



CITY of NOVI CITY COUNCIL

Agenda Item 3
October 17, 2011

SUBJECT: Approval of Resolution to establish Commercial Rehabilitation District for 46100 Grand River Avenue, proposed hotel and meeting facility for Suburban Collection Showplace

SUBMITTING DEPARTMENT: Economic Development / Neighborhood & Business Relations

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

The Commercial Rehabilitation Act, Public Act (PA) 210 of 2005, was amended in 2011 to provide that the construction of a hotel with meeting/convention space attached to an existing convention and trade center of a certain size and location can qualify for a tax abatement of 100% of the value of the hotel improvements (but not the land on which it is located) for a period of up to 10 years. Enclosed is the formal application package submitted by the applicant, Blair Bowman of the Suburban Collection Showplace, for a PA 210 Commercial Rehabilitation Tax Abatement for the construction a hotel next to a convention center. The following package has been vetted by City staff and supplemental information has been submitted by Mr. Bowman and his team to clarify staff's initial review. Staff analysis of the application was guided by the PA 210 policy adopted by the City Council at their September 12, 2011 meeting. The policy was the result of significant deliberation from the Council's Ordinance Review Committee (ORC). The policy describes the City's objectives in considering an abatement for the construction of a hotel attached to a convention center; the criteria under which the City would review an application for an abatement; and the limitations on any abatement. Specifically the policy **allows up to a six (6) year period for the abatement, at 100% of the value of the hotel improvements, the abatement only pertains to building; the actual land the building resides does not qualify.**

The proposed location for this hotel is **46100 Grand River Avenue**, adjacent to the Suburban Collection Showplace. **The estimated value of the planned hotel is between \$8.5 and 9 million dollars. The hotel will carry the Hyatt Place brand and produce 100-140 rooms.**

Similar to other tax abatement programs Public Act 210 requires two public hearings and two separate decisions by the local governing body. The initial hearing is to receive comment on the creation of the district; the local governing entity then considers the establishment of the district. If the local governing body approves the creation of the district then a second hearing is held specifically on the merits of the application. A public hearing for the district formation has been advertised for the October 17, 2011 City Council Agenda, notices enclosed.

RECOMMENDED ACTION: Approval of Resolution to establish Commercial Rehabilitation District for 46100 Grand River Avenue, proposed hotel and meeting facility for Suburban Collection Showplace

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				

**CITY OF NOVI
NOTICE OF PUBLIC HEARING
CONSIDERATION OF THE
ESTABLISHMENT OF A
COMMERCIAL REHABILITATION
DISTRICT
UNDER ACT P.A. 210 OF 2005**

Notice is hereby given that Heyots, LLC has submitted a request to the City of Novi for the establishment of a Commercial Rehabilitation District under the "Commercial Rehabilitation Act P.A. 210 of 2005."

The proposed project is located on the north side of Grand River Avenue, between Beck Road and Taft Road, described as follows:

A parcel of land in the northeast $\frac{1}{4}$ of Section 16, town 1 north, range 8 east, City of Novi, Oakland County, Michigan, being more particularly described as: commencing at the east $\frac{1}{4}$ corner of said Section 16; thence along a line as monumented and occupied, S87°26'37"W 1135.25 feet (previously described as S86°56'26"W); thence N01°45'51"W 306.73 feet to the point of beginning; thence S88°14'09"W 270.00 feet; thence N01°45'51"W 111.09 feet to the southeast corner of the existing Showplace building; thence along the existing easterly Showplace building line the following five courses: N01°45'51"W 30.67 feet, S88°14'09"W 3.77 feet, N01°45'51"W 21.75 feet, N88°14'09"E 3.77 feet and N01°45'51"W 189.85 feet to the northeast corner of said existing Showplace building; thence continuing N01°45'51"W 195.04 feet to the south right-of-way line of I-96 expressway (right-of-way varies); thence along said I-96 right-of-way line S74°00'10"E 283.51 feet; thence S01°45'51"E 461.91 feet to the point of beginning. Containing 134,474 square feet or 3.087 acres and being together with and subject to easements, restrictions or rights-of-way of record.

Pursuant to Section 3 (3) of said Act, a public hearing shall be held on October 17, 2011 at 7:00 pm in the Novi City Council Chambers, located at 45175 West Ten Mile Road, Novi, Michigan 48375, during which any property owner within the proposed Commercial Rehabilitation District, and any resident or taxpayer of the City of Novi may appear and be heard in relation to the consideration of the aforementioned Commercial Rehabilitation District.

If you have any comments regarding this proposal, they may be presented in writing or at the public hearing.

Maryanne Cornelius, City Clerk

CITY OF NOVI
NOTICE OF PUBLIC HEARING
CONSIDERATION OF THE ISSUANCE OF A
COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE
UNDER ACT P.A. 210 OF 2005, AS AMENDED

Notice is hereby given that Heyots, LLC has submitted a request to the City of Novi for the issuance of a Commercial Rehabilitation Exemption Certificate under the "Commercial Rehabilitation Act P.A. 210 of 2005."

The proposed project is located on the north side of Grand River Avenue, between Beck Road and Taft Road, described as follows:

A parcel of land in the northeast 1/4 of Section 16, town 1 north, range 8 east, City of Novi, Oakland County, Michigan, being more particularly described as: commencing at the east 1/4 corner of said Section 16; thence along a line as monumented and occupied, S87°26'37"W 1135.25 feet (previously described as S86°56'26"W); thence N01°45'51"W 306.73 feet to the point of beginning; thence S88°14'09"W 270.00 feet; thence N01°45'51"W 111.09 feet to the southeast corner of the existing Showplace building; thence along the existing easterly Showplace building line the following five courses: N01°45'51"W 30.67 feet, S88°14'09"W 3.77 feet, N01°45'51"W 21.75 feet, N88°14'09"E 3.77 feet and N01°45'51"W 189.85 feet to the northeast corner of said existing Showplace building; thence continuing N01°45'51"W 195.04 feet to the south right-of-way line of I-96 expressway (right-of-way varies); thence along said I-96 right-of-way line S74°00'10"E 283.51 feet; thence S01°45'51"E 461.91 feet to the point of beginning. Containing 134,474 square feet or 3.087 acres and being together with and subject to easements, restrictions or rights-of-way of record.

Pursuant to Section 4 (2) of said Act, a public hearing shall be held on October 24, 2011 at 7:00 pm in the Novi City Council Chambers, located at 45175 West Ten Mile Road, Novi, Michigan 48375, during which any property owner within the proposed Commercial Rehabilitation District, and any resident or taxpayer of the City of Novi may appear and be heard in relation to the consideration of the aforementioned Commercial Rehabilitation District.

If you have any comments regarding this proposal, they may be presented in writing or at the public hearing.

Maryanne Cornelius, City Clerk

DRAFT 10.11.11

**AGREEMENT CONCERNING
ACT 210 COMMERCIAL REHABILITATION ABATEMENT
(HOTEL/CONVENTION CENTER)**

The City of Novi (“City”), located at 45175 W. Ten Mile Road, Novi, Michigan 48375, and _____ (“Company”), a _____ corporation, located at 46100 Grand River Avenue, Novi, MI 48374 (collectively, “the Parties”), agree as follows:

Recitals

1. After due notice and deliberation, and taking into consideration the statements received by the City Council at a hearing held on October 17, 2011, the City Council adopted a Resolution creating a Commercial Rehabilitation District (the “District”) pursuant to Act 210 of the Public Acts of 2005, as amended (the “Act 210”), for the property described on the Legal Description attached and made a part of this Agreement (the “Property”), located at 46100 Grand River Avenue, Novi, Michigan.
2. The Company submitted an application (“Application”) for issuance of a Commercial Rehabilitation Certificate (“Certificate”) for the Property, as provided for in Act 210. The Application was formally received by the City on October 18, 2011. The Application is incorporated as part of this Agreement by reference.
3. The Company represented in its application that it will construct a hotel on the Property (the “Real Property Investment”) and that (1) the Property is Commercial Property as defined in Act 210 and (2) the hotel will be a Qualifying Facility as defined in Act 210.
4. The City and the Company desire to enter into this Agreement for the purpose of setting forth the terms and conditions under which a Commercial Rehabilitation Exemption Certificate (Certificate) shall be approved and issued by the State Tax Commission for the Property proposed to be exempt from *ad valorem* real property taxes.

Therefore, in consideration of the foregoing, the Parties now enter into this Agreement.

Terms and Conditions

1. Subject to and in accordance with the Recitals set forth above, on October 24, 2011 the City Council adopted a Resolution approving the Company’s Application for an abatement of real property taxes related to the Real Property Investment under Act 210 (the “Resolution”) for a period not to exceed six (6) years, subject to the provisions of this Agreement. A copy of the Resolution is

attached and is incorporated into this Agreement. At the end of the six (6) year abatement period, the Property shall be subject to full *ad valorem* taxation. There is no contemplation by the Parties that the six (6) year period will be extended.

2. In consideration of a six (6) year abatement of real property taxes, for the 2013 through 2018 tax years (imposed based upon taxable values as of December 31, 2012 through December 31, 2017) (the “Abatement Period”), the Company represents and warrants that it will build and occupy the Real Property Investment for the entire abatement period. The Company further agrees as follows with respect to the Real Property Investment:

- (a) that the cost of the construction of the Real Estate Investment (hotel) will be a minimum of \$9,000,000; and that the design, elevations, materials, and quality of tenant/occupant (currently proposed to be a Hyatt Place) will be and remain of such quality or greater and as proposed and depicted in the Company’s application materials;

- (b) that the Real Estate Investment (hotel) will be in compliance with the City’s zoning ordinance and other ordinance requirements, including (but not limited to) woodlands, wetlands, storm water management, and all site plan approval requirements;

- (c) that a minimum of 24 full-time equivalent and part-time jobs will be created in connection with the Real Estate Investment, including:

Four (4) full-time equivalent administrative positions

Eight (8) full-time equivalent maintenance/service positions

Twelve (12) part-time maintenance/service/housekeeping positions

- (d) that a minimum of 50% percent of the vendors, suppliers, and contractors will be used in the construction of the Real Estate Investment, and thereafter 50% percent in ongoing supply/service activities;

- (e) that property taxes for the Real Estate Investment (hotel) **and** for the existing convention and trade center will be timely paid (although nothing in this representation will prohibit the company from contesting its property taxes), and that there will be no outstanding fines or liens by the company or any other entity with regard to the property at issue; and

- (f) that the Real Estate Investment and/or Property will bear its appropriate share, if any, for any existing or future payback or special assessments, as determined by the City;

- (g) that the use of the Real Estate Investment (hotel) will not change during the term of the abatement

Collectively, these representations (a) – (g) shall be referred to as the “Undertakings.”

3. No later than the 1st day of October of each year, beginning in the year 2013 through and including the year 2018, the Company shall submit a report (“Annual

Report”) to the City Assessor stating (a) the current number of jobs retained or created by the Real Estate Investment; (b) the name or other identification of the entities or “shows” that utilized the convention or trade center; (c) the name or other identification of the entities or “shows” that booked rooms at the hotel in connection with their use of the convention and trade center facility, and the number of rooms booked/occupied in connection with that use; (d) the occupancy rate for the hotel for the preceding year; and (e) the name or other identification of all Novi suppliers used. During the term of this Agreement, and through the 2018 tax year, the City may review and audit the information presented by the Company to determine compliance with this Agreement.

4. At the end of each calendar year from and after December 31, 2012 the City shall evaluate the Real Property Investment to determine whether the Company has defaulted on any obligations Act 210 or under this Agreement, including any of the Undertakings set forth in paragraph 2 above. If any such default is found by the City to exist, other than due to the enactment of laws, regulations, or ordinances by the City that materially impair the Company’s ability to operate at the Property, then upon written demand the Company shall pay the City a sum equal to the amount of real property taxes abated for the entire period that the Certificate was in effect (i.e., from the effective date of the Certificate) and the City shall revoke the Certificate as set forth in paragraph 8.

Following receipt of such a written demand from the City, the Company may petition (“Petition”) the City Council to conduct a public hearing to determine if the Company should be excused from all or any part of such payment obligation for such reasons as may be presented by the Company to the City and if revocation should not occur. The City Council shall conduct a public hearing within sixty (60) days from the date that the Petition is filed with the City Clerk. The Company’s obligation to make such payment shall be suspended until the City Council has conducted such public hearing regarding the Petition and decided whether to approve the waiver of some or all of such obligation.

5. Any other provision of this Agreement notwithstanding, if during the Abatement Period the Company abandons the facility, relocates the facility’s operations outside the District, or closes or otherwise fails to occupy the facility as contemplated in this Agreement, the City shall immediately revoke the Certificate, and the Company shall pay to the City the entire amount of the additional taxes, for the entire period that the Certificate was in effect, that the taxing jurisdictions would have received if the Certificate had not been issued.
6. If any of the foregoing amounts are not paid within sixty (60) days of receipt of a billing sent for same to the Company, the City may institute a civil action against the Company, and the City shall be entitled to recover the amounts stated in the billing described above. In addition, the Company shall pay all court costs and attorneys fees incurred by the City in connection with such civil action if the City prevails.

7. The City shall not initiate any court action seeking a remedy under Sections 4 and 5 until after both of the following have occurred:
 - a. The City has given written notice to the Company declaring a default and specifying the manner in which the Company is in default. The notice shall include an offer to schedule a meeting of the representatives of the City and Company on a date no later than thirty (30) days after the date of said notice to discuss the claimed default and how it may be cured; and
 - b. Thirty (30) days after the written notice described in Subsection 8.a, above is received by the Company, if the Company has met with the City and is diligently pursuing a cure, the City shall grant the Company an additional period of thirty (30) days to cure the default, and the City may grant further extensions of this time period in its sole discretion.
8. The City Council retains all right to revoke the Certificate by resolution, in accordance with and as set forth in Section 12 of Act 210, if it finds that:
 - a. Completion of the Real Estate Development Improvements has not occurred by December 31, 2012.
 - b. Company has not proceeded in good faith with the operation of the Real Estate Investment (hotel) in a manner consistent with the purposes of the act and in the absence of circumstances that are beyond its control.

In addition, the City may revoke the Certificate by resolution if it finds that the Company is in default of any provisions of this Agreement, including of the Undertakings set forth in paragraph 2 and the Company has failed to cure such failure to comply as set forth in paragraph 7.

9. Any all modifications or amendments to this Agreement must be made in writing and approved by the City Council and the Company.
10. The covenants and provisions set forth herein shall bind the successors and assigns of the parties. This Agreement is assignable and transferable by either party, provided that such assignment and transfer by the Company shall be subject to the approval of the City.
11. The Agreement will be interpreted, construed, and enforced in all respects in accordance with the laws of the state of Michigan.
12. The Agreement constitutes the entire understanding of the Parties regarding the abatement of real property taxes in the District and supersedes any other prior writings, agreements, contracts, or understandings between the City and the Company regarding the abatement of real property taxes in the District.

13. The Parties acknowledge that each of them has consulted with attorneys and counselors regarding this Agreement and that the City and the Company have equally participated in the drafting of this Agreement. The Company acknowledges that the terms, conditions, requirements, and obligations of the Certificate and this Agreement are lawful and are reasonable in consideration for the benefits the Company has determined that it will achieve by issuance of the Certificate, and the Company agrees that it shall not be permitted to claim that the City is not authorized by law and/or equity to enforce any provision of this Agreement.
14. The Parties each represent that the undersigned individuals are authorized to execute this Agreement on behalf of the City and the Company.
15. In the event that any portion or provision of this Agreement is deemed to be unlawful or unenforceable, the unlawful or unenforceable provision shall be stricken and the remaining portions and provisions shall be fully enforced.
16. This Agreement shall become effective upon issuance by the Michigan State Tax Commission of an Certificate to the Company with respect to the Property and shall be null and void and of no force and effect whatsoever if no Certificate is issued by the Michigan State Tax Commission. A duly executed copy of this Agreement shall be filed with the Michigan Department of Treasury.
17. If the Company files a petition with the Michigan Tax Tribunal to challenge the assessment of the Property during the Abatement Period that does not result in a reduction in the assessment, the Company shall reimburse the City's reasonable costs of defending such action. The Company agrees to pay all amounts due hereunder and under Act 210 and/or the Certificate in a timely manner and shall not allow any such amounts to become delinquent. Failure to pay amounts due hereunder and under Act 210 and/or the Certificate within thirty (30) days after the Company's receipt of a written notice of non-payment which refers to this Section 18 of this Agreement shall constitute a default and shall be grounds of revocation of the Certificate.
18. The company affirmatively states that it would not proceed with the construction of the Real Estate Investment if this abatement were not granted.

The Parties have executed this Agreement as of the date of the last signature below (the "Effective Date").

[NAME]

CITY OF NOVI

By: _____

By: _____

David Landry
Mayor

Date: October ____, 2011

Date: October ____, 2011

and

By: _____

Maryanne Cornelius
Clerk

Date: October ____, 2011

1734367

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

**RESOLUTION ESTABLISHING COMMERCIAL REHABILITATION DISTRICT
SUBURBAN COLLECTION SHOWPLACE**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall in said City on October 17, 2011, at ____ o'clock P.M. Prevailing Eastern Time.

PRESENT:

Councilmembers _____

ABSENT:

Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, pursuant to Public Act 210 of 2005, as amended by Public Act Nos. 81 and 82 of 2011, this City Council has the authority to establish "Commercial Rehabilitation Districts" within the City; and

WHEREAS, Heyots, LLC has petitioned this City Council to establish an Commercial Rehabilitation District on property located in the City of Novi hereinafter described for the purpose of constructing "Qualified Facility" in the form of a hotel that has additional meeting or convention space that is attached to a convention and trade center that is over 250,000 square feet in size and that is located in a county with a population of more than 1,100,000 and less than 1,600,000 as of the most recent decennial census; and

WHEREAS, construction, acquisitions, alterations, or installation of the proposed facility had not commenced at the time of filing the request to establish this District; and

WHEREAS, written notice has been given by certified mail to Oakland County and all owners of real property located within the District, and to the public by newspaper advertisement and/or public posting of the hearing on the establishment of the proposed District; and

WHEREAS, on October 17, 2011, a public hearing was held at which all of the owners of real property within the proposed Commercial Rehabilitation District and all residents and taxpayers of the City, and the representatives of other taxing jurisdictions, were afforded an opportunity to be heard thereon; and

WHEREAS, the City Council deems it to be in the public interest of the City to establish the Commercial Rehabilitation District as proposed, provided that the property proposed to be included in the District will be used for a Qualified Facility in the form of a hotel attached to a convention and trade center meeting the criteria in Public Act 210 of 2005, as amended by Public Act Nos. 81 and 82 of 2011 and in accordance with the City of Novi's duly-adopted policy for hotel/convention centers within a Commercial Rehabilitation District;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Novi that the following described parcel of land situated in the City of Novi, County of Oakland, and State of Michigan, to wit:

A parcel of land in the northeast $\frac{1}{4}$ of Section 16, town 1 north, range 8 east, City of Novi, Oakland County, Michigan, being more particularly described as: commencing at the east $\frac{1}{4}$ corner of said Section 16; thence along a line as monumented and occupied, S87°26'37"W 1135.25 feet (previously described as S86°56'26"W); thence N01°45'51"W 306.73 feet to the point of beginning; thence S88°14'09"W 270.00 feet; thence N01°45'51"W 111.09 feet to the southeast corner of the existing Showplace building; thence along the existing easterly Showplace building line the following five courses: N01°45'51"W 30.67 feet, S88°14'09"W 3.77 feet, N01°45'51"W 21.75 feet, N88°14'09"E 3.77 feet and N01°45'51"W 189.85 feet to the northeast corner of said existing Showplace building; thence continuing N01°45'51"W 195.04 feet to the south right-of-way line of I-96 expressway (right-of-way varies); thence along said I-96 right-of-way

line S74°00'10"E 283.51 feet; thence S01°45'51"E 461.91 feet to the point of beginning. Containing 134,474 square feet or 3.087 acres and being together with and subject to easements, restrictions or rights-of-way of record.

be and here is established as an Commercial Rehabilitation District pursuant to the provisions of Public Act 210 of 2005, as amended by Public Act Nos. 81 and 82 of 2011, to be utilized in accordance with the duly-adopted policy of the City of Novi relating to hotel/convention center facilities within a Commercial Rehabilitation District.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

MARYANNE CORNELIUS, CITY CLERK

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this _____ day of _____, 2011, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

MARYANNE CORNELIUS, CITY CLERK

MEMORANDUM



TO: CLAY PEARSON, CITY MANAGER

CC: VICTOR CARDENAS, ASSISTANT CITY MANAGER
ARA TOPOUZIAN, ECONOMIC DEVELOPMENT COORDINATOR

FROM: KATHY SMITH-ROY, FINANCE DIRECTOR/TREASURER

SUBJECT: SUBURBAN COLLECTION-HOTEL CONSTRUCTION TAX INFORMATION

DATE: OCTOBER 12, 2011

Pursuant to your request, please find enclosed the following:

- Suburban Collection, TBON LLC – select Industrial Facility (Act 198) Tax information for the actual period 2005-2011, and estimated for 2012-2020
- Suburban Collection, Hotel Construction – select Commercial Rehabilitation (Act 210) Tax information, estimated 2012-2020.
- Suburban Collection, Hotel Personal Property Tax information, estimated 2012-2020.
- Assumptions and additional information pertinent to and used in preparation of this schedule.

If you have any questions, or need any additional information, please let me know.

ASSUMPTIONS AND ADDITIONAL INFORMATION
TBON, LLC - Suburban Collection
Suburban Collection - Hotel Construction
Suburban Collection - Hotel *Personal Property Tax*

The applicant has provided the following information:

Hotel construction estimates \$7,000,000 - \$10,500,000
Personal property \$1,000,000 (used \$850,000 for \$8,500,000 assumption of investment)
Construction completed by 2013.

The assumption in this model is construction investment of \$8,500,000 (agreement calls for minimum investment of \$9,000,000), and a six-year abatement period.

MEDC recommends 1% per year for assumption in growth in taxable value. This assumption is considered conservative by the MEDC, however given the current economic conditions, this is likely aggressive in early years, and conservative in later years.

The MEDC recommendation of 1% per year was used for both scenarios, with the exception of the current existing facility. The applicant has a pending tax tribunal case with a proposed value of \$5,872,300 (City values at \$7,715,000; and as such the 2012 value is assumed at the 2011 value for purposes of this illustration.

The 2011 millage rates was used for this presentation and remains constant for all entities - including the City, which is not a likely scenario, however difficult to predict or estimate.

"*Total All Property Taxes*" includes the following applicable taxes:

- COUNTY GENERAL
- PARKS & RECREATION
- HURON-CLINTON
- ZOO
- OAKLAND INTERMEDIATE
- OAKLAND ALLOCATED INTERMEDIATE
- OAKLAND COLLEGE
- Novi Community Schools - Operating
- Novi Community Schools - Recreation
- Novi Community Schools - Sinking Fund
- Novi Community Schools - Sinking Debt
- STATE EDUCATION TAX (6 mils)
- Combined City millage (operating & debt)

"*Abatement amount*" is the estimated taxes eligible for abatement based on MEDC worksheet.

Personal property tax is not eligible for PA 210 application.

The depreciation method used for the personal property tax is 20 year straight line, which does not reflect actual formulas and asset classifications used by the County.

TBON, L.L.C.

A Michigan Limited Liability Company
46100 Grand River Ave.
Novi, Michigan 48374
Ph: (248) 348-5600 Fax: (248) 347-7720

CITY OF NOVI
CITY CLERK'S OFFICE

2011 SEP 22 A 8:31

Owner of



SUBURBAN COLLECTION
SHOWPLACE

Mayor David Landry
Novi City Council Members
City of Novi
45175 West Ten Mile Road
Novi, Michigan 48375

RE: Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion, Suburban Collection Showplace

Dear Mayor Landry and Honorable Council Members,

Enclosed please find our formal application and package relating to the above referenced abatement request. We believe that the package is comprehensive in nature and sets forth a very strong case for your granting our request.

While the application criteria and the information required in response is extensive, we are confident that you will find the package fully addresses all of the criteria that is outlined in the policy as well as the application. While the merits of the information stand on its own, there are some key areas I would like to emphasize and direct the Council's attention to when considering our request:

1. Quality of the Project: Hyatt Place is a very high-quality operator of national stature with extremely high standards for both for the quality of construction and for the operations of the hotel (please refer to the plans and renderings located within Section C, i, ii, iii).
2. The Underlying Basis and Fact an Attached Convention Center Hotel Benefits the Entire Community: While all of the other projects that are of a similar nature are too numerous to list, a sampling of these projects and information relating to them is included in our response in Criteria Item V.
3. Overwhelming Demonstration of Positive Impact From the Project: This positive impact is clearly demonstrated by the information provided in both the section relating to job creation (criteria items N) as well as the major additional economic impact (please refer to criteria item EE, iv).
4. Proactively Addressing Potential Future Competition Thereby Preserving the Major Current Amount of Major Economic Benefit: Perhaps of greatest importance for the Council's consideration is the fact that several other projects

are being pursued by surrounding communities, particularly Dearborn, Romulus and Troy. These are the subject of a study in the process of being finalized, draft portions of which have been included in the package (please refer to criteria item DD). Any decision maker who is concerned that what we are requesting might be considered a “competitive advantage” need only look at the type of subsidy and support that these other communities are considering for these potential projects.

The question as to whether or not additional business will come if we build it has been clearly answered by the numerous Letters of Interest and Intent received (please refer to criteria item DD). None of these letters are more telling than that of the Society of Automotive Engineers (SAE) which clearly states that while they would, in fact, like to use a Novi location they will not consider doing so because of a lack of an on site hotel and an appropriate amount of breakout meeting facility.

Again, thank you for your consideration of our request and we look forward to the opportunity to present this package in greater detail at the next available City Council meeting.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Blair M. Bowman', with a long horizontal flourish extending to the right.

Blair M. Bowman
Owner
Suburban Collection Showplace



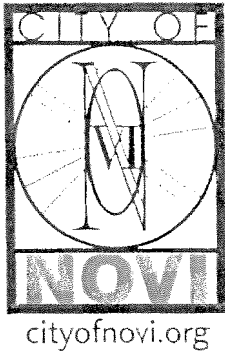
Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

TABLE OF CONTENTS

These items correspond to the criteria and requested information in the following City of Novi Commercial Rehabilitation Process and Application Package.

1. Response to Criteria Item A
2. Response to Criteria Item B
3. Response to Criteria Items C, D & E
4. Response to Criteria Items F, G, H, I, J & K
5. Response to Criteria Item L
6. Response to Criteria Item M
7. Response to Criteria Items N, O, P, Q, R & S
8. Response to Criteria Items T & W
9. Response to Criteria Items U & V
10. Response to Criteria Item X
11. Response to Criteria Item Y
12. Response to Criteria Item Z
13. Response to Criteria Item AA & BB
14. Response to Criteria Item CC
15. Response to Criteria Item DD
16. Response to Criteria Item EE
17. Response to Criteria Items FF & GG

18. Supplemental Materials: Initial Petition Drive efforts (these will be ongoing and updated throughout the approval process).
19. Copy of State Application: To be submitted after District has been established.



**City of Novi
Commercial Rehabilitation
Tax Abatements
Hotel/Convention Center
September, 2011**

Contact: Ara Topouzian, Economic Development Director
atopouzian@cityofnovi.org (248) 347-0583
investnovi.org

The Novi City Council passed a Commercial Rehabilitation Tax Abatement Policy, as it relates to a proposed hotel at a convention center, at their September 12, 2011 meeting. This policy was the result of Public Act 82 of 2011 listing a hotel connected to a convention center that is over 250,000 square feet in size and is located in a county of a certain size (like Oakland County) as a qualified facility. The policy takes into account the objectives to be achieved by granting a abatement for a hotel connected to a convention center. The information listed below requires a comprehensive response from the applicant as the policy is specific in the information required for the City Council to make an informed decision.

Process

The applicant must submit the information requested in the City's Policy and an application provided by the State of Michigan (attached). The documents and the submission will be judged on its own individual merits, on a case-by-case basis, with respect the achievement of the economic development goals of the City and satisfaction of the criteria outlined in this policy.

Applicants bear the burden of proof and must substantially satisfy conditions of the policy at initial application in order to be considered for abatement.

Review of applications shall be as required by statute. The City may approve, deny, or approve the proposal with conditions within the time specified by statute.

All procedures, rights, and obligations concerning such exemptions are subject to Act 210. The City reserves the sole discretion, to the fullest extent available under the law, to review each application and determine whether the project meets the City's goals and the review criteria, and to determine whether the project would be beneficial to the City, whether the applicant merits consideration, and whether any other conditions exist that affect the City determination to grant or deny an application.

