Advisory Panel for evaluation of all proposals received in response to this RFP. The Panel will consist of representatives from the organizations shown in Appendix B.
- 11.2. The Selection Advisory Panel will evaluate the proposals based on the factors described in Section 12. Panel members will rate each proposal by assigning a point score for each of four factors within the range of points ascribed to the factor. Point scores assigned by each Panel member will be based on the Panel member's reasonable judgment as to degree to which the proposal complies with the criterion.
- 11.3. After the assessments have been completed by individual Panel members, for each proposal PDC staff will compute for each factor the average point score of the Panel

members. PDC reserves the right to exclude from such calculation any point scores that appear, in PDC's judgment, unreasonable and distort the results of the other point scores. The Panel's overall rating of each proposal will be the cumulative sum of the average point score of the four factors, as calculated by PDC. The Panel's recommendation will be the proposal with the highest overall rating.

- 11.4. Final selection shall be made by the PDC Commission, which will consider the evaluation of the Selection Advisory Panel but is not bound by the Panel's conclusions. In the event the PDC Commission does not accept the Panel's recommendation, the Commission shall issue a statement of its reason(s) for not concurring with the Panel's recommendation and its reason(s) for making its selection. The PDC Commission will make these determinations on the basis of the criteria set forth in Section 12.
- 11.5. This RFP does not commit PDC to procure or award a contract for the scope of work described herein.

12. EVALUATION CRITERIA

The following factors and point ranges will be used in evaluating proposals.

- 12.1 (0 to 25 points) Proven ability of the Development Team to successfully develop and operate a first-class Headquarters Hotel, including but not limited to:
 - Experience of both the firm(s) and the individual(s) proposed to be assigned to the Project in successfully developing, financing, designing, constructing, marketing, operating, and managing projects similar in size and scope to the Project
 - Demonstrated capability of principals to secure the financing necessary to develop and operate the proposed new or expanded hotel.
- 12.2 (0 to 30 points) Scope and quality of the development, including but not limited to:
 - Extent to which the proposed development meets PDC's objectives and targets.
 - Number of rooms proposed in first phase, and overall.
 - The degree to which the size, functionality and quality of the proposed new or expanded hotel will assist in marketing the Oregon Convention Center to first-class convention and trade show events
 - Distinctiveness and overall quality of Project.
 - Transportation and pedestrian links and impacts.
 - Physical and functional relationship to the Oregon Convention Center.
 - Use of environmentally-friendly practices and materials and compliance with USGBC LEED standards for a "silver" rating.
- 12.3 (0 to 30 points) Financial and business terms, including but not limited to:
 - The nature and amount of the public financial participation and other public assistance (i.e. provision of real property, shared use of convention center

facilities) requested in the proposal. Privately funded proposals (which include proposals only seeking only the PDC site and public funds for underground connection to OCC) will be rated higher than projects seeking public subsidy, provided such privately funded proposals meet the program objectives for the hotel and hotel room-block set forth in this RFP.

- The characteristics of the proposed Hotel Room Block, including the nature and level of the commitment to provide group rates for guest rooms.
- The appropriateness of other conditions or limitations incorporated in the proposal (and obligations proposed for PDC by the respondent).
- The attractiveness of the Business Offer.
- If a site other than the PDC Site is proposed, the nature and degree of control or likelihood of achieving control over the proposed hotel site by the respondent.
- The nature and amount of assurance provided regarding the completion of the project, and the nature and amount of financial risks placed on the participating public entities.

12.4 (0 to 5 points) Thorough, relevant and organized responsiveness to RFP, including but not limited to:

- The degree of certainty that the project will proceed in accordance with the proposed schedule.
- Thoroughness and quality of proposal, including completeness of response to RFP.

12.5 (0 to 10 points) Scope and quality of plan to achieve PDC M/W/ESB goals, including:

- History of team in recruiting diverse work force.
- Proposed methods and level of commitment for insuring success of minority, woman-owned, and emerging small business contractors as part of construction/development process.
- Proposed plan for achieving Goal 2 of the urban renewal plan.

13. RIGHTS RESERVED BY PDC

13.1. PDC will accept the proposal which it finds most advantageous to it, which determination shall be final and conclusive.

13.2. PDC reserves the right in its sole discretion to recommend the approval of a memorandum of understanding related to this RFP. Any memorandum of understanding to be executed by PDC in connection to this RFP will be subject to final approval by PDC and, possibly, the Portland City Council.

13.3. There will not be a final commitment by PDC until the Room Block Agreement, Disposition and Development Agreement, and related agreements are fully executed. If negotiations culminate in such Agreements, the Agreements shall become final only after

they have been approved by PDC, and if necessary, the Portland City Council and MERC.

- 13.4. PDC reserves the right to request additional information from any and all prospective Respondents if helpful to clarify any information contained in the proposals.
- 13.5. PDC reserves the right, at its sole discretion, to accept or reject any and all proposals received as a result of this RFP, to waive minor irregularities, and to conduct discussions with all responsible respondents, in any manner necessary, to serve the best interest of PDC.
- 13.6. PDC reserves the right at any time either before or after proposals are submitted to specify additional terms and conditions.
- 13.7. PDC specifically reserves the right to receive a full indemnity running to PDC, City of Portland, and MERC.
- 13.8. PDC reserves the right to modify and approve the members of the final development team for the Project.
- 13.9. PDC reserves the right to keep all responses in connection with this RFP, without restriction on future use.
- 13.10. PDC reserves the right to modify the selection process set forth in this RFP upon written notification to all respondents who have not been rejected at the time of the modification.
- 13.11. Financial information submitted to PDC is submitted as a confidential disclosure and the PDC will endeavor to treat this information as confidential to the extent permitted by Oregon law. However, PDC cannot guarantee confidentiality.

14. ADMINISTRATIVE INFORMATION

- 14.1. No Pre-Proposal Conference is currently scheduled. PDC reserves the right to hold a mandatory Pre-Proposal Conference.
- 14.2. All inquiries should be submitted in writing to Mr. Michael McElwee, Development Manager, at the PDC offices shown on page 1 of this RFP. The closing date for submitting all written questions regarding the RFP is 5:00 PM on October 20, 2004. A summary of all substantive questions and responses will be issued to all parties receiving the RFP by November 1, 2004 through written addenda. PDC reserves the right to provide responses to question that may arise after October 20, 2004. If such supplemental responses are provided, a summary of the question and the response will be provided to all parties receiving the RFP, also through written addenda.
- 14.3. The deadline for receipt of proposals is 5:00 PM on December 20, 2004, at the PDC offices shown on page 1 of this RFP. Proposals that are mailed or delivered by courier

should allow sufficient time to ensure **receipt** by PDC by the established deadline. Late proposals will not be accepted.

- 14.4. Respondents must submit ten (10) photocopies of their proposal in addition to the original (labeled accordingly). One (1) electronic copy of the proposal will also be required in Microsoft Word format on compact disc (CD) media. The original proposal must be the actual document received by PDC and must be clearly marked “Original.” Faxed and e-mailed responses are not acceptable. Ten copies of Forms A and B, with their attachments, are to be submitted in a separate envelope at the same time the rest of the proposal is submitted.
- 14.5. Respondents must submit their RFP response (original, CD and copies) in a sealed package. Any additional submissions or alternative RFP responses must be submitted in separate sealed packages and labeled accordingly. PDC is not responsible for submissions not properly identified.
- 14.6. Respondents acknowledge and agree that PDC will not be liable for any costs, expenses, losses, damages (including damages for loss of anticipated profit) or liabilities incurred by the Development Team or any members thereof as a result of, or arising out of, submitting a proposal, negotiating changes to such proposal, or due to PDC’s acceptance or non-acceptance of the proposal.
- 14.7. Proposals are to be valid and irrevocable for a minimum period of two hundred and forty (240) days following final date for submission of proposals. This term may be extended by written mutual agreement between PDC and the selected Respondent.
- 14.8. By submitting a proposal in response to this RFP, the Respondent represents that it will comply with all Federal, State and City laws, rules, regulations and ordinances applicable to its activities and obligations under this RFP, the MOU and DDA.

15. SCHEDULE

The following represents PDC current anticipated schedule for reviewing and approving the selection of a development team and associated agreements. This schedule is subject to change.

RFP Release and Advertisement	September 29, 2004
Due date for all written questions	October 20, 2004
Final instructions and modifications for RFP	November 1, 2004
Proposals Due	December 20, 2004
Respondent Interviews (<i>if necessary</i>)	January 18-21, 2005
Selection Committee Makes Recommendation (<i>may be extended if additional information required</i>)	February 23, 2005
PDC Commission Approval (<i>may be extended</i>)	March 9, 2005
Execute Development, Room Block and Related Agreements	September 22, 2005
Hotel Opens for Operations (Target)	Winter 2008

APPENDICES

APPENDIX A: Forms



FORM A
Developer's Statement of Legal Status and Financial Capability

For official and confidential use by the Portland Development Commission

Purpose/Instructions: The following information will be used by the Portland Development Commission in determining whether or not the identified **Developer** has, in the opinion of the Portland Development Commission, the financial capability to successfully complete the project for which it is seeking financial assistance from the Commission.

NOTE: In accordance with ORS 192.502.23, PDC considers this information as a public record exempt from disclosure under ORS 192.410 to 192.505, to the maximum extent permitted by law.

If space on this form is inadequate for any requested information, please furnish on attach pages with a reference to the appropriate question number on this form.

A. Submission Information:

1. This Statement is being submitted as required by a PDC solicitation:
PDC Solicitation #: _____ Project Name: _____
2. This information is current as of (date): _____

B. Developer Information

1. Official Company/Entity Name: _____ (hereinafter "Developer")
2. Mailing Address: _____
State/Zip: _____
3. If at this address less than 1 year, prior address: _____
4. Primary contact regarding this information: _____
5. Telephone Number: _____
6. Email Address: _____

C. Development Entity. The Development entity named above is:

- A sole proprietorship – Soc. Sec. # _____
- A corporation – FID # _____
- A nonprofit or charitable institution or corporation – FID # _____
- A partnership _____ – FID # _____
- A business association or a joint venture – FID # _____
- A limited liability company – FID # _____
- A Federal, State, or local government or instrumentality thereof
- Other / explain: _____

D. Date and State of Organization. If the Developer is not an individual or a government agency or instrumentality:

1. Date of organization: _____
2. State of organization: _____

E. Developer Principals. Names of owners, officers, directors, trustees, and principal representatives of the development entity

Name, Title, Address, ZIP Code	Description of interest/relationship	% of Ownership Interest

F. Developer Affiliations. Is the Developer a subsidiary or parent of or affiliated with, any other corporation or corporations or any other firm or firms?

- Yes No

If Yes, provide the following information:

Corporation/Firm	Relationship to Developer	Common Officers/Directors/Owners/ Trustees/Representatives
Name Address		
Name Address		

If the Developer is different than the parent corporation or firm, will the parent corporation or firm guarantee performance under this proposal?

- Yes No

G. Bankruptcy. Has the Developer or the parent corporation (if any), or any subsidiary or affiliated corporation of the Developer or said parent corporation, or any of the Developer’s officers or principal members, shareholders or investors filed for bankruptcy, either voluntary or involuntary, within the past 10 years? Yes No

If Yes, provide the following information:

Name	Court	Date	Status

H. Loan Defaults. Has the Developer or the parent corporation (if any), or any subsidiary or affiliated corporation of the Developer or said parent corporation, or any of the Developer's officers or principal members, shareholders or investors defaulted on a loan or other financial obligation? Yes No

If Yes, explain: _____

I. Criminal Litigation. Is the Developer or the parent corporation (if any), or any subsidiary or affiliated corporation of the Developer or said parent corporation, or any of the Developer's officers or principal members, shareholders or investors party to any past or pending criminal litigation? Yes No

If Yes, provide the following information, and attach any additional information or explanation deemed necessary:

Date Filed	Court	Charge/Current Status

J. Civil Litigation. Is the Developer or the parent corporation (if any), or any subsidiary or affiliated corporation of the Developer or said parent corporation, or any of the Developer's officers or principal members, shareholders or investors party to any pending civil litigation that could potentially impact the financial capability of the Developer to complete the proposed development? Yes No

If Yes, provide the following information, and attach any additional information or explanation deemed necessary:

Date Filed	Court	Current Status

K. Conflict of Interest. Does any member or employee of the Portland City Council or the Portland Development Commission have any direct or indirect personal interest in the Developer or in the redevelopment or rehabilitation of the property being proposed by the Developer? Yes No

If Yes, explain: _____

L. Sources of Equity Funds. Provide an itemization of the sources of planned or likely equity funds to be used to pay for the development project.

1. If a planned or likely source of equity funds is a financial institution or investment group, provide a copy of a **letter of intent or commitment** to fund.
2. If a planned or likely source of equity funds is from the developer entity, explain the source of funds such as: cash on hand, sale of stock, sale of assets (identify), other (explain).
3. If a planned or likely source of equity funds is from individual owners, partners or shareholders of the development entity, for the person providing the funds submit:
 - a. Current (within ninety (90) days) personal financial statement
 - b. Full Federal Tax Returns for last three years
4. If a source of equity funds is unknown, or from any other source, provide an explanation and any appropriate documentation.

M. Source of Debt Financing. Provide an itemization of planned or likely sources of debt funds to be used to pay for the development project.

1. Provide a copy of a **letter of interest** from potential lenders, or
2. Provide any other evidence of Developer's ability to obtain debt financing.
3. Provide name and address of financial institution reference(s).

N. Financial Condition. Provide an audited financial statement for each of the previous two years presented in accordance with generally accepted accounting principles and accompanied by an unqualified opinion of certified public accountants. If the date of this audited financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.

O. Previous PDC Assistance. Has the Developer or its parent entity (if any), or any subsidiary or affiliated entity of the Developer or said parent corporation, or any of the Developer's officers or principal members, shareholders or investors received any previous financial assistance for a development project?

Yes No

Project Name	Assistance Provided by PDC	Date

P. Additional Information. Attach any additional evidence deemed helpful to demonstrate the Developer's financial capacity and capability to complete the proposed development.

CERTIFICATION

I¹ _____ certify under penalty of perjury under the laws of the State of Oregon that I am authorized to submit this information on behalf of the Developer and that the statements made in this Proposal are true and correct.²

I further authorize the Portland Development Commission, or any employee or agent acting on behalf of the Portland Development Commission, to undertake any investigation deemed appropriate to verify the information contained herein.

Printed Name _____

Title _____

Signature _____ **Date** _____

◆ FOR PDC USE ONLY ◆	
Received by: _____ Date: _____	<p style="text-align: center;">Routing</p> <p><input type="checkbox"/> Copy to project manager</p> <p><input type="checkbox"/> Original to Professional Services master file</p>

¹ If the Developer is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

² ORS 162.055 to 162.425 makes it a crime to knowingly make a false statement to a public servant with regard to a material issue. Such false statement is a Class C Felony punishable by up to 5 years in prison and/or a fine of \$100,000.



FORM B

Operator’s Statement of Legal Status and Financial Capability

For official and confidential use by the Portland Development Commission

Purpose/Instructions: The following information will be used by the Portland Development Commission in determining whether or not the identified Operator has, in the opinion of the Portland Development Commission, the financial capability to successfully complete the project for which they are seeking financial assistance from the Commission.

NOTE: In accordance with ORS 192.502.23, PDC considers this information as a public record exempt from disclosure under ORS 192.410 to 192.505, to the maximum extent permitted by law.

If space on this form is inadequate for any requested information, please furnish on attach pages with a reference to the appropriate question number on this form.

A. Submission Information:

1. This Statement is being submitted as required by a PDC solicitation:
 PDC Solicitation #: _____ Project Name: _____
2. This information is current as of (date): _____

B. Operator Information

1. Official Company/Entity Name: _____ (hereinafter “Operator”)
2. Mailing Address: _____
 State/Zip: _____
3. If at this address less than 1 year, prior address: _____
4. Primary contact regarding this information: _____
5. Telephone Number: _____
6. Email Address: _____

C. Operations Entity. The Operations entity named above is:

- A sole proprietorship – Soc. Sec. # _____
- A corporation – FID # _____
- A nonprofit or charitable institution or corporation – FID # _____
- A partnership _____ – FID # _____
- A business association or a joint venture – FID # _____
- A limited liability company – FID # _____
- A Federal, State, or local government or instrumentality thereof
- Other / explain: _____

D. Date and State of Organization. If the Operator is not an individual or a government agency or instrumentality:

1. Date of organization: _____

2. State of organization: _____

E. Operator Principals. Names of owners, officers, directors, trustees, and principal representatives of the operations entity

Name, Title, Address, ZIP Code	Description of interest/relationship	% of Ownership Interest

F. Operator Affiliations. Is the Operator a subsidiary or parent of or affiliated with, any other corporation or corporations or any other firm or firms?

Yes No

If Yes, provide the following information:

Corporation / Firm	Relationship to Operator	Common Officers/Directors/Owners/ Trustees/Representatives
Name Address		
Name Address		

If the Operator is different than the parent corporation or firm, will the parent corporation or firm guarantee performance under this proposal?

Yes No

G. Bankruptcy. Has the Operator or the parent corporation (if any), or any subsidiary or affiliated corporation of the Operator or said parent corporation, or any of the Operator's officers or principal members, shareholders or investors filed for bankruptcy, either voluntary or involuntary, within the past 10 years? Yes No

If Yes, provide the following information:

Name	Court	Date	Status

H. Loan Defaults. Has the Operator or the parent corporation (if any), or any subsidiary or affiliated corporation of the Operator or said parent corporation, or any of the Operator’s officers or principal members, shareholders or investors defaulted on a loan or other financial obligation? Yes No

If Yes, explain: _____

I. Criminal Litigation. Is the Operator or the parent corporation (if any), or any subsidiary or affiliated corporation of the Operator or said parent corporation, or any of the Operator’s officers or principal members, shareholders or investors party to any past or pending criminal litigation? Yes No

If Yes, provide the following information, and attach any additional information or explanation deemed necessary:

Date Filed	Court	Charge/Current Status

J. Civil Litigation.

- Describe the status and nature of any major civil lawsuit (\$500,000 or greater) or settlement that Operator, principal of the operations organization (any officer, director, principal stockholder, general or limited partner, or the project manager), or Operator’s parent entity has been involved in within the past ten years.
- Is the Operator or the parent corporation (if any), or any subsidiary or affiliated corporation of the Operator or said parent corporation, or any of the Operator’s officers or principal members, shareholders or investors party to any pending civil litigation that could potentially impact the financial capability of the Operator to operate the proposed development?
 Yes No

If Yes, provide the following information, and attach any additional information or explanation deemed necessary:

Date Filed	Court	Current Status

K. Conflict of Interest. Does any member or employee of the Portland City Council or the Portland Development Commission have any direct or indirect personal interest in the Operator or in the operations being proposed by the Operator? Yes No

If Yes, explain: _____

L. Sources of Equity Funds. Is the Operator or the parent corporation (if any), or any subsidiary or affiliated corporation of the Operator or said parent corporation, or any of the Operator's officers or principal members, shareholders or investors providing equity for the development of the project? Yes No

If Yes, provide an itemization of the sources of planned or likely equity funds to be used to pay for the development project.

1. If a planned or likely source of equity funds is a financial institution or investment group, provide a copy of a **letter of intent or commitment** to fund.
2. If a planned or likely source of equity funds is from the operator entity, explain the source of funds such as: cash on hand, sale of stock, sale of assets (identify), other (explain).
3. If a planned or likely source of equity funds is from individual owners, partners or shareholders of the Operator, for the person providing the funds submit:
 - a. Current (within ninety (90) days) personal financial statement
 - b. Full Federal Tax Returns for last three years
4. If a source of equity funds is unknown, or from any other source, provide an explanation and any appropriate documentation.

M. Source of Debt Financing. Is the Operator or the parent corporation (if any), or any subsidiary or affiliated corporation of the Operator or said parent corporation, or any of the Operator's officers or principal members, shareholders or investors securing a loan for the development of the project? Yes No

If Yes, provide an itemization of planned or likely sources of debt funds to be used to pay for the development project.

1. Provide a copy of a **letter of interest** from potential lenders, or
2. Provide any other evidence of Operator's ability to obtain debt financing.
3. Provide name and address of financial institution reference(s).

N. Financial Condition. Attach to this statement a copy of audited financial statements for the previous two years, presented in accordance with generally accepted accounting principles, and accompanied by an unqualified opinion of certified public accountants. If the date of this certified financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.

O. Previous PDC Assistance. Has the Operator or the parent corporation (if any), or any subsidiary or affiliated corporation of the Operator or said parent corporation, or any of the Operator’s officers or principal members, shareholders or investors received any previous financial assistance for a development project? Yes No:

Project Name	Assistance Provided by PDC	Date

P. Additional Information. Attach any additional evidence deemed helpful to demonstrate the Operator’s financial capacity and capability to operate the Project.

CERTIFICATION

I³ _____ certify under penalty of perjury under the laws of the State of Oregon that I am authorized to submit this information on behalf of the Operator Entity and that the statements made in this Statement of Qualifications are true and correct.⁴

I further authorize the Portland Development Commission, or any employee or agent acting on behalf of the Portland Development Commission, to undertake any investigation deemed appropriate to verify the information contained herein.

Printed Name _____ Title _____
 Signature _____ Date _____

◆ FOR PDC USE ONLY ◆	
Received by: _____ Date: _____	Routing <input type="checkbox"/> Copy to project manager <input type="checkbox"/> Original to Professional Services master file

³ If the Operator is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

⁴ ORS 162.055 to 162.425 makes it a crime to knowingly make a false statement to a public servant with regard to a material issue. Such false statement is a Class C Felony punishable by up to 5 years in prison and/or a fine of \$100,000.

Form C: DESCRIPTION OF PROPOSED HOTEL RENOVATION OR EXPANSION

ONLY to be filled out for proposals that include the expansion/renovation of an existing hotel

Part 1:

1. Name and Address of Existing Hotel:

2. Current (pre-renovation/expansion) Characteristics of the Existing Hotel

- a. Number of guest rooms
 - (i) Published and discounted room rates for all room types offered.
 - (ii) Overall average room rate for the hotel annually and year-to-date compared to last year.
- b. Number of suites
 - (i) Published and discounted suite rates for all room types offered.
 - (ii) Overall average room rate for the hotel annually and year-to-date compared to last year.
- c. Number of meeting rooms and square footage of each meeting room
- d. Number of ballrooms and square footage of each ballroom
- e. Capacity of Banquet Facilities (maximum size)
- f. Number and size (square footage and seating capacity) of restaurants
- g. Number of parking spaces
- h. Other hotel amenities
- i. Financial performance
- j. Renovation history
- k. Proposed hotel chain affiliation

Form C continues on next page

Form C continued from previous page

Part 2: Characteristics and Costs of Expansion/Renovation (Use January 2004 dollars, or specify otherwise)

Component	Number of Units or Square Feet	Avg. Hard Construction Cost Per Sq. Foot or Per Unit	Total Hard Construction Cost
New Guest Rooms Added			
New Suites Added			
New Meeting Rooms Added			
New Ballrooms Added			
New Restaurants Added			
New Parking Spaces Added			
Renovation to Existing Guest Rooms/Suites			
Renovation to Existing Meeting Rooms			
Renovation to Existing Ballrooms			
Renovation to Existing Restaurants			
Kitchen and other back-of-house expansion or renovation, summarize on attached sheet			
Mechanical, Elevator and other Miscellaneous Renovations, summarize on attached sheet			
Fixtures, Furniture and Equipment, summarize on attached sheet			
Land Acquisition			
Site Improvements, summarize on attached sheet			
Off-Site Improvements, summarize on attached sheet			
Other, summarize on attached sheet			
TOTAL HARD CONSTRUCTION COST OF EXPANSION/RENOVATION			

Form D: DESCRIPTION OF NEW HOTEL
(Use January 2004 dollars, or specify otherwise)

Component	Number of Units or Square Feet	Avg. Hard Construction Cost Per Sq. Foot or Per Unit	Total Cost
Guest Rooms			
Suites			
Meeting Rooms			
Ballrooms			
Restaurants			
Parking Spaces			
Kitchen and other back-of-house features, summarize on attached sheet			
Mechanical, Elevator and other Miscellaneous, features summarize on attached sheet			
Fixtures, Furniture and Equipment, summarize on attached sheet			
Amenities, summarize on attached sheet			
Architecture and Engineering			
Financing Costs			
Developer's Fees			
Administration (includes Permit Fees)			
Land Acquisition			
Site Improvements, summarize on attached sheet			
Off-Site Improvements, summarize on attached sheet			
Other, summarize on attached sheet			
TOTAL HARD NEW HOTEL CONSTRUCTION COSTS			

FORM E: CAPITAL COST ASSUMPTIONS
(Use January 2004 dollars, or specify otherwise)