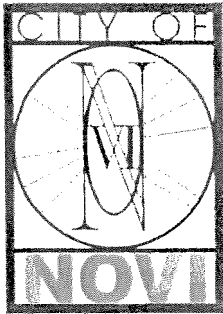
Application

An applicant must include the following information in their application:

- A. Name and contact information of primary contact for the project
- B. The value or cost of the hotel improvement (i.e., the capital investment)
- C. The quality of the proposed construction, including:
 - i. Proposed elevation rendering of proposed hotel
 - ii. Proposed site plan
 - iii. Proposed floor plans

- iv. Proposed amenities (swimming pools, sprinkler systems restaurants, etc.) included in the project
 - v. Type of service (full, limited, etc.) and expected rating (star/diamond)
 - vi. Expectations regarding liquor licensing
- D. The aesthetic value of the improvements – façade, materials, workmanship, etc.
 - E. The expected economic life of the improvement
 - F. The total expected local abatement amount
 - G. Anticipated date of commencement
 - H. Anticipated date of completion
 - I. The amount of real and personal property taxes already paid by the existing development (the convention center)
 - J. The total amount of real and personal property value that is expected to be added to the convention center (if any) during the abatement period
 - K. The total amount of real and personal property value that is expected to be added to the entire development (convention center and hotel) at the **end** of the abatement period
 - L. Any additional costs to the City, direct or indirect (e.g., additional required infrastructure, public safety impacts, traffic concerns, and the like)
 - M. Direct or indirect public benefits to be provided by project (land donations, contamination clean-up, utility extensions, road improvements, recreational opportunities, other local “goodwill” to be offered by the end user)
 - N. The number and kind of jobs to be retained by the existing development (the convention center) as a result of the improvement
 - O. The number and kind of jobs to be created by the hotel improvement:
 - i. Permanent full time jobs
 - ii. Temporary jobs
 - iii. Part-time jobs
 - P. The total projected annual payroll of the newly-created jobs
 - Q. The skill level of the newly-created jobs
 - R. The extent to which the jobs are (i) minimum wage; (ii) above minimum wage; (iii) considered to be “high wage” within the industry; and (iv) provide health care and other benefits
 - S. The extent to which the jobs are anticipated or projected to be filled by Novi residents
 - T. The extent to which the applicant commits to the use of local (City of Novi) vendors, suppliers, and contractors, expressed in a set amount or percentage of total construction costs and ongoing supply/service expenses.
 - U. The extent to which the applicant would be in direct competition with other similar existing hotels or other businesses in the City of Novi
 - V. The extent to which the hotel improvement would adversely affect such other existing hotels or businesses

- W. The extent to which the project will enhance opportunities for other existing or planned businesses in the City of Novi as part of the overall net economic benefits of the project to the City and its businesses and residents
- X. The extent to which the other public economic assistance is being provided to the applicant or the hotel by the City or other governmental agencies
- Y. The extent to which other governmental agencies support the project.
- Z. The environmental impact of the project and improvements—on woodlands, wetlands, storm water, air quality, etc.
- AA. The applicant must provide information establishing that, in relation to the other similar uses throughout the City, the project will be of exceptionally high-quality construction and service reputation, and value to the local community, given the cost to the City of foregone revenue.
- BB. The project must be fully compatible with the City's zoning ordinance and master plan for land use and other ordinance requirements.
- CC. The applicant must clearly and convincingly demonstrate that it would not construct or conduct the improvements in the City if tax abatement was not available. To satisfy this standard, the applicant must provide a written explanation of the need for the abatement, including a financial *pro forma* if requested.
- DD. The applicant must clearly and convincingly demonstrate that the hotel will promote the convention center and that it will fill a need that will assist in the attraction of events and attendance to the center in order to ensure the center itself remains a viable operation as relates to other competitive uses. To satisfy this standard, the applicant must provide information regarding what types of additional or new users are expected to come to the facility following construction of the hotel, and evidence that they will come only if there is a hotel attached to the facility.
- EE. The applicant must submit information to the City that:
 - i. identifies any existing hotels or other businesses within the same service area and with which the proposed hotel is expected to compete for business;
 - ii. describes the anticipated adverse effect (if any) on such existing hotels or other businesses; and
 - iii. explains why the grant of an abatement does not constitute the grant of a competitive advantage to the applicant
 - iv. quantifies, to the extent feasible, the net economic benefits of the project to the City and its businesses and residents
- FF. The applicant—and the proposed end user/operator of the hotel—must be a viable, profitable, and highly reputable ongoing business concern.
- GG. The applicant and proposed end user/operator must commit, in writing, to stay as a viable business concern for the entire term of the tax abatement and into the future.



cityofnovi.org

**City of Novi
Tax Abatement Policy
Commercial Rehabilitation Act PA 210
Hotel/Convention Center Only**

Real Property Tax Abatement Statement of Purpose

The Commercial Rehabilitation Act, PA 210 of 2005, was amended in 2011 to provide that the construction of a hotel with meeting/convention space attached to an existing convention and trade center of a certain size and location can qualify for a tax abatement of 100% of the value of the hotel improvements (but not the land on which it is located) for a period of up to 10 years. There is a convention center in the City that meets the description in the amended act. This policy describes the City's objectives in considering an abatement for the construction of a hotel attached to a convention center; the criteria under which the City would review an application for an abatement; and the limitations on any abatement. This policy also sets forth the requirement that any abatement be accompanied by an agreement between the applicant and the City designed to ensure that the City's goals are being furthered by the abatement.

It is further the intention of this policy to state the City's general expectation that, while an abatement (if granted) can be expected to enhance the convention center by increasing its business opportunities (e.g., increasing the kind or number of shows, customers, or prospects), the net benefit to the City and its residents and existing business would have to greatly outweigh the costs to those same affected individuals and entities in order for it to be considered by the City. In other words, while the temporary tax relief for a given property will obviously result in the loss of revenue to the City for a specified period of time, the expectation in granting any such abatement is that at the end of the period the City will have an increased tax base resulting from investment in a development that would not otherwise have occurred without the tax incentive, and that the short-term costs to the City and its businesses and residents will clearly be exceeded by identifiable and quantifiable short-term and long-term benefits resulting from the new development.

Objectives to be Achieved by Granting a Hotel/Convention Center Tax Abatement

Applications for tax abatements in connection with the construction of a hotel attached to a convention or trade center will be evaluated in terms of the likelihood that they will achieve some or all of the following objectives of the City of Novi:

- A. To "phase in" long-term tax benefits to the City that result from the construction of a very high quality, highly reputable, and sustainable hotel that would not have been constructed absent the abatement.
- B. To assist in the economic viability of an existing convention and trade center in a manner that will provide significant economic benefits to the community and its businesses and residents, without creating a high demand for City Services and City-funded infrastructure improvements.
- C. To encourage and promote a significant capital investment that will serve as a catalyst for other substantial investments within the community, while not undermining the economic/financial viability of any existing City businesses.

- D. To create or retain a significant number of employment opportunities that offer competitive wages within the industry.
- E. To judiciously and prudently use all tools available to improve the quality of life in the City of Novi, in a manner that assures that the long-term benefits of such action outweigh the short-term costs and foregone revenue.

General or Minimum Requirements for Eligibility

Every applicant must satisfy the following

- A. The applicant must provide information establishing that, in relation to the other similar uses throughout the City, the project will be of exceptionally high-quality construction and service reputation, and value to the local community, given the cost to the City of foregone revenue.
- B. The project must be fully compatible with the City's zoning ordinance and master plan for land use and other ordinance requirements.
- C. The applicant must clearly and convincingly demonstrate that it would not construct or conduct the improvements in the City if tax abatement was not available. To satisfy this standard, the applicant must provide a written explanation of the need for the abatement, including a financial *pro forma* if requested.
- D. The applicant must clearly and convincingly demonstrate that the hotel will promote the convention center and that it will fill a need that will assist in the attraction of events and attendance to the center in order to ensure the center itself remains a viable operation as relates to other competitive uses. To satisfy this standard, the applicant must provide information regarding what types of additional or new users are expected to come to the facility following construction of the hotel, and evidence that they will come only if there is a hotel attached to the facility.
- E. The applicant must submit information to the City that:
 - i. identifies any existing hotels or other businesses within the same service area and with which the proposed hotel is expected to compete for business;
 - ii. describes the anticipated adverse effect (if any) on such existing hotels or other businesses; and
 - iii. explains why the grant of an abatement does not constitute the grant of a competitive advantage to the applicant
 - iv. quantifies, to the extent feasible, the net economic benefits of the project to the City and its businesses and residents
- F. The applicant—and the proposed end user/operator of the hotel—must be a viable, profitable, and highly reputable ongoing business concern.
- G. The applicant and proposed end user/operator must commit, in writing, to stay as a viable business concern for the entire term of the tax abatement and into the future.

Review Criteria Specific to Project

The following criteria will be used to evaluate specific requests for a tax abatement in terms of the **net benefit to the City and its residents and businesses**, and to determine the number of years of the abatement. The City Council reserves the right to modify the tax abatement criteria to reflect the changing objectives, priorities, or conditions of the community. The applicant shall provide **sufficient information** to the City to allow it to conduct a full and complete review of the stated criteria.

- A. The value or cost of the hotel improvement (i.e., the capital investment)

- B. The quality of the proposed construction
- C. The expected economic life of the improvement
- D. The aesthetic value of the improvements – façade, materials, workmanship, etc.
- E. The total expected local abatement amount
- F. The amount of real and personal property taxes already paid by the existing development (the convention center)
- G. The total amount of real and personal property value that is expected to be added to the convention center (if any) during the abatement period
- H. The total amount of real and personal property value that is expected to be added to the entire development (convention center and hotel) at the *end* of the abatement period
- I. Any additional costs to the City, direct or indirect (e.g., additional required infrastructure, public safety impacts, traffic concerns, and the like)
- J. Direct or indirect public benefits to be provided by project (land donations, contamination clean-up, utility extensions, road improvements, recreational opportunities, other local “goodwill” to be offered by the end user)
- K. The number and kind of jobs to be retained by the existing development (the convention center) as a result of the improvement
- L. The number and kind of jobs to be created by the hotel improvement:
 - i. Permanent full time jobs
 - ii. Temporary jobs
 - iii. Part-time jobs
- M. The total projected annual payroll of the newly-created jobs
- N. The skill level of the newly-created jobs
- O. The extent to which the jobs are (i) minimum wage; (ii) above minimum wage; (iii) considered to be “high wage” within the industry; and (iv) provide health care and other benefits
- P. The extent to which the jobs are anticipated or projected to be filled by Novi residents
- Q. The extent to which the applicant commits to the use of local (City of Novi) vendors, suppliers, and contractors, expressed in a set amount or percentage of total construction costs and ongoing supply/service expenses.
- R. The extent to which the applicant would be in direct competition with other similar existing hotels or other businesses in the City of Novi
- S. The extent to which the hotel improvement would adversely affect such other existing hotels or businesses
- T. The extent to which the project will enhance opportunities for other existing or planned businesses in the City of Novi as part of the overall net economic benefits of the project to the City and its businesses and residents
- U. The extent to which the other public economic assistance is being provided to the applicant or the hotel by the City or other governmental agencies
- V. The extent to which other governmental agencies support the project.
- W. The environmental impact of the project and improvements—on woodlands, wetlands, storm water, air quality, etc.
- X. Any other factor deemed relevant by the City relating to the property, the project, the applicant, or any end user or hotel operator

Limitations

- A. The maximum time period for an abatement is six (6) years.
- B. Motels do not qualify for an abatement.

- C. A project must not have started more than 6 months before an application for abatement was received by the City, and must be located in a Commercial Rehabilitation District established before the commencement of the project.
- D. There must be no outstanding taxes, fines, or liens owed by the applicant or entity with regard to the property at issue.

Agreement Required

The City will require a written agreement with the applicant that will include, as a minimum:

- (1) The term of the abatement;
- (2) Any conditions required by the City Council in connection with the grant of the abatement, as to which the City reserves all rights to determine in the interests of the City;
- (3) Any reporting requirements established by the City with respect to the information stated above and/or provided by the applicant, whether required and described under PA 210 itself or established by the City as appropriate to the project and the agreement;
- (4) Events of default that will automatically terminate the agreement, including (by way of example only):
 - (a) Closure/abandonment/sale of building
 - (b) Change of use
 - (c) Failure to use local vendors.
 - (d) Failure to create new jobs as represented to the City.
 - (e) Failure to complete construction in a timely manner.
 - (f) Failure to meet any reporting requirements.
 - (g) Delinquency of either the hotel or the convention and trade center with regard to property taxes and/or to timely and properly follow legal procedures for contest.
 - (h) Failure to comply with local ordinances.
 - (i) Assignment without approval of the City
- (5) Any “claw back” or restitution provisions determined by the City to be necessary as appropriate to a specific project, under which the City will be paid back the amount of the abatement in the event of certain kinds of defaults

Procedures

The applicant must submit a submittal form prepared by the City and an application provided by the State of Michigan. The documents and the submission will be judged on its own individual merits, on a case-by-case basis, with respect to the achievement of the economic development goals of the City and satisfaction of the criteria outlined in this policy.

Applicants bear the burden of proof and must substantially satisfy conditions of the policy at initial application in order to be considered for abatement.

Review of applications shall be as required by statute. The City may approve, deny, or approve the proposal with conditions within the time specified by statute.

All procedures, rights, and obligations concerning such exemptions are subject to Act 210. The City reserves the sole discretion, to the fullest extent available under the law, to review each application and determine whether the project meets the City’s goals and the review criteria, and to determine whether the project would

be beneficial to the City, whether the applicant merits consideration, and whether any other conditions exist that affect the City determination to grant or deny an application.

1691261.3
ORC Approved Version
8.26.11
Council approved
7.12.11

Instructions for Completing Form 4507

Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. **Rehabilitation may commence after establishment of the Commercial Rehabilitation District.**

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
2. Prepare and attach all documents required under Part 2 of the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
 - b. Description of the qualified facility's proposed use
 - c. Description of the general nature and extent of the rehabilitation to be undertaken
 - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
 - e. Time schedule for undertaking and completing the facility's rehabilitation
 - f. Statement of the economic advantages expected from the exemption
 - g. Legal description of the facility
 - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
3. Qualified Retail Food Establishments:
 - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
 - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
 - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
 - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
 - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.

For assistance in determining the project area's eligibility, visit www.michigan.gov/propertytaxexemptions and click on Commercial Rehabilitation Act.
4. Submit the application and all attachments to the clerk of the LGU where the property is located.

LGU Assessor Instructions

Complete and sign Part 4 of the application.

LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
 - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
 - b. All required attachments listed under Part 2
 - c. A copy of the resolution by the LGU establishing the district
 - d. A certified copy of the resolution by the LGU approving the application
 - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. Submit the completed application to: State Tax Commission, P.O. Box 30471, Lansing, MI 48909

Application Deadline

The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

For guaranteed receipt by the State Tax Commission, send applications and attachments via certified mail.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call (517) 373-2408.

Frequently Asked Questions
Commercial Rehabilitation Act
(PA 210 of 2005, as amended)

The following frequently asked questions are being provided as a service to assessors and taxpayers to better inform them about the administration of Public Act 210 of 2005, as amended.

Note: The information contained in these frequently asked questions constitutes an analysis of one or more statutes and not legal advice. Since the analysis is limited to general statutory requirements, individual facts may result in different conclusions being reached. Therefore, individuals may wish to consult legal counsel.

1. **What is a Commercial Rehabilitation Exemption?**

The Commercial Rehabilitation Act, PA 210 of 2005, as amended provides a tax reduction for property of which the primary purpose and use is the operation of a commercial business enterprise, multifamily residential or qualified retail food establishments. Types of commercial business enterprises include office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Multifamily residential is housing that consists of 5 or more units. Qualified retail food establishments are primarily retail supermarkets, grocery stores, produce markets or delicatessens that offer fresh USDA inspected meat and poultry, fresh fruits and vegetables, and dairy products for sale. Applying for a Commercial Rehabilitation Exemption involves a multi-step process. First, completed applications are sent to the local governmental unit for review and approval. Qualified retail food establishment applicants must also submit an additional application at that time. After the local government finishes their processing of the applications, they are forwarded to the State Tax Commission for further review and approval.

Commercial Rehabilitation Tax Exemption Certificate applications are available from the Michigan Department of Treasury at: www.michigan.gov/propertytaxexemptions.

2. **What is meant by “Commercial Rehabilitation District?”**

A “Commercial Rehabilitation District” or “district” is defined by MCL 207.842(b) as:

“An area not less than 3 acres in size of a qualified local governmental unit established as provided in section 3. However, if the commercial rehabilitation district is located in a downtown or business area or contains a qualified retail food establishment, as determined by the legislative body of the qualified local governmental unit, the district may be less than 3 acres in size.”

3. **Who establishes a Commercial Rehabilitation District?**

The legislative body of a qualified local governmental unit may establish a commercial rehabilitation district on its own initiative or upon a written request filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed commercial rehabilitation district.

Frequently Asked Questions
Commercial Rehabilitation Act
(PA 210 of 2005, as amended)

4. **Can a request to establish a Commercial Rehabilitation District be denied?**

Yes. A hearing must be offered to all property owners within the proposed district and to the county, offering them an opportunity to appear and be heard. The local unit may deny the establishment of the district but must put the denial into a resolution.

5. **What is the definition of a “Qualified Facility?”**

A “Qualified Facility” is defined by MCL 207.842(h) as:

“A qualified retail food establishment or a building or group of contiguous buildings of commercial property that is 15 years old or older or has been allocated for a new market tax credit under section 45d of the internal revenue code, 26 USE 45d. Qualified facility also includes vacant property located in a city with a population of more than 36,000 and less than 37,000 according to the 2000 federal decennial census and from which a previous structure has been demolished and on which commercial property will be newly constructed. A qualified facility **does not** include property that is to be used as a casino or a professional sports stadium. As used in this subdivision, “casino” means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.”

6. **Who determines whether a facility qualifies for a Commercial Rehabilitation Exemption Certificate or not?**

Initially, that determination is made when the application is filed and reviewed by the local governmental unit. However, the local unit of government’s determination is reviewed and either approved, modified or denied by the state Tax Commission.

7. **How do I file an application for a Commercial Rehabilitation Exemption Certificate?**

Applications for Commercial Rehabilitation Exemption Certificates are filed with the local unit of government by the owner of the property. The application must be accompanied by the following required documents:

- a. A general description of the facility (including year built, original use, most recent use, number of stories, square footage);
- b. A general description of the rehabilitated facility’s proposed use;

Frequently Asked Questions
Commercial Rehabilitation Act
(PA 210 of 2005, as amended)

- c. A description of the general nature and extent of the rehabilitation to be undertaken;
- d. A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility;
- e. A time schedule for undertaking and completing the facility's rehabilitation;
- f. A statement of economic advantages expected from the exemption;
- g. A legal description of the property outlined in the application;
- h. A copy of the resolution approved by the local unit establishing the eligible district;
- i. The local unit resolution, containing all the required statements, approving the application for the exemption; and
- j. If applicable, a completed Form 4753, Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments.

The local unit will review the application and, if all requirements are met, will forward the application to the State Tax Commission.

8. Who can file an application for a Commercial Rehabilitation Exemption Certificate and with whom is it filed?

The owner of a qualified facility may file an application for a Commercial Rehabilitation Exemption Certificate with the clerk of the local governmental unit that established the Commercial Rehabilitation District.

9. What requirements for a Commercial Rehabilitation Exemption Certificate must be met to gain approval at the local unit of government level?

An applicant seeking a Commercial Rehabilitation Exemption Certificate must meet the following qualifications:

- a. The commencement of the rehabilitation of the qualified facility does not occur earlier than 6 months before the applicant files the application for the Commercial Rehabilitation Exemption Certificate. However, through December 31, 2009, for a qualified facility that is a qualified retail food establishment, the commencement of the rehabilitation does not occur earlier than 42 months before the applicant files the application for the Commercial Rehabilitation Exemption Certificate.

Frequently Asked Questions
Commercial Rehabilitation Act
(PA 210 of 2005, as amended)

- b. The application relates to a rehabilitation program that when completed constitutes a qualified facility within the meaning of the Act and that shall be situated within a Commercial Rehabilitation District established in a qualified local governmental unit eligible under the Act.
- c. Completion of the qualified facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the qualified facility is situated.
- d. The applicant states, in writing, that the rehabilitation of the qualified facility, excluding qualified retail food establishments through December 31, 2009, would not be undertaken without the applicant's receipt of the exemption certificate.
- e. The applicant is not delinquent in the payment of any taxes related to the qualified facility.

10. **Are there provisions in the application process which are time sensitive?**

MCL 207.848 requires that the commencement of the rehabilitation of the qualified facility does not occur earlier than 6 months before the applicant files the application for the Commercial Rehabilitation Exemption Certificate. However, through December 31, 2009, for a qualified facility that is a qualified retail food establishment, the commencement of the rehabilitation does not occur earlier than 42 months before the applicant files the application for the Commercial Rehabilitation Exemption Certificate.

11. **How long can a Commercial Rehabilitation Exemption Certificate be issued for?**

The certificate may be issued for a period to be determined by the legislative body of the local governmental unit of at least 1 year but not to exceed 10 years. If the number of years determined is less than 10, the certificate may be subject to review by the legislative body of the qualified local governmental unit and the certificate may be extended. The total amount of time determined for the certificate, including any extensions, shall not exceed 10 years after the completion of the qualified facility.

12. **What determines the starting date of the Commercial Rehabilitation Exemption Certificate?**

The effective date of the certificate is December 31st immediately following the date of issuance of the certificate by the State Tax Commission.

Frequently Asked Questions
Commercial Rehabilitation Act
(PA 210 of 2005, as amended)

13. **Can a Commercial Rehabilitation Exemption Certificate be transferred or amended?**

Yes. MCL 207.853 allows a certificate to be transferred and assigned by the holder to a new owner of the qualified facility. The new owner must first apply and be approved by the qualified local governmental unit before the transfer may occur. A certificate may also be amended if the number of years initially exempted is less than 10. The certificate may then be subject to review by the legislative body of the qualified local governmental unit and be extended.

14. **Can a Commercial Rehabilitation Exemption Certificate be revoked? If yes, who holds the authority to do so?**

Yes. Pursuant to MCL 207.852, the legislative body of the qualified local governmental unit may, by resolution, revoke the Commercial Rehabilitation Exemption Certificate of a facility if it finds that the completion of rehabilitation of the qualified facility has not occurred within the time authorized by the legislative body in the exemption certificate or a duly authorized extension of that time, or that the holder of the Commercial Rehabilitation Exemption Certificate has not proceeded in good faith with the operation of the qualified facility in a manner consistent with the purposes of the Act and in the absence of circumstances that are beyond control of the holder of the exemption certificate.

15. **How is “rehabilitation” defined as it pertains to the Commercial Rehabilitation Act?**

MCL 207.842(j) defines rehabilitation as changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the property to an economically efficient condition. Rehabilitation for a qualified retail food establishment also includes new construction. Rehabilitation also includes new construction on vacant property from which a previous structure has been demolished and if the new construction is an economic benefit to the local community as determined by the qualified local governmental unit. Rehabilitation shall not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the qualified facility.

16. **What is the definition of “Commercial Property?”**

MCL 207.842(a) defines “Commercial Property” as:

Frequently Asked Questions
Commercial Rehabilitation Act
(PA 210 of 2005, as amended)

“Land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) for the general property tax act, 1893 PA 206; MCL 211.8 and 211.14, the primary purpose and use of which is the operation of a commercial business enterprise or multifamily residential use. Commercial property shall also include facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise. Commercial property **does not** include any of the following: land or property of a public utility.”

17. **What is required of the Local Governmental Unit regarding the yearly status reporting of Commercial Rehabilitation Exemptions to the State Tax Commission?**

MCL 207.854 provides that not later than October 15 of each year, each qualified local governmental unit granting a Commercial Rehabilitation Exemption shall report to the State Tax Commission on the status of each exemption. The report must include the current value of the property to which the exemption pertains, the value on which the commercial rehabilitation tax is based, and a current estimate of the number of jobs retained or created by the exemption.

18. **How is the Commercial Rehabilitation Tax computed for a rehabilitated facility?**

The Commercial Rehabilitation Tax is the sum of the product computed by multiplying the total mills levied as ad valorem taxes for that year by all taxing units (including local school district operating and the state education tax) by the taxable value of the real property (excluding land) for the tax year immediately preceding the effective date of the commercial rehabilitation exemption and the product computed by multiplying the local school district operating and state education tax mills by the difference between the taxable value of the real property (excluding land) for the current tax year and the taxable value of the real property (excluding land) for the year immediately preceding the effective date of the exemption.

For a qualified retail food establishment that was issued a certificate on or before December 31, 2009, the tax is the sum of the product computed by multiplying the total mills levied as ad valorem taxes for that year by all taxing units (including local school district operating and the state education tax) by the taxable value of the real property (excluding land) for the tax year immediately preceding the rehabilitation and the product computed by multiplying the local school district operating and state education tax mills by the difference between the taxable value of the real property (excluding land) for the

Frequently Asked Questions
Commercial Rehabilitation Act
(PA 210 of 2005, as amended)

current tax year and the taxable value of the real property (excluding land) for the tax year immediately preceding the rehabilitation.

19. **For Qualified Retail Food Establishments, how do you determine if you are located in an “underserved area?”**

Visit the Property Tax Exemption Section website at www.michigan.gov/propertytaxexemptions. Under “Commercial Rehabilitation Act,” click on “Qualified Retail Food Establishments.” Then click on “Eligibility Requirements,” which describes how to find the census tract that you are located in. Last, click on “Census Tracts Regarding Underserved Areas” for a listing of qualifying census tracts.



Application for Commercial Rehabilitation Tax Abatement
Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item A

Name and contact information of primary contact for the project:

Name: Blair Bowman

Title: Owner

Entity: Suburban Collection Showplace

Address: 46100 Grand River Avenue, Novi, Michigan 48374

Phone Number: 248.348.5600

Fax Number: 248.347.7720

E-mail: bbowman@suburbanshowplace.com

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item B

The value or cost of the hotel improvement (i.e., the capitol investment):

The value or cost of the hotel improvement (ie: the capitol investment) per the current plan is estimated between \$8.5 and \$9 million dollars, the plans call for an expansion of the meeting facility and one-hundred and twenty-seven (127) hotel rooms.

The plans are based upon a Hyatt Place franchise which is a high end select service hotel. At this time the planning process for the proposed hotel is an active one and it is anticipated that the range will fall between no less than one hundred (100) rooms and upwards of one hundred and forty (140) rooms for the hotel. This would proportionately change the hotel/meeting facility project budget from approximately \$7 million up to \$10- \$10.5 million dollars.

This estimate is for the construction costs associated with the hotel and meeting facility expansion portion of the project. In addition, there will be investment in operating systems and owner and operator equipment as well.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Items C, D & E

- C. The Quality of the Proposed Construction, including:
- i. Proposed elevation rendering of proposed hotel: See attached renderings, various elevations for the proposed hotel and meeting facility expansion.
 - ii. Proposed site plan: See attached proposed site plan
 - iii. Proposed floor plans: See attached proposed floor plan, including first floor and second through sixth floors.
 - iv. Proposed Amenities: swimming pool, sprinkler systems throughout the facility, both a hotel and guest food service delivery area. As well as an area from the existing kitchen in the existing Diamond Center facility that will serve as a sit-down restaurant/lounge/pub area when needed.
 - v. Type of services: This is a proposed select service hotel being constructed in conjunction with significant additional meeting space and attached to the existing conference and convention center. This combination of amenities would be equivalent to a traditional full service hotel. It is unknown what level of “Diamond rating” that the hotel will achieve.
 - vi. Expectations regarding liquor license: It is our anticipation that we would petition the MLCC for an expansion of our Licensed Area and utilize our existing liquor license.
- D. Aesthetic Value of Improvements- Façade, Materials, Workmanship, ect.: The aesthetics will be highly compatible with the existing Suburban Collection Showplace and Diamond Center facilities will be consistent with the quality standards set through the City of Novi and will be an asset to the community.
- E. Expected Economic Life of the Improvement: The expected economic life of the improvement would be in excess of thirty years.