Cost Item		Phase 1 Cost	Phase 2 Cost	Total Cost
1. Land Costs				
1.1	Site Acquisition Cost			
1.2	Transaction Fees and Closing Costs			
	Total Land Cost			
2. Pre-Development Costs				
2.1	Site and Building Design			
2.2	Technical Studies			
2.3	Legal Fees			
2.4	Construction Manager			
2.5	Appraisal			
2.6	Market Study			
2.7	Renderings			
2.8	Other _____ (specify)			
	Total Pre-Development Costs			
3. Construction Soft Costs				
3.1	Architecture and Engineering			
3.2	Construction Inspection			
3.3	Soils Testing/Compaction			
3.4	Construction Taxes			
3.5	Construction Insurance			
3.6	Signage			
	Total Construction Soft Costs			
4. Hard Construction Costs				
HARD COSTS SHOWN BELOW SHOULD BE CONSISTENT WITH HARD COSTS SHOWN IN FORMS C AND D.				
4.1	Contractor Payment and Performance Bonds			
4.2	Contractor Liability Insurance			
4.3	Site Work			
4.4a	Core/Shell/Systems: Hotel			
4.4b	Core/Shell/Systems: Parking			
4.5	FF&E			
4.6	Tenant Improvements			
4.7	LEED Costs			
4.8	On-Site External Spaces			

4.9	Off-Site Improvements			
4.10	Contractor's General Conditions			
4.11	Contractor's Fee			
4.12	Contractor's Contingency			
	Total Hard Costs			
5. Project Soft Costs				
5.1	Permits and Fees			
5.2	Contingency			
5.3	Misc. Bonds			
5.4	Legal (Financing)			
5.5	Financing Fees			
5.6	Construction Period Interest			
5.7	Community Relations			
	Total Project Soft Costs			
6. Marketing Costs				
6.1	Promotional Materials			
6.2	Pre-Opening Booking Costs			
6.3	Leasing Commissions			
	Total Marketing Costs			
7. Developer Fees and Overhead				
7.1	Development Fees			
7.2	Developers Overhead			
	Total Developers Fee and Overhead			
TOTAL PROJECT COST IN JANUARY 2004 DOLLARS		\$	\$	\$
MULTIPLIER TO ACCOUNT FOR INFLATION TO AND THROUGH CONSTRUCTION PERIOD				
TOTAL PROJECT COST IN INFLATED (YEAR OF EXPENDITURE) DOLLARS		\$	\$	\$

**FORM F-1: SUMMARY OF CAPITAL FINANCIAL PLAN
(Borrowings are Addressed in Form F-2)**

**Financial Contributions other than Borrowings
Phase I**

Phase II

Developer

Cash Equity

Amount		
Source		

Developer-Contributed Property

Value		
Location		
Status of Ownership		

Deferred Fees

Amount		
Terms of Deferral		

Other

Amount		
Source		

Total Developer

--	--	--

Operator

Cash Equity

Amount		
Source		

Operator-Contributed Property

Value		
Location		
Status of Ownership		

Deferred Fees

Amount		
Terms of Deferral		

Other

Amount		
Source		

Total Operator

--	--	--

Investors

Investor 1: Cash Equity

Amount		
Source		

Investor 2: Cash Equity

Amount		
Source		

Total Investors

--	--	--

Continues on next page

Public

Grant(s)

Amount(s)		
Source(s)		

Subordinated Loan(s)

Amount(s)		
Source(s)		

Tax Credits

Face-Amount of Tax Credit		
Source		
Value of Tax Credit		

Other

Amount(s)		
Source(s)		
Status		

Property: PDC Parcel

Value		
-------	--	--

Total Public

--	--	--

Note: Respondents should add rows to table or attach any additional information that cannot be portrayed in the table as formatted above.

FORM F-2: CAPITAL FINANCIAL PLAN: BORROWING

Private

Phase I

Phase II

Construction Loan

Loan Amount		
Interest Rate		
Loan-to-Cost (Value)		
Recourse/Security		

Interim Financing

Type		
Loan Amount		
Interest Rate		
Loan-to-Value		
Recourse/Security		
Amortization		
Coverage Requirement		

Permanent

Type		
Loan Amount		
Interest Rate		
Loan-to-Value		
Recourse/Security		
Coverage Requirement		
Annual Debt Service Rqmt		

Public

Construction Loan

Type		
Loan Amount		
Interest Rate		
Loan-to-Cost (Value)		
Recourse/Security		
Amortization		

Interim Financing

Type		
Loan Amount		
Interest Rate		
Loan-to-Value		
Recourse/Security		
Amortization		
Coverage Requirement		

Permanent

Type		
Loan Amount		
Interest Rate		
Loan-to-Value		
Recourse/Security		
Coverage Requirement		
Annual Debt Service Rqmt		

FORM F-3: PUBLIC OUTLAYS/SUBSIDY CASH FLOW

Year: Calendar	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PUBLIC OUTLAYS														
Construction-related Grants														
Tax Abatement/Rebate														
Contributed/Subsidized Property														
Public-paid Debt Service														
Public-paid Guarantees														
Other _____ (specify)														
Total Annual Public Outlay														

PUBLIC SUBSIDY														
Construction-related Grants														
Tax Abatement/Rebate														
Contributed/Subsidized Property														
Lower Debt-Service Attributable to Use of Tax Exempt Bonds														
Interest Forgone through Deferred Interest Payments														
Interest Forgone through Below-Market Loans														
Tax Credits														
Public-paid Guarantees														
Other _____ (specify)														
Total Annual Public Subsidy <i>(With Tax Exempt Debt Service Savings)</i>														
Total Annual Public Subsidy <i>(Without Tax Exempt Debt Service Savings)</i>														

FORM G-1: NET INCOME FROM OPERATIONS

Attach any additional information that cannot be portrayed in the table

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ROOM OCCUPANCY ASSUMPTIONS											
Occupancy Rate: Non-OCC Related											
Non-OCC Occupied Room Nights											
Non-OCC ADR											
Occupancy Rate: OCC Related											
OCC Occupied Room Nights											
OCC ADR											
REVENUES (RESPONDENT SHOULD USE OWN ADR ESCALATION ASSUMPTIONS, AND 3% PER YEAR INFLATION ON OTHER REVENUE ITEMS (OR EXPLAIN OTHERWISE))											
Rooms											
Food and Beverage											
Parking											
Telephone											
Other _____											
TOTAL GROSS REVENUE											
EXPENSES (RESPONDENT SHOULD USE 3% PER YEAR INFLATION ON EXPENSE ITEMS (OR EXPLAIN OTHERWISE))											
Room Dept.											
Food and Beverage Dept.											
Parking Dept.											
Telephone Dept.											
Other Dept. _____											
Administrative and General											
Advertising and Promotion											
Energy Costs											
Property Operations and Maintenance											
TOTAL EXPENSES											
PROFIT											
House Profit (Revenue-Expenses)											
Rental Income											
GROSS OPERATING PROFIT											
FEES											
Franchise Fee											
Operations Management Fee											
Asset Management Fee											
TOTAL FEES											
TAX/FIXED CHARGES											
Property & Business Taxes											
Insurance, Other											
Lease Payments											
Reserves for Replacement											
TOTAL TAX/FIXED CHARGES											
NOI											
NET OPERATING INCOME											

FORM G-2: PROCEEDS FROM PROJECT BY YEAR

Attach any additional information that cannot be portrayed in the table

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PROPERTY CASH FLOW											
NOI (from Form G-1)											
Plus Public Operations Subsidy											
Minus Debt Service											
Minus Reserves											
Minus Capital Improvement											
Before Income Tax Cash Flow											

PROCEEDS: TAKE-OUT LOANS

Take-Out Loan Amount											
Minus Take-Out Loan Expenses											
Minus Loan Repayment											
Net Proceeds from Take-Out Loan											

PROCEEDS: RESIDUAL VALUE OF PROJECT

Sales Price											
Minus Outstanding Loan Balance											
Minus Commission and Expenses											
Net Proceeds: Property Sale											

PROCEEDS: OTHER

Other (specify) _____											
Other (specify) _____											
Other (specify) _____											
Other (specify) _____											
Other (specify) _____											
Net Proceeds: Other											

Note:

- 1. Respondents are required to ensure that all net proceeds from project and operations are included in this table.*
- 2. Residual value is assumed to be realized at end of year 10 of operations.*
- 3. All income and expenses are to be shown in inflated (year of expenditure) dollars.*

FORM G-3: DEVELOPER'S CASH FLOW/RETURN

Calendar Year:

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

CONTRIBUTIONS BY DEVELOPER (Form F1)

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REVENUE TO DEVELOPER

Development Fees/Overhead

Share: Before Inc. Tax Cash Flow (Form G-2)

Share: Take Out Loan Net Proceeds (Form G-2)

Share: Net Sales Proceeds (Form G-2)

Other (specify) _____

TOTAL REV. TO DEVELOPER

Annual Net Income to Developer

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Return on Developer's Equity

Internal Rate of Return

FORM G-4: OPERATOR'S CASH FLOW/RETURN

Calendar Year: 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

CONTRIBUTIONS BY OPERATOR (Form F1)														
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

REVENUE TO OPERATOR

Operator Fees (All Fees)														
Share: Before Inc. Tax Cash Flow (Form G-2)														
Share: Take Out Loan Net Proceeds (Form G-2)														
Share: Net Sales Proceeds (Form G-2)														
Other (specify) _____														
TOTAL REV. TO OPERATOR														

Annual Net Income to Operator														
--------------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Return on Operator's Equity														
Operator Internal Rate of Return														

FORM G-5: INVESTOR'S CASH FLOW/RETURN

Calendar Year: 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

CONTRIBUTIONS BY INVESTORS (Form F1)														
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

REVENUE TO INVESTORS

Operator Fees (All Fees)														
Share: Before Inc. Tax Cash Flow (Form G-2)														
Share: Take Out Loan Net Proceeds (Form G-2)														
Share: Net Sales Proceeds (Form G-2)														
Other (specify) _____														
TOTAL REV. TO INVESTORS														

Annual Net Income to Investors														
---------------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Return on Investors' Equity														
Investors Internal Rate of Return														

FORM G-6: PUBLIC CASH FLOW/RETURN

Calendar Year:

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

TOTAL PUBLIC OUTLAY (Form F-3)

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PROJECT REVENUE TO PUBLIC

City/County Business Income Tax

Property Tax

Other Tax Revenues (specify) _____

Share: Before Inc. Tax Cash Flow (Form G-2)

Share: Take Out Loan Net Proceeds (Form G-2)

Share: Net Sales Proceeds (Form G-2)

Other (specify) _____

TOTAL PROJECT REV. TO PUBLIC

Annual Net Project Income to Public

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Return on Public' Equity

Public Internal Rate of Return

APPENDIX B: SELECTION ADVISORY PANEL

Members of the Selection Advisory Committee will represent the following organizations:

Oregon Convention Center	Portland Development Commission
Lloyd District Business Improvement District (BID)	Tri-County Lodging Association
Lloyd District Community Association	Metropolitan Exposition and Recreation Commission (MERC)
Portland Oregon Visitors Association (POVA)	North/Northeast Economic Alliance
Lloyd District Transportation Management Association (TMA)	City of Portland – Office of Finance and Administration

APPENDIX C
OFFER TO NEGOTIATE
THE DEVELOPMENT OF ___ HOTEL ROOMS AND PROVISION OF A COMMITTED ROOM BLOCK
OF AT LEAST ___ ROOMS FOR THE OREGON CONVENTION CENTER

Portland Development Commission
Attn: Michael McElwee
222 NW Fifth Avenue
Portland, Oregon 97209

The undersigned _____ (Developer) and _____ (Operator) hereinafter referred to as the "Respondent", hereby submits to the Portland Development Commission, hereinafter referred to as "PDC", in its own capacity and as agent for the Metropolitan Exposition and Recreation Commission (hereinafter referred to as "MERC") and the City of Portland, a proposal to develop _____ rooms of hotel space and provide a committed Room Block at _____ (the subject property) under the terms and conditions stated in the response to the RFP for the Convention Headquarters Hotel (the "Offer").

If the "Offer" is selected, the PDC would enter into exclusive negotiations with the Respondent for a period of up to 240 days (hereinafter referred to as the "Option Period"), commencing with the date of acceptance of this offer by the PDC, during which the Respondent will seek to complete a Development Agreement and a contract for the provision of a committed block of rooms to MERC for the purpose of supporting the marketing and operations of the Oregon Convention Center.