Application for Commercial Rehabilitation Tax Abatement
Proposed Hotel and Meeting Facility Expansion



Rendering/Elevation

Application for Commercial Rehabilitation Tax Abatement
Proposed Hotel and Meeting Facility Expansion

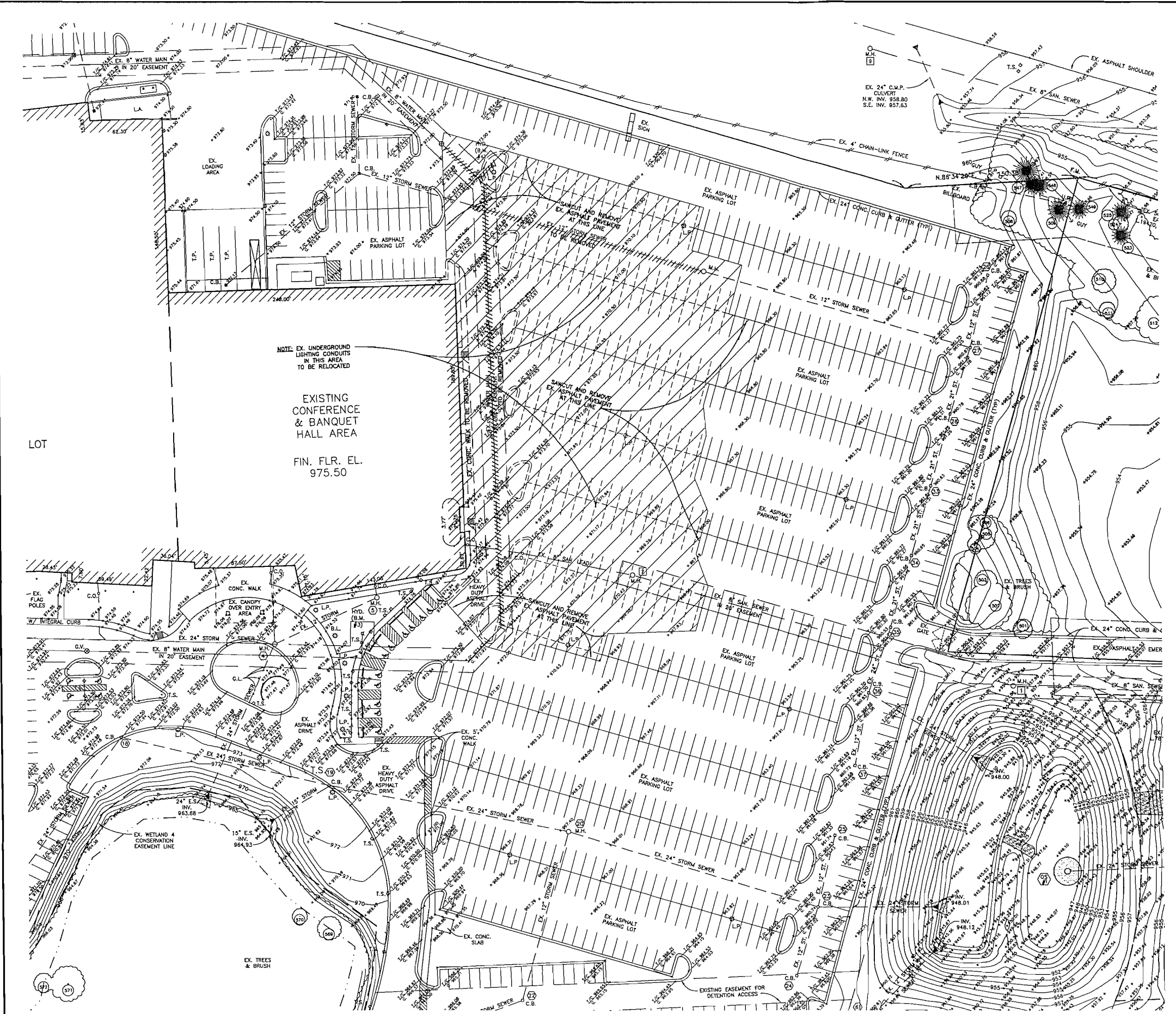


Rendering/Elevation

Application for Commercial Rehabilitation Tax Abatement
Proposed Hotel and Meeting Facility Expansion



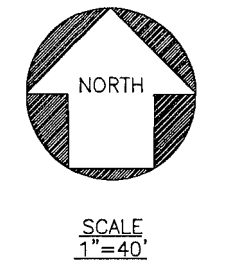
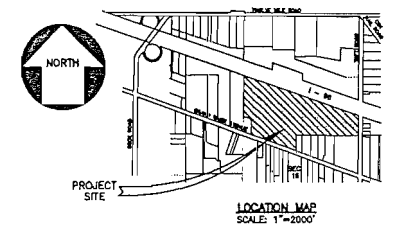
Rendering/Elevation



NOTE: EX. UNDERGROUND LIGHTING CONDUITS IN THIS AREA TO BE RELOCATED

EXISTING CONFERENCE & BANQUET HALL AREA

FIN. FLR. EL. 975.50



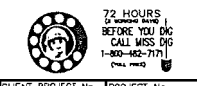
- LEGEND**
- — — — — EXISTING ELEVATION
 - - - - - PROPOSED ELEVATION (ADD 900 FEET)
 - - - - - EXISTING CONTOUR
 - - - - - PROPOSED CONTOUR (ADD 900 FEET)
 - (50) EXISTING TREE TAG NO.
 - U.P. UTILITY POLE
 - GUY GUY WIRE
 - T.S. TRAFFIC SIGN
 - HYD. FIRE HYDRANT
 - G.V. GATE VALVE
 - C.B. CATCH BASIN
 - M.H. MANHOLE
 - L.P. LIGHT POLE
 - F.M. FOUND MONUMENT
 - F.I. FOUND IRON
 - S.I. SET IRON
 - G.L. GROUND LIGHT
 - B.P. BUMPER POST
 - T.S.P. TRAFFIC SIGNAL POLE
 - T.P. TRUCK PARKING AREA
 - L.A. LOADING AREA

CLIENT: TITAN HOTEL DEVELOPMENT, L.L.C.
46100 GRAND RIVER AVE.
NOVI, MICHIGAN 48375
PHONE: 248/348-5600

REVISIONS
REVISED 04/05/11 - PER CLIENT
REVISED 04/19/11 - PER CLIENT
REVISED 04/26/11 - PER CLIENT

PROPOSED HOTEL AT THE
SUBURBAN COLLECTION SHOWPLACE
IN SECTION 16
OAKLAND COUNTY

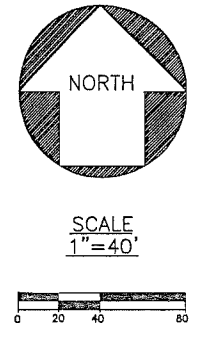
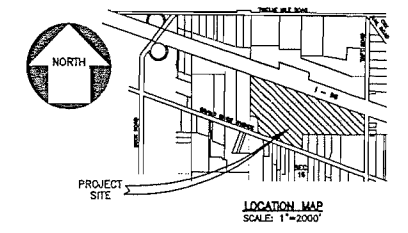
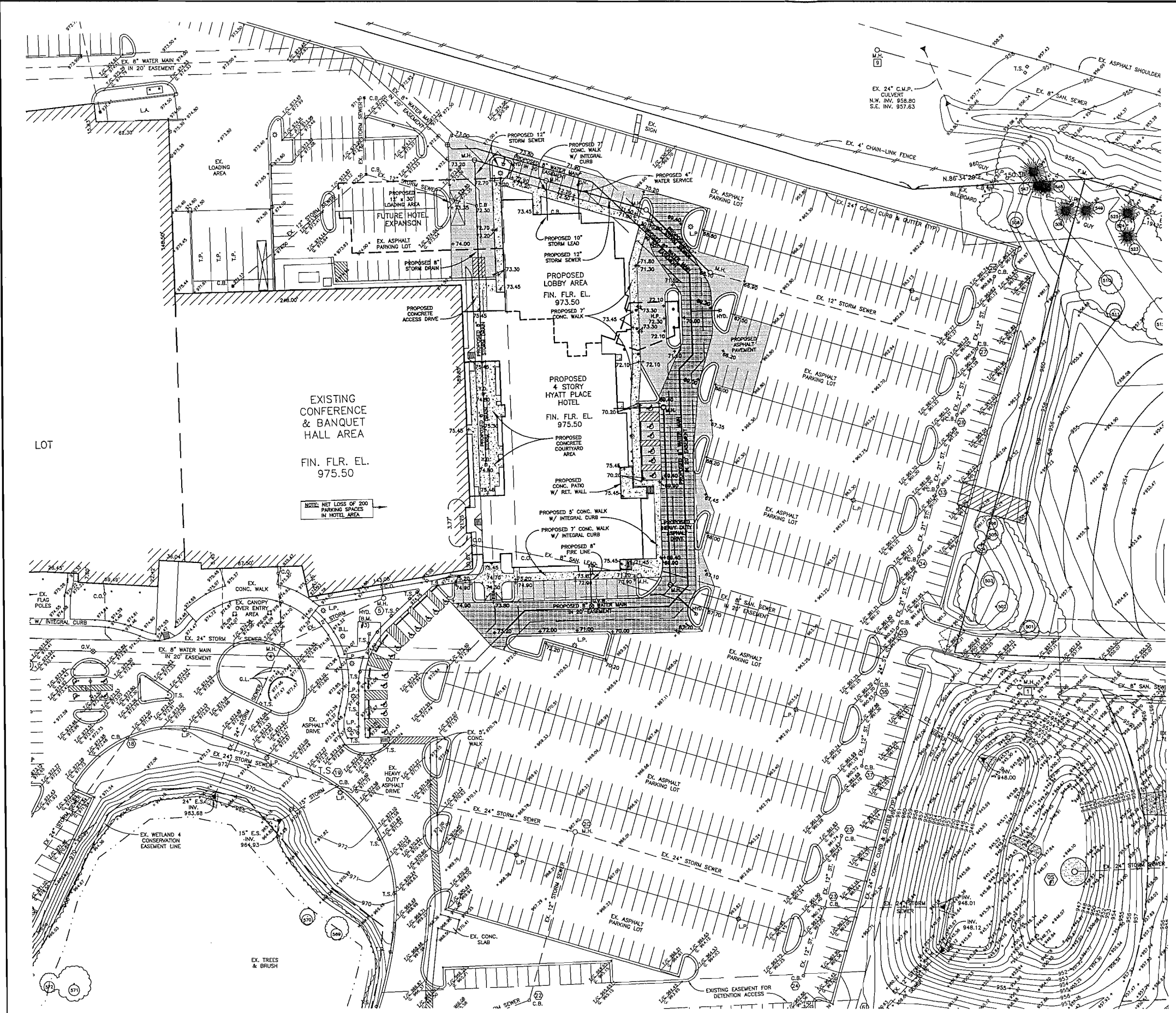
PRELIMINARY SITE DEMOLITION PLAN
Environmental engineers, Inc.
18620 WEST TEN MILE ROAD SOUTHFIELD, MICHIGAN 48075
PHONE: 248/424-9510 FAX: 248/424-2954



CLIENT PROJECT No. PROJECT No. 1104
DATE ISSUED 03/25/11 SHEET No. C-3

CITY OF NOVI

MICHIGAN



- LEGEND**
- 930.00 - EXISTING ELEVATION
 - + 30.00 - PROPOSED ELEVATION (ADD 300 FEET)
 - 930 - EXISTING CONTOUR
 - 30 - PROPOSED CONTOUR (ADD 300 FEET)
 - (40) - EXISTING TREE TAG NO.
 - U.P. - UTILITY POLE
 - GUY - GUY WIRE
 - T.S. - TRAFFIC SIGN
 - HYD. - FIRE HYDRANT
 - G.V. - GATE VALVE
 - C.B. - CATCH BASIN
 - M.H. - MANHOLE
 - L.P. - LIGHT POLE
 - F.M. - FOUND MONUMENT
 - F.I. - FOUND IRON
 - S.I. - SET IRON
 - G.L. - GROUND LIGHT
 - B.P. - BUMPER POST
 - T.S.P. - TRAFFIC SIGNAL POLE
 - T.P. - TRUCK PARKING AREA
 - L.A. - LOADING AREA

EXISTING CONFERENCE & BANQUET HALL AREA
 FIN. FLR. EL. 975.50
 HOTEL NET LOSS OF 200 PARKING SPACES IN HOTEL AREA

CLIENT: TITAN HOTEL DEVELOPMENT, L.L.C.
 45100 GRAND RIVER AVE.
 NOVI, MICHIGAN 48375
 PHONE: 248/348-5600

REVISIONS	REVISED 04/05/11 - PER CLIENT
	REVISED 04/19/11 - PER CLIENT
	REVISED 04/26/11 - PER CLIENT

PROPOSED HOTEL AT THE
 SUBURBAN COLLECTION SHOWPLACE
 IN SECTION 16
 OAKLAND COUNTY

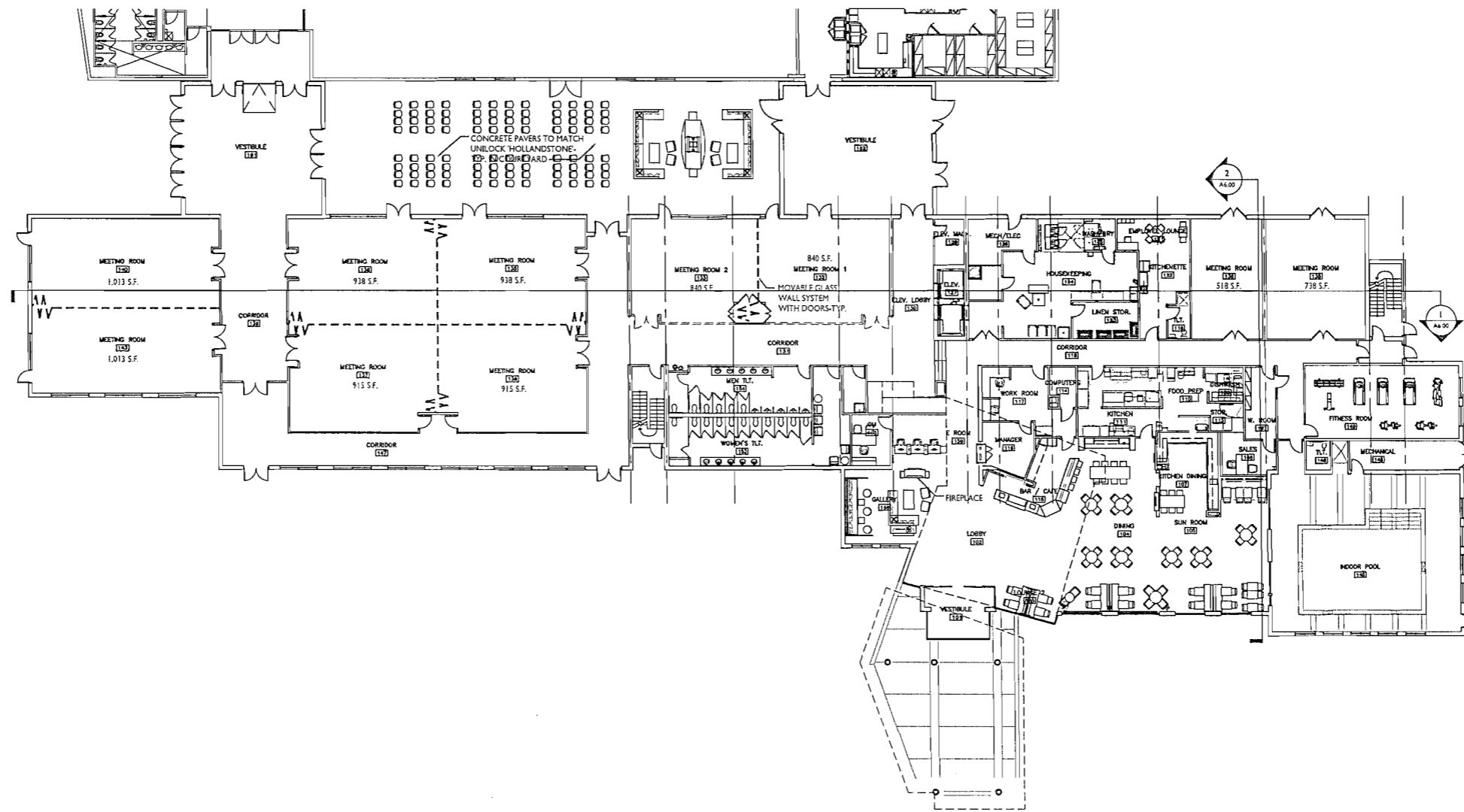
PRELIMINARY SITE ENGINEERING PLAN
 Environmental engineers, Inc.
 18620 WEST TEN MILE ROAD SOUTHFIELD, MICHIGAN 48075
 PHONE: 248/424-9510 FAX: 248/424-2954



CLIENT PROJECT No. 1104
 DATE ISSUED 03/25/11
 SHEET No. C-2

CITY OF NOVI

MICHIGAN



FIRST LEVEL FLOOR PLAN 26,690 S.F.
SCALE: 1/8"=1'-0"

TOTAL BUILDING: 91,820 S.F.

UNIT TOTALS

LEVEL 1	0 UNITS
LEVEL 2	23 UNITS
LEVEL 3	26 UNITS
LEVEL 4	26 UNITS
LEVEL 5	26 UNITS
LEVEL 6	26 UNITS
TOTAL	127 UNITS

UNIT TYPES

LEVEL 2	DOUBLE A	10 UNITS
	DOUBLE B	2 UNITS
	DOUBLE C	0 UNITS
	KING A	6 UNITS
	KING B	0 UNITS
	KING C	1 UNITS
	KING D	2 UNITS
	KING E	1 UNITS
	KING F	1 UNITS
	TOTAL	23 UNITS

LEVELS 3-6 - PER FLOOR

DOUBLE A	10 UNITS
DOUBLE B	3 UNITS
DOUBLE C	0 UNITS
KING A	6 UNITS
KING B	1 UNITS
KING C	1 UNITS
KING D	3 UNITS
KING E	1 UNITS
KING F	1 UNITS
TOTAL	26 UNITS

BOWERS+ASSOCIATES
2400 SOUTH HURON PARKWAY • ANN ARBOR, MI 48104
P: 734.975.2400 • F: 734.975.2410
WWW.BOWERSGARCIL.COM

CONSULTANT + NAME

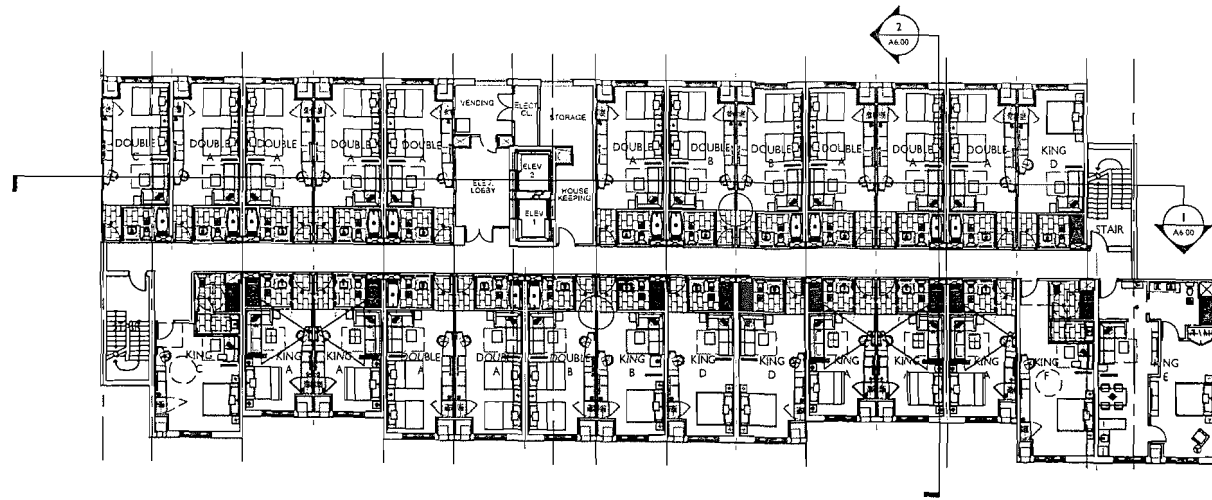
PROJECT + INFORMATION
SUBURBAN COLLECTION
SHOWPLACE
GRAND RIVER AVENUE
NOVI, MICHIGAN

PROJECT + NUMBER
10-201

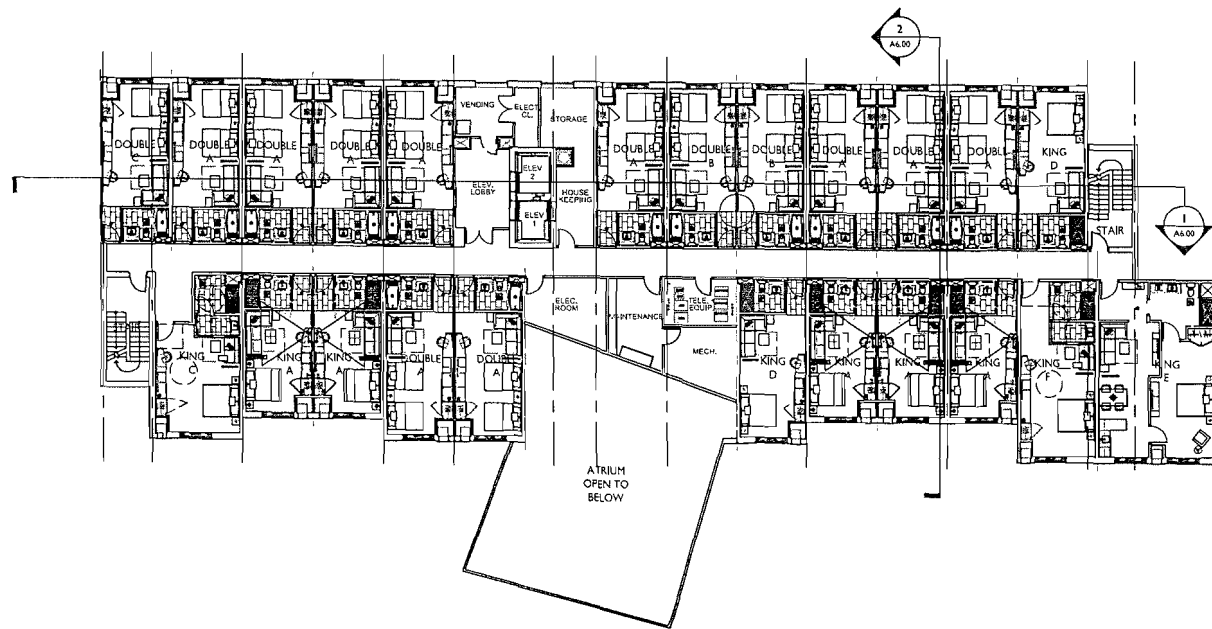
ISSUE + DATE
15 AUG. 2011 O. REV.
9 SEPT. 2011

SHEET + TITLE
FIRST FLOOR PLAN
10201MASTO.DWG

SHEET + NUMBER
A1.00



THIRD THRU SIXTH LEVELS FLOOR PLAN 13,143 S.F.
SCALE: 1/8"=1'-0"



SECOND LEVEL FLOOR PLAN 12,558 S.F.
SCALE: 1/8"=1'-0"

UNIT TOTALS

LEVEL 1	0 UNITS
LEVEL 2	23 UNITS
LEVEL 3	26 UNITS
LEVEL 4	26 UNITS
LEVEL 5	26 UNITS
LEVEL 6	26 UNITS
TOTAL	127 UNITS

UNIT TYPES

LEVEL 2	DOUBLE A	10 UNITS
	DOUBLE B	2 UNITS
	DOUBLE C	0 UNITS
	KING A	6 UNITS
	KING B	0 UNITS
	KING C	1 UNITS
	KING D	2 UNITS
	KING E	1 UNITS
	KING F	1 UNITS
	TOTAL	23 UNITS

LEVELS 3-6 - PER FLOOR

DOUBLE A	10 UNITS
DOUBLE B	3 UNITS
DOUBLE C	0 UNITS
KING A	6 UNITS
KING B	1 UNITS
KING C	1 UNITS
KING D	3 UNITS
KING E	1 UNITS
KING F	1 UNITS
TOTAL	26 UNITS

BOWERSTASOCIATES
ARCHITECTS & INTERIORS
2400 SOUTH HURON PARKWAY + ANN ARBOR, MI 48104
P: 734.975.2400 + F: 734.975.2410
WWW.BOWERSTARCH.COM

CONSULTANT + NAME

PROJECT + INFORMATION
SUBURBAN COLLECTION
SHOWPLACE
GRAND RIVER AVENUE
NOVI, MICHIGAN

PROJECT + NUMBER
10-201

ISSUE + DATE
15 AUG. 2011 O. REV.
9 SEPT. 2011

SHEET + TITLE
UPPER FLOOR PLANS

10201MASTN.DWG
SHEET + NUMBER
A1.01

© copyright 2011 Bowers + Associates, Inc.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Items F, G, H, I, J, & K

- F. The Total Expected Local Abatement Amount: This calculation has been performed by the City administration. We would anticipate that a reasonable and appropriate value be established for the improvements prior to the granting of the formal abatement. It is important while this has been estimated to be in excess of a half million dollars (\$500,000) of abatement and that it has been referred to as a one-hundred percent (100%) abatement, this is true only as it effects the local units of government. The petitioner and the project will still bare its full share of school funding and taxes. It represents approximately one-half (1/2) abatement to the applicant.
- G. Anticipated Date of Commencement: The anticipated date of commencement is Spring of 2012.
- H. Anticipated Date of Completion: The anticipated date of completion would be ten to twelve months after initiation of construction.
- I. The Amount of Real and Personal Property Taxes Already Paid by the Existing Development (the convention center): See attached 2010 Tax Bills.

***Important Note: For the purposes of full disclosure, it is commonly known that the applicant is contesting its real estate tax valuations at the State of Michigan Tax Tribunal for the subject property as well as others owned within the community.**

- J. The Total Amount of Real and Personal Property Value that is Expected to be Added to the Convention Center (if any) During the Abatement Period: No particular amount of additional capitol investment is anticipated at the time of submitting this application. If the project is successful and demand is sufficient, an area has been identified within the overall site for an expansion of the hotel room count with the ability to expand up to one hundred and twenty to one hundred and forty (120-140) additional rooms.
- K. The Total Amount of Real and Personal Property Value that is Expected to be Added to the Entire Development (convention center and hotel) at the **end** of the Abatement Period:

It is anticipated that the total amount at the end, barring expansion or second phase would be consistent with that which is proposed in this application.

2010 CITY, SCHOOL & COUNTY TAX STATEMENT

FISCAL YEARS

City • School • College County General State Education
 1-1-2010 to 6-30-2011 10-1-2009 to 9-30-2010 10-1-2010 to 9-30-2011

NOTICE: When paying in person bring both portions for a paid receipt.

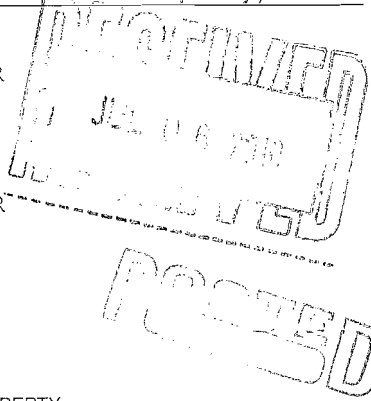
IN FULL - JULY 2010 - PAID AUG 23, 2010

Payments by mail will be recorded on the date received by the City, not by the date postmarked. Payments must be physically received by the Treasurer on or before August 31, 2010 to avoid penalty.

4% automatic penalty mandated after August 31, 2010.
 (Treasurer is NOT allowed to waive penalty.)

TBON LLC
 46100 GRAND RIVER
 Novi MI 48374

46100 GRAND RIVER



ARTIAL DESCRIPTION OF PROPERTY

T1N, R8E, SEC 16 PART OF NE 1/4, ALSO PART OF SE 1/4 BEG AT E 1/4 COR, TH S 87-26-37 W 1339.12 FT, TH S 87-42-26 W 124.90 FT, TH S 01-24-20 E

BEGINNING MARCH 1ST, 2011 all past due taxes must be paid to Andrew E. Meisner, Oakland County Treasurer, 1200 N. Telegraph, Pontiac, MI 48341, with additional penalties.

ALL CITY OF NOVI OPERATING TAXES ARE BILLED IN THEIR ENTIRETY ON THIS STATEMENT. (CVT: CITY, VILLAGE, TOWNSHIP) NO ADDITIONAL CITY OPERATING TAXES WILL APPEAR ON YOUR WINTER TAX STATEMENT.

RETAIN THIS LOWER PORTION FOR YOUR RECORDS.
 YOUR CANCELLED CHECK IS YOUR RECEIPT.