This Offer is made pursuant to, and with full understanding and agreement of all procedures, rules and instructions stated in the Request for Proposals (hereinafter referred to as "RFP"), as well as the following terms and conditions:

1. PDC will accept the Offer which it finds most advantageous to it, which determination shall be final and conclusive. PDC reserves the right to reject any or all Offers, and to waive any informalities or defects as to form or procedure.
2. In the interest of a fair and equitable selection process, the PDC retains the sole responsibility to determine the timing, arrangement and method of proposal presentations throughout the selection process.

3. The Respondent and their representatives agree not to undertake any activities or actions to promote or advertise their proposal except in the course of PDC authorized presentations. Other than discussions with PDC staff, the Respondent or its representatives are not permitted to make any direct or indirect (through others) contact with the Portland City Council, PDC Commission, MERC Commission, Metro Council or Metro President, except in the course of PDC authorized presentations. Violation of these rules may be grounds for disqualification of the Respondent.
4. The Respondent understands and agrees that there will not be a final commitment by PDC until the Development Agreement and Room Block Agreement is fully executed. Immediately upon PDC acceptance of this Offer, the Respondent will provide an experienced representative, who will be authorized to represent the Respondent in negotiations and will diligently engage in activities to implement the Agreements.
5. The Respondent understands and agrees that the hotel development/expansion which is proposed is subject to the various approvals of the City which are in no way affected by this agreement.
6. The Respondent understands and agrees that full disclosure must be provided by the Respondent regarding the principals, officers, stockholders of the Respondent and all other pertinent information concerning the Respondent, its financial condition and its financing plan for the Offer.
7. The Respondent understands and agrees that PDC reserves the right at any time either before or after the Offers are submitted to specify additional terms and conditions, and to request additional information and data from the Respondent.
8. The Respondent understands and agrees that if negotiations culminate in a Room Block Agreement, such an agreement becomes final only after the agreement has been approved by the PDC Commission, and if necessary, the Portland City Council and the MERC Commission.
9. The Respondent understands that information in Forms A and B (and their attachments) submitted to PDC is submitted as a confidential disclosure and the PDC will endeavor to treat this information as confidential to the extent permitted by Oregon law. However, the Respondent understands and agrees that the PDC cannot guarantee confidentiality.
10. The Respondent understands and agrees that all requests for copies of proposals will be treated as requests under Oregon public disclosure laws, and that the Respondent, including its Development Team members or other agents, will not make any such request until such time as the Selection Advisory Committee forwards its recommendations to the PDC Commission.

Please indicate PDC acceptance of this Offer to Develop Hotel Space of ____ Rooms and Provide a Committed Room Block of ____ Rooms for the Oregon Convention Center at _____, after PDC approval, by signing and returning the attached copy to the undersigned. PDC's acceptance of this offer shall only be for the purpose of entering into negotiations regarding a Disposition and Development Agreement and Room Block Agreement. PDC will not be subject to any legally binding obligations until such time as these agreements are executed by the Respondents and PDC.

Developer:

Name Title

Firm Firm Address

Operator:

Name Title

Firm Firm Address

The Respondent's "Offer to Develop Hotel Space and Provide a Committed Room Block of ____ Rooms for the Oregon Convention Center at _____", including the terms and conditions stated above, is accepted for purposes of initiating negotiations on the Disposition and Development Agreement and Room Block Agreement as of the ____ day of _____ .

Portland Development Commission

Chairman Secretary

Approved as to Form

Henry Lazenby, Legal Counsel
Portland Development Commission

**M/W/ESB RECRUITMENT GUIDELINES/
GOOD FAITH EFFORT PROCESS REQUIREMENTS**

1. PURPOSE OF THE PROGRAM

The Portland Development Commission (the “Commission”) has a compelling interest to ensure that our contracts provide employment opportunities for minority, women, and emerging small businesses in order to promote economic growth, to increase capacity and to expand competition in the market. **Therefore, if you have not achieved the 20% M/W/ESB (Minority-Owned, Women-Owned and Emerging Small Business) Utilization goal, the developer through their prime contractor is required to submit proof showing that good faith has been made to contract with M/W/ESB subcontractors. The 20% utilization is based on PDC’s funding for constructions costs.**

2. EFFORTS REQUIRED REGARDING M/W/ESBs

Developers through their Prime Contractors are required to make good faith efforts to contract with M/W/ESB firms for each division of work to be performed by a subcontractor.

Prime Contractors are not required to contact M/W/ESB firms for any division of work that will be performed by the prime contractors own forces.

These requirements are contractual obligations and are included in the development agreement. Failure to comply may result in a finding of breach of contract, disqualification of the developer to bid on future development RFPs, or a claim for damages.

Who to contact

For *each* division of work identified in these documents that will be performed by a subcontractor, the Prime Contractor must contact:

Every M/W/ESB firm that attended the pre-bid meeting (If one was held) which specializes in a division of work that will be subcontracted, and

In addition to the above, a minimum of three (3) M/W/ESB firms from the Office of Minority, Women and Emerging Small Business Certification list must be contacted in each division of work identified for subcontracting. If there are less than 3 firms listed for a particular division of work, *all* of the contractors in that division must be contacted.

How to contact

First Contact: Prime Contractors shall contact M/W/ESB subcontractors by letter, fax or E-mail to advise them of potential subcontracting opportunities. Contact must be made early enough to allow the M/W/ESB subcontractor sufficient time to prepare and submit a sub-bid.

Follow-up: Prime Contractors shall follow up with telephone calls to each M/W/ESB firm contacted to determine if a sub-bid will be submitted or if further information is required. A firm need not be contacted if that firm responds to the first contact with a statement that the firm will not sub-bid on this project.

What information must be provided

Prime Contractors must provide project information, including dates and times of sub-bids due, to M/W/ESB firms. Sufficient sub-bid preparation time must be given to subcontractors to allow for equal sub-bid opportunities.

3. SUBSTITUTION OF SUBCONTRACTORS

The Prime Contractor will not be permitted to substitute a new subcontractor for an M/W/ESB subcontractor without the written consent of the Commission.

If any subcontractor is added or replaced after the development agreement with the Commission, the Prime Contractor shall make good faith efforts to contract with an M/W/ESB for the work to be performed by that subcontractor. Documentation of these efforts is required, and must be submitted to the Commission upon request. If the Prime Contractor finds cause to replace an MBE or WBE, the Commission strongly encourages substitution with either an MBE or WBE subcontractor. The Prime Contractor shall report substitutions to the Commission for the purposes of tracking and reporting overall M/W/ESB utilization.

4. DOCUMENTATION OF GOOD FAITH EFFORTS

The following documents shall be submitted with the development agreement:

- Compliance Form (FORM 1) Submit signed Compliance Form.

Prior to Beginning Construction:

- Subcontracting Plan (FORM 2) Submit a Subcontracting Plan on FORM 2 (or equivalent) showing all first-tier subcontractors and first-tier suppliers to be used on this contract.

If unable to meet the 20% M/W/ESB requirement, the following forms are due prior to Beginning Construction:

- Log of contacts with M/W/ESB firms (FORM 3) Submit a completed log of contacts with M/W/ESB firms on FORM 3 (or equivalent).
- Copy of letter, email or fax sent to M/W/ESB firms. Submit one copy of the letter, email or fax sent to M/W/ESB firms to solicit sub-bids for this project. If more than one form of letter, email or fax was sent, submit a copy of each form sent.
- List of M/W/ESB Bids (FORM 4): Submit FORM 4 (or equivalent) providing the requested information.

Documentation to submitted during project:

- Updated Subcontracting Plan (Form 2): After the Subcontracting Plan (Form 2) has been submitted, any additional subcontracting, deleted subcontracting or adjustments to contracts greater than 20% must be reported on an updated Form 2.

Documents to be submitted upon project completion:

- Final subcontractor Utilization Report (FORM 5) *All first-tier subcontractors and first-tier suppliers* (including M/W/ESB) shall be reported on the form as well as contract amounts.

5. OPTIONAL GOOD FAITH EFFORTS

Prime Contractors should also consider efforts such as:

1. Advertisements in M/W/ESB newspapers.
2. Alternative methods of participation in Minority, Women or Emerging small businesses through arrangements such as joint ventures, negotiated subcontract agreements and competitive bids.
3. Utilization of M/W/ESB 2nd tier subcontractors and 2nd tier suppliers will not be calculated as part of the 20% M/W/ESB utilization but may be considered as part of the good faith effort requirements if 20% goal is not attained.

COMPLIANCE FORM (Developer)
(FORM 1)

By signing this document the Developer hereby certifies and understands that:

1. It has not discriminated against any M/W/ESB firms in awarding subcontracts for this project and will not do so in the future.
2. The good faith effort requirements are contractual obligations that must be fulfilled whether or not listed on this form.
3. Form 1, Compliance Form, must be signed and submitted with the development agreement.
4. Form 2, Subcontracting Plan, must be completed and submitted prior to start of construction.
5. If unable to meet the 20% M/W/ESB goal, Compliance Form 3 and Compliance Form 4 and copy of the letter, email or fax sent to M/W/ESB firms are due prior to beginning construction.
6. Additional documentation to verify or clarify good faith efforts must be provided upon request.
7. After the Subcontracting Plan (Form 2) has been submitted, any additional subcontracting, deleted subcontracting or adjustments to contracts greater than 20% must be reported on an updated Form 2.
8. Form 5, the Final Subcontractor Utilization Report, shall be provided upon completion of project.
9. Replacement of a M/W/ESB subcontractor before contract award or during contract performance without a) obtaining the prior written consent of the Commission and b) subsequent good faith efforts in selection of a replacement, is prohibited and a breach of contract.
10. Consideration was given to waiving bonding requirements for M/W/ESB subcontractors. In addition, all subcontractor's bids have been treated the same for purposes of bonding requirements.

And, Executes this Compliance Agreement as:

Company Name: _____

Address: _____

Phone _____ Fax _____

By: _____

Signature of Authorized Owner or Representative Title Date

Print Name: _____

COMPLIANCE FORM (Prime Contractor)
(FORM 1)

By signing this document the Developer hereby certifies and understands that:

1. It has not discriminated against any M/W/ESB firms in awarding subcontracts for this project and will not do so in the future.
2. The good faith effort requirements are contractual obligations that must be fulfilled whether or not listed on this form.
3. Form 1, Compliance Form, must be signed and submitted with the development agreement.
4. Form 2, Subcontracting Plan, must be completed and submitted prior to start of construction.
5. If unable to meet the 20% M/W/ESB goal, Compliance Form 3 and Compliance Form 4 and copy of the letter, email or fax sent to M/W/ESB firms are due prior to beginning construction.
6. Additional documentation to verify or clarify good faith efforts must be provided upon request.
7. After the Subcontracting Plan (Form 2) has been submitted, any additional subcontracting, deleted subcontracting or adjustments to contracts greater than 20% must be reported on an updated Form 2.
8. Form 5, the Final Subcontractor Utilization Report, shall be provided upon completion of project.
9. Replacement of a M/W/ESB or before contract award or during contract performance without a) obtaining the prior written consent of the Commission and b) subsequent good faith efforts in selection of a replacement, is prohibited and a breach of contract.
10. Consideration was given to waiving bonding requirements for M/W/ESB subcontractors. In addition, all subcontractor's bids have been treated the same for purposes of bonding requirements.

And, Executes this Compliance Agreement as:

Company Name _____

Address _____

Phone _____ Fax _____

By _____
Signature of Authorized Owner or Representative Title Date

Print Name _____

**SUBCONTRACTING PLAN
(FORM 2)**

Prime Contractor Name _____ Total Contract

Amount\$ _____

Project

Name _____

We have elected to subcontract work in the following areas to the following subcontractors. List ALL first-tier subcontractors and first-tier material suppliers (including M/W/ESBs), their telephone numbers, the type of work to be done and the dollar amount of the subcontract.