CODE #	*P.R.E. TAX BASE	PARCEL I.D. NUMBER / SCHOOL DIST.	
	0	50-22-16-251-021	180
% DECLARED AS P.R.E.	*NON-P.R.E. TAX BASE	TAXABLE VALUE	STATE EQUALIZED VALUE
0%	1,641,570	1,641,570	2,590,650
TAX DESCRIPTION		RATE PER \$1,000	AMOUNT
OAK. ISD-VOTED		3.16870	5,201.64
OAK. ISD-ALLOC		0.20030	328.80
OAK. COMM COLLEGE		1.58440	2,600.90
STATE EDUCATION		6.00000	9,849.42
SCHOOL OPERATING		9.00000	14,774.13
SCHOOL DEBT NOVI		3.44500	5,655.20
SCHOOL SINK 180		0.24660	404.81
SCHOOL SUPP >18		0.49000	804.36
CITY OPERATING		10.54160	17,304.77
OAK. COUNTY OPER		4.19000	6,878.17
TOTAL			63,802.20
PENALTY			
TOTAL AMOUNT DUE			

SPECIAL ASSESSMENTS

THE CITY OF NOVI HAS NO CONTROL OVER THE RATES OF COUNTY AND SCHOOL TAXES AND IS ONLY THE COLLECTING AGENT FOR THE FOLLOWING ENTITIES:
 • INTERMEDIATE SCHOOLS • COLLEGE • STATE EDUCATION
 • SCHOOL DEBT • COUNTY GENERAL

*P.R.E. = PRINCIPAL RESIDENCE EXEMPTION

PAID
 AUG 30 2010
 CITY OF NOVI

IMPORTANT INFORMATION - SEE REVERSE SIDE

Checks accepted only as a conditional payment. If not honored by bank, tax is unpaid and subject to unpaid tax penalties.

2010 CITY, SCHOOL & COUNTY TAX STATEMENT

FISCAL YEARS

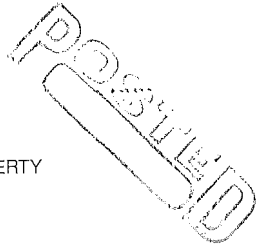
City • School • College County General State Education
 1-1-2010 to 6-30-2011 10-1-2009 to 9-30-2010 10-1-2010 to 9-30-2011

NOTICE: When paying in person bring both portions for a paid receipt.

Payments by mail will be recorded on the date received by the City, not by the date postmarked. Payments must be physically received by the Treasurer on or before August 31, 2010 to avoid penalty.
 4% automatic penalty mandated after August 31, 2010.
 (Treasurer is NOT allowed to waive penalty.)

BOCO ENTERPRISES INC
 ROCK FINANCIAL SHOWPLACE
 46100 GRAND RIVER AVE
 NOVI MI 48374

 46100 GRAND RIVER AVE



ARTIAL DESCRIPTION OF PROPERTY

BEGINNING MARCH 1ST, 2011 all past due taxes must be paid to Andrew E. Meisner, Oakland County Treasurer, 1200 N. Telegraph, Pontiac, MI 48341, with additional penalties.

ALL CITY OF NOVI OPERATING TAXES ARE BILLED IN THEIR ENTIRETY ON THIS STATEMENT. (CVT: CITY, VILLAGE, TOWNSHIP) NO ADDITIONAL CITY OPERATING TAXES WILL APPEAR ON YOUR WINTER TAX STATEMENT.

RETAIN THIS LOWER PORTION FOR YOUR RECORDS.
 YOUR CANCELLED CHECK IS YOUR RECEIPT.

Checks accepted only as a conditional payment. If not honored by bank, tax is unpaid and subject to unpaid tax penalties.

CODE #	*P.R.E. TAX BASE	PARCEL I.D. NUMBER / SCHOOL DIST.	
	73,920	50-99-01-970-049	180
*% DECLARED AS P.R.E.	*NON-P.R.E. TAX BASE	TAXABLE VALUE	STATE EQUALIZED VALUE
100%	0	73,920	73,920
TAX DESCRIPTION		RATE PER \$1,000	AMOUNT
OAK. ISD-VOTED		3.16870	234.23
OAK. ISD-ALLOC		0.20030	14.80
OAK.COMM COLLEGE		1.58440	117.11
STATE EDUCATION		6.00000	443.52
SCHOOL OPERATING		3.00000	221.76
SCHOOL DEBT NOVI		3.44500	254.65
SCHOOL SINK 180		0.24660	18.22
SCHOOL SUPP >18		0.49000	36.22
SCHOOL SUPP <18		1.56500	115.68
CITY OPERATING		10.54160	779.23
OAK.COUNTY OPER		4.19000	309.72
THE CITY OF NOVI HAS NO CONTROL OVER THE RATES OF COUNTY AND SCHOOL TAXES AND IS ONLY THE COLLECTING AGENT FOR THE FOLLOWING ENTITIES: • INTERMEDIATE SCHOOLS • COLLEGE • STATE EDUCATION • SCHOOL DEBT • COUNTY GENERAL *P.R.E. = PRINCIPAL RESIDENCE EXEMPTION			
PAID AUG 30 2010 CITY OF NOVI			
		PENALTY	TOTAL AMOUNT DUE
		2,545.14	

SPECIAL ASSESSMENTS

IMPORTANT INFORMATION - SEE REVERSE SIDE

2010 CITY, SCHOOL & COUNTY TAX STATEMENT

FISCAL YEARS

City School • Collage County General State Education
 1-2010 to 6-30-2011 10-1-2009 to 9-30-2010 10-1-2010 to 9-30-2011

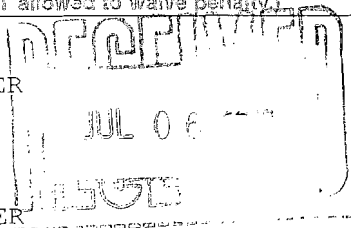
NOTICE: When paying in person bring both portions for a paid receipt.

PAID RECEIPT AUG 31 2010

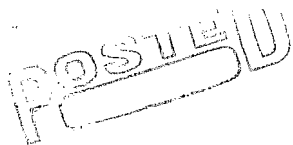
Payments by mail will be recorded on the date received by the City, not by the date postmarked. Payments must be physically received by the Treasurer on or before August 31, 2010 to avoid penalty.

4% automatic penalty mandated after August 31, 2010. (Treasurer is NOT allowed to waive penalty.)

TBON LLC
 46100 GRAND RIVER
 Novi MI 48374



46100 GRAND RIVER



PROPERTY DESCRIPTION OF PROPERTY

BEGINNING MARCH 1ST, 2011 all past due taxes must be paid to Andrew E. Meisner, Oakland County Treasurer, 1200 N. Telegraph, Pontiac, MI 48341, with additional penalties.

ALL CITY OF NOVI OPERATING TAXES ARE BILLED IN THEIR ENTIRETY ON THIS STATEMENT. (CVT: CITY, VILLAGE, TOWNSHIP) NO ADDITIONAL CITY OPERATING TAXES WILL APPEAR ON YOUR WINTER TAX STATEMENT.

RETAIN THIS LOWER PORTION FOR YOUR RECORDS. YOUR CANCELLED CHECK IS YOUR RECEIPT.

CODE #	*P.R.E. TAX BASE	PARCEL I.D. NUMBER / SCHOOL DIST.	
	0	50-IN-01-100-084	180
*% DECLARED AS P.R.E.	*NON-P.R.E. TAX BASE	TAXABLE VALUE	STATE EQUALIZED VALUE
0%	8,389,050	8,389,050	8,465,400
TAX DESCRIPTION		RATE PER \$1,000	AMOUNT
OAK. ISD-VOTED		1.58435	13,291.19
OAK. ISD-ALLOC		0.10015	840.16
OAK.COMM COLLEGE		0.79220	6,645.80
STATE EDUCATION		6.00000	50,334.30
SCHOOL OPERATING		4.50000	37,750.72
SCHOOL DEBT NOVI		1.72250	14,450.13
SCHOOL SINK FUND		0.12330	1,034.36
SCHOOL SUPP >18		0.24500	2,055.31
CITY OPERATING		5.27080	44,217.00
OAK.COUNTY OPER		2.09500	17,575.05
TOTAL			188,194.02
		PENALTY	
		TOTAL AMOUNT DUE	

SPECIAL ASSESSMENTS

THE CITY OF NOVI HAS NO CONTROL OVER THE RATES OF COUNTY AND SCHOOL TAXES AND IS ONLY THE COLLECTING AGENT FOR THE FOLLOWING ENTITIES:
 • INTERMEDIATE SCHOOLS • COLLEGE • STATE EDUCATION
 • SCHOOL DEBT • COUNTY GENERAL

*P.R.E. = PRINCIPAL RESIDENCE EXEMPTION

PAID
 #13602 AUG 30 2010
 KPCITY OF NOVI

IMPORTANT INFORMATION - SEE REVERSE SIDE

Checks accepted only as a conditional payment. If not honored by bank, tax is unpaid and subject to unpaid tax penalties.

2009 COUNTY AND SCHOOL TAX STATEMENT

FISCAL YEARS

J.C. Parks & Rec. • Zoo Authority School H.C.M.A.
 10-1-2009 to 9-30-2010 7-1-2009 to 6-30-2010 1-1-2010 to 12-31-2010

NOTICE: When paying in person bring both portions for a paid receipt.

PAID IN FULL - DEC. 1, 2009 THRU FEB. 14, 2010

Payments by mail will be recorded on the date received by the City, not by the date postmarked. Payments must be physically received by the Treasurer on or before February 14, 2010 to avoid penalty.

**4% automatic penalty mandated after Feb. 14, 2010.
 Treasurer is not allowed to waive penalty.**

TBON LLC
 46100 GRAND RIVER
 Novi MI 48374

46100 GRAND RIVER

ARTIAL DESCRIPTION OF PROPERTY

*Ch 12644
 \$ 79,218.34*

CODE #	*P.R.E. TAX BASE	PARCEL I.D. NUMBER / SCHOOL DIST.	
	0	50-IN-01-100-084	180
% DECLARED AS P.R.E.	*NON-P.R.E. TAX BASE	TAXABLE VALUE	STATE EQUALIZED VALUE
0%	8,414,300	8,414,300	8,414,300
TAX DESCRIPTION		RATE PER \$1,000	AMOUNT
SCHOOL OPERATING		4.50000	37,864.35
SCHOOL DEBT NOVI		1.56500	13,168.37
SCHOOL SINK FUND		0.12330	1,037.48
SCHOOL SUPP >18		0.24500	2,061.50
OAK.COUNTY PK&RC		0.12075	1,016.02
OAK.COUNTY HCMA		0.10730	902.85
OAK.COUNTY ZOO		0.05000	420.71
PAID			
FEB 12 2010			
CITY OF NOVI			
<i>12 644 CE</i>			
THE CITY OF NOVI HAS NO CONTROL OVER THE RATES OF COUNTY AND SCHOOL TAXES AND IS ONLY THE COLLECTING AGENT FOR THE FOLLOWING ENTITIES: • INTERMEDIATE SCHOOLS • COLLEGE • STATE EDUCATION • COUNTY • SCHOOL DEPT • OAKLAND COUNTY PARKS & REC. • ZOO AUTHORITY • HURON CLINTON METROPOLITAN AUTHORITY (H.C.M.A.)			
*P.R.E. = Principal Residence Exemption			
SPECIAL ASSESSMENTS			
TOTAL		PENALTY	TOTAL AMOUNT DUE
56,471.28			

BEGINNING MARCH 1ST, 2010 all past due taxes must be paid to Andrew E. Meisner, Oakland County Treasurer, 1200 N. Telegraph, Pontiac, MI 48341, with additional penalties.

ALL CITY OF NOVI OPERATING TAXES WERE BILLED IN THEIR ENTIRETY ON THE SUMMER STATEMENT. (CVT: CITY, VILLAGE, TOWNSHIP) NO ADDITIONAL CITY OPERATING TAXES APPEAR ON THIS WINTER TAX STATEMENT.

RETAIN THIS LOWER PORTION FOR YOUR RECORDS.
 YOUR CANCELLED CHECK IS YOUR RECEIPT.

Checks accepted only as a conditional payment. If not honored by bank, tax is unpaid and subject to unpaid tax penalties.

IMPORTANT INFORMATION - SEE REVERSE SIDE.

2009 COUNTY AND SCHOOL TAX STATEMENT

FISCAL YEARS

O.C. Parks & Rec. • Zoo Authority School H.C.M.A.
 10-1-2009 to 9-30-2010 7-1-2009 to 6-30-2010 1-1-2010 to 12-31-2010

NOTICE: When paying in person bring both portions for a paid receipt.

PAID IN FULL - DEC 1, 2009 THRU FEB. 14, 2010

Payments by mail will be recorded on the date received by the City, not by the date postmarked. Payments must be physically received by the Treasurer on or before February 14, 2010 to avoid penalty.

**4% automatic penalty mandated after Feb. 14, 2010.
 Treasurer is not allowed to waive penalty.**

TBON LLC
 46100 GRAND RIVER
 Novi MI 48374

46100 GRAND RIVER

PARTIAL DESCRIPTION OF PROPERTY

T1N, R8E, SEC 16 PART OF NE
 1/4, ALSO PART OF SE 1/4 BEG
 AT E 1/4 COR, TH S 87-26-37 W
 1339.12 FT, TH S 87-42-26 W
 124.90 FT, TH S 01-24-20 E

BEGINNING MARCH 1ST, 2010 all past due taxes must be paid to Andrew E. Meisner, Oakland County Treasurer, 1200 N. Telegraph, Pontiac, MI 48341, with additional penalties.

ALL CITY OF NOVI OPERATING TAXES WERE BILLED IN THEIR ENTIRETY ON THE SUMMER STATEMENT. (CVT: CITY, VILLAGE, TOWNSHIP) NO ADDITIONAL CITY OPERATING TAXES APPEAR ON THIS WINTER TAX STATEMENT.

RETAIN THIS LOWER PORTION FOR YOUR RECORDS.
 YOUR CANCELLED CHECK IS YOUR RECEIPT.

Checks accepted only as a conditional payment. If not honored by bank, tax is unpaid and subject to unpaid tax penalties.

CODE #	*P.R.E. TAX BASE	PARCEL I.D. NUMBER / SCHOOL DIST.	
	0	50-22-16-251-021	180
*% DECLARED AS P.R.E.	*NON-P.R.E. TAX BASE	TAXABLE VALUE	STATE EQUALIZED VALUE
0%	1,646,510	1,646,510	2,651,100
TAX DESCRIPTION		RATE PER \$1,000	AMOUNT
SCHOOL OPERATING		9.00000	14,818.59
SCHOOL DEBT NOVI		3.13000	5,153.57
SCHOOL SINK FUND		0.24660	406.02
SCHOOL SUPP >18		0.49000	806.78
OAK.COUNTY PK&RC		0.24150	397.63
OAK.COUNTY HCMA		0.21460	353.34
OAK.COUNTY ZOO		0.10000	164.65
TOTAL			
PENALTY			
TOTAL AMOUNT DUE			

PAID

FEB 12 2010

CITY OF NOVI

POSTED

THE CITY OF NOVI HAS NO CONTROL OVER THE RATES OF COUNTY AND SCHOOL TAXES AND IS ONLY THE COLLECTING AGENT FOR THE FOLLOWING ENTITIES:

- INTERMEDIATE SCHOOLS • COLLEGE • STATE EDUCATION • COUNTY
- SCHOOL DEPT • OAKLAND COUNTY PARKS & REC. • ZOO AUTHORITY
- HURON CLINTON METROPOLITAN AUTHORITY (H.C.M.A.)

*P.R.E. = Principal Residence Exemption

SPECIAL ASSESSMENTS

TOTAL 22,100.58 **PENALTY** **TOTAL AMOUNT DUE**

IMPORTANT INFORMATION - SEE REVERSE SIDE

2009 COUNTY AND SCHOOL TAX STATEMENT

FISCAL YEARS

O.C. Parks & Rec. • Zoo Authority School H.C.M.A.
 10-1-2009 to 9-30-2010 7-1-2009 to 6-30-2010 1-1-2010 to 12-31-2010

NOTICE: When paying in person bring both portions for a paid receipt.

PAID IN FULL - DEC 1, 2009 THRU FEB 14, 2010

Payments by mail will be recorded on the date received by the City, not by the date postmarked. Payments must be physically received by the Treasurer on or before February 14, 2010 to avoid penalty.

**4% automatic penalty mandated after Feb. 14, 2010.
 Treasurer is not allowed to waive penalty.**

BOCO ENTERPRISES INC
 ROCK FINANCIAL SHOWPLACE
 46100 GRAND RIVER AVE
 NOVI MI 48374

46100 GRAND RIVER AVE

PARTIAL DESCRIPTION OF PROPERTY

BEGINNING MARCH 1ST, 2010 all past due taxes must be paid to Andrew E. Meisner, Oakland County Treasurer, 1200 N. Telegraph, Pontiac, MI 48341, with additional penalties.

ALL CITY OF NOVI OPERATING TAXES WERE BILLED IN THEIR ENTIRETY ON THE SUMMER STATEMENT. (CVT: CITY, VILLAGE, TOWNSHIP) NO ADDITIONAL CITY OPERATING TAXES APPEAR ON THIS WINTER TAX STATEMENT.

RETAIN THIS LOWER PORTION FOR YOUR RECORDS.
 YOUR CANCELLED CHECK IS YOUR RECEIPT.

Checks accepted only as a conditional payment. If not honored by bank, tax is unpaid and subject to unpaid tax penalties.

CODE #	*P.R.E. TAX BASE	PARCEL I.D. NUMBER / SCHOOL DIST.	
	73,920	50-99-01-970-049	180
% DECLARED AS P.R.E.	*NON-P.R.E. TAX BASE	TAXABLE VALUE	STATE EQUALIZED VALUE
100%	0	73,920	73,920
TAX DESCRIPTION		RATE PER \$1,000	AMOUNT
SCHOOL OPERATING		3.00000	221.76
SCHOOL DEBT NOVI		3.13000	231.36
SCHOOL SINK FUND		0.24660	18.22
SCHOOL SUPP >18		0.49000	36.22
SCHOOL SUPP <18		1.32340	97.82
OAK COUNTY PK&RC		0.24150	17.85
OAK COUNTY HCMA		0.21460	15.86
OAK COUNTY ZOO		0.10000	7.39
PAID FEB 12 2010 CITY OF NOVI		POSTED	
THE CITY OF NOVI HAS NO CONTROL OVER THE RATES OF COUNTY AND SCHOOL TAXES AND IS ONLY THE COLLECTING AGENT FOR THE FOLLOWING ENTITIES: • INTERMEDIATE SCHOOLS • COLLEGE • STATE EDUCATION • COUNTY • SCHOOL DEPT • OAKLAND COUNTY PARKS & REC. • ZOO AUTHORITY • HURON CLINTON METROPOLITAN AUTHORITY (H.C.M.A.)			
*P.R.E. = Principal Residence Exemption			
SPECIAL ASSESSMENTS			
TOTAL		PENALTY	TOTAL AMOUNT DUE
646.48			

IMPORTANT INFORMATION - SEE REVERSE SIDE.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response to Criteria Item L

Any Additional costs to the City, direct or indirect:

It is anticipated that no additional costs will be required from the City, either direct or indirect with the limited exception of potential public safety, fire and police type of responses. The City of Novi's administration would be the best source of typical costs for calls of this nature relating to other similar projects in this community. If there is any significant costs relating to the services they will be far out weighed by the anticipated positive economic impact and other benefits to the community. It is also important to point out that the City of Novi was the direct beneficiary of utilizing the construction of the new exposition facility as a lead for the Build Michigan Grant of over \$5 million dollars which combined with the Beck Road interchange project to construct a two mile +/- section of Grand River Avenue which has preformed extremely well to service all of the traffic and infrastructure needs of the Showplace and surrounding areas and is more than adequate for the planned hotel improvements.



Application for Commercial Rehabilitation Tax Abatement
Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item M

Direct or Indirect Public Benefits to be Provided by Project:

Refer to economic impact in Criteria Item EE, iv.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Items N, O, P, Q, R & S

As a primary consideration regarding this Application, the City of Novi must understand the dynamic and extremely competitive environment in which the Suburban Collection Showplace operates. As has been stated on numerous occasions the Showplace facility is an extremely unique one in the fact that it is completely privately funded and operated. This is not the case for all of the local, state-wide and regional competitors which are all government subsidized. In addition, it is important to understand that several new projects are being actively considered and the subject of which a study that is in draft form is in the process of being completed and was commissioned by the Detroit Metro Convention and Visitors Bureau. I obtained permission from the bureau to provide sections of this report in our application so that the City Council can understand that of the three projects being considered, all of them are requiring either full public subsidy or significant subsidization in the form of a public/private partnership. While the study is still in draft form and could change, the conclusion must be drawn that if the Suburban Collection Showplace is going to survive and sustain the major positive impact that it currently produces and in fact, grow that impact as is shown in the economic impact section. At a minimum this type of modest support in the form of a Commercial Rehabilitation Tax Abatement should be granted.

To the best of the petitioner's ability, the job sustaining information and creation information is provided.

- N. The Number and Kind of Jobs to be Retained by the Existing Development as a Result of the Improvement:

Full-time equivalent jobs currently filled in the main operations of the showplace.

Title	Amount
Administration	Twenty (20)
High-paying technical and service personnel	Ten (10)
Assistant Manager/ Supervisor level	Ten (10)
Additional support staff (all at least \$2 dollars above minimum wage on average)	Fifty (50)

Part-time staff: Ticket takers, maintenance, seasonal workers-fifty (50).
The wage scale of these individuals average approximately \$2 - \$3 dollars above minimum wage.

It is important to further note that this does not include a calculation of the

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Items N, O, P, Q, R & S (continued)

existing jobs that have been filled and remain in place for suppliers, freight companies, technical companies, display companies, exhibiting companies that would reasonably estimate in the hundreds if not thousands of jobs.

Finally under generally accepted practices, the economic impact and spending that is generated from the current showplace operations yielded a full-time equivalent in number of jobs created/retained at the time of construction of the new exposition facility being 1,957 employees. At the time of the request for extension of the abatement that figure was estimated to be just under 4,000 full-time jobs and the actual economic impact was estimated to be nearly double of that calculated prior to construction. Direct evidence of these types of jobs and employment impacts are contained in the Letters of Support from suppliers and customers of the facility relating to the positive economic impact and job creation and sustaining nature of the Showplace operations (following our response Letters of Support can be found).

- O. The Number and Kind of Jobs to be Created by the Hotel Improvement:
- i. Permanent full-time jobs: It is estimated that permanent full-time jobs relating to the hotel will be twelve (12). Approximately four (4) will be administrative, high paying salaries and will provide health care/benefits. The balance will be maintenance and service style personnel, including house keeping and service staff.
 - ii. Temporary jobs: Temporary jobs will be broken down into two significant categories, first being construction jobs. Enclosed is a letter of support for the overall project and an estimate of construction jobs provided by Cunningham-Limp, the selected contractor for the hotel and meeting facility expansion project. It is estimated that construction jobs will be approximately four hundred (400) for the one year construction period. The second will be temporary jobs at peak times after the hotel is constructed and in operation. These temporary jobs will be filled largely by customers and event producers holding functions at the facility, sources for these temporary positions will be Man-Power or Kelly Services or other temporary employment agencies as well as registration firms and temporary administration firms. A reasonable estimate would be two hundred (200) such temporary jobs and assignments throughout the course of an annual period.
 - iii. Part-time jobs: An additional twelve (12) to fifteen (15) part-time jobs will be required for peak operational periods directly related to the hotel activities.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Items N, O, P, Q, R & S (continued)

In addition to the jobs directly created from the hotel/meeting facility expansion the addition of the headquarter hotel and meeting space will allow for the increase in overall business at the convention facility. Assuming twenty (20) to thirty (30) additional new events of average size relating to trade, conference and convention style activity, it is estimated that fifteen (15) additional set-up personnel, and thirty (30) additional service personnel, and four (4) additional administrative personnel will be required.

Additional economic impact/spending jobs equivalent: In accordance with the same model utilized in the underlying Economic Impact Analysis, assuming an additional \$225,000,000 million dollars plus annual economic impact this would create an additional seven hundred (700) +/- full-time job equivalents created from the hotel/meeting facility expansion project. This represents approximately in one-half increase a one-third increase in our trade, convention and conference business. This increase is clearly demonstrated as reasonable given the Letters of Interest and Intent contained in response to Criteria Items DD.

- P. The Total Projected Annual Payroll of the Newly-Created Jobs: \$300,000 - \$400,000:
It is important to note that this is the payroll associated only with the actual hotel and meeting facility expansion, no estimate is made nor attempted as it relates to the total payroll or wage scale relating to the additional support jobs or spin-off jobs.
- Q. The Skill Level of the Newly-Created Jobs: These skill levels and the general job descriptions are outlined above in prior response sections.
- R. The Extent to Which the Jobs Are (i) Minimum Wage; (ii) Above Minimum Wage; (iii) Considered to be "High Wage" Within the Industry; and (iv) Provide Health Care and Other Benefits: All jobs will be above minimum wage and a reasonable percentage, (approximately fifteen percent (15%)) will be considered to be high wage within the industry and provide health care and similar benefits.
- S. The Extent to Which the Jobs are Anticipated or Projected to be Filled by Novi Residents: The Suburban Collection Showplace is an equal opportunity employer and to the extent that Novi residents apply and are qualified they will be considered equally amongst all candidates. It is fair to estimate due to geographic location consistent with our current operations, additional Novi residents will be employed.



Cunningham-Limp

DESIGN • CONSTRUCTION • DEVELOPMENT

39300 W. Twelve Mile Rd. • Ste. 200
Farmington Hills • MI 48331
main: 248.489.2300 • fax: 248.489.2310

www.cunninghamlimp.com

September 20, 2011

Mr. Blair Bowman
President
Suburban Collection Showplace
46100 Grand River
Novi, MI 48374

SENT ELECTRONICALLY

RE: Proposed Hotel Project, Novi, Michigan

Dear Blair,

With respect to the proposed construction of a new hotel at the Suburban Collection Showplace, we are proud and happy to have been selected as the builder for this project. As a supporter of the City of Novi in light of over 2,000,000 square feet of construction we have directed in Novi, we are very excited and fully supportive of the project moving forward, particularly because of the economic impact it will have to Novi and surrounding local communities.

With specific respect to this project, the generation of jobs during the construction of the hotel will be significant. Based on our past history and the economic development tools we have at our disposal, over 400 construction-related jobs will be the direct result of this project in the coming year. This does not take into consideration secondary jobs that will be created, or the economic value of these workers enjoying Novi's restaurants and retail establishments while the project is underway, not to mention the thousands of hotel patrons that will experience the benefits of Novi as well.

Blair, please let me know personally how I can help you demonstrate the positive economic result this project will have to Novi and surrounding communities. It will be impactful.

Sincerely,
CUNNINGHAM-LIMP COMPANY

Samuel J. Ashley, Jr.
Vice President, Pre-Construction Services



Art Craft Display, Inc.

40300 Grand River Avenue, Suite E • Novi, Michigan 48374 • (248) 390-0243 • Fax (248) 390-0243
www.artcraftdisplay.com

September 19, 2011

City of Novi
45175 W Ten Mile Rd
Novi, MI 48375

RE: Proposed Convention Center Hotel and Expansion of
Meeting Space at the Suburban Collection Showplace

To Whom It May Concern:

On behalf of the Board of Directors of Art Craft Display, Inc., I am writing to you in support of the proposed Convention Center Hotel and Expansion of Meeting Space at the Suburban Collection Showplace.

Art Craft Display is the official tradeshow contractor for the Showplace and has been since the inception of the original Novi Expo Center in 1992-1993. Our organization has benefitted greatly from this long term relationship with the Expo Center/Showplace management. We have enjoyed a continuous increase in revenue and employment over the past 18 years as a result of the opportunity to service the convention center and their clients. Beginning with a staff of one in 1993, we currently employ over 30 local individuals which service our Novi location. Our local revenue has increased 20-fold since then which has resulted in our ability to reinvest in the local community by providing economic support through consistent employment of local workers as well as charitable and civic contributions.

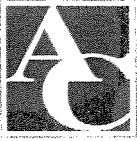
Furthermore, based on our past and current relationships with other "out-state" clients and suppliers, we are in the position to assist Showplace management in increasing the client base and local economic impact that this expansion would create. There are many State Associations that are in need of a convention center/hotel complex located in southeast Michigan that has the space and ability to house their events. This is the place and the time for the Novi area to take the next step forward and help create a "Showplace" that the City of Novi and the surrounding area can be proud of and to provide the basis to encourage business development in our industry.

We strongly urge the City of Novi to provide the means necessary to allow and approve this proposed expansion to make Novi a "destination city" in the events industry both locally and nationally.

Thank you in advance for your time and consideration.

Sincerely,

David C. Beeman
Senior General Manager
Art Craft Display, Inc.
Novi, MI



Art Craft Display, Inc.

46350 Grand River Avenue Suite B · Novi, Michigan 48374 · (248) 380-0843 · Fax (248) 380-0843
www.artcraftdisplay.com

September 20, 2011

TO: Blair Bowman
FROM: Dave Beeman *Dave*
RE: Estimated Impact on Hotel and Meeting
Room Expansion

Blair:

We are in the process of reviewing our operations with the expectation that the proposed expansion will occur sometime in the very near future.

Based on the size and scope of the project, we anticipate that we will need to add at least 15 to 20 people to our staff in order to properly service the increased volume and size of events that the expansion will create for the Showplace. Of course, the hotel expansion may facilitate our need to increase our on-site warehousing space which we can discuss at the appropriate time.

Through various discussions with clients and suppliers, we are all excitedly looking forward to the opportunity to service the larger events and the increase in tradeshow, conventions, meetings and special events.

As always, we appreciate our relationship with you and our mutual desire to help make the Showplace the premier facility for our industry partners.

Please let us know when we can be of further assistance.

**Epoch
Restaurant
Group**

39810 Grand River
Suite C-200
Novi, Michigan 48375

Telephone:
248.735.6010

Fax:
248.735.6016



Not just a bar
Harbor, MI

Knot just a bar
Omena, MI

Epoch Catering
Novi MI

•Off-Premise Catering
Novi, MI

•Diamond Center
Suburban Collection Showplace
Novi, MI

•Genesys
Conference and Banquet Center
Grand Blanc, MI

The City of Novi
45175 West 10 Mile Road
Novi, Michigan 48375

September 20, 2011

To Whom it May Concern:

It is our pleasure to write this letter in support of the recently proposed hotel at the Suburban Collection Showplace. As one of multiple companies that enjoy a partner relationship at the Suburban Collection Showplace, we are very excited about the promise that this new project will provide. In our role as the exclusive provider of food, beverage and event services for banquets, conferences and meetings, we are currently able to provide over 110 full and part-time jobs with our employees earning over \$1.3 million in wages and benefits. Additionally, our ability to source most of our raw materials and additional services locally allows us to contribute nearly an additional \$1 million to the local economy.

From 1982 to the present, Epoch Restaurant Group has been a leader in the hospitality industry in our state. Part of the Epoch mission is to positively impact the people of the communities of which it serves. The proposed hotel would certainly help our company to continue to fulfill its mission to serve our community.

As we evaluate the additional business opportunity that the new hotel may bring, we can project an increase that will nearly double these numbers over time while attracting new business and visitors to our facility and to our community. A new hotel would also attract more out of town guests so we would expect that more than half of the additional revenue would flow into our community from other states. Our data represents only the revenue generated for food, beverage and event services for banquets, conferences and meetings at the Diamond Center and does not include revenue generated in the exposition area or revenue for any other services related to events taking place at the Showplace or additional revenue generated by the hotel itself.

In a competitive national economy the addition of the proposed hotel will give us a far greater advantage in attracting events from competing states and venues. It is our opinion that the additional economic benefit will make a positive impact on not only our local community but on greater Southeastern Michigan as well. This project will certainly contribute to an economy in need. The positive impact should be recognized immediately as many of the jobs that we may potentially be able to provide are not technical in nature and therefore do not require long term training or an advanced level of education. However, these jobs are sustainable and certainly considered necessary in an economic


environment that welcomes flexible opportunities for working students, working parents and secondary household incomes. Our local colleges and universities consisting of many stay at home commuters will have additional opportunities to pay for their education. Furthermore, an additional full-service hotel is a superb compliment to The International Culinary School at The Art Institute of Michigan right here in Novi.

In further consideration of the positive economic impact this project would bring to our community, we can look to Novi City Manger, Mr. Clay Pearson's statements in his Budget Message for Fiscal Year 2011-12. Mr. Pearson tells us in his report that the valuation of new construction/additions was conservatively assumed to be only \$25 million for F/Y 2011-12. Mr. Pearson further states that amounts in excess of that will obviously compound and assist future years. The report tells us that the 2010 taxable value from new construction/additions was approximately \$25 million, while during the recent boom times (2006 and earlier) we saw \$100 million in new/additions. It is certainly obvious that the benefit to the tax revenues of the City of Novi will be positively impacted with the completion of this project. Mr. Pearson goes on in his report to conclude that economic development efforts and obtaining quality economic development will continue to improve the City's actual fiscal situation.

In conclusion, we fully support the efforts of Boco Enterprises and the Suburban Collection Showplace as they seek to improve our community by taking further risk in an economy that continues to be challenging. Their efforts to grow a business, create jobs, contribute to the community and help to make a positive impact in Southeast Michigan should be applauded and supported by all means available.

Thank you for taking the time to read this letter and give your full consideration to this very worthwhile venture.

Sincerely,



Kevin Aspinall, Vice President
Epoch Restaurant Group &
Epoch Catering



Paul Hess, Treasurer
Epoch Restaurant Group &
Epoch Catering

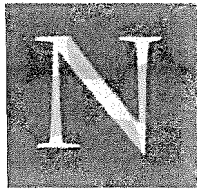
Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Items T & W

- T. The Extent to Which the Applicant Commits to the Use of Local Vendors, Suppliers, and Contractors, Expressed in a Set Amount or Percentage of Total Construction Costs and Ongoing Supply/Service Expenses: The best way to answer and respond to this criteria item is our current and past practices as evidence by the Letters of Support showing significant concentrations of our local expenditures and local suppliers, particularly Novi-based suppliers and vendors are used.

Please refer to following letters.

- W. The Extent to Which the Project Will Enhance Opportunities for Other Existing or Planned Businesses in the City of Novi as Part of the Overall Net Economic Benefits of the Project to the City and its Businesses and Residents: Refer to Criteria Item EE, iv.



EST. 1967

THE NOVI CHAMBER
OF COMMERCE

"Connect with Success!"

June 7, 2011

Re: Suburban Collection Showplace

The Novi Chamber of Commerce supports the addition of a hotel to the Suburban Collection Showplace because of the additional revenue it will bring to the Novi area. We understand that by adding a hotel, the Showplace will be able to attract larger conventions and thus more visitors to Novi and the surrounding communities. Visitors to the Suburban Collection Showplace bring added revenue to our restaurants, retail stores and local hotels. We also understand that large conventions will result in overflow bookings at our local hotels.

Thank you for your consideration,

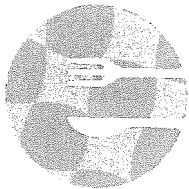
Linda Daly
Executive Director
Novi Chamber of Commerce

**Epoch
Restaurant
Group**

39810 Grand River
Suite C-200
Novi, Michigan 48375

Telephone:
248.735.6010

Fax:
248.735.6016



Knot just a bar
Harbor, MI

Knot just a bar
Omena, MI

Epoch Catering
Novi MI

•Off-Premise Catering
Novi, MI

•Diamond Center
Suburban Collection Showplace
Novi, MI

•Genesys
Conference and Banquet Center
Grand Blanc, MI

The City of Novi
45175 West 10 Mile Road
Novi, Michigan 48375

September 20, 2011

To Whom it May Concern:

It is our pleasure to write this letter in support of the recently proposed hotel at the Suburban Collection Showplace. As one of multiple companies that enjoy a partner relationship at the Suburban Collection Showplace, we are very excited about the promise that this new project will provide. In our role as the exclusive provider of food, beverage and event services for banquets, conferences and meetings, we are currently able to provide over 110 full and part-time jobs with our employees earning over \$1.3 million in wages and benefits. Additionally, our ability to source most of our raw materials and additional services locally allows us to contribute nearly an additional \$1 million to the local economy.

From 1982 to the present, Epoch Restaurant Group has been a leader in the hospitality industry in our state. Part of the Epoch mission is to positively impact the people of the communities of which it serves. The proposed hotel would certainly help our company to continue to fulfill its mission to serve our community.

As we evaluate the additional business opportunity that the new hotel may bring, we can project an increase that will nearly double these numbers over time while attracting new business and visitors to our facility and to our community. A new hotel would also attract more out of town guests so we would expect that more than half of the additional revenue would flow into our community from other states. Our data represents only the revenue generated for food, beverage and event services for banquets, conferences and meetings at the Diamond Center and does not include revenue generated in the exposition area or revenue for any other services related to events taking place at the Showplace or additional revenue generated by the hotel itself.

In a competitive national economy the addition of the proposed hotel will give us a far greater advantage in attracting events from competing states and venues. It is our opinion that the additional economic benefit will make a positive impact on not only our local community but on greater Southeastern Michigan as well. This project will certainly contribute to an economy in need. The positive impact should be recognized immediately as many of the jobs that we may potentially be able to provide are not technical in nature and therefore do not require long term training or an advanced level of education. However, these jobs are sustainable and certainly considered necessary in an economic

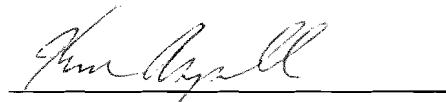
environment that welcomes flexible opportunities for working students, working parents and secondary household incomes. Our local colleges and universities consisting of many stay at home commuters will have additional opportunities to pay for their education. Furthermore, an additional full-service hotel is a superb compliment to The International Culinary School at The Art Institute of Michigan right here in Novi.

In further consideration of the positive economic impact this project would bring to our community, we can look to Novi City Manger, Mr. Clay Pearson's statements in his Budget Message for Fiscal Year 2011-12. Mr. Pearson tells us in his report that the valuation of new construction/additions was conservatively assumed to be only \$25 million for F/Y 2011-12. Mr. Pearson further states that amounts in excess of that will obviously compound and assist future years. The report tells us that the 2010 taxable value from new construction/additions was approximately \$25 million, while during the recent boom times (2006 and earlier) we saw \$100 million in new/additions. It is certainly obvious that the benefit to the tax revenues of the City of Novi will be positively impacted with the completion of this project. Mr. Pearson goes on in his report to conclude that economic development efforts and obtaining quality economic development will continue to improve the City's actual fiscal situation.

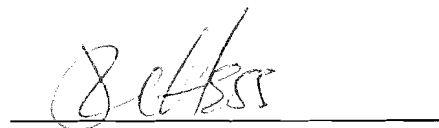
In conclusion, we fully support the efforts of Boco Enterprises and the Suburban Collection Showplace as they seek to improve our community by taking further risk in an economy that continues to be challenging. Their efforts to grow a business, create jobs, contribute to the community and help to make a positive impact in Southeast Michigan should be applauded and supported by all means available.

Thank you for taking the time to read this letter and give your full consideration to this very worthwhile venture.

Sincerely,



Kevin Aspinall, Vice President
Epoch Restaurant Group &
Epoch Catering



Paul Hess, Treasurer
Epoch Restaurant Group &
Epoch Catering



Art Craft Display, Inc.

46350 Grand River Avenue Suite B · Novi, Michigan 48374 · (248) 380-0843 · Fax (248) 380-0848
www.artcraftdisplay.com

September 19, 2011

City of Novi
45175 W Ten Mile Rd
Novi, MI 48375

RE: Proposed Convention Center Hotel and Expansion of
Meeting Space at the Suburban Collection Showplace

To Whom It May Concern:

On behalf of the Board of Directors of Art Craft Display, Inc., I am writing to you in support of the proposed Convention Center Hotel and Expansion of Meeting Space at the Suburban Collection Showplace.

Art Craft Display is the official tradeshow contractor for the Showplace and has been since the inception of the original Novi Expo Center in 1992-1993. Our organization has benefitted greatly from this long term relationship with the Expo Center/Showplace management. We have enjoyed a continuous increase in revenue and employment over the past 18 years as a result of the opportunity to service the convention center and their clients. Beginning with a staff of one in 1993, we currently employ over 30 local individuals which service our Novi location. Our local revenue has increased 20-fold since then which has resulted in our ability to reinvest in the local community by providing economic support through consistent employment of local workers as well as charitable and civic contributions.

Furthermore, based on our past and current relationships with other "out-state" clients and suppliers, we are in the position to assist Showplace management in increasing the client base and local economic impact that this expansion would create. There are many State Associations that are in need of a convention center/hotel complex located in southeast Michigan that has the space and ability to house their events. This is the place and the time for the Novi area to take the next step forward and help create a "Showplace" that the City of Novi and the surrounding area can be proud of and to provide the basis to encourage business development in our industry.

We strongly urge the City of Novi to provide the means necessary to allow and approve this proposed expansion to make Novi a "destination city" in the events industry both locally and nationally.

Thank you in advance for your time and consideration.

Sincerely,

David C. Beeman
Senior General Manager
Art Craft Display, Inc.
Novi, MI



September 20, 2011

Mr. Blair Bowman
President
Suburban Collection Showplace
46100 Grand River
Novi, MI 48374

SENT ELECTRONICALLY

RE: Proposed Hotel Project, Novi, Michigan

Dear Blair,

With respect to the proposed construction of a new hotel at the Suburban Collection Showplace, we are proud and happy to have been selected as the builder for this project. As a supporter of the City of Novi in light of over 2,000,000 square feet of construction we have directed in Novi, we are very excited and fully supportive of the project moving forward, particularly because of the economic impact it will have to Novi and surrounding local communities.

With specific respect to this project, the generation of jobs during the construction of the hotel will be **significant**. Based on our past history and the economic development tools we have at our disposal, over **400 construction-related jobs** will be the direct result of this project in the coming year. This does not take into consideration secondary jobs that will be created, or the economic value of these workers enjoying Novi's restaurants and retail establishments while the project is underway, not to mention the thousands of hotel patrons that will experience the benefits of Novi as well.

Blair, please let me know personally how I can help you demonstrate the positive economic result this project will have to Novi and surrounding communities. It will be impactful.

Sincerely,
CUNNINGHAM-LIMP COMPANY

Samuel J. Ashley, Jr.
Vice President, Pre-Construction Services



FDI GROUP

39500 High Pointe Boulevard, Suite 400
Novi, Michigan 48375
Phone 248-348-8200 / 800-828-0759
Fax 248-348-1697

September 20, 2011

City of Novi
45175 West Ten Mile Road
Novi, MI 48375

Re: Suburban Collection Showplace – Hotel and Meeting Space Expansion

To Whom It May Concern:

This letter is one of support for the planned Hotel and meeting space expansion at the Suburban Collection Showplace.

The FDI Group of Companies has maintained its corporate presence in the City of Novi for many years. We have found the Suburban Collection Showplace to be a tremendous benefit to our company allowing us to maintain and increase our staffing levels of highly paid and highly skilled employees. We have provided several of the insurance needs for the numerous shows that have come to the facility.

In these most difficult economic times it is vital to our great city to cooperate with entrepreneurial visionaries who bring opportunities. It is though this type of strategic development that business such as ours is able to continue to grow and prosper.

As an individual who has chosen to both work and live in Novi, I strongly believe that the Hotel and Meeting space expansion is right for the City of Novi.

The Hotel and meeting expansion space addition to the Suburban Collection Showplace is certain to provide a significant increase of economic benefit to our business. Additionally, it will provide much needed positive economic activity to many businesses in the City of Novi.

Sincerely,

Mark B. Churella
President/CEO

MBC/mc



Dear City of Novi,

I live in Novi and own a business here. My company Speedpro Imaging has been working with the Suburban Collection Showplace for the past two years as their banner and signage printer. In this time, we have worked on new and innovative projects with them that have increased our sales numbers and helped us grow our business. We have also been able to leverage our relationship with Suburban Collection Showplace, gaining exposure to new customers from the various shows that are put on at the facility.

We are strongly support and are encouraged by their plans to build a hotel attached to the Suburban Collection Showplace. We look forward to the increased business that it will bring. We are excited to see this development, as there is definitely a need for a combination Expo Center/Hotel in Suburban Detroit that cannot be fulfilled with what is currently in existence. We hope that this letter will help in the approval process.

Sincerely,

A handwritten signature in cursive script that reads 'Kimberly Frane'.

Kimberly Frane

Speedpro Imaging

24404 Catherine Industrial Drive, Suite 316

Novi, MI 48375

(248) 468-0604

June 7, 2011

Mary Jane Scott,

Thank you for the opportunity to speak in front of the House Committee that is reviewing the legislation that would allow Suburban Show Place the opportunity to extend the tax abatements already granted to them.

Representative Hugh Crawford is on the right track with his initiative to extend the existing tax abatements granted to the Suburban Collection Show Place. Representative Crawford seems to have a clear understanding of the importance of this project from a general community revenue stand point as well as the taxable revenue gain from all businesses involved both directly and indirectly.

As a hotelier in the local Novi / Wixom community I can immediately see the benefits of having a host hotel attached to the Suburban Show Place complex.

Suburban Show Place has driven hundreds of thousands of dollars to my hotel as well as all other hotels in the area, and if the abatements are needed to allow continued growth at that facility than as a business person I support your efforts to add revenue to all the businesses in our local community.

Any tax abatements granted to this project will be offset ten fold by taxable revenue gained at this and all other hospitality related businesses in the area. This is a symbiosis that needs to grow.

It was a pleasure speaking to a group of legislators that understand the value of this project. I wish I were able to attend the Wednesday meeting but have prior commitments in Jackson. I am confident that the Senate will also understand the tremendous tax benefit that Suburban Showplace has not only on the community tax revenue but also threw the Lodging and bed Tax a tremendous benefit to COBO center.

Oakland County is fortunate to have someone like Blair Bowman willing to commit private dollars to grow a public venue like Suburban Show Place.

My wishes for continued support from both the House and Senate

George Barbour
President / COO
Five Lakes Hospitality Management Resources
Wixom / Novi Michigan



The Post Bar – Est. 1978 Detroit
42875 Grand River Rd. Suite 104
Novi, MI 48375 248.465.9600
Good Food Great Times!

June 6, 2011

The Honorable Members of the State of Michigan Legislature

The Post Bars - Novi
42875 Grand River Ave
Novi, MI. 48

To Whom It May Concern:

I would like to have this letter added to the public comment.

As the director of a local business, I cannot say enough about the significance of the Suburban Collection Showplace. The Suburban Collection Showplace is a regional destination place that has resounding impact on local businesses. The Post Bars have greatly benefited from the events hosted by the Suburban Collection Showplace. Hundreds of patrons walk through our doors and spend thousands of dollars annually. The Post Bar is just one of many businesses that benefit from the many thousands of people that attend events at the Suburban Collection Showplace. The continued success of the Suburban Collection Showplace is paramount to the continued benefits to Novi and the surrounding communities. Understanding that the Suburban Collection Showplace needs to expand and desires to build a hotel to remain competitive on a national level, the Post Bar is supportive of their investment into the facility and knows that it will bring more business to the area.

In addition to the benefits the Post Bar has received from the Suburban Collection Showplace. I would like to make you aware of an organization that was formed for the purpose of supporting the Suburban Collection Showplace and establishing West Oakland County as a destination location. Experience West Oakland (EWO) is a membership based group with the mission to *“promote West Oakland County as a destination location for tourism, conventions, conferences and expositions. Supporting this effort through our local business community inclusive of: hotels, restaurants, attractions, entertainment venues, retail businesses, transportation, and services providing a source of area information and community support.”* EWO has brought many businesses together and hosted many events structured to promote the West Oakland region. Again, the area greatly benefits from the Suburban Collection Showplace and its continued growth.

Best regards,

Darrel Krause
Director of Operations
The Post Bars



Network Services Group, LLC
P.O. Box 7646
Ann Arbor, MI 48104
(877) 815-6974
<http://www.nsgroupllc.com>

Friday, September 16, 2011

Dear City of Novi,

My company has been working with the Suburban Collection Showplace for the past nine years as the computer and network support company, as well as their web design and hosting firm. We are delighted that over the years we have been able to work with the fantastic staff at the Showplace on many new and exciting projects. On numerous occasions our relationship with the Suburban Collection Showplace has led us to new business opportunities – opportunities that we otherwise might not have had. This has led to additional business for us, and allowed us to maintain and even grow our business and staff, even in these difficult economic times.

We look forward to the increased business that would result from the addition of a new hotel to the Suburban Collection Showplace. This is an exciting development that would help increase business in the area, and help fulfill a need that cannot be met with existing facilities. It is our hope that this letter will help in the approval process.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Prior", is written over a faint, larger version of the signature.

Don Prior
President



30700 Telegraph Rd
Suite 4000
Bingham Farms, MI 48025

9/20/11

Dear City of Novi,

We have had the pleasure of working with Suburban Collection Showplace for several years as a media outlet to promote shows and events. In this time, we have helped increase traffic to Suburban Collection Showplace thus increasing exposure to customers throughout Southeastern Michigan. We also have hosted events for our customers to attend and take part in the facility and amenities which was also a huge success for our company.

In building a hotel attached to the Suburban Collection Showplace, we look forward to the increased business it will bring. We are excited to see this development, as there is a need for a combination Expo Center/Hotel in Suburban Detroit that cannot be fulfilled with what is currently in existence. We hope that this letter will help in the approval process.

Sincerely,

A handwritten signature in black ink, appearing to read "Megan R. Zumbach", with a long horizontal flourish extending to the right.

Megan R. Zumbach

Comcast Spotlight

Sentry Supply

44480 Grand River Novi, Michigan 48376



FREE DELIVERY

(248) 349-8122

Fax: (248) 349-9194

Complete line janitorial supplies • paper • equipment

City of Novi
45175 W. Ten Mile
Novi, mi 48375

To whom it may concern:

This letter is in support of The Suburban Collection Showplace Tax Abatement request.

Sentry Supply has done business with them since they were the old Novi Expo and Rock financial showplace.

We are very much in favor of this request and feel it it extremely important to the growth of Novi business. The addition of the proposed hotel and meeting facilities conference expansion would only enhance the city of Novi.

The Suburban Collection Showplace is our most important account that we have and has kept our business going strong throughout the years. This expansion would have a significant benefit to Sentry Supply for years to come.

Thank you for your consideration

John Sniley

A handwritten signature in cursive script that reads "John Sniley".

Vice president
Sentry Supply inc.



INNOVATIVE MEDIA

September 19, 2011

Dear City of Novi,

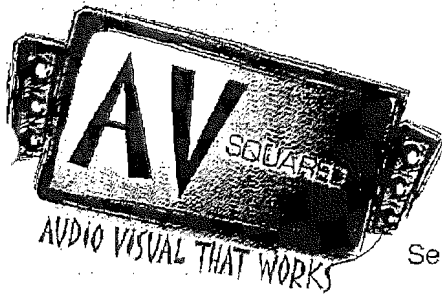
Innovative Media has been working with the Suburban Collection Showplace on increasing their foot traffic through the use of our banners and signage. We have found the Suburban Showcase Collection to be an outstanding customer to work with. Through our working relationship I now spend time 2-3 days a week in Novi and I enjoy the experience greatly. The added work that we receive has lead to additional work for our second shift.

In building a hotel attached to the Suburban Collection Showplace, we look forward to the increased business that it will bring. We are excited to see this development, as there is a need for a combination Expo Center/Hotel in Suburban Detroit that cannot be fulfilled with what is currently in existence. We hope that this letter will help in the approval process.

Sincerely,

Todd Woods

Innovative Media



September 20, 2011

To The City of Novi, Michigan

To Whom It May Concern:

My business supplies audio/visual support for business meetings. I do a lot of business at the Suburban Collection Showplace in Novi.

I know that many meeting planners will only consider using facilities with attached lodging. The addition of an attached hotel to the Suburban Collection Showplace would greatly benefit my business and many other businesses in the area. The addition of an attached hotel would open up the Suburban Collection Showplace to a whole new range of events that might not have otherwise considered the facility. The positive economic impact would reach far beyond the walls of the facility.

Sincerely,

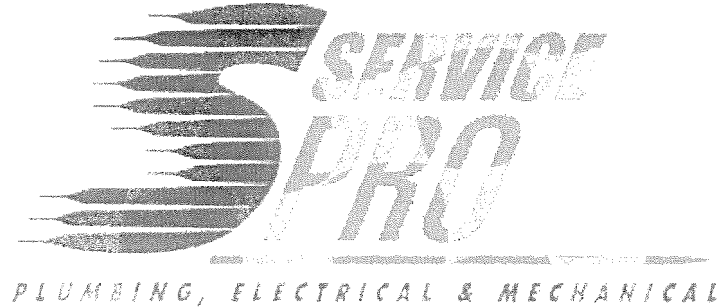
A handwritten signature in black ink, appearing to read 'Mark Steinacker', written over a horizontal line.

Mark Steinacker
President, AV Squared

Andy Asaro

From: Michael Adorjan [madorjan@yourworkorder.com]
Sent: Tuesday, September 20, 2011 1:59 PM
To: bbowman@suburbanshowplace.com
Cc: aasaro@suburbanshowplace.com; madorjan@yourworkorder.com
Subject: Suburban Collection Showplace Letter of Approval for Hotel expansion 9-20-11 M.A.
Attachments: image001.gif

Letter of Approval for the Hotel expansion of Suburban Collection Showplace.



44300 Grand River Avenue, Novi, MI 48375
Phone: 248-912-9973
Fax: 248-912-9975

Letter of Approval

9/20/11

Suburban Collection Showplace
46100 Grand River Ave
Novi, MI 48374
248-348-5600
Blair Bowman bbowman@suburbanshowplace.com
Attn: Andrew Asaro, Sr.ext. 212 aasaro@suburbanshowplace.com

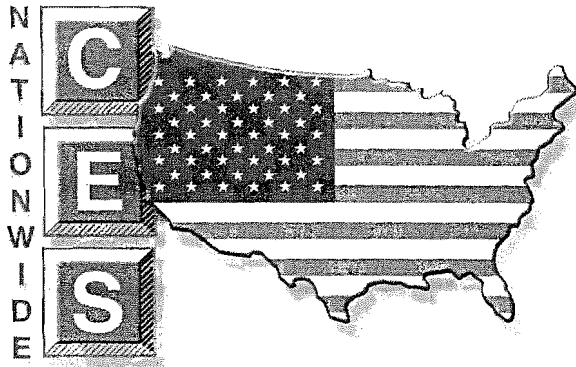
Dear Blair, Andrew and the City of Novi Planning & Economical Development

Service Pro is a neighboring business in the city of Novi. We at Service Pro are please to recommend that the City of Novi, Michigan allow Suburban Collection Showplace to move forward with there hotel expansion plans. This new addition to the City of Novi, Michigan will be a positive improvement for the economy and will create more jobs and revenues for the City, State and Federal governments. We need more businesses like Suburban Collection Showplace to help recover from economic downfall in Michigan.

Suburban Collection Showplace is a very big part of economic success to this area and will improve upon the city and area tremendously by building the hotel in Novi. If you have any questions regarding our approval of this positive development to our city please feel free to contact me anytime.

Thank you,

Michael Adorjan
Service Pro
Mechanical Department
Manager/Supervisor
Office 248-912-9973
Cell # 734-679-6900



CITY ELECTRIC SUPPLY

NOVI BRANCH

45283 GRAND RIVER

NOVI, MICHIGAN 48375

PHONE (248) 893-2990

FAX (248) 893-2999

WHOLESALE DISTRIBUTORS OF ELECTRICAL MATERIALS

To Whom It May Concern:

City Electric Supply is a full line electrical wholesale company with nearly 400 locations around the United States. Our Novi branch has been in operation since 2006 and we have been trading with the Suburban Collection Showplace almost from our opening.

We have enjoyed working with Dave Murphy and his team to help them save time and money in their day to day electrical requirements. Being located in Novi ourselves we truly appreciate the fact that we can partner with local businesses and it is our goal to help our customers improve their bottom line and feel a sense of pride when those businesses are able to grow in our local markets.

Regards,

Brad Jenks



FDI GROUP

39500 High Pointe Boulevard, Suite 400
Novi, Michigan 48375
Phone 248-348-8200 / 800-828-0759
Fax 248-348-1697

September 20, 2011

City of Novi
45175 West Ten Mile Road
Novi, MI 48375

Re: Suburban Collection Showplace – Hotel and Meeting Space Expansion

To Whom It May Concern:

I have had the privilege to know Blair Bowman for many years. I have found him to be a man of great vision and integrity. The City of Novi has benefited from his “can do” attitude and courage to bring concepts such as the Suburban Collection Showplace from concept to reality.

I strongly support Blair Bowman in his effort to build a Hotel and expand meeting space at the Suburban Collection Showplace.

For nearly thirty years I have continued my commitment to support the many civic and private business ventures in the City of Novi. I live and work in Novi because I believe in this community.

The FDI Group of Companies has benefited from our relationship with the Suburban Collection Showplace. We have provided insurance coverage for many of the events, which has resulted in our need to hire highly skilled employees and well paid staff at our Novi office.

The addition of the Hotel and meeting space will allow for larger shows to consider the Suburban Collection Showplace. This will provide significant economic benefit to our company as well as many other businesses in Novi.