Subcontractors/Suppliers (Please Print)	Scope Of Work	Dollar Amount Of Subcontract	Certified Firms M/W/ESB Yes/No		
			MBE	WBE	ESB
Name Address City/St/Zip Phone# CCB#					
Name Address City/St/Zip Phone# CCB#					
Name Address City/St/Zip Phone# CCB#					
Name Address City/St/Zip Phone# CCB#					
Name Address City/St/Zip Phone# CCB#					
Name Address City/St/Zip Phone# CCB#					

Minority, Women and Emerging Small Business Utilization

Total Amount of M/W/ESB subcontract dollars
Total applicable portion of total contract amount
M/W/ESB as a percent of the total applicable loan amount

\$ _____
\$ _____
\$ _____
(goal = 20 %)

To verify MWESB certification or to receive information on obtaining names of certified firms contact:
Office of Minority, Women, and Emerging Small Businesses
State of Oregon, Executive Department
www.cbs.state.or.us/omwesb/
Portland Field Office (503) 887-4349
Salem Office (503) 947-7922

John Classen, Project Program Specialist
Portland Development Commission
1900 SW 4th Avenue, Suite 7000
Portland, OR 97201
503-823-3667 Fax 503-823-3368

SUBCONTRACTING PLAN (FORM 2)

(Additional Page To Be Used as Needed)

Subcontractors/Suppliers (Please Print)	Scope Of Work	Dollar Amount Of Subcontract	Certified M/W/ESB Yes/No		
			MBE	WBE	ESB
Name Address City/St/Zip Phone# CCB#					
			Cert#		
Name Address City/St/Zip Phone# CCB#					
			Cert#		
Name Address City/St/Zip Phone# CCB#					
			Cert#		
Name Address City/St/Zip Phone# CCB#					
			Cert#		
Name Address City/St/Zip Phone# CCB#					
			Cert#		
Name Address City/St/Zip Phone# CCB#					
			Cert#		

**M/W/ESB CONTACT LOG
(FORM 3)**

Prime Contractor Name _____ **Project Name** _____

Prime Contractors should record their contacts with potential M/W/ESB subcontractors through use of this log or equivalent. Additional forms may be copied if needed.

Name of Subcontractor	Certified Firms M/W/ESB Yes/No			Date of Fax/Letter	Phone Contact				Made Contact		Submitting Quote		Quote Received		Notes
	MBE	WBE	ESB		Date of Call	Time of Call	Name of Person Placing Call	Name of Person Receiving Call	Yes	No	Yes	No	Yes	No	

**LIST OF M/W/ESB BIDS RECEIVED/ REJECTED
(FORM 4)**

Please list below all bids received from M/W/ESB firms that were rejected and provide requested information.

Quotes were received from the following M/W/ESB firms:

Company Name	Scope of Work	Bid Amount	Bid To Be Used		M/W/ESB Yes / No	Reason for Rejection
			Yes	No		

For Reference Only

FINAL SUBCONTRACTOR UTILIZATION REPORT (FORM 5)

Project Name _____ Prime Contractor _____

Prime Contract Amount \$ _____ Report Dates (Beginning & Ending) _____

List All First-Tier Sub-Contracts	MBE, WBE, OR ESB	Scope Of The Work	Original Subcontract \$Amount	Changes To The Sub-Contract \$Amount	Total Sub-Contract \$Amount	Comments

IT IS HEREBY CERTIFIED THAT THE ABOVE LISTED FIRMS HAVE BEEN UTILIZED BY OUR COMPANY IN THE AMOUNTS REPRESENTED ABOVE AND THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE AND ACCURATE.

Authorized Signature of Contractor Representative _____ **Date** _____

Instructions: Submit to: Project Program Specialist, Portland Development Commission, 1900 SW 4th Ave., Suite 7000, Portland, OR 97201
(503) 823-3667 Fax# (503) 823-3368

INSTRUCTIONS FOR COMPLETING THE SUBCONTRACTOR UTILIZATION REPORT

1. **PROJECT NAME:** Indicate the project name as shown on the contract document.
2. **PRIME CONTRACTOR:** Indicate the name of the prime contractor.
3. **PRIME CONTRACT AMOUNT:** Indicate the total dollar amount of the prime contract.
4. **REPORT DATES:** Indicate the beginning and ending dates corresponding to the progress payment period or use calendar month.
Example: 1/1/95 thru 1/31/95. Reports should be sequential and not overlap.
5. **SUBCONTRACTOR NAME:** List the names of all first-tier subcontractors and first-tier suppliers having performed work or paid on this project during the reporting period.
6. **STATUS:** Indicate the appropriate M/W/ESB status of each contractor listed in item 7. Enter State M/W/ESB Certification number. **Note:** Designations should be consistent with how firms were certified by the state at time of contract award. Only one designation may be used for credit and will be applied accordingly. Leave blank for non certified firms.
7. **SCOPE OF WORK:** Briefly describe subcontractors work. Example: Landscaping, electrical supplier, electrical contractor, remove and replace inlets, furnish and install catch basins, etc.
8. **ORIGINAL CONTRACT AMOUNT:** Indicate the dollar amount for each subcontract at time of award.
9. **CHANGES TO CONTRACT:** Indicate the cumulative dollar value of any changes to subcontracts. Additions to the contract should be shown using a plus sign in front of the amount and reductions in contract amounts using the minus sign. Examples: additions +\$3,050.50, reductions -\$3,050.50. Also please explain any changes in space provided below for comments.
10. **TOTAL SUBCONTRACT AMOUNT:** This amount should be the total dollar value (current contract amount) plus or minus changes indicated in column 11.

Verification of M/W/ESB certification or information on obtaining names of certified M/W/ESB firms may be obtained from:

Office of Minority, Women and Emerging Small Business Portland Field Office (503) 887-4349,
Salem Office (503) 947-7922

State of Oregon, Executive Department
www.cbs.state.or.us/omwesb/

For additional Information:

John Classen, Project Program Specialist
503-823-3667 Fax 503-823-3368
e-mail: classenj@pdc.us

Tyrone Henry, Contracts Compliance Coordinator
503 823-3315 Fax 503-823-3368
email: henryt@pdc.us

Appendix E

PDC GREEN BUILDING POLICY

Introduction

On January 10, 2001, Portland City Council unanimously adopted the Portland Green Building Policy with Resolution 35956. The Green Building Policy requires all new and major retrofitted City facilities, and all City funded or financed projects, to adhere to certification standards set out in the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) standards. In addition, the Portland Green Building Policy encourages voluntary compliance by private sector development with Portland LEED standards, and emphasizes the City's leadership role in providing guidance in this arena.

The Portland Development Commission, as one of the main agencies associated with City-funded or financed project development, is integrally involved with the application of this policy. The Portland Green Building Policy states that the Portland Development Commission will "adopt green building policy goals and incorporate green building practices into each of its ongoing and future program areas."

The *PDC Green Building Policy* represents the first steps of the Commission to implement the Portland Green Building Policy. All Commission development projects are covered by this policy and its recommendations, including all projects funded by active urban renewal areas, any future urban renewal areas, loan programs, and grant fund programs. All projects shall adhere to these standards unless explicitly identified as exceptions by the Commission.

Discussion

As established in its Mission Statement, the Portland Development Commission is committed to achieving "Portland's vision of a vital economy with healthy neighborhoods and quality jobs for all citizens." One of the primary ways in which the Commission acts on this Statement is to develop, or to assist in developing, buildings and sites that further City livability goals.

However, mainstream development and construction practices have often led to an inefficient use of natural resources. According to the Portland Chapter of the American Institute of Architects' Committee on the Environment, construction and operation of buildings consume 35% of total U.S. energy output. More than 60% of the electricity generated in the U.S. is consumed by buildings, accounting for more than 35% of carbon dioxide (CO₂) emissions. More than 210 tons of solid waste are generated and disposed of annually.

"Sustainable" development practices are oriented toward minimizing the rate of natural resource consumption in the construction and operation of buildings and their sites. While several definitions of sustainable development exist, the United Nations World Commission on Environment and Development has said that: "Sustainable development

is meeting the needs of the present without compromising the ability of future generations to meet their own needs.” The Natural Step, an international organization that uses a science-based, systems framework to help organizations, individuals and communities take steps towards sustainability, defines sustainability in four “systems conditions.” These conditions state that in a sustainable society, nature will not be subject to *systematically increasing*:

1. Concentrations of substances extracted from the earth's crust;
 2. Concentrations of substances produced by society; *or*
 3. Degradation by physical means.
4. Further, to achieve a sustainable society, resources must be shared fairly and efficiently in order to meet basic human needs globally.

In short, the harmful materials deposited in the earth’s crust over billions of years should not be extracted by society faster than the earth can re-absorb it. The earth should also not have more synthetic or non-natural substances disposed of in its crust than it can absorb. The earth’s ability to produce (crops, wildlife, natural resources, etc.) should not be harvested or manipulated faster than it can reproduce. And last, these conditions must apply locally and globally—one part of the world can not use resources inequitably to the detriment of others.

Applied together, these conditions point to a future in which extraction, utilization, and disposal of natural resources occur in a way and at a rate that is completely renewable and equitable. Today, industrially developed countries are in violation of these conditions. In a world fully aligned with the four system conditions stated above, all developments would be “closed-loop” systems, or systems in which all materials utilized (shell, core, building “skin”, paints, interior materials, etc.) can be recycled with 100% efficiency.

As pointed out in their book, “Our Ecological Footprint,” by Mathis Wackernagel and William Rees, human society is clearly in violation of these four systems conditions. They state that human society is a subsystem of the ecosphere (not vice-versa), and must function within the limits of the ecosphere, or be diminished. Stated differently, if human society continues to rapidly overharvest the earth’s natural resources, the availability of these resources will diminish. At the same time, the heavy metals and harmful byproducts of industrial production will negatively impact our way of life.

Wackernagel and Rees discuss the amount of available land in the world on a per capita basis (roughly 3.7 acres per capita), and compare this amount with typical consumption patterns in industrialized countries. A typical North American has an “ecological footprint” of 10-12 acres. Were everyone to live as North Americans do, the global population would require over three “earths” to live sustainably. The growing number of conflicts related to the environment (e.g. issues such as energy scarcity, water scarcity or pollution, poor air quality, global warming, deforestation, erosion, and species extinction) are results of not developing within the limits of local ecosystems.

Since building construction and operations require such a large percentage of the U.S. (and world) resource base, it is incumbent on these and related industries to be more efficient and, eventually, to operate on a sustainable basis. The Portland Development Commission desires to take a leadership role in this effort. The “Discussion of Recommendations” section (below) delineates the Commission’s first steps toward a goal of truly sustainable development. These steps represent only the beginning of an ongoing commitment by the Commission to further the implementation of sustainable development techniques in Portland. Over time, PDC will work with its partners and stakeholders, including the Office of Sustainable Development (OSD), to review and update all elements of this Report, in order to keep progressing toward the goal of a truly sustainable community.

The Commission is dedicated to development that accomplishes a wide range of City goals, including providing housing that matches the City’s income curve, facilitating job creation and retention, preserving historic buildings, and developing vibrant communities in which to work and play.

Incorporating green building techniques and, more broadly, sustainable development goals into Commission development complements and affirms the Commission’s other priorities. Making buildings more efficient lowers operating costs, provides a better environment in which to work and live, and translates into a more productive and competitive work force.

From a fiscal perspective, developing sustainably can have a positive impact, especially over the long term. As one example, the City of Portland is currently involved in a billion-dollar retrofit of its sanitary sewer and stormwater infrastructure in an effort to reduced Combined Sewer Overflows. Reviewing current policies from a “future perspective” could help save money over time and lead to a community more aligned with natural systems.

LEED Rating System

The City of Portland Green Building Policy is tied, in part, to the Leadership in Energy and Environmental Design (LEED) rating system, developed by the United States Green Building Council (USGBC). The USGBC was formed in 1993 to accelerate the adoption of green building practices. More than 800 organizations are members, including product manufacturers, environmental non-profit organizations, building and design professionals, building owners, and local state governments. The City of Portland joined the USGBC in 1999.

LEED is a self-assessing system designed for rating new and existing commercial, institutional, and high-rise residential buildings. It evaluates environmental performance from a "whole building" perspective over a building's life cycle, providing a standard for what constitutes a “green” building. A development project earns points for incorporating green building techniques across a range of six categories. The categories include the following: Site Selection, Water Efficiency, Energy and

Atmosphere, Materials and Resources, and Indoor Environmental Quality. The sixth category is for “innovation” credits, five additional points that have been established by the Office of Sustainable Development in consultation with the USGBC.

A building is scored against a possible 64 points (with additional prerequisites that must be met). A building must meet all prerequisites and score 26 points in order to reach the initial “LEED Certified” level. At 33 points, a project reaches the “LEED Silver” rating. At 39 points, this same project would reach “LEED Gold,” and at 52 points it would reach “LEED Platinum.”

It should be noted that even a “Platinum” grade building, or the highest rating given, would likely not be truly sustainable. Clearly, LEED requirements are only the beginning of a longer, dedicated effort to minimize energy consumption and produce more efficient, high-performance buildings and sites.

However, the use of LEED does help to establish minimum performance levels, to create a common design and construction practices framework, and to require a rigorous post-construction evaluation. In addition, it allows Portland to measure its sustainable building performance relative to other jurisdictions using LEED. As an example, Seattle is requiring its City facilities (but not City funded or financed facilities) to reach the “Silver” rating level.