I highly recommend the City of Novi move forward with supporting the Suburban Collection Showplace Hotel and Meeting Space Expansion.

Sincerely,

Robert G. Churella
Chairman

RGC/mc

September 10, 2011

To whom it may concern,

Having been a Novi resident for over 25 years, it has been a pleasure to observe the responsible growth in our wonderful city. At times we have experienced growing pains - but have overcome and adapted.

Suburban Collection Showplace has done immeasurable amounts to enhance our growth. Individuals and business recognize Novi as a place to shop, dine and relax. Suburban draws them in, and we, as a city do the rest.

I find it fascinating when I stop for a late dinner at Pot Bellies on a Saturday night; the young workers are 'recovering', or are out of milk for that chocolate shake I really wanted. When I ask why, I'm told that Suburban had a show. The kids take it in stride that they were slammed - but I'm told the owners/operators are looking at the Suburban schedule for the next month in preparation. I find this a lot while shopping or dining in Novi. I am always amazed that the restaurants in the area have an hour or so wait on a Friday or Saturday night.

It's also good to know that our high school kids now have a local establishment for Prom and sports banquets. Novi money staying in Novi, and money from across the country coming in to Novi. Great combination.

A handwritten signature in cursive script, appearing to read "Ruth Ann Jirasek".

Ruth Ann Jirasek
47640 Edinborough Lane
Novi, MI 48374

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Items U & V

- U. The Extent to Which the Applicant Would Be In Direct Competition With Other Similar Existing Hotels or Other Businesses in the City of Novi:

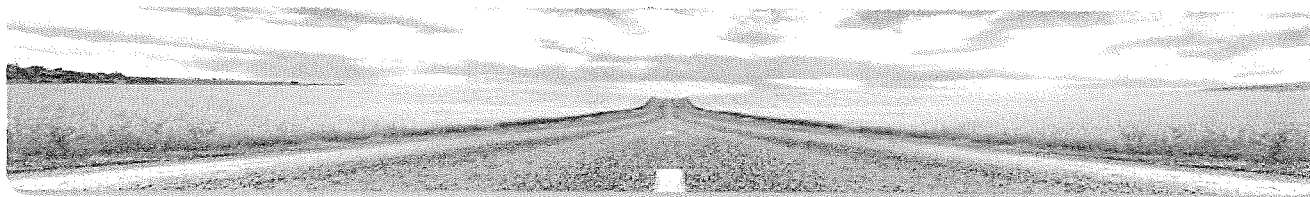
It is the absolute contention of the applicant that this project will be of positive value to the overall business and hospitality community. These types of projects as demonstrated by the large number of examples of similar projects contained in the following support documentation are traditionally supported by surrounding hotels in order to attract larger and greater numbers of conferences and trade shows along with their precious delegate dollars that they draw with them. While there will undoubtedly be some crossover competition amongst area hotels (including the to-be-constructed on site hotel) with the research conducted to date (see response to criteria item EE) showing tens of thousands of additional room nights being drawn into the area and only a limited number of those room nights being able to be served by the modestly sized proposed hotel, overflow from those new activities will far outweigh and outpace any negative impact. We respectfully contend that no evidence of negative impact can be rationally put forth given the overwhelming evidence to the contrary and the overwhelming number of examples around the state and country of these types of projects being successful and supported by all of the lodging community surrounding them. Furthermore, given the number of letters of intent and commitment demonstrating the potential for usage the likelihood of any negative impact being experienced is small.

- V. The Extent to Which the Hotel Improvement Would Adversely Affect Such Other Existing Hotels or Businesses: The greatest adverse impact would come from not assisting to make this addition a reality. **Attached is a draft copy of sections of a study funded by the DMCVB relating to three (3) proposed “competitive” projects. If any one of which are actually constructed will pose the greatest danger of adverse affects on not only the local hotels and businesses, but the very viability of our long-term operations.**

Also see response to Criteria Item U.

- Support materials in this section include:
- Strategic Advisory Group portfolio of similar projects.
- HVS online of similar projects and meeting planner *criteria*.
- Indiana Economic Digest Article
- Draft of DMCVB Study relating to Dearborn, Troy and Romulus

Strategic Advisory Group



COMPANY | SERVICES | PORTFOLIO | MARKETS | PR | CONTACT

Convention Hotels

Commercial Real Estate

Convention, Sports, Entertainment

Hospitality

Economic Development

Strategic Advisory Group specializes in advisory services related to major convention headquarters hotels that support convention centers. SAG services range from initial feasibility to transaction structuring to owner's representative services coordinating the multiple disciplines required to plan, finance and implement these large and complex projects.

SAG is currently coordinating the efforts on behalf of the Washington Convention Center Authority and the District of Columbia to structure the financing for the 1,100+ room Marriott Marquis hotel that will be connected to the Washington Convention Center. We are also serving as owner's representative for the Franklin County Convention Facilities Authority in Columbus, OH to deliver the new 500 room headquarters hotel that will be connected to the Greater Columbus Convention Center. Both of these major projects will utilize publicly supported tax-exempt financing.

Please view sample projects below.



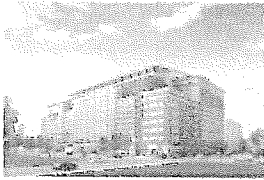
Multiple Hotels Surrounding the Orange County
Convention Center
Orlando, FL

Components: Eight Hotels encompassing 6,500 Rooms
Project Value: \$1.2 billion

In 2007, Orange County and four adjacent private-sector land owners engaged SAG to develop a long-range strategic plan for the convention center district. The development of attached hotels was an integral part of the research and strategic initiatives. The study identified hotel expansion opportunities totaling 800 rooms adjacent to the West Convention Center. In addition, three hotel sites totaling approximately 3,500 rooms were identified adjacent to the North/South Convention Center. The study addressed market conditions, development costs, potential investment partners, economic impact and phasing of the hotels over time.

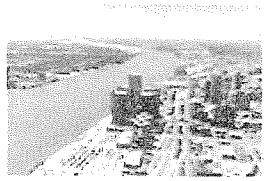
In 2003, Orange County was about to open its North/South Convention Center that offered an additional 1 million square feet of exhibition space. The 1998 Master Plan prepared by SAG noted that three to four 1,000+-room convention hotels needed to be developed to support the expansion. Just prior to the convention center's opening, there were six hotel projects totaling 5,000 rooms that were in various stages of planning and financing, hindered by the recession. The County engaged SAG to study the marketplace, meet with each development team to understand their challenges, and make recommendations on how to accelerate the projects. By 2008, the 1,500-room Rosen Shingle Creek was opened, a new 1,400-room Hilton was nearing completion and a 750-room expansion to the Peabody was underway.

Components: 1,500-Room Convention Hotel Adjacent to the Washington Convention Center
Project Value: \$800 million



Washington DC Marriott
Washington DC

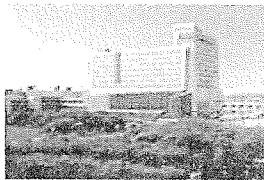
SAG is managing the pre-development process for the District of Columbia for the development of a 1,500-room hotel adjacent to the new Washington Convention Center. Our services included project sizing, site selection, site acquisition, land swap negotiations, developer identification, contract negotiations, finance plan development, design evaluation, development budget review, room block agreement negotiations, numerous stake holder and City Council presentations, and a number of other tasks required in our role of representing the District in the transaction. After evaluating a number of approaches to the project, the District decided to develop the hotel via a public-private partnership. The hotel will be privately owned by a developer teamed with Marriott. The project's capitalization includes private debt and equity, and public support in the form of a subordinated land lease, conduit financing, and a grant funded by a bond offering repaid by a portion of the taxes generated by the hotel.



Detroit Convention Hotel
Detroit, MI

Components: 1,200-room Convention Hotel

SAG assisted the City of Detroit study how its convention district could be improved to enhance visitation and utilization. The study began looking at the market support for a 1,200-room convention headquarter hotel located adjacent to the COBO Center, as well as potential expansion of the Center. The market analysis for the hotel revealed that there was not market support for either expansion or the development of a new hotel. However, we did outline a downtown redevelopment initiative focused on revitalizing the closed historic hotels that would improve the destination's appeal.

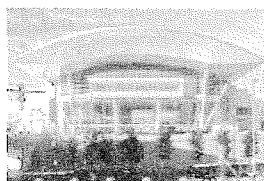


Hilton Americas-Houston
Houston, TX

Components: 1,203-room Convention Hotel

Project Value: \$285 million

SAG provided pre-development management services for the development of the 1,203-room Hilton Americas-Houston convention center headquarter hotel adjacent to the George R. Brown Convention Center in Houston, TX. SAG led a multi-faceted team assisting the City with creating the development and financing strategy, establishing a non-profit corporation to facilitate financing and operations, preparing the financial models, selecting the most appropriate project delivery method, writing RFQ/RFP's for other team members (architect, developer, operator) and basically playing the quarterback role until the developer was hired. SAG's role continued as "owner's representative" throughout the construction process. The hotel opened in 2003 and is managed by Hilton.



Boston Convention Hotel
Boston, MA

Components: 1,203-room Convention Hotel

Project Value: \$285 million

SAG prepared a market and financial feasibility study for a 1,200-room convention hotel attached to the Boston Convention & Exhibition Center in Boston, MA. A key success factor for any convention center, especially in a first-tier city such as Boston competing for premier national events, is hotel supply near the center. The site of the BCEC is in Boston's Seaport District, an area that is primarily industrial and residential. Although slated for future development, the area offered little in the way of convention infrastructure, such as hotels, retail, entertainment, etc. The study included conducting community forums; hotel site analysis; market supply and demand projections; projections of occupancy, average daily rates and operating cash flows; hotel impact on the center; economic and tax impact projections; and development implementation alternatives.



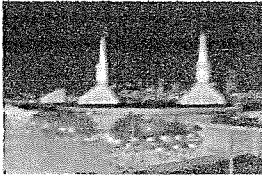
Components: 700-room Convention Hotel

Project Value: \$170 million

SAG provided pre-development project management services for the City of Charlotte for the development of The Westin Charlotte, a 700-room convention hotel adjacent to the Charlotte Convention Center. The hotel was privately financed, with the City making the project financially feasible by building the hotel's meeting space and parking. The City also participated in conduit

The Westin Charlotte
Charlotte, NC

financing. SAG led a multi-faceted team assisting the City with evaluating developer proposals, assessing private developer incentive requests, outlining public-private partnership options, contract negotiations, creating an industry leading hotel room block agreement, and managing the City Council communication process. Over a period of eight months, SAG took the project from concept to reality, significantly reducing the public sector involvement. The hotel opened in 2003.



Portland Convention Hotel
Portland, OR

Components: 600-room Convention Hotel

The City of Portland desired to increase its marketability within the convention and tradeshow industry. With a recently completed expansion of the Oregon Convention Center, those charged with marketing and booking the facility continued to face obstacles in attracting many key, high-impact events. Would-be customers of the Center and visitors of the City frequently vocalized the need for a larger, first-quality hotel adjacent to the OCC. Therefore, the City of Portland, the Portland Oregon Visitors Association (now "Travel Portland"), and later the Portland Development Commission engaged SAG to create a Headquarter Hotel Strategic Plan and help realize the project. The project involved understanding and defining the market, customer needs, and required hotel program; assessing the impact of a new headquarter hotel on the existing hotel market; quantifying the economic impact on the OCC and the community; estimating the hotel's cost and financial feasibility. SAG's Plan did detail a need for a new hotel but also described other necessary steps Portland would need to take to truly maximize its penetration in the industry. The HQ Hotel project is currently being evaluated by elected officials.



Columbus Convention Hotel
Columbus, OH

Components: 500-room Convention Hotel

Project Value: \$150 million

SAG was engaged by the Franklin County Convention Facility Authority's ("FCCFA") to examine the market and development potential for a convention hotel to be located adjacent to the Greater Columbus Convention Center in Columbus, OH. SAG evaluated the lodging market, convention center, projected market performance, projected cash flows, estimated development costs, calculated the warranted private investment and analyzed methods to fill the funding gap. It was determined that the amount of public subsidy required to privately finance the project could not be assembled. However, it was determined the project could be developed utilizing a tax-exempt bond finance structure that incorporated other FCCFA resources and City and County credit enhancements.



Renaissance Schaumburg
Schaumburg, IL
(Chicago suburb)

Components: Renaissance Schaumburg

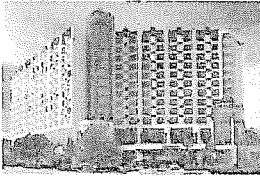
Project Value: \$100 million

The Village of Schaumburg, a Chicago suburb, engaged SAG to complete a comprehensive market and financial feasibility study for a convention hotel that was part of a mixed-use project that also included a convention center, performing arts center and arena. The study process included analyzing demand trends by segment, including induced demand anticipated to be generated by the attached convention center; assessing the project's competitive position; and translating this information into a facility program, occupancy, average daily rate and operating cash flow projections. The hotel was financed using a tax-exempt bond structure. SAG led the Village through the financing process, helping structure the financing, retain the development team (construction manager and architect), select the operator and brand, negotiate the management contract, and negotiate all transaction documents. The hotel opened in 2006.

Components: 402-room Convention Hotel

Project Value: \$47 million

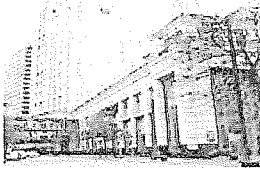
SAG managed the development of the 400-room Sheraton Myrtle Beach. The hotel was financed



Sheraton Myrtle Beach
Myrtle Beach, NC

using a tax-exempt bond structure. SAG led the City through the financing process, helping structure the financing, retain the development team (construction manager and architect), select the operator and brand, negotiate the management contract, and negotiate all transaction documents. The hotel opened in 2003.

After a troubled hotel opening, SAG was brought back in to review the hotel's operations and make operating recommendations. It was discovered that the management company needed to be changed. SAG was able to negotiate termination of the management contract with no penalty to the City. SAG then assisted with identifying and contracting with a new management company and brand. The hotel significantly improved profitability within a year and met owner expectations.



Norfolk Waterside Convention Center Contract
Negotiation
Norfolk, VA

Components: 405-room Hotel; 60,000 sf Meeting Space

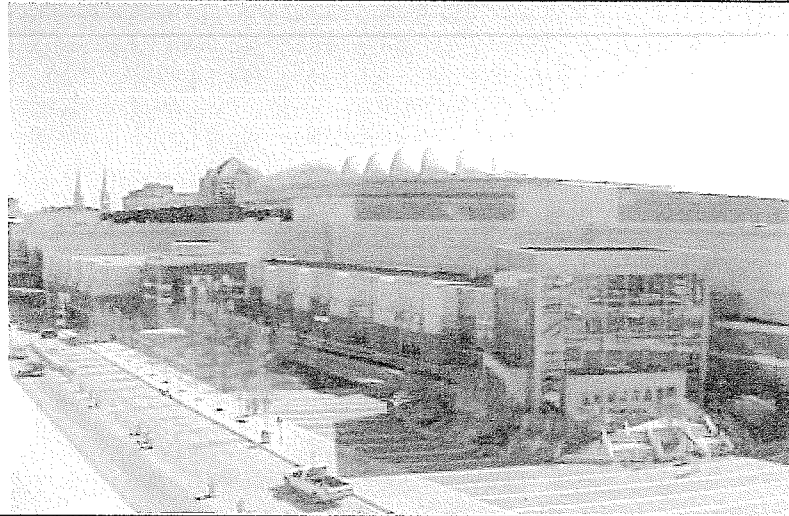
SAG represented the City of Norfolk, the Norfolk Redevelopment and Housing Authority, and the Norfolk Convention and Visitors Bureau in their renegotiation of the Norfolk Waterside Convention Center management contract as part of the sale of the hotel between private parties. The convention center and 405-room Marriott was originally developed as a single asset under a public-private partnership with the private sector investing in the hotel and the public sector investing in the convention center. SAG's advisory services encompassed a variety of related agreements, including the Operating Agreement, Catering Agreement, Hotel Room Block Agreement, and other transaction related documents, and addressed issues such as general terms and conditions, allocation of profits/deficits, capital reserve funding, operational control, room block parameters, service standards, insurance, budget process, financial reporting, termination, non-compete provisions and others. The original management contract (not negotiated by SAG) required the City to fund operating shortfalls and a reserve fund for capital replacements. SAG was able to renegotiate the management contract with the new hotel management company limiting the City's exposure to capital replacement funding only. The private sector assumed responsibility for all operating shortfalls.

Company · Services · Portfolio · Markets · PR · Contact

Copyright © 2011 Strategic Advisory Group · design by: MindHarbor, inc.



Indiana Convention Center



Located in the heart of downtown Indianapolis, the Indiana Convention Center & RCA Dome complex now house more than 400,000 square feet of column-free exhibit space and 140,000 square feet of meeting space. The RCA Dome floor alone offers 95,000 square feet of versatile exhibit space. The Indiana Convention Center, which opened in 1972, is the first of only two convention centers in the nation directly connected to a domed stadium. In 1984, the first expansion added the air-supported dome stadium and two additional exhibit halls. On July 13, 2000, the Indiana Convention Center & RCA Dome opened an additional 100,000 square feet of column-free exhibit space. This addition brought the total prime exhibit-space available to approximately 403,000 square feet. The convention center and RCA Dome are currently expanding. A new stadium, which will serve as a multi-use venue and will be positioned south of the current RCA Dome, is scheduled to open in the fall of 2008. The new stadium will seat a crowd of over 63,000. Plans call for the demolition of the RCA Dome in 2008 to make way for the expansion of the Indiana Convention Center, which is to be completed by 2010. By then, exhibit space in the combined facility will total approximately 730,000 square feet, plus additional meeting, ballroom, and pre-function space.



Marriott Downtown Indianapolis

**Marriott Downtown
Indianapolis**

This property is the newest full-service hotel in Indianapolis and the closest to the Indianapolis Convention Center, to which it is connected via a skywalk. The Marriott features two restaurants, a coffee shop, an indoor pool and whirlpool, a fitness center, a business center, and a gift shop. The hotel offers approximately 40,000 square feet of meeting space, inclusive of a 21,000-square-foot ballroom. The property also features the most rooms, meeting space, and amenities in the market. The hotel bears the well-known Marriott brand name, allowing Indianapolis to compete for larger, higher-rated national convention demand; however, the Marriott is known as the convention hotel in Indianapolis, and therefore does not attract a significant portion of higher-rated transient demand.



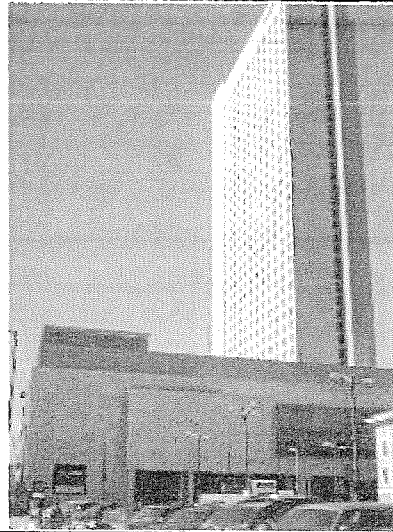
Colorado Convention Center



The Colorado Convention Center was built in 1990 at 14th and Stout Streets, along the western side of downtown Denver. The center contains 292,000 square feet of contiguous exhibit space and 100,000 square feet of meeting space, including a 35,000-square-foot ballroom and 46 meeting rooms. Groundbreaking on the \$268-million expansion of the Colorado Convention Center took place on April 29, 2002. Fentress Bradburn Architects Ltd. designed the expansion, and Hensel Phelps Construction Co. of Greeley was selected as the general contractor. Completed in December of 2004, the expansion almost doubled the size of the center, bringing it to a total of 584,000 square feet of exhibit space on one level; 100,000 square feet of meeting space; two ballrooms comprising 35,000 and 50,000 square feet; and a 5,000-fixed-seat lecture hall. Together, these spaces comprise approximately 769,000 square feet.



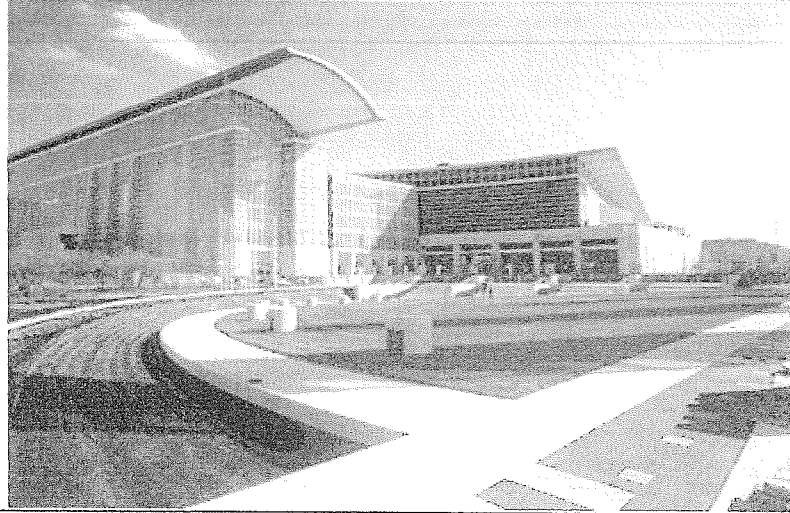
Hyatt Regency Convention Center Denver

**Hyatt Regency
Convention Center
Denver**

The Hyatt Regency Denver is located at the Colorado Convention Center. The property opened on December 20, 2005 at a total construction cost of \$285 million. The hotel is owned by the Denver Convention Center Authority and is operated by Hyatt Hotels and Resorts. The Hyatt Regency offers a variety of food and beverage outlets, including Altitude Restaurant; a 24-hour coffee and gift shop; the Strata Bar; and the Peaks Lounge, which is the hotel's rooftop bar on the 27th level. The guestrooms are well-appointed, each with the signature Hyatt Grand Bed and a flat-screen television. The hotel contains just over 60,000 square feet of meeting space, inclusive of a 30,000-square-foot ballroom. Recreational amenities include a 6,700-square-foot health club, which includes an indoor lap pool and sun deck, among other amenities. A leased spa is also an offered facility.



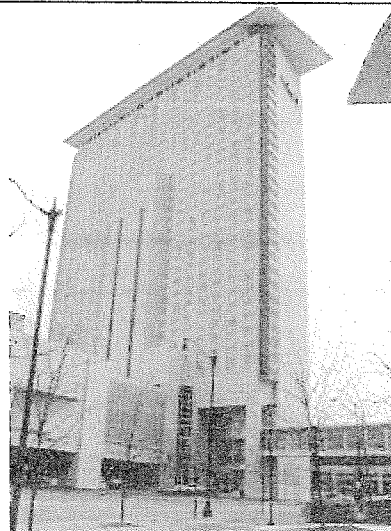
McCormick Place Convention Center



Owned and operated by the Metropolitan Pier and Exposition Authority, Chicago's McCormick Place is the largest convention center complex in the U.S. An \$800-million expansion of the facility, completed in August of 2007, added more than 900,000 square feet. The West Building offers one exhibit hall comprising 470,000 square feet, 250,000 square feet of meeting space, and Chicago's largest ballroom. McCormick Place offers three other state-of-the-art buildings, the South and North Buildings and Lakeside Center (formerly the East Building). These buildings have a combined total of 2.2 million square feet of exhibit space, 1.6 million of which is on a single level. McCormick Place also features the Arie Crown Theater. The entire McCormick Place complex is linked by a 50,000-square-foot pedestrian promenade, referred to as the Grand Concourse, containing retail shops and other visitor amenities. The North Building features over 700,000 square feet of exhibition space and 29 meeting rooms, as well as service areas and support facilities. The Lakeside Center at McCormick Place concentrates on hosting mid-sized trade shows and conventions, while the South building offers an additional 840,000 square feet of exhibition space and 170,000 square feet of meeting space.



Hyatt Regency McCormick Place Chicago

**Hyatt Regency
McCormick Place
Chicago**

The 800-room Hyatt Regency McCormick Place is located adjacent to Chicago's McCormick Place Convention Center. The hotel is owned by the Metropolitan Pier and Exposition Authority (MPEA) and operated by Hyatt. This property opened in 1998 and features two restaurants, a lounge, a coffee shop, and indoor heated pool, a fitness center, a business center, and approximately 43,500 square feet of meeting space. The hotel underwent extensive renovations in 2007, during which all guestrooms were completely renovated and received the brand-standard Hyatt Grand Beds. The property's public areas also received upgrades at this time, and the dining area was expanded to house the current configuration of two restaurants and a lounge. Although several hotels in Chicago boast higher room counts, these hotels are located in downtown Chicago, approximately three miles from the convention center. The Hyatt almost exclusively captures demand generated by the convention center due to its low room count relative to the size of the McCormick Place Convention Center. Due to this limited room count, the MPEA has plans to add 600 units to the property; however, these plans have not been approved because of a lack of usable land parcels proximate to the convention center.



Ernest N. Morial Convention Center



The primary convention facility serving the southeastern Louisiana region is located in New Orleans. The Ernest N. Morial Convention Center opened in January of 1985 and at that time offered approximately 381,000 square feet of exhibit space and roundly 100,000 square feet of meeting space. Following an expansion in 1991, the convention center grew to approximately 667,000 square feet of contiguous exhibit space and roughly 165,000 square feet of second- and third-floor meeting space. A \$280-million project was completed in the first quarter of 1999, bringing the center to a total of 1.1 million square feet of contiguous space and making it one of the largest contiguous exhibition spaces in the U.S. The center also houses a 4,000-seat theater that is divisible into four parts; this is a feature that, as of this writing, was offered by no other convention center in the country. The expansion of the center allows New Orleans to host citywide conventions back to back. This lessens down time between conventions and thus permits more to be held throughout the year, which bodes well for area hotels.



Hilton Riverside New Orleans

**Hilton Riverside New Orleans**

Located along the banks of the Mississippi, the 1,616-room Hilton Riverside is the largest hotel in New Orleans and adjoins the convention center and Harrah's Casino. This property is operated and owned by Hilton. Facilities and amenities include roundly 134,000 square feet of meeting space, three restaurants, a rooftop bar, and a business center. In addition, the hotel is equipped with a full-service health club that includes racquetball and squash courts, indoor tennis courts, and an indoor swimming pool and whirlpool. Opened in 1977, the property completed an extensive renovation in 2003. The \$37 million renovation included a complete guestroom refurbishment, as well as upgrades to all public areas and meeting rooms.



Omni Hotel @ CNN Center Atlanta

**Omni Hotel @ CNN
Center Atlanta**

The 1,067-room Omni is connected to Philips Arena and the Georgia World Congress Center. Facilities include two restaurants, a lounge, a coffee shop, a business center, a concierge desk, a gift shop, an outdoor swimming pool, a spa, a whirlpool, and a fitness center. In addition, the hotel offers approximately 120,000 square feet of dedicated meeting space, inclusive of a 19,864-square-foot ballroom. The hotel, which was built in 1974, underwent an extensive expansion in 2003 that included an additional 600-room tower and approximately 70,000 square feet of meeting space; since this time the hotel has undergone continuous minor upgrades and renovations.

Georgia World Congress Center



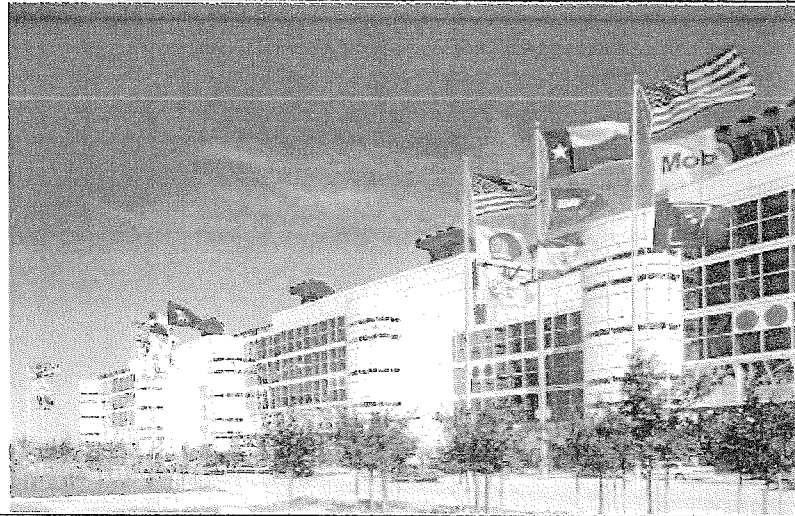
Located in the heart of downtown Atlanta, the Georgia World Congress Center (GWCC) features 1.4 million square feet of exhibit space contained in twelve exhibit halls, 105 meeting rooms that constitute 305,000 square feet of



Hilton of the Americas allowed accommodation of some larger, citywide conventions. The Greater Houston Convention and Visitors Bureau (GHCVB) attributed the increase to the booking cycles and marketability of Houston as a convention destination, including the completion of expansion construction that was occurring at the convention center prior to 2003. The GHCVB notes that convention demand was strong in 2006, while 2007 could be characterized as a relatively soft convention season. Bookings at the convention center have historically been lower in odd years, and citywide convention activity is expected to climb in 2008, with a considerable increase in definite conventions and room nights booked through 2011, representing levels closer to those achieved from 2004 to 2006.