With the exception of PDC affordable housing projects (which have a specific set of criteria, see “Affordable Housing Guidelines,” below), all Commission projects will be evaluated using the LEED system.

The Office of Sustainable Development is currently working with the USGBC to develop a version of LEED specific to the Portland area, which is currently referred to as “Portland LEED.” This “regionalized” document translates and references the national standards in LEED to local policy documents, including the Oregon Energy Code, as one example. In addition, the Office of Sustainable Development is working with the USGBC to develop additional “innovation credits” specific to Portland. Portland LEED will not take the place of the national LEED standards; instead, it will serve as an effective localizing and translation tool and will offer increased flexibility through the addition of the innovation credits. When Portland LEED is available, projects will use its rating system.

For an overview of the LEED system, contact Charles Sellers, Project Coordinator, PDC at (503) 823-3310.

Affordable Housing Rating System

While the USGBC LEED rating system can be used for many types of development, Commission staff in the Housing department recognized the need to develop a specific rating system to facilitate the incorporation of green building techniques in affordable

housing. In August 2000, working with the Office of Sustainable Development, staff published the first edition of “Greening Portland’s Affordable Housing.”

As stated in the document’s Mission section:

The purpose of these guidelines is to establish goals and standards to increase the environmental performance and durability for all affordable housing in Portland. The guidelines represent cost effective options that go beyond current codes and standards. Buildings designed and built using these standards will become the models for healthier, environmentally responsive design and construction where occupants collectively enjoy the benefits of decent and healthy housing regardless of income level.

“Greening Portland’s Affordable Housing” will serve as the standard for incorporating green building techniques into affordable housing projects with PDC involvement. The document sets threshold criteria that must be met, and a range of preferential criteria that are encouraged as well. Respondents to PDC Housing RFPs must meet all threshold criteria to be awarded funds, and meeting preferential criteria will further distinguish these applicants’ proposals. The LEED rating system will not be incorporated in these cases.

“Greening Portland’s Affordable Housing” will be reviewed annually. Over time, threshold criteria will be continually strengthened as the effectiveness of green building techniques is demonstrated, and as understanding of these practices deepens in development-related fields. In the same way, criteria currently listed as preferential will be designated as threshold criteria, as appropriate.

Requirements

The Commission is regularly involved in projects with a range of development types, including commercial, mixed-use, industrial, residential, and institutional. Mixed-use development may include diverse elements such as parking, retail, residential, and/or commercial office. PDC is involved in construction of public infrastructure such as rights-of-way and utilities. In addition, PDC funds or grants loans to fulfill a range of goals. The following section discusses the requirements, recommendations, and exceptions associated with the PDC Green Building Policy. See **Appendix A** for a matrix summary of these standards and associated implementation steps.

Portland Development Commission projects, unless otherwise specified (and including commercial, mixed-use, institutional, and high-rise residential development projects) are required to be certified by the USGBC, unless formally granted exception status by the Commission (see below). This requirement applies to all such projects where PDC project financing equals \$200,000 or more and where the project is 10,000 sf or greater.

All affordable housing projects financed through the Commission must meet the threshold criteria in “Greening Portland’s Affordable Housing.”

Industrial, low-rise residential (defined under LEED as three stories or below), and public infrastructure are not proposed to be required to meet the LEED “Certified” level. However, when possible, such developments should seek to meet LEED criteria. As

LEED guidelines are issued for these development types, this policy will be reviewed and updated.

Total project cost includes the hard and soft costs of all development projects subject to a PDC Loan or Development Agreement (i.e. all parts of a phased development plan would be included together in calculating total project cost).

In addition, tenant improvements are not required to meet green building standards. At this time, the USGBC does not have LEED rating systems for these development types. Such systems will likely be published by the USGBC in the future. The Office of Sustainable Development is currently creating a tenant improvement guidebook, which should be published in the first quarter of 2002. As such standards are produced, the Commission will work with the OSD to implement them across all applicable PDC project areas.

Last, infrastructure development is not required to meet the LEED certification requirement. However, such development will still be encouraged to be developed in a fashion that is as “low impact” as possible. As an example, infrastructure can and should contain a number of sustainable development techniques, including innovative stormwater treatment approaches being discussed by BES and PDOT, such as “water quality friendly streets” with pervious paving. The presence of significant tree canopy, provision for alternative modes of transportation, and inclusion of transit options in the design phase are all positive steps that can be taken.

Exceptions

It is necessary to grant some exceptions to these requirements. The green building industry is relatively young, and more documentation is needed before expanding the depth and breadth of such requirements. However, the Commission will immediately expect all developments to incorporate green building techniques as much as possible.

As the current LEED rating system is applied to a greater number of projects and relevant performance data is generated, the Commission is committed to reviewing and adjusting its policy on exceptions.

Since a project can often be certified via the LEED program without additional cost, projects seeking an exception will need to clearly show how meeting LEED requirements would significantly and negatively impact the project. While it is necessary to have an exception process available, the “burden of proof” resides with parties seeking exception status.

In addition, OSD staff will review all projects seeking exception status. OSD staff will provide advisory recommendations to the Commission, to assist in Commission deliberations.

The Commission may grant full (or partial) exceptions to these requirements, including for issues related to the following:

- **Historic preservation**, where it significantly impacts the ability of a major retrofit to meet LEED standards. LEED contains several points oriented to site location, for which these already-sited buildings may or may not qualify. Historic preservation projects may also be prohibited from utilizing higher-performance techniques in order to maintain the building's historic character. Last, significant costs may be associated with historic preservation.
- **Extraordinary costs associated with development.** Many green building techniques offer improvements in design and efficiency without adding significant cost. These techniques should be incorporated into all projects, as appropriate. However, some sites may be burdened by extraordinary up-front costs that act as a barrier to development. If significant additional costs are incurred by implementing green building techniques, LEED certification may not be viable. Examples include brownfield site developments, development on sites without infrastructure, some vertical mixed-use projects, including those with affordable housing incorporated. In addition, such techniques can lower ongoing operations and maintenance costs.

Automatic exceptions apply to the storefront program, projects funded by the Seismic Loan Program for code-required structural upgrades, and all buildings under 5,000 sf.

Note that the "burden of proof" to show how LEED certification would significantly and negatively impact development potential resides with parties seeking exception status.

Even exempted projects (including those with automatic exceptions) will be encouraged to incorporate sustainable development and "green" features, and to be as low in impact as possible.

These exception criteria will be reviewed as green building techniques are advanced and incorporated into common construction practices. Over time, a Commission goal should be to remove these exceptions.

PDC staff will work with the Office of Sustainable Development to further clarify and operationalize the exception areas listed above.

Other Commission Actions

In addition to applying the requirements discussed above, other implementation steps are necessary to ensure that the Commission establish itself as a leader on issues related to "green" or high-performance building development. The following points should be implemented as soon as possible to complement the core Policy requirements:

- **Commission Mission Statement.** PDC’s Mission Statement does not directly address issues of sustainable development. It currently states: “Our mission is to bring together community resources to achieve Portland’s vision of a vital economy, with healthy neighborhoods and quality jobs for all citizens.”

In order to include the Commission’s green building and, more broadly, sustainable development goals, the following revision is proposed: *“Our mission is to bring together resources to achieve Portland’s vision of a diverse, sustainable community with healthy neighborhoods, a vibrant urban core, a strong regional economy and quality jobs for all citizens.”*

This revision affirms the Commission’s ongoing goals, while including reference to the creation of a sustainable community. Portland’s Sustainable City Principles, adopted in 1994, speak further to this goal. In short, the Commission is committed to exploring and recognizing the connections between issues of environment, the economy, and social equity, and to working within the ecosystems bearing capacity.

- **Green Building Coordination.** In order to ensure that green building practices are incorporated in all Commission project areas, a Green Building Coordinator position will be created within PDC. Appropriate resources will be designated to coordinate issues related to green building and sustainable development. Staff in this position would be responsible for the following activities:
 - Monitor Commission projects to ensure incorporation of “green” building techniques, including all outgoing RFPs and projects in design phase;
 - Act as liaison with the Office of Sustainable Development, the Sustainable Development Commission, and community developers, brokers, lenders, architects, and contractors;
 - Coordinate PDC sustainable industries development and retention policy;
 - Develop Commission Design Assistance Fund, Online Reference Web Site, and partner with OSD and others in an Award Program;
 - Engage in community outreach and leadership, working with local business and advocacy communities, including the Natural Step and the United States Green Building Council;
 - Monitor related local, state, and national legislation;
 - Address local lending practices to incorporate green building techniques in loan review;
 - Lead internal trainings and review PDC internal energy, natural resource, and waste management practices.
- **Design Assistance Fund.** Incorporating more efficient, high-performance building techniques can result in low or no net cost bump if done during the design phase. However, the initial learning curve can be costly and time-consuming. For larger developers, this premium can be absorbed as part of the budget for ongoing education and design.

However, smaller developers may not be able to compete as techniques, supplies, and

requirements become more specialized. In order to ensure that these firms include “green” solutions in the design phase, this report proposes a Design Assistance Fund. This fund would reimburse developers for costs related to green design, with payment contingent on proof that appropriate standard (i.e. LEED certified level) is reached. The Design Assistance Fund will follow the “Suggested Evaluation Factors for Determining A-E’s Knowledge and Experience in Green Building Design.” See the City of Portland Green Building Policy for more information.

The fund would be set at a maximum of \$100,000 per year for up to 30 hours of consulting per development, on a first-come, first-served basis. The Design Assistance Fund is oriented to incorporating design features, and would work in concert with the Office of Sustainable Development’s Green Investment Fund, which addresses the cost of LEED certification.

- **Online Reference Site.** In partnership with the Office of Sustainable Development, this report proposes that the Commission build and maintain a Web site designed to link to sites with green building information, including certified sustainable material availability, contractor availability, documentation of techniques and design strategies, etc. Working with OSD, the Commission would contract with the appropriate firm or utilize internal resources to construct the site.
- **Economic Strategy.** The Commission will continue to pursue sustainable industries and assist local firms to be more sustainable in their operations and practices. Sustainable industry location, development, and retention will be an integral part of the overall Commission economic development strategy.
- **Outreach, Leadership, and Best Practices.** As part of its drive to become the lead development agency in the nation on issues of green building, the Commission will take the following steps:
 - Partner with PSU to create the leading curriculum on sustainable development issues.
 - Join the Natural Step at Founding Member Level. One-time fee of \$2500.
 - Join the United States Green Building Council. \$500 annual fee.
 - Continue to participate in key Sustainable Development meetings and conferences.
 - Discuss systemic roadblocks with local and state development communities and legislators. Issues include lending practices for construction loans, market demand and recognition for green building practices, the role of regulation in facilitating incorporation of green building practices, and the documentation of operations savings. Work with partners such as OSD on these issues.
 - Establish quarterly Commission award for incorporating sustainable development practices.
 - Partner with OSD in hosting design competitions and conferences related to sustainable development and green buildings.
 - Collaborate with Mayor’s Design Initiative
 - Coordinate with the Natural Step Construction Group

Conclusion

These recommendations are initial steps toward a long-term goal of truly sustainable buildings, site development, infrastructure, and construction practices. As today's high-performance technologies and practices are accepted and become incorporated into standard requirements and methods, the Commission will continue to work to catalyze the incorporation of innovative and efficient design and technology. The Commission will review the recommendations and requirements in this document on a rolling basis with annual reports to City Council, and make any amendments as necessary.

Appendix A: Portland Green Building Policy Implementation

On January 10, 2001, Portland City Council unanimously adopted the Portland Green Building Policy. The Policy requires all City facilities, and all City funded or financed projects to adhere to certification standards set out in the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) standards.

On September 12, 2001 the Portland Development Commission will consider steps to implement this Policy. Don Mazziotti, Executive Director of the Commission, has stated his desire to see PDC become the leading development agency in the country on issues related to sustainable development and high-performance (or "green") buildings. Other cities, including Seattle, Austin, and Santa Monica, are current leaders in this arena.

The following matrices discuss the different development types involved and the proposed implementation steps available to the Commission. See the Commission Report for a fuller discussion of each of the elements discussed.