George R. Brown Convention Center



The George R. Brown Convention Center, located in downtown Houston, finished a \$165-million expansion in 2003 that increased its rentable meeting and exhibition space to over one-million square feet. The Center's expanded facilities include three new exhibit halls totaling 401,500 square feet and 60 meeting rooms consisting of roughly 78,000 square feet. The expansion of the convention complex included the addition of the \$285-million Hilton of the Americas headquarters convention center hotel.

Table 6-15 Convention Center Statistics

Year	Number of Meetings	Percent Change	Number of Delegates	Percent Change
2001	246	—	477,284	—
2002	261	6.1 %	403,595	(15.4) %
2003	233	(10.7)	646,283	60.1
2004	239	2.6	767,628	18.8
2005	246	2.9	739,200	(3.7)
2006	268	8.9	814,395	10.2

Source: Greater Houston Convention and Visitors Bureau

These data illustrate that the center produced considerably more room nights for the market beginning in 2003 compared to prior years. By that time, the convention center expansion was nearing completion, and the addition of the



Hilton Americas Houston

**Hilton Americas
Houston**

The 1,203-room Hilton of the Americas is located adjacent to Houston's George R. Brown Convention Center, and the two properties are connected via a skywalk. The hotel opened in December of 2003. This facility was developed in coordination with public and private interests in conjunction with the expansion of the convention center in 2003. The hotel is owned by the Houston Convention Center Hotel Corporation and is operated by Hilton Hotels. Facilities include several dining venues including a casual-dining restaurant, a lounge, a fine-dining restaurant, a coffee shop, an indoor pool and whirlpool, a fitness center, a business center, and a gift shop. This hotel also boasts more than 91,000 square feet of on-site meeting space, affording the operation considerable meeting and banquet opportunities; this hotel houses the largest ballroom in Houston, measuring over 40,000 square feet, as well as highly flexible breakout meeting space. The hotel has required only nominal renovations since opening. The Hilton of the Americas is in excellent condition and offers modern, artistically designed facilities and upscale amenities. While the Hilton benefits from its convention center headquarters hotel designation and its proximity to the convention center, the property is substantially distanced from the primary corporate concentration of commercial transient demand generators. Therefore, the Hilton has not historically accommodated any measurable corporate transient demand and is not expected to in the future.



The national competitive set includes headquarters hotels located adjacent to each property's respective convention center, as well as the Gaylord Texan, which is located in Grapevine, Texas. The selected cities compete with the City of Dallas for national conventions, as well as large corporate and association meetings and events. In addition to illustrating each hotel, we have also included recent event data for each convention center.

Map of Nationally-Significant Competition



New hotels also considered in our analysis (but not reflected on table 6-14 due to date of opening) include the Grand Hyatt San Antonio, the Sheraton Phoenix, and the Omni Fort Worth. Other pending convention hotel projects have been qualitatively considered and are discussed later in this chapter.


Table 5-8 Factors in Choosing an Association Meeting Location and Facility

Top Factors When Choosing Location	Association Meetings	Conventions
Availability of Suitable Hotels	68 %	84 %
Affordability of Destination	77	79
Safety and Security of Destination	62	65
Ease of Transportation	45	50
Transportation Costs	40	36
Distance Traveled by Attendees	53	50
Clean and Unspoiled Environment	26	29
Climate	17	19
Availability of Recreational Facilities	10	10
Sightseeing, Cultural Events, Attractions	10	16
Mandated by By-Laws	22	24
Glamorous/Popular Image of Location	10	10

Top Factors When Choosing Hotel Within Location	Association Meetings	Conventions
Number, Size, and Quality of Meeting Rooms	69 %	93 %
Negotiable Food, Beverage, and Room Rates	80	87
Cost of Hotel or Meeting Facility	80	82
Quality of Food Service	63	70
Number, Size, and Quality of Sleeping Rooms	54	79
Efficiency of Billing Procedures	53	53
Availability of Meeting Support Services	44	54
Assignment of One Staff Person To Handle Meeting	42	55
Efficiency of Check-in/Check-out Procedures	43	51
Availability of Exhibit Space	17	56
Previous Experience in Dealing with Facility and Staff	37	44
Proximity to Shopping, Restaurants, Off-site Entertainment	19	24
Number, Size, and Quality of Suites	13	22
Proximity to Airport	24	24
Convenience to Other Modes of Transportation	30	29
Provision of Special Meeting Services	9	16
Meeting Rooms with Multiple High Speed Lines/Outlets	25	30
High Speed Internet	30	36
Other On-site Recreational Facilities	6	8
On-site Golf Course	5	8

Source: 2006 Meetings Market Report, *Meetings & Conventions Magazine*


Table 5-5 Factors in Choosing a Corporate Meeting Location and Facility

Top Factors When Choosing Location	Corporate Meetings (except Incentive Trips)	Group Incentive Trips
Affordability of Destination	77 %	55 %
Availability of Suitable Hotels	78	62
Ease of Transportation	61	54
Safety and Security of Destination	62	77
Distance Traveled by Attendees	58	36
Clean and Unspoiled Environment	37	59
Climate	33	73
Mandated by Corporate Policy	26	22
Transportation Costs	48	41
Availability of Recreational Facilities	21	70
Sightseeing, Cultural Events, Attractions	15	66
Glamorous/Popular Image of Location	12	59

Top Factors When Choosing Hotel Within Location	Corporate Meetings (except Incentive Trips)	Group Incentive Trips
Cost of Hotel or Meeting Facility	81 %	64 %
Negotiable Food, Beverage, and Room Rates	80	82
Number, Size, and Quality of Meeting Rooms	82	39
Quality of Food Service	71	90
Number, Size, and Quality of Sleeping Rooms	72	78
Efficiency of Billing Procedures	62	67
Availability of Meeting Support Services	58	28
Efficiency of Check-in/Check-out Procedures	53	61
Assignment of One Staff Person To Handle Meeting	57	63
Previous Experience in Dealing with Facility and Staff	49	44
Convenience to Other Modes of Transportation	38	35
Proximity to Airport	30	24
Meeting Rooms with Multiple High Speed Lines/Outlets	52	32
Availability of Exhibit Space	26	17
Number, Size, and Quality of Suites	24	59
Proximity to Shopping, Restaurants, Off-site Entertainment	21	54
Provision of Special Meeting Services	15	32
Other On-site Recreational Facilities	13	67
On-site Golf Course	10	43

Source: 2006 Meetings Market Report, *Meetings & Conventions Magazine*

INDIANA ECONOMIC DIGEST

Daily News on Business and Economic Events Throughout Indiana

Email Updates

About IED

RSS Feeds

Advanced Search

Home | About | Contact Us | Privacy Policy

Share

September 08, 2011

search...

search

5/12/2011 6:51:00 PM

Building convention centers is no easy task

Keith Benman, **Times of Northwest Indiana**

Rome wasn't built in a day, and neither are multimillion-dollar municipal convention centers that can inject millions of dollars in visitor spending into local restaurants, hotels and businesses.

Leaders in communities that have undertaken the building or expansion of convention centers in recent years say the effort takes political will, a supportive business community and some form of tax support.

The village of Tinley Park created a tax increment financing district for a plot of swampy land off Interstate 80 in 1994, but it wasn't until the next decade that it could put together the deal to begin work on a convention center, Mayor Ed Zabrocki said.

"We finally put it all together and decided to jump off the cliff together," Zabrocki said of the Village Board's decision to build the \$9 million convention center that opened its doors in 2002.

Now, work is almost complete on a new \$19 million expansion of the convention center, which already has bookings into next year.

Convention center proponents in places as different as Schaumburg, Ill., and Fort Wayne, Ind., tell stories similar to Tinley Park's when describing how they built convention centers that today are mainstays of their local economies.

Projects like those will get close scrutiny in Northwest Indiana in the coming months and years, as the South Shore Convention & Visitors Authority begins an all-out push to convince community leaders Northwest Indiana needs its own first-class space for hosting conventions and sporting events.

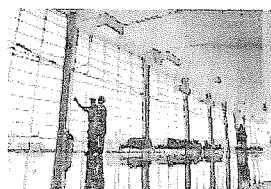
What may be needed

Determining the specifics of what kind of facility the region needs will require a feasibility study, said South Shore Convention & Visitors Authority CEO Speros Batistatos. His thoughts are a facility with between 75,000 and 100,000 square feet of usable convention space costing anywhere from \$55 million to \$70 million.

The facility should have all the latest technology and be able to go from hosting a trade show one day to a basketball tournament the next, Batistatos said.

Batistatos maintains that Gary's Genesis Convention Center does not have the appropriate space or amenities for hosting most conventions today. The Radisson Hotel in Merrillville has significant ballroom space and is able to host conferences of all sizes, but it does not have the kind of open floor space needed for large trade shows and other convention center events, he said.

The South Shore Convention & Visitors Authority favors using a food-and-beverage tax to finance the building of the convention center and for any subsidy needed for



+ click to enlarge

A floor-to-ceiling window wall is intended to "bring the outside in and the inside out because it's such a civic building," architect Honor Merceret said of the Grand Wayne Convention Center. The 2005 expansion of Fort Wayne's downtown Grand Wayne Convention Center became the linchpin for a downtown development project that includes a minor league baseball stadium, a 900-space parking garage and a 250-room Courtyard by Marriot.

At a glance

Grand Wayne Convention Center and Hilton Hotel

Where: Fort Wayne, Ind.

Opened: 1985

Cost: \$15.5 million (1985); \$30 million (2005 expansion)

Usable convention space: 100,000 square feet

Tinley Park Convention Center and Holiday Inn Hotel

Where: Tinley Park, Ill.

Opened: 2002

Cost: \$9 million (2002); \$19 million (2011 expansion)

Usable convention space: 70,000 square feet

Renaissance Schaumburg Hotel and Convention Center

Where: Schaumburg, Ill.

Opened: 2005

Cost: \$228 million

Usable convention space: 148,000 square feet



Story Index

Home | About | Contact Us | Privacy Policy

• Most Recent

Stories

By Date

By Region

By City of the Week

By County

Resources

Business Links

Report Gallery

Contributing Newspapers

NY Times
RSS feeds

operations, and estimates a tax between 1 percent and 1 _____
1/2 percent would be required.

However, Batistatos said all that is getting ahead of the game, with the authority now simply pitching the need for such a facility as some of the region's traditional tourism business segments dry up.

"It's not ours to say this is how it's done," Batistatos said. "It's ours to say we have a need. We are in trouble."

Not everyone on board

Tourism chiefs in Porter and LaPorte counties are questioning the motives of Batistatos and the authority he leads in pushing for a convention center.

"If there is a need here, why don't we want this to be done privately?" said Jack Arnett, executive director of the LaPorte County Convention & Visitors Bureau. "And why hasn't it already been done?"

He accuses Batistatos of linking the funding plan for the convention center to the Lake County tourism chief's longtime goal of merging his authority with the LaPorte County and Porter County tourism bureaus.

"He's saying this should be funded based on a hostile takeover of LaPorte County and Porter County and the food-and-beverage tax," Arnett said.

Batistatos said in pitching the idea to local organizations he is in no way linking the merger of the three bureaus with the building of a convention center.

"They are our two largest policy goals: to merge the bureaus and to build a convention center; but they are in no way dependent on one another," Batistatos said.

He said the South Shore Convention & Visitors Authority is advocating a food-and-beverage tax for Lake County only. He said it would be a misinformation campaign if anyone wants to make people believe such a tax also would be imposed in LaPorte County and Porter County.

"Our position has never deviated," Batistatos said. "For 17 years we advocated a food-and-beverage tax to build a sports facility or a convention center."

Indiana Dunes Tourism, the tourism bureau for Porter County, currently is focused on the possibility of redeveloping the Porter County Exposition Center, bureau Executive Director Lorelei Weimer said. It recently issued a request for qualifications for consultants in order to learn how much a feasibility study would cost.

"You want to do your homework first," Weimer said. "Once the feasibility study is done you have the conversation."

She said the need for a feasibility study also applies to the convention center proposed by the South Shore Convention & Visitors Authority or any other for that matter.

Success in other communities

Communities that have built or expanded convention centers in recent years say there is no doubt those facilities provide huge benefits to the surrounding community and its economy.

The 2005 expansion of Fort Wayne's downtown Grand Wayne Convention Center became the linchpin for a downtown development project that includes a minor league baseball stadium, a 900-space parking garage and a 250-room Courtyard by Marriot, said Visit Fort Wayne CEO Daniel O'Connell.

Three-quarters of a 7 percent hotel tax has paid for the convention center and its improvements, with the price tag of the expansion alone coming in at about \$30 million. A tax increment financing district established for the area has paid for the infrastructure improvements needed.

"Every time we built a bigger or better building it was because demand was there," O'Connell said. "We had business on the books that in order to keep here we needed to grow."

Convention center projects often face opposition from residents concerned about higher taxes, O'Connell said. The hotel tax, which mainly is a tax on out-of-towners, and the tax increment district financing are two ways of avoiding any property tax increase.

In Illinois, the \$228 million Renaissance Schaumburg Hotel and Convention Center opened five years ago. Like other communities, Schaumburg has used tourism and entertainment taxes that mainly fall on out-of-towners to pay for it, Village Manager Ken

Fritz said.

To pay off bonds issued for the building the convention center, the village increased its hotel tax by 2 percent, slapped a 5 percent tax on all entertainment tickets and added a 2 percent communications tax increase. A slice of convention center revenue also pays off those bonds.

"A government-owned convention center, it's difficult, it's a very hard concept for people to understand because they will look for the village to make a profit on it," Fritz said. "You have to explain the village can't capture the profit directly, but the community can capture the profit directly."

The convention center and attached 474-room Renaissance Hotel produce an overall economic benefit for Schaumburg of more than \$40 million per year, according to a recent study by the Schaumburg Center for Economic Development. About \$15 million of that is direct benefit realized by hotel and convention center employees and others. The remainder is money spent by convention attendees as they venture outside the center.

"It's one big reason we have 203 restaurants in Schaumburg and why we are such a phenomenal retail destination," said Jim Feltman, vice president of development for the center.

Plans for the project began 20 years ago, with a promise of support from the state, Fritz said. But that plan fell through. Yet building a convention center remained a goal of the village and business community. In 1999, Mayor Al Larson moved to secure some of the village's last open space and 45 acres were bought for \$13 million.

A supportive business community, including the Schaumburg Business Association, went all out to get the convention center built.

"A project like that always takes a lot of political courage," Fritz said.

How to pay for it

The South Shore Convention & Visitors Authority also believes taxing its own industry is the way to pay for a convention center in Northwest Indiana, Batistatos said.

A food-and-beverage tax would raise \$7 million to \$10.5 million per year, which is enough to get the convention center project done, Batistatos said.

The return on that investment comes from the money out-of-towners spend, Batistatos said. A 2002 tourism study by Ball State University found a 1 percent increase in hotel occupancy in a region generates \$900,000 in overall economic output.

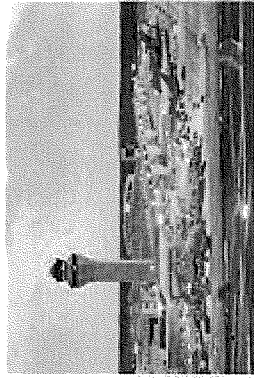
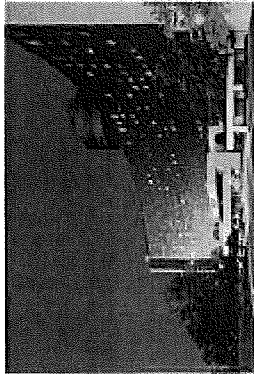
"Everyone understands if they build it they will come," Batistatos said. "But they are not spending their money in the facility. They are spending it at the hotel, at the restaurant, at the casino and at the shopping center."

© Copyright 2010, nwi.com, Munster, IN

Editor, John C. DePrez Jr.; Executive Editor, Carol Rogers; Publishers: IBRC and IAR

Software © 1998-2011 1up! Software, All Rights Reserved

Summary of Supportable Development Projects in Dearborn, Romulus and Troy



Detroit Metro Convention and Visitors Bureau

August 8, 2011



Study Components

CSL International was retained by the Detroit Metro Convention and Visitors Bureau to conduct research as to supportable public assembly facility development projects in Dearborn, Romulus and Troy, Michigan. The following outlines the key components of our analysis.

1. Introduction

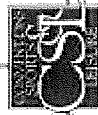
2. Project Overview

- Market conditions specific to Dearborn, Romulus and Troy

3. Demand Generator Research

- Market demand survey results
- Competitive and comparable facilities and markets analysis
- Comparable metropolitan market case studies

4. Summary of Findings



Introduction



CSL International has completed a draft report related to the market support for public assembly facility development projects in Dearborn, Romulus and Troy, Michigan. The following report presents our research, analysis and findings and is intended to assist the Detroit Metro Convention and Visitors Bureau and other project representatives in evaluating the viability of future facility development.

Given the existing inventory of convention, conference and assembly facilities within the Detroit Metro area, and given the discussion taking place in numerous markets within the Detroit area as to future facility development, this report has been commissioned to provide a market demand basis for any future facility development, taking into consideration existing and planned projects. This type of coordinated, demand-driven analysis is designed to provide a strategic plan for facility development that incorporates the unique characteristics within each of the communities/projects reviewed.

Our analysis included site visits with project representatives in each of the three markets reviewed, discussion with DMCVB officials, analysis of local hospitality conditions that impact the industry, surveys of event planners that represent potential facility demand, and review of other large domestic markets that contain multiple convention and assembly venues. This research is used to arrive at findings specific to each market with respect to potential demand for future facility development.

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data provide the DMCVB, surveys of potential facility users, discussions with industry participants and analysis of competitive/comparable facilities and communities. The sources of information, the methods employed and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

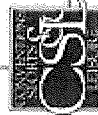


I. INTRODUCTION

DRAFT COPY
For Discussion Purposes

The findings presented herein are based on analysis of present and near-term conditions in the Detroit metropolitan area as well as existing interest levels in a new event space in the Detroit metro area markets studied as part of this analysis. Any significant future changes in the characteristics of the local community could materially impact the key market conclusions developed as a part of this study. As in all studies of this type, the estimated results are based on competent and efficient management of the potential facilities and assume that no significant changes in the event markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

This report has been prepared for the internal use of the DMCVB and other project participants and should not be relied on by any other party. The report has been structured to assist the DMCVB in evaluating event market demand and supportable programmatic components of potential new event facilities in each of the markets studied and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.



SUMMARY OF SUPPORTABLE DEVELOPMENT PROJECTS IN DETROIT, MICHIGAN, 2009-2015

Summary of Findings



Summary of Findings – Dearborn

- There is a specific proposal to develop conference/convention space connected to the 772-room Hyatt Regency Dearborn. The center would provide nearly 65,000 square feet of sellable space. This space level would likely accommodate 90 percent of the potential event market for the destination. The market also contains a diversity of very high-end and limited service properties, suitable for accommodating the various room requirements of most events.
- Hyatt would operate the overall hotel/conference center complex, limiting on-going financial operating risk to the public sector. The significant room inventory within the hotel could provide a competitive advantage when trying to attract mid-sized non-local events.
- The Dearborn market provides several highly unique and substantial visitor industry amenities. Given that event planners and attendees often seek such amenities to distinguish between competitive destinations, Dearborn could be positioned to penetrate the regional and national market for smaller/mid-sized rotating conventions and conferences. The fact that the added event space would be developed fully attached to a large full service hotel helps support this ability.
- The future development at the Fairlane Mall to include added family entertainment features would enhance the overall attractiveness of the site area. The current mall provides a fairly generic shopping experience for event attendees.
- The geographic location within the state may have a somewhat negative impact on attracting some state association events. The corporate base within 25 miles of Dearborn is relatively strong, providing a base of locally oriented business events.



Summary of Findings – Dearborn

- In the Detroit market, the Cobo Center is the primary national/regional convention venue. The Cobo typically hosts events substantially larger than those that would be attracted to the Dearborn/Hyatt project. Larger downtown hotels offer a maximum of approximately 25,000 square feet of contiguous space. The proposed Dearborn project would effectively be sized to accommodate events within the segment between existing large hotels and the Cobo Center.
- Given the current tax structure within Dearborn, there may be relatively limited new direct public sector tax revenue generated from the project. The level of public investment on behalf of the city should be carefully considered in relation to the potential public benefit.
- In addition, given public investment in the project, the city should negotiate a booking agreement that provides the city with:
 - ✓ Several days use of the facility at reduced rent
 - ✓ Assurances that events will be booked that generate maximum room nights within the community
 - ✓ Assurances that the complex will be operated at a full service hotel standard commensurate with the Hyatt (or other 4-star brand)



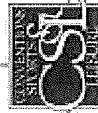
Summary of Findings – Romulus

- There are numerous examples of airport conference facilities located throughout North America and around the world. Currently, the Airport Westin provides a modest amount of conference space within the confines of the Airport.
- There are event planners that view an airport location as a benefit, particularly those that plan more business-focused events and events that have a short-stay fly in attendance.
- There are no areas adjacent to the Airport that currently contain the hotel, entertainment critical mass necessary to support a successful conference center project. As a result, a future conference center in Romulus would have to be developed as part of broader mixed-use development.
- Discussions have taken place in the past as to various iterations of public/private development in the area north of the Airport, often times inclusive of a privately developed conference center/hotel.
- Municipal and Airport officials should continue to pursue such a development, led by the private sector, with any direct public sector subsidies tied to a broader mixed use development.
- A conference center/hotel under these circumstances should include the following sellable space components:
 - ✓ 20,000 to 25,000 square feet of contiguous exhibit, display, banquet, general session space.
 - ✓ 7,000 to 10,000 square feet of breakout meeting space.
 - ✓ 200 to 250 conference-quality hotel rooms.



Summary of Findings – Romulus

- The Airport site will not provide for the large, urban center/hotel/entertainment environment available in most metropolitan downtown areas. Further, the site will not cater to conferences and meetings that are geared towards resort or university destinations. As a result, there is a fairly defined segment of the market that could be accommodated – particularly those events that see a benefit to significant, and very proximate, air access, as well as events that may be tied to corporate, university or other entities located in fairly close proximity to the site.
- Given the fact that Detroit is not currently viewed as a major hub for mid-sized national and international business meetings, any public sector investment in the project should be carefully considered. As noted above, if the conference center is truly part of a much broader master-planned development, the chances for successfully attracting events increases significantly. Only under these circumstances should significant public financing assistance be considered.



Summary of Findings – Troy

- Hotel room demand in Troy has been negatively impacted by a reduction in corporate travel. A new conference center is viewed as an opportunity to generate increases in demand from the non-local group segment.
- From a demand perspective, the somewhat central location within the state would enable a Troy conference center to attract events in the state association market. Troy could also provide for a relatively cost-effective destination for price sensitive events such a religious, user group, tiered marketing and other sectors for which attendees often pay their own expenses. The corporate base within 25 miles of Troy is also sizable, providing the potential for a base of locally oriented corporate events.
- There is significant competition to attract events in these segments from existing venues within the state, making it difficult for a new center in most communities to generate significant levels of non-local event activity. Should plans for new hotel inventory connected to the Suburban Showplace Collection in Novi materialize, this could further dilute the state association market.
- Given the diversity of existing event facility options within the state and region, we do not expect that significant national/regional demand for a center in Troy would materialize. The majority of any corporate demand would likely be local in nature, with fairly limited room night generation.
- Other demand sectors, including consumer shows, banquets, receptions and meetings could add to the facility event schedule, and would likely draw attendees primarily from the local area.



Summary of Findings – Troy

- In order for a conference center in Troy to successfully attract non-local event demand, several features would be necessary, including direct access to a headquarter hotel. Given that it is difficult to finance a large hotel (approximately 300 to 500 rooms) within the current economic climate, this limits the potential sites for a new facility to those with direct access to an existing full-service property.
- In addition, attendees at mid-sized events typically seek a walkable environment combining facility, hotel and entertainment amenities such as mid to up-scale retail and restaurant inventory. Improvements planned along Big Beaver Road could eventually provide for such a walkable environment.
- The costs for a modest sized conference or convention center can reach \$30 million to \$40 million, exclusive of land acquisition, site preparation or parking costs. This type of project would include features such as:
 - ✓ 30,000 to 40,000 square feet of multi-use exhibit, banquet, general session and other flat floor function space.
 - ✓ Approximately 10,000 square feet of breakout meeting space
 - ✓ 40,000 to 50,000 square feet of lobby, storage, office, administrative, loading and other support space.
- Annual debt service, assuming full public sector debt guarantees, could approximate \$2.0 million to \$3.0 million. Public conference/convention centers also typically operate at a deficit, generally ranging from \$250,000 to \$750,000 annually. These costs would have to be funded through some form of dedicated public revenue stream.



Summary of Findings – Troy

- Assuming such a center attracted a variety of state association and other events, both local and non-local, the direct spending in the market could approximate \$6.0 million to \$8.0 million annually. This spending would generate little tax revenue for the city given the current tax structure.
- As a stand alone project, the costs to develop and operate a conference/convention center in Troy, in addition to the need to address headquarter hotel issues, would be substantial. Given the competition for non-local events within the state and around the region, the new direct spending, while impactful, may not be sufficient to justify such a significant public expenditure, if that expenditure is designed primarily to generate room nights.
- If there are options to enter into a public/private sector partnership with an existing hotel owner to develop and operate a conference/convention center, this may reduce overall public sector construction and operating costs. Such a transition could be discussed in general terms with owners of existing large full service hotels in the market.
- If however, the goal of the project is to both serve as a home for local events (corporate included), the investment could be seen both as an economic impact generator and a community asset. Local officials will ultimately make decisions as to the value/need for such a project, relative to the likely project costs.



Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response to Criteria Item X

The Extent to Which the Other Public Economic Assistance is Being Provided to the Applicant or the Hotel by the City of Other Governmental Agencies:

There is no other economic assistance being provided to the existing project nor will there be any economic assistance provided to the proposed hotel/meeting facility expansion project. What is being requested is simply an abatement of taxes that by virtue of the requirements of this abatement process will not otherwise be realized without the granting of the abatement. In six years, if the abatement is granted and the project proceeds, the City of Novi and all taxing jurisdictions will benefit from the full tax benefits of the proposed improvements.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item Y

The Extent to Which Other Governmental Agencies Support the Project:

Governmental agencies that support the project include both the House and the Senate of the State of Michigan, both of which overwhelmingly voted for the amendment to the legislation allowing for this Application; the Governor signed into law the legislation, the Michigan Economic Development Corporation supported the legislation, the Chamber of Commerce, State Senator Mike Kowall, State Representative Hugh D. Crawford, Oakland County Executive L. Brooks Patterson are amongst just a few of the public officials who have expressed support for this effort. In addition, the Metropolitan Detroit Convention and Visitors Bureau had sent a representative indicating their support and the general practice of supporting these types of developments to benefit from the entire hotel and hospitality industry in an area or region by attracting a greater number and larger conventions and conferences with having an attached convention center hotel.



THE SENATE
STATE OF MICHIGAN

MIKE KOWALL
15TH DISTRICT
P.O. BOX 30038
LANSING, MI 48909-7536
PHONE: (517) 373-1758
FAX: (517) 373-0938
senmkowall@senate.michigan.gov

September 20, 2011

Novi City Council
45175 West 10 Mile Road
Novi, MI 4837

Dear Council Members:

I am writing to express my support for the Suburban Collection Showplace's plan to expand operations by building an attached 120-room hotel. The hotel is a logical addition of a large-scale generator of economic benefit to local, regional and state-wide businesses.

Novi is a dynamic community that is in the process of becoming the economic engine for Southeast Michigan. I encourage the leaders of this premier community to continue to lead the way in creating opportunities for business expansion and job creation.

If you have any questions regarding my support for this project, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Mike Kowall".