Proposed Development Standards

Development Type	Proposed Standard	Discussion/Comments
All development types, unless specified elsewhere, including: <ul style="list-style-type: none"> • Commercial • Mixed-Use • High-Rise Residential • Institutional 	Where PDC project financing equals \$200,000 or more <u>and</u> where the total building area is 10,000 sf or greater, all projects will be <u>required</u> to meet the LEED certified standard and encouraged to reach the "Silver" standard. This requirement shall apply to new construction and major retrofits.	These standards will be reviewed yearly.
Industrial or Residential (below three stories)	Encouraged (not required) to meet LEED certified level.	Standards reviewed yearly. No LEED rating system yet for these development types.
Affordable Housing	Required to meet threshold criteria in "Greening Portland's Affordable Housing."	This program is ongoing. Standards reviewed yearly.
Public Infrastructure (including rights-of-way and utilities)	Encouraged to be designed and constructed in such a way as to have lowest impact possible.	PDC will participate in the City's process to develop low impact processes.
Tenant Improvements	Encouraged to be as sustainable as possible. Use LEED as reference guide. Incorporate Portland T-I Guidelines when	Portland T-I Rating system expected Feb 2002.

Development Type	Proposed Standard	Discussion/Comments
	available.	
Exception Criteria	<p>Commission may grant full or partial exceptions as necessary, including for issues related to historic preservation or extraordinary costs associated with development. (Note: <i>Burden of proof to show how LEED certification would significantly and negatively impact development potential resides with parties seeking exception status.</i>)</p> <p><i>Automatic</i> exceptions apply to the storefront program, projects funded by the Seismic Loan Program for code-required structural upgrades, and all buildings under 10,000 sf.</p>	<p>Project staff must receive Commission approval for exceptions, other than automatic exceptions. Exempted projects will be encouraged to be as low-impact as possible. Exception criteria will be further clarified and operationalized with OSD staff.</p>

Other PDC Actions

Issue	Proposal	Discussion/Comments
Green Building Coordinator Position	Designate appropriate resources to: coordinate efforts related to green building, act as liaison with OSD, development community, area stakeholders, City bureaus, and Sustainable Development Commission, facilitate partnerships with related industries, monitor related legislation, lead internal trainings, etc. Position may be full-time, half-time, or other designation, as appropriate.	Need further discussion on budget implications, reporting structure and department sharing, and physical space limitations. Cost estimated at \$70,000 (salary and benefits) per year <i>if</i> full-time.
Portland Development Commission Mission Statement	Modify Commission mission statement: "Our mission is to bring together resources to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant urban core, a strong regional economy and quality jobs for all citizens."	Executive Director and staff have approved this new mission statement.

Issue	Proposal	Discussion/Comments
Design Assistance Fund	Create fund to ensure smaller developers can include “green” solutions in design phase. Subsidize design collaboration between developers and firms experienced in green building design and/or certification, with payment contingent on proof that appropriate standard (i.e. LEED certified level) will be reached. Set fund at \$100,000 maximum per year, subsidize up to 30 hours per development, on first-come, first-served basis.	Need further discussion on budget implications. Program could be funded via URAs, weighted toward more mature Districts. This fund should work in concert with OSD’s <i>Green Investment Fund</i> .
Online Reference	Partner with OSD to build and maintain online referral site, linking to sites with green building information, including certified sustainable material availability, contractor availability, documentation of techniques and design strategies, etc. Contract with appropriate firm or build internally as appropriate. Do not build site to compete with private services.	
Economic Strategy	<ul style="list-style-type: none"> • Continue to pursue sustainable industries and assist local firms to be more sustainable in their practices. Incorporate into Economic Development strategy. • Partner with PSU to create leading curriculum on sustainable development issues. 	
Outreach and Best Practices	<ul style="list-style-type: none"> • Join The Natural Step at Founding Member Level. • Join the United States Green Building Council. Continue to participate in meetings and conferences. • Discuss systemic roadblock issues with local and state development communities, legislators. • Partner with OSD on awards for incorporating sustainable development practices (e.g. BEST). • Participate with OSD and others in hosting design competitions and promotion of demonstration projects • Collaborate with Mayor’s Design Initiative • Coordinate with the Natural Step Construction Group 	<ul style="list-style-type: none"> • One-time fee of \$2500 to join TNS. • \$500 fee to join the USGBC.

Appendix B: US Green Building Council Leadership in Energy Environmental Design (LEED) Rating System Overview

LEED is a voluntary; consensus based building rating system. It evaluates environmental performance from a “whole building” perspective over a building’s life cycle, providing a definitive standard for what constitutes a “green building”. LEED is a self- assessing system for rating new and existing commercial, institutional and high rise residential buildings. Credits are earned for satisfying criteria listed below. Different levels of certification are award based on the total credits earned. The system is designed to be comprehensive in scope, yet simple in application.

Listed below are the rating categories for LEED, point totals and certification levels. There are 64 core points available plus 5 extra to recognize technical and design innovations. Four certification levels range from bronze, up through silver, gold, and platinum.

Rating Categories

1. **Sustainable Sites** (14 points possible)

Prerequisite: Erosion and Sedimentation Control

Credits:

Site Selection	Reduced Site Disturbance
Urban Redevelopment	Stormwater Management
Brownfield Redevelopment	Light Pollution Reduction
Alternative Transportation	Landscape and Exterior Design to Reduce Heat Islands

2. **Water Efficiency** (5 points possible)

Credits:

- Water Efficient Landscaping
- Innovative Wastewater Technologies
- Water Use Reduction

3. **Energy and Atmosphere** (17 points possible)

Prerequisite 1: Fundamental Building Systems Commissioning

Prerequisite 2: Minimum Energy Performance

Prerequisite 3: CFC Reduction in HVAC & R Equipment

Credits:	Optimize Energy Performance	Renewable Energy
	Additional Commissioning	Elimination of HCFCs and Halons
	Measurement and Verification	Green Power

4. Materials and Resources (13 points possible)

Prerequisite: Storage & Collection of Recyclable

Credits:	Building Reuse	Recycled Content
	Construction Waste Management	Local/Regional Materials
	Resource Reuse	Rapidly Renewable Materials
		Certified Wood

5. Indoor Environmental Quality (15 points possible)

Prerequisite 1: Minimum IAQ Performance

Prerequisite 2: Environmental Tobacco Smoke (ETS) Control

Credits:	Carbon Dioxide (CO2) Monitoring	Daylight and Views
	Increase Ventilation Effectiveness	Source Control
	Construction IAQ Management Plan	Controllability of Systems
	Low-Emitting Materials	Thermal Comfort
	Indoor Chemical and Pollutant Source Control	

Points

64	Core Points Available
5	Innovation Points Available

- (LEED Innovation Credits)
 - (LEED Accredited Professional)
- 69 Total Points Possible

LEED Green Building Certification Levels

LEED Certified	= 26 - 32 Points
LEED Certified Silver Level	= 33 - 38 Points
LEED Certified Gold Level	= 39 - 51 Points
LEED Certified Platinum Level	= 52+

Appendix C:

Greening Portland's Affordable Housing

Design and Construction Guidelines to Improving Environmental Performance, Tenant Health, and Long- Term Durability in Affordable Housing

Prepared by Portland Development Commission
And City of Portland Office of Sustainable Development

First Edition, Published November 2000

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Mission

The purpose of these guidelines is to establish goals and standards to increase the environmental performance and durability for all affordable housing in Portland. The guidelines represent cost effective options that go beyond current codes and standards. Buildings designed and built using these standards will become the models for healthier, environmentally responsive design and construction where occupants collectively enjoy the benefits of decent and healthy housing regardless of income level.

Sustainable Development

The significance of the environmental footprint of buildings is becoming both better and more widely understood by building designers, operators, and owners. According to the Portland Chapter of the American Institute of Architect's Committee on the Environment, the statistics are overwhelming. The construction and operation of buildings consume 35% of total U.S. energy output. More than 60% of the electricity generated in the U.S. is consumed by buildings, accounting for at least 35% of carbon dioxide (CO₂) emissions. Buildings use over 35% of all materials produced in the U.S. and more than 25% of the world's harvested wood. More than 210 million tons of solid waste is generated and disposed of annually, a substantial portion of which is attributed to construction site and building use waste. In the Portland region, delicate wetland areas are being eliminated by construction at the rate of one acre per day. Portland is one of the first metropolitan areas in the country to be challenged with an Endangered Species Act listing within its urban core, further challenging the building industry to reduce impacts to salmon habitats.

Designing, building, and maintaining buildings that are sustainable is an ambitious long-term goal that will require a long-term process of rethinking building design and construction and learning from our experiences. In most instances this is a common sense approach to development that prevents further depletion of natural resources, water quality, air pollution, and global warming. These guidelines were developed to help affordable housing providers to set measurable goals and performance specifications to better design and evaluate projects. With very limited funds and resources, it is important to invest in practices and technologies that measurably improve building's health and durability over the long term. The goal is to develop affordable housing that:

- Are durable and long lasting
- Are cost effective to build and practical to maintain
- Use natural resources and materials efficiently; use materials and products based on their life-cycle environmental impacts.
- Conserve water usage, reduce runoff, and treat waste on-site.
- Maximize energy conservation and efficiency; use renewable energy resources.
- Reduce building footprints, simplify building shapes, and maximize space efficiency (smaller is better).
- Optimize building orientation; integrate natural daylight and ventilation.
- Are healthy by eliminating toxic and harmful materials and finishes in facilities and their surrounding environment.
- Support transportation alternatives.
- Reduce, reuse and recycle materials in all phases of construction and deconstruction; reduce harmful waste products produced during construction.

- Apply maintenance and operational practices that reduce or eliminate harmful effects on people and the natural environment.
- Is designed for future flexibility, expansion, and building demolition; capable of safe and efficient deconstruction

Integrated and Total Systems Approach

The most important element to building a building that achieves environmental goals in a cost-effective manner is using an integrated or total systems approach in its design and construction. The guidelines solidify systems thinking by organizing goals into strategies that should be addressed from the moment the developer sits down with its architect, engineer, and contractor. It is never too early to integrate the strategies into the building's RFP bid process, design strategies, and construction schedule and specs. By developing goals early, first costs can be better contained by making appropriate trade-offs that reduce the likelihood of sensible strategies being value engineered out.

- Retaining professional development team (developer, architect, engineer, landscape architect, contractor, and project manager) knowledgeable and eager to apply environmentally sensitive building principles and practices
- Integrate planning and design process.
- Select qualified contractors by developing a selective bidding process.

Execution

These guidelines are meant to help guide the design and construction of more efficient, healthy, and durable buildings. While not a complete resource - the criteria are designed to help affordable housing providers develop a framework for increased success. For more details on the criteria, additional resources, and local vendors, see **Greening Portland's Affordable Housing: A Resource Guide to Improving Environmental Performance, Tenant Health and Long-Term Durability** (97 pg. Available on-line at www.green-rated.org or by calling the Office of Sustainable Development at 503-823-7725) The many strategies give the developer, design team, and contractor a variety of options to develop creative solutions and to not preclude rapidly changing technologies and practices. The guidelines are broken into six major categories. Each category area contains a number of cost effective thresholds as indicated in bold. They represent a new base level of performance. **These new thresholds have been integrated into the PDC Rental Housing RFP process as required criteria. All RFP project proposals must demonstrate and commit to the comprehensive inclusion of these threshold criteria to receive funding awards through the RFP process.** The remaining criteria are voluntary. They provide flexibility to weigh how applicants address green building. PDC encourages every applicant to explore cost-effective ways to maximize the number of strategies incorporated into a project. Like other performance criteria, the more strategies incorporated into a proposed project, the more likely it will be funded. However, PDC reserves the right, at its sole discretion, to approve any and all non-threshold criteria (voluntary criteria) contained in a project proposal.

Please see the Rental Housing RFP for a complete description of RFP required information.

Criteria Categories

- Q. Enhanced Design & Site:** Sustainable design and site planning integrates design and construction strategies to minimize environmental site impacts, reduce construction costs, maximize energy and resource conservation, improve operational efficiencies, and promote alternative transportation by providing good access to transit, pedestrian, and bike systems.
- R. Energy Conservation:** Energy conservation helps maximize tenant comfort and reduce utility bills. Conservation measures also slow the accumulative impacts of energy production and delivery; extraction of non-renewable natural resources, degradation of regional air quality, global warming, and increased concentration of pollutants.
- S. Water Conservation:** Water conservation practices help reduce both water and the energy used to deliver and heat water for tenant use. In addition water conservation cuts down on the amount of water discharged from a building, lessening the amount of untreated discharges into the Columbia and Willamette Rivers and the stress on the City's wastewater treatment facilities.
- T. Conserving Materials & Resources:** Reducing, reusing, and recycling building materials helps conserve local and regional natural resources. There are many green building products on the market and techniques like advanced framing that contribute to more durable and less toxic buildings.
- U. Enhanced Indoor Air Quality** - Minimize exposure of construction and building occupants to toxic materials. Use safe, biodegradable materials and alternatives to hazardous materials. Require and monitor safe handling and disposal of any hazardous materials.
- V. Operations & Maintenance:** The most overlooked element of green building is operations and maintenance (O & M) practices. O & M practices impact both the bottom line building owner's costs and tenants health, comfort, and safety. Green building O & M practices enhance both environmental quality and the economic performance. Building O & M goals should protect the tenant health; maintaining proper building temperature and humidity; promote the ventilation, dilution, and removal of airborne contaminants; eliminate the use of toxic cleaners and pesticides, and provide appropriate lighting and acoustics. In addition, appropriate O & M by tenants and building occupants.

Technical Assistance

- Michael O'Brien, Green Building Specialist, Office of Sustainable Development - Green Building Division, 503-823-5494, mobrien@ci.portland.or.us
- Greg Acker, Architect, Office of Sustainable Development – Green Building Division, 503-823-5431, gacker@ci.portland.or.us
- Michael Prothe, Architect / Construction Coordinator, Portland Development Commission, 503-823-3277, prothem@portlanddev.org

Green Building Criteria for Affordable Housing						
Category	Strategies	New	Rehab	Code Required	CSI Division	Cost Premium*
ENHANCED DESIGN & SITE						
site inventory	Threshold: Inventory site's sunlight, wind/natural cooling capacity and prospects. Survey existing site conditions including structures, lead and/or asbestos, ground contamination, building orientation(s), adjacent buildings, sewer, and water lines. Confirm easements, street and curbs, curb cut locations, gutter and sidewalk. Review locations for storm sewer, surface water drainage pattern, trees and shrubs. Review of trees to be saved should include existing drip line, and required root/drainage protection.				02	0%
soil & vegetation protection	Threshold: When surveying site, verify conditions with a minimum level 1 survey to determine soil condition. This should include water table, underground water streams, drainage conditions, compaction, and overall soil quality and/or fill capable for supporting structural footings, slabs, new drainage, and surface pavement. Minimum overall soil condition should not require substantial replacement with clean, uncontaminated and supporting fill without prior knowledge of cost impact. A level 2 survey may be required if undetermined through a level 1 base study.				02	0%
	Threshold: Evaluate health and viability of existing trees and shrubs on site. Protect root system of any trees and plants to be preserved. Fence drip zones. Do not allow excavation, piling of soil or vehicles to enter the fenced zones. Trees over 8" caliper will be retained unless hazardous or cannot be incorporated into site plan. Such trees will be replaced 1-to-1 in landscaping. Plants may be relocated to provide for efficient use of the site. Specify shade trees whenever possible. Preserve existing street trees or plant new ones at appropriate intervals.				02	0%
	Do not apply herbicides or pesticides during site prep.				02	
	Protect and enhance green space - create landscaping plan that provides for bird and insect habitat, west and south side shading, and tenant gardening. Create native plant associations and communities.				02	
building design & orientation	Threshold: 1. For new construction, design roof eaves (where applicable to building type and location) to overhang exterior walls and exterior surfaces (12 " minimum). 2. For rehab, construct patios, decks, windowsills, and thresholds to properly drain water away from buildings.	 1)	 2)		02,06,07 ,09	< 5%
	Threshold: Design building orientation to maximize solar exposure in winter and shade building from summer sun. Design and dimension building overhangs to protect windows, doors, and people from sun and weather. Plant trees to shade structure's south and west sides where possible.				02,06,07 ,09	0%
	When possible, reuse large portions of existing structures during renovation or redevelopment.				02,06,07 ,08,09	
	Reduce building footprint, simplify building shapes, and maximize space efficiency.				02	
Stormwater management and water pollution	Threshold: Protect site from runoff erosion during construction. Design site erosion control plan based to City of Portland's Erosion Control Manual specifications.				02	0%

Design & Construction Guidelines for Affordable Housing

	Threshold: Maximize onsite drainage and water catchment capacity. Design on-site stormwater facilities to City of Portland's Stormwater Manual specifications.				02	0%
	Specify and install permeable surfaces and paving in low traffic areas (fire access, overflow parking, pathways, etc.).				02,03,04	
Transportation access	Threshold: Provide secure bicycle parking.				02	0%
	Size parking capacity to meet only minimum local zoning requirements.				02	
	Site building within ¼ mile of mass transit and within ½ mile of stores and services.				02	
ENERGY CONSERVATION						
building envelope & weatherization	Threshold: In new construction, install high recycled-content insulation with following R values: R-38 ceilings/R-21 walls/R-30 floors/R-15 slab edge. Rehab insulation values depend on preexisting conditions.				07	< 5%
	Threshold: Specify and install double glazed, low-e windows and sliding doors with U value 0.35 or less.				08	0%
	Threshold: Flash and seal all penetrations between interior spaces and outside. Seal all penetrations for ducting, wiring, plumbing, lights, and fans.				07	0%
	Perform blower door test to determine cost-effective air sealing and combustion safety.				06,07	
	Increase insulation and reduce heat loss on one- and two-story walls with normal loads by using 2x6 @24" on center framing module for exterior walls.				06,07	
	Specify and install exterior insulated core doors.				08	
	Specify and install insulated concrete forms.				03,07	
	Insulate perimeter edge of concrete slab floor with code approved foam board. Insulate between heated space and garage slab.				07	
heating systems	Threshold: Install radiant/hydronic heating with digital thermostat located in main living area. Systems may include: hydronic baseboard, radiant cove heaters, water heater / water boiler supplied fan assisted heaters. (i.e. "Turbonics"). Size heat supply based on weatherization measures (gas preferred).				11, 15, 16	5%
	Preferred Path: Install high efficiency gas sealed combustion forced air furnaces (minimum 92% Efficiency Rating) with digital thermostat in main living area. Systems may include gas furnace, gas furnace with integrated water heater. Size heat supply based on weatherization measures.				11, 15, 16	
	Install ductwork inside conditioned space OR seal ductwork in crawls and attics with mastic. Design short runs. Use flex only for straight runs; otherwise use metal.				15	
	Thermally separate living areas from less energy consuming zones like entry, storage, mechanical, and utility areas.				15	
electrical and lighting	Threshold: Specify and install Energy Star-rated appliances if available, fixtures and lighting systems.				11,12,15,16	< 5%
	Threshold: Specify and install efficient outdoor lighting (30 lumens per watt or better) with low temperature ballasts. Install lamps with automated controls including but not limited to photo sensors, timers, and motion control sensors.				16	< 5%
Renewables	Install solar water heating system.				10,11,15,16	
	Purchase green power from local utility.				15,16	

WATER CONSERVATION						
Plumbing	Threshold: Install water conserving plumbing fixtures: 2.0 gpm showerheads & 1.5 gpm faucet aerators.				15	< 5%
	Threshold: Install high energy factor water heater (.60 for gas, .93 for electric).				15,16	< 5%
	Threshold: Insulate bottom of hot water tank. Set electric tank on foam board; set gas tank on raised platform. Insulate hot water pipes.				07	< 5%
Irrigation	Threshold: Use only native and low maintenance plant materials for landscaping, except for edible landscaping, street trees, and lawn. Minimize total area of turf.				02	0%
	Install high efficiency drip irrigation system.				02, 15	
	Install rainwater catchment system for non-potable water reuse.				02, 15	
CONSERVING MATERIALS & RESOURCES						
waste management & recycling	Threshold: Develop a waste minimization plan, establishing targets for demolition and construction waste recycling by types of materials. Set up on-site storage for wood, drywall, metal, cardboard, rubble, and organic debris or contract with recycling provider to handle mixed waste. (goal: 80% total waste reuse and recycling by weight).				01, 02	0%
	Minimize non-recyclable/non-reusable packaging during construction.				01	
foundation	Specify concrete mix with 25% fly ash substitution for Portland cement. Specify recycled aggregate base.				03	
framing	Threshold: Specify and install engineered structural lumber products.				06	< 5%
	Threshold: In wood framing, employ advanced framing techniques. This includes 24" framing modules and box headers.				06	0%
	Specify and install salvaged, recycled, and/or certified sustainably harvested lumber products. Do not specify old growth lumber, other than "recovered" or "reused" materials.				06	
	Specify and install regionally manufactured building materials when possible (within 500 miles).				01	
roof & skin	Threshold: Specify and install durable and recycled content roof and siding with a 25 - 50 year lifetime warranty. When using asphalt composition shingles, install moss inhibitor component such as 'Algae Block'. Install roofing underlay with a minimum 30 lb. building paper. Install siding air infiltration barrier such as Tyvek or Tyvar per manufacturer's specifications.				07	< 5%
materials & finishes	Threshold: If dropped ceiling panels are specified, install panels with recycled content.				09	0%
	Install formaldehyde-free or low-formaldehyde composites. Replace particleboard with plywood or MDF (e.g., Medite II or Medex) in underlayment, cabinets and storage units.				09,10,12	
	For cabinets and other finish woodwork, use certified sustainably grown wood and				12	
	Specify and install low-toxic, decay-resistant, (no persistent compounds or heavy metals) outdoor materials (ACQ treated wood, plastic lumber, etc.). When possible, consider patio treatment instead of decking.				02,03,04,06,09	
	Specify and install recycled content drywall. Install hard surface drywall in high-wear areas.				09	
flooring	Threshold: Use natural linoleum, tile, or other vinyl alternative in kitchen and bathrooms (if vinyl is necessary, specify vinyl composition tile).				09	< 5%
	Threshold: Specify and install solid floor finishes and/or nylon or PET carpeting with fiber or waffle pad.				09	< 15%

	Specify and install formaldehyde free underlayment (no particleboard).				06, 09	
ENHANCED INDOOR AIR QUALITY						
finishes	Threshold: Specify and install solvent free, no VOC or low VOC (below 20 g/liter) paints and primers. Specify and install water-based wood finishes and stains.				09	< 5%
	Threshold: Specify and install low toxic adhesives and sealants.				09	0%
fresh air ventilation	Threshold: Specify and install continuous exhaust ventilation OR central exhaust fan ducted to bath. Provide make-up air vents. Specify rated fans with delayed timer controls. Install medium efficiency air filters in ducted forced air systems.				15,16	< 5%
	Threshold: Properly ventilate building prior to occupancy.				01	0%
	Install kitchen range hood or ceiling exhaust fan to remove excess moisture and odors OR install multi-port attic fan to exhaust kitchen and bathroom.				15,16	
	Use operable windows AND mechanical ventilation systems to assure ample fresh air for building occupants.				08	
	Encourage no smoking policy for building (during construction & occupancy).				01	
OPERATIONS & MAINTENANCE						
	Threshold: Develop maintenance and tenant "operating manual" with specific actions. Provide an operating manual outline with project submittal.				01	0%
	Threshold: Provide adequate space for comprehensive tenant recycling.				01	0%
	Threshold: Develop O & M plan for scheduled maintenance of vents, filters, plumbing, and combustion equipment.				01	0%
	Threshold: Eliminate pesticides and herbicide use on and around building.				01	0%
	Threshold: Use low toxic or citrus based cleaning supplies. Eliminate use of solvents.				01	0%
	Threshold: Design properly ventilated separate storage area for cleaning supplies and paints.				01	0%
	Threshold: Eliminate wet carpet cleaning (steam OK). Use HEPA filters on vacuum cleaners.				01	0%

Bold indicates required Threshold Criteria.

*Cost premium column identifies our best attempt to approximate the cost premium-per-measure. The percentages indicate the cost premium above standard practice or code. Zero-percent indicates cost neutral measures. Costs vary depending on local design and construction costs, materials availability, etc. All cost premium information was verified in discussions with industry practitioners, vendors, developers, and contractors, recognizing that costs will vary from project to project. When properly packaged together, many of the threshold criteria's cost premiums are reduced due to favorable payback periods (payback = the time it takes to pay down/off capital investments through utility and operations & maintenance savings over time).

Construction Specification Institute References (C.S.I. Divisions)

DIVISION 01:	General Data
DIVISION 02:	Site Work
DIVISION 03:	Concrete
DIVISION 04:	Masonry
DIVISION 05:	Metals
DIVISION 06:	Wood & Plastics
DIVISION 07:	Thermal & Moisture Protection
DIVISION 08:	Doors & Windows
DIVISION 09:	Finishes
DIVISION 10:	Specialties
DIVISION 11:	Equipment
DIVISION 12:	Furnishings
DIVISION 13:	Special Construction
DIVISION 14:	Conveying Systems
DIVISION 15:	Mechanical
DIVISION 16:	Electrical