Mike Kowall
State Senator
15th District



PHONE: (517) 373-0827
FAX: (517) 373-5873
E-MAIL: hughcrawford@house.mi.gov
ONLINE: www.gophouse.com/crawford.htm

MICHIGAN HOUSE OF REPRESENTATIVES

HUGH D. CRAWFORD
STATE REPRESENTATIVE

COMMITTEES:
REGULATORY REFORM, (C)
EDUCATION
ENERGY AND TECHNOLOGY
LOCAL, INTERGOVERNMENTAL,
AND REGIONAL AFFAIRS

NORTHVILLE, NOVI, NOVI TOWNSHIP, LYON TOWNSHIP, SOUTH LYON, WALLED LAKE, WIXOM

38TH DISTRICT

September 11, 2011

To whom it may concern:

Suburban Collection Showplace is an invaluable addition and resource for Novi. Suburban Collection Showplace brings people into the city. Whether it's an upcoming Gun & Knife show or Dave & Brittany's wedding, Suburban Collection Showplace brings people to Novi. Those people then need event planners, caterers, DJ's and many other vendors.

This hotel addition would allow Suburban Collection Showplace to become a convention center in the truest sense. It would allow for a headquarters hotel and on site meetings. Having been to several conventions I can assure you how important to convention planners a headquarters hotel can be. This addition could transform Suburban Collection Showplace from a regional force to convention destination.

Aside from the jobs that are created Suburban Collection Showplace pays a considerable amount of money in taxes. So do the people that work there. Those dollars go to the city. Suburban Collection Showplace is as much a part of Novi as many of the residents.

Thank you,

Hugh D. Crawford
State Representative
38th District

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item Z

The Environmental Impact of the Project and Improvements—on Woodlands, Wetlands,
Storm Water, Air Quality ect.:

It is anticipated that there will be no negative environmental impacts resulting from the proposed hotel and meeting facility expansion project. In fact, it is anticipated that a slight increase in green space will be achieved with the construction of the new improvements. Additionally, as a part of the site planning and approval process, the project will seek an adjustment to the amount of required additional surface parking area that will be required due to the amount of existing parking, even with the proposed hotel being adequate. This will be demonstrated during the planning approval process, eliminate the unnecessary pavement of currently non hard-surfaced areas which would only be used for a very few event days. The use of a crushed-aggregate overflow area already existing on site will adequately serve the operations while eliminating this environmentally unfriendly and unnecessary aspect of the project.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Items AA & BB

- AA. The Applicant Must Provide Information Establishing That, In Relation to the Other Similar Uses Throughout the City, the Project Will be of Exceptionally High-Quality Construction and Service Reputation, and Value to the Local Community, Given the Cost of the City of Foregone Revenue: The project will be constructed with the use of the highest quality materials, will be consistent and compliment the existing structure and will be subject to the approval processes within the City of Novi. It is anticipated however, that with as was the case with previously approved site plans, a façade waiver will be pursued but will not affect at all the quality of the appearance of the to-be-constructed facility.
- BB. The Project Must be Fully Compatible with the City's Zoning Ordinance and Master Plan for Land Use and Other Ordinance Requirements: See answers to Criteria Items Z and AA.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item CC

The Applicant Must Clearly and Convincingly Demonstrate That it Would Not Construct or Conduct the Improvements in the City if the Tax Abatement Was Not Available. To Satisfy This Standard, the Applicant must Provide a Written Explanation of the Need for the Abatement, Including a Financial *Pro Forma* if Requested:

The applicant hereby formally states that without receiving the abatement the Applicant will not proceed with this hotel and meeting facility expansion project. It is common knowledge, and a basis that should be accepted as fact that hotel projects in general are not feasible at this time and the applicant stipulates that this particular project would not pass favorable review under a traditional feasibility analysis. This is one of the main stays of our application and request, that this is being developed for multiple purposes including adding and to and becoming apart of and an expansion of the overall Suburban Collection Showplace project. It will act as additional infrastructure to support, increase and draw new business as well as sustain the existing business generated from the current facilities. Additionally, for the record, the applicant states that it will be required to go well beyond any traditional ratio of equity to debt that would be traditionally available for any normal development. Although no *pro forma* or financial projections have been requested, none are being provided as the information contained within the overall Application package clearly demonstrates that additional business will be guaranteed and positive impact to the community and the surrounding businesses will be obtained and again the applicant contends that the business climate and economic climate is clear on its face and has stated formally for the record that it would not construct this type of hotel project if the abatement is not granted.

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item DD

The Applicant Must Clearly and Convincingly Demonstrate That the Hotel Will Promote the Convention Center and That it Will Fill a Need That Will Assist in the Attraction of Events and Attendance to the Center in Order to Ensure the Center Itself Remains a Viable Operation as Relates to Other Competitive Uses. To Satisfy This Standard, The Applicant Must Provide Information Regarding What Types of Additional or New Users are Expected to Come to the Facility Following Construction of the Hotel, and Evidence That They Will Come Only if There is a Hotel Attached to the Facility:

Please refer to the answers given in the economic benefits and the projected increase to the businesses and residents and refer to criteria item EE, iv; which contains amongst other things, dozens of Letters of Interest and Intent.



SAE Automotive Headquarters
755 W. Big Beaver Road, Suite 1600
Troy, MI 48084-4903 USA

Phone: (248) 273-2455
Fax: (248) 273-2494
www.sae.org

September 20, 2011

Ms. Mary Jane Scott
Suburban Collection Showplace
46100 Grand River Ave.
Novi, MI 48374

Dear Mary Jane,

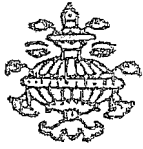
I am pleased to learn that the Suburban Collection Showplace is moving plans forward to build an attached hotel. Novi has always been an attractive area to us for holding our events because of the easy access to major freeways and the many restaurants, retail and nightlife offerings in the City. Over the years, SAE International has submitted many RFP's for our technical engineering events. Your location has been eliminated because there was not enough break out space and/or there was the need for onsite guest rooms. By building an attached hotel with additional break out space, your location becomes more suitable for the numerous meetings, conferences and symposiums that SAE holds in the Southeastern Michigan area, the State and the region.

Please keep me up to date as to the progress of the hotel so I may keep my staff members informed to include the Suburban Collection Showplace in future RFP distributions.

Sincerely,

A handwritten signature in black ink that reads "Patti Kreh".

Patti Kreh
Business Unit Leader
Engineering Events Development & Management
SAE International



Jain Society of Greater Detroit, Inc.



29278 W. 12 Mile Road,
Farmington Hills, MI 48334-4108
(248) 851-JAIN (5246)

Tax ID: 38-2368360

A NON-PROFIT TAX EXEMPT (501-C3) RELIGIOUS ORGANIZATION

www.jain-temple.org

September 16, 2011

Courtney Teeple
Catering & Event Sales Manager
Suburban Collection Showplace
46100 Grand River Ave
Novi, MI 48374

Dear Courtney,

We are very excited to hear that plans are moving forward to build an attached hotel at the Suburban Collection Showplace. We are working hard to bring the 2013 JAINA National Convention to Michigan and to hold the event in the Suburban Collection Showplace.

As we discussed, the National JAINA Committee has indicated to us that having a hotel attached to the Convention Center is a big plus in selecting the convention site.

If the National Committee doesn't select Michigan for 2013, we know that having the hotel added will be the missing piece to your venue and for our success in booking the future JAINA Convention.

Please let us know what the projected completion date will be for adding the hotel so we can look at the calendar for the next available opportunity to host the national convention.

Please contact us if we can provide any additional information.

Sincerely,

Rajendra Modi
Chairman
Board of Trustees
Jain Society of Greater Detroit

September 20th, 2011

Blair Bowman
46100 Grand River Ave.
Novi, Michigan 48374

**Re: 1. Current Use of Showplace and Diamond Center
2. Support for Hotel and Meeting Facility Expansion**

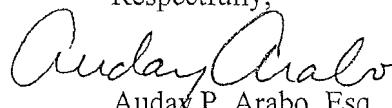
Dear Blair and Staff,

As you know AFPD currently utilizes your facilities for several events throughout the year. Particularly, during these challenging times the production of successful events are a critical component to the overall economic success of our association and its members. For our trade show events, and annual dinner we literally have thousands of vendors travel from in and out of state and hundreds of workers who are required to service these events and the sales activity generated thereafter.

The addition of an onsite hotel and expanded meeting facilities would allow us to potentially expand our events, the usage of your facilities, and the economic impact generated from these functions. While we currently host events many of those who attend chose not to stay for multiple days and we believe that we would be able to attract larger amounts of both attendees and participants from longer range with the addition of an onsite headquarter hotel.

We will watch your progress with interest and again wish to voice our strong support for any assistance the City of Novi can provide in your endeavors.

Respectfully,


Auday P. Arabo, Esq.
President & CEO



MICHIGAN ASSOCIATION *of* SCHOOL ADMINISTRATORS

2010-2011
EXECUTIVE BOARD

President
T.C. Wallace, Jr.
Lansing School District

President-Elect
Marsha Wells
Portage Public Schools

Past President
Thomas Langdon
Big Rapids Public Schools

Director
Dave Campbell
Olivet Community Schools

Director
Peter Dion
Novi Community Schools

Director
John Searles
Merrill Community Schools

Director
Mary Vratania
Cheboygan-Otsego-Presque Isle
ESD

Executive Director
William H. Mayes

The mission of MASA is
to develop leadership and
unity within
its membership to
achieve the continuous
improvement of public
education in Michigan.

*YOUR SUCCESS,
OUR PASSION*

1001 Centennial Way, Suite 300
Lansing, MI 48917-9279

Phone: 517-327-5910
Fax: 517-327-0779
www.gomasa.org

May 16, 2011

Erin Oding
Sales Manager

Diamond Banquet Center
Suburban Collection Showplace
46100 Grand River
Novi, MI. 48374

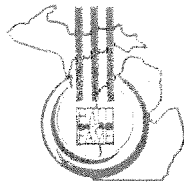
Dear Erin:

Thank you for being part of the Familiarization Tour that I took with the Detroit Convention and Visitor Bureau. It was great to tour your facility once again. I was extremely excited to hear that you are contemplating building an attached Hotel. Our Executive Board is always looking for new locations for our Annual Conference but won't even consider a facility that does not have an attached hotel.

Please keep me updated on any progress your venue makes in this matter.

Sincerely,

Diane L. Dick, CMP, CMS
MASA & MIEM Conference and Event Planner



MICHIGAN SPORTS HALL OF FAME

www.michigansportshof.org
Post Office Box 1073 • Farmington • MI 48332
Phone: 248-473-0656 • Fax: 248-473-0674 • email: MSHOF@twmi.rr.com

September 20, 2011

Novi City Council
Novi, MI

To Whom It May Concern:

I am writing you today on a matter before you concerning the proposed expansion of the Suburban Collection Showplace.

I strongly urge your support of this expansion plan. As the Executive Director of the Michigan Sports Hall of Fame, the event facilities at the Suburban Collection Showplace have been instrumental in our last two Induction Events held at the center. The statewide reputation and central location of the center have been a key factor in our decision to locate our event in Novi.

As a statewide organization, we could choose any city in Michigan to hold our event, but because of the great reputation enjoyed by the center based on their tremendous track record of hosting such events, we selected the Suburban Showplace.

Our event draws people from around the state as well as around the country, and the central location and hospitality offered our guests have been a key part of the success of these last two Induction Events.

In addition, the management of the center and the Hall of Fame has been in discussions regarding locating a satellite exhibit at the center. The proposed expansion would certainly offer the Hall of Fame increased exposure and brand identity.

We strongly urge the City of Novi to approve these plans, as we see the expansion as an asset not only to the city, but the region and the entire state.

Regards,


Jim Stark
Executive Director

SUSTAINING PARTNERS





April 17, 2011

Courtney Teeple
Catering & Event Sales Manager
Diamond Center at Suburban Collection Showplace
46100 Grand River
Novi, MI 48374

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order to bring our Spring Conference to your location. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

Kari Pardoe
Director

From: Rebecca Schluszel [<mailto:becca@joecornell.com>]

Sent: Wednesday, April 13, 2011 10:20 AM

To: courtney

Subject: The Suburban Collection Hotel!

Hi Courtney,

As you are well aware, we love working with you and the Suburban Showplace. Our clients are always treated top notch...and they always rave about YOU, your service and the venue!

It is so easy to send a new client your way. They are always in awe of the amazing facility.

A hotel on the Suburban Campus could ONLY add to its already amazing features.

Bar and bat mitzvah client's typically have another gathering for "out of towners" during the weekend's festivities. Whether its a Friday night dinner or a Sunday AM brunch, families are always searching for venues to have these functions in places that make it easy on their guests from out of town.

By having a hotel on your grounds. You have helped the social client two fold. Now they have a place for their guests to "stay" and they have a place to use as their home base for the weekend to "entertain". I say that's a WIN for both you and the customer!

Keep us in the know...we would love to scream the news if the hotel is a go!

Becca

--

Rebecca Schluszel
Vice President
Joe Cornell Entertainment
www.joecornell.com



<http://www.facebook.com/JoeCornellEntertainment>

Planning a party?
Visit www.PlanItMagazine.com

Hi Mary Jane, Here you go. Please let me know you received this.

Thanks, Jean

From: Jean Jernigan, CMP
Sent: Thursday, April 21, 2011 3:54 PM
To: Peggy Dzierzawski
Subject: FW: Possible Hotel with Suburban Collection Showplace

My response to their request...

From: Jean Jernigan, CMP
Sent: Monday, April 11, 2011 4:26 PM
To: 'Mary Jane Scott'
Cc: Karra N. Townsend
Subject: Possible Hotel with Suburban Collection Showplace

Dear Mary Jane,

I was thrilled to hear the plans to build an attached hotel at the Suburban Collection Showplace may become a reality soon. We have always brought our larger events to the Suburban Collection Showplace. We prefer to host our more than 200 seminars at properties with hotels because it allows us to offer our national speakers the same location to stay overnight and host our program. As we are already impressed with the service the Suburban Collection Showplace provides our organization, we very much look forward to hearing when you will be completing the addition of a hotel with more meeting space so we can discuss hosting some of these programs with you.

Please keep us in the loop when you anticipate this project being completed. We would like to have the first opportunity to consider scheduling some of our other events with you.

Sincerely, Jean

Jean Jernigan, CMP
Vice President of Conferences and Special Projects
Michigan Association of CPAs
Office: 248.267.3700
Direct: 248.267.3706
Fax: 248.267.3755

Connect with *your* network:

[MACPA](#) | [Facebook](#) | [LinkedIn](#) | [Twitter](#)

“It’s the reporting year; where do you stand with your CPE credit hours? Check your [CPE Tracker](#) Today!”



MICHIGAN
ASSOCIATION
Education
of Young
Children

"... promoting quality education
and the well-being
of young children..."

To: Erin Ording, Sales Manager
Suburban Collection Showplace

From: Laurie Nickson, ^{LN} Director of Professional Programs
Michigan Association for the Education of Young Children

Date: May 3, 2011

I am pleased to learn that Suburban Collection Showplace is seriously considering the addition of a hotel to the property. The lack of an adjacent hotel is the primary reason I have not considered your facility for any of the professional development conferences I coordinate. In addition to my position at MiAEYC coordinating the Association's many professional development events, I work contractually coordinating conferences for the Office of Early Childhood Education and Family Services at Michigan Department of Education, and for the Michigan After-school Collaborative.

All of the entities I represent will consider Suburban Collection Showplace as a possible venue if a hotel is added. Please keep me informed as your plans progress.

800-336-6424

517-351-4183 (local)

517-351-0157 (Fax)

839 Centennial Way

Suite 200

Lansing, Michigan

48917-9277

www.MIAEYC.org



2012 Conference
April 17-18, 2012
DeVos Place, Grand Rapids, MI

To: Mary Jane Scott
Suburban Collection Showplace

From: Denise McGinn, CAE, CTA
Executive Director

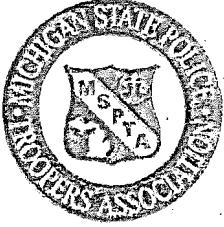
Date: May 6, 2011

Re: Hotel

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. Our Board of Directors has always held out hope that your facility would have an attached hotel with additional breakout rooms so we can include you in our annual rotation of locations around the State of Michigan. Southeastern Michigan is one of the areas we have wanted to include but until now had not found a facility big enough or in the right location to accommodate us.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about specific future dates.

Denise McGinn, CAE



MICHIGAN STATE POLICE TROOPERS ASSOCIATION, INC.

INCORPORATED 1964

May 5, 2011

Ms. Erin Ording
Sales Manager
Diamond Banquet Center
Suburban Collection Showplace

Dear Erin,

I am very glad to hear there are plans for an attached hotel at the Suburban Collection Showplace. Our membership (although perhaps a little spoiled) always prefers that our meetings be held in a facility where conference space and hotel rooms are under one roof. I would certainly consider this location in the future as we rotate our meeting sites around the State of Michigan. Please keep me posted as to your progress, and best of luck with your expansion.

Sincerely,

Pat Strzalkowski
MSPTA Office Manager

MEMBER OF THE NATIONAL TROOPERS COALITION

1715 ABBEY ROAD, SUITE B • EAST LANSING, MICHIGAN 48823 • 517.336.7782 • FACSIMILE: 517.336.8997

WEBSITE: WWW.MSP.TA.NET

MACUL

Michigan Association for Computer Users in Learning

Ric Wiltse, Executive Director • rwiltse@macul.org
Ieva Kule, Executive Assistant • ikule@macul.org
Barbara Surtman, Business Manager • bsurtman@macul.org

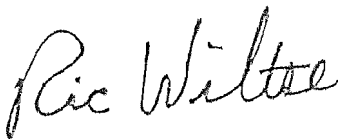
May 9, 2011

Dear Mary Jane,

I was very glad to hear of the plans to build an attached hotel next to the Suburban Collection Showplace. As you know, MACUL has an interest in determining if we could hold our annual conference at your facility. For the past several years our conference has alternated between Cobo Center in Detroit and DeVos Place in Grand Rapids to accommodate our attendance of around 3-4,000 attendees.

A major limitation of your facility in the past has been the need for 20-30 breakout rooms for our conference. Expanding Suburban Collection Showplace to meet these needs is an exciting development! Please keep us informed as your plans progress.

Sincerely,



Ric Wiltse, Executive Director
Michigan Association for Computer Users in Learning (MACUL)

Dear Mary Jane,

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. Our Board of Directors has always held out hope that your facility would have an attached hotel so we can include you in our annual bidding process of locations around the State of Michigan.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about possible future dates.

Sincerely,

A handwritten signature in cursive script that reads "Beverly J. Sink".

Associate VP Professional Development
Michigan Association of Insurance Agents
Lansing, Michigan



416 W. Ionia, Lansing, MI 48933
(517) 367-2225 • (800) 949-1401 • fax (517) 367 2228
www.chiromi.com • info@chiromi.com

April 13, 2011

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is one thing your facility was lacking in order to bring our Fall Conference to your location. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa Love-Smith', written in a cursive style.

Lisa Love-Smith

Membership/Program Director

Michigan Association of Chiropractors

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order for us to bring more business to your location – brides love a one stop shop! Now we can seriously consider using your facility for weddings for our clients. Let me know what the foreseen completion date will be so I can advise them accordingly when looking for wedding venues. I look forward to working with you soon!

Sincerely,

Ana Skidmore

Two Foot Creative

From: macdl_il [mailto:macdl_il@sbcglobal.net]
Sent: Saturday, April 09, 2011 2:19 PM
To: 'courtney'
Subject: RE: Suburban Collection Showplace

Courtney,
I enjoyed your tour through your facility this last Thursday.

YES, I would be interested in the attached hotel facility. It is the main reason that I have not fully given the facility a serious look in the past. Although my meetings are not large, I feel the hotel would give us more reasons to consider your facility.

Irene

Irene Leidich, Executive Secretary/Program Coordinator
Michigan Association of Commercial Dental Laboratories, Inc.
22800 Stair Dr.
Clinton Twp., MI 48036-2747
V: 586-469-1121
F: 586-469-1147
E: Irene@macdl.org
Website: www.macdl.org

April 13, 2011

Dear Courtney,

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. A year ago I was looking for space for our annual conference in the Southeastern Michigan area and could not find one due to the fact that there are very few spaces that can hold a conference of up to 500 attendees with 12-15 breakouts available along with large space to hold the opening plenary and meals. So now that I hear Suburban Collection Showplace is adding an attached hotel, well that will change things and give us a better chance to come to SE Michigan with our larger meetings and conferences.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about specific future dates and space.

Sincerely,

Mary Estrada
Michigan Nonprofit Association
Program and Logistics Manager
1048 Pierpont, Ste. 3
Lansing, Michigan 48911
(517)492-2443

Dear Mary Jane,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order to consider your space for an upcoming event. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Kopkau".

Debbie Kopkau, MBA, CMP, GMS
MSBO/MIEM

STINGERS BAR & GRILL


49110 Grand River, Wixom, Michigan 48393 - (248) 449-9667

Dear City of Novi,

We have had the pleasure of running a bar and grill near the Suburban Collection Showplace. This proximity has benefitted us over the years, as we see a definite rise in patrons when the Suburban Collection Showplace has meetings, conventions and shows. We also use the Suburban Collection Showplace website to advertise for our bar and grill which has also help increase business.

In building a hotel attached to the Suburban Collection Showplace, we look forward to the increased business that it will bring. We are excited to see this development, as there is a need for a combination Expo Center/Hotel in Suburban Detroit that cannot be fulfilled with what is currently in existence. We hope that this letter will help in the approval process.

Sincerely,



TC

Stingers Bar & Grill

Dear City of Novi,

My company has been working with the Suburban Collection Showplace for the past 3 years as their printer and mailer. In this time, we have worked on new and innovative projects with them that have increased our sales numbers and thus, have been able to add a few more positions within our company. We have also been able to leverage our relationship with Suburban Collection Showplace, gaining new customers from the various shows that are put on at the facility.

In building a hotel attached to the Suburban Collection Showplace, we look forward to the increased business that it will bring. We are excited to see this development, as there is a need for a combination Expo Center/Hotel in Suburban Detroit that cannot be fulfilled with what is currently in existence. We hope that this letter will help in the approval process.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason F. Walker", is written over a long, thin horizontal line that spans across the width of the page.

Jason F. Walker
EGT Printing Solutions, LLC
A CONSOLIDATED GRAPHICS COMPANY
32031 Townley Madison Heights, MI 48071
jwalker@egtgo.com

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item EE

The Applicant Must Submit Information to the City that:

- i. Identifies any existing hotels or other businesses within the same service area and with which the proposed hotel is expected to compete for business: An analysis of existing hotels has already been completed by City Administration. It is worth noting however that the area of impact will extend far beyond the boundaries of the City of Novi into Farmington Hills, Livonia, Northville, Plymouth, Wixom, Commerce and beyond.
- ii. Describes the anticipated adverse effect (if any) on such existing hotels or other businesses: This was addressed in criteria items U and V above.
- iii. Explains why the grant of an abatement does not constitute the grant of a competitive advantage to the applicant: This is a totally unique type of development and this is not a typical hotel being placed in a typical location, it is being attached to the existing, privately functioning, exposition and convention center. This, in fact, is not an unfair competitive advantage it is assisting in additional private sector investment that will benefit the surrounding business community region and the entire state.
- iv. Quantifies, to the extent feasible, the net economic benefits of the project to the City and its businesses and residents:

·Economic Impact Analysis

While the job creation from the hotel construction and improvements as well as the meeting facilities and expansion project are important, they are by no means the main focus and benefit of the proposed project. As previously outlined and provided, the Suburban Collection Showplace has long been providing major economic impact and spin-off to not only Novi, Oakland County, but Southeastern Michigan and the entire state. With the proposed construction of the new exposition facility, an economic impact analysis was performed by Michigan Consultants. In 2008, when the tax abatement was requested to be extended to the statutorily allowed limit, an update was performed by Morris, Kalish & Walgreen of that economic impact analysis showing what the then current level of impact at the time of the request was. The applicant has computed the projected economic impact based upon the same methodologies utilized in the initial analysis and the update. The main assumption is that approximately twenty to thirty additional meetings and events of average size will be attracted by the construction of the on site hotel. This assumption is very conservative and is more than adequately supported by the showing of support letters and letters of intent and interest that have been provided in the package and application. The assumption translates into approximately one-third new business being developed as compared to the existing amount of economic impact being generated. That existing economic impact as of 2008/2009 was approximately six hundred and seventy-five

Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion

Response To Criteria Item EE (continued)

million dollars (\$675,000,000) annually, therefore, it is anticipated that with the addition of twenty to thirty new conference convention and trade show events that the facility with the addition of the onsite hotel and the expanded meeting rooms would generate an additional two hundred and twenty-five million dollars (\$225,000,000) of economic impact annually.

It is pointed out in both the original analysis and the update that both Michigan Consultants and Morris, Kalish & Walgreen formally indicated that the multiplier of two times (2X) was an extremely conservative approach. These types of economic impact analysis are prevalent and show very large and very positive amounts of spin-off spending that generates local economic impact with a ripple effect that goes well beyond many of which justifiably to the use a multiplier of considerably greater amount than the two times (2X). We have included several examples of summaries and economic studies of other regions and events for support of both the positive nature of the economic spin-off itself and the methodology utilized to derive the estimate of economic impact.

Support materials included within this section are as follows:

- Morris, Kalish & Walgreen Update, July 25th, 2008
- Michigan Consultants' Economic Impact Analysis
- Spread Sheet showing potential room night generation
- Letters of Interest/Intent regarding the usage of the facility with the addition of the hotel/expanded meeting facilities
- Study: Executive Summary, Economic Impact of Trade and Consumer Shows, April 20th, 2006
- Economic Impact Summary of San Diego Convention Center
- Economic Research Associates Ideas and Trends Hotel Online: Economic Impact of Convention and Conference Centers
- Creative Strategy Group Economic Impact of Colorado, Garden and Home Show



MORRIS, KALISH • WALGREN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

KEITH J. KALISH, C.P.A.
THOMAS M. COLLINS, C.P.A.
JEFFREY A. HARTZEL, C.P.A.
MICHAEL A. HUSBY, E.A.

26877 NORTHWESTERN HIGHWAY
SUITE 200
SOUTHFIELD, MICHIGAN 48033-8281
PHONE (248) 352-6300
FACSIMILE (248) 352-1030
WWW.MKWCPA.COM

JON A. WALGREN, C.P.A., OF COUNSEL

REVIEW AND UPDATE OF ECONOMIC IMPACT ANALYSIS
ROCK FINANCIAL SHOWPLACE
July 25, 2008

We have been the accounting firm utilized by Mr. Blair Bowman and his related entities for over ten years. Mr. Bowman requested we review the economic impact analysis prepared by Michigan Consultants prior to the opening of the Rock Financial Showplace and extrapolate using current operational data.

Michigan Consultants conducted an Economic Impact Analysis of the former Novi Expo Center facility as well as an anticipated direct economic impact from the then to be constructed "new facility" now known as the Rock Financial Showplace which included the following activities:

- Survey event promoters.
- Review event information.
- Analyze the state and national figures on spending by trade and consumer show attendees and exhibitors.
- Analyze tourism spending data.
- Review impact studies performed at other venues.
- Discussions and interviews with various commercial outlets near the facility.

Michigan Consultants identified usage figures derived from hosted event information and then utilized those figures to calculate direct economic impact in the following categories:

- Offsite spending by individuals.
- Local business spending by promoters and exhibitors.
- Local exhibitor "retained revenues" (product purchase dollars captured locally)
- NEC Expenditures.

Further on in the report Michigan Consultants identified an estimate of annual economic impact from the new expo center (Rock Financial Showplace) by combining the existing event impact with "new conventions or conferences". Once the overall economic impact was derived Michigan Consultants applied a multiplier factor of two (2). In the reviewer's opinion this was a conservative multiplier factor with many economic impact studies utilizing four to five times multiplier. It is with this lateral calculation that our review and update will deal with in substance. In short, we understand because of the uncertainty as to what new events were going to be generated in the new facility that it was difficult to project. However, one needs only to review the event master, a copy of which is contained herein, to see the extensive amount of new activity and impact that is being generated at the Rock Financial Showplace.

In performing this update we reviewed the above utilized methodology by Michigan Consultants and found the assumptions and figures to be basically sound as far as visitor days and expenditure data. We also examined the former Novi Expo Center Event Promoter list utilized by Michigan Consultants against the Event Master for the current event roster at the Rock Financial Showplace. It was determined that almost all of the events then being produced at the former Novi Expo Center are currently being produced or similar events to them at the Rock Financial Showplace. In addition, there are multiple additional major events as well as literally hundreds of additional conference, convention and meeting activities held at the new facility. We have adopted the procedure of utilizing the Michigan Consultants study as a base from which to work and applied an additional multiplier for the new facility for the actual activity being two (2) times that which was projected by the original study. The validity of this multiplier was further supported by information received from the box office management and the conference and banquet center marketing manager at the existing Rock Financial Showplace. Utilizing this similar methodology, total visitor days would be in excess of 1,750,000 and individual exhibits were estimated to be in excess of 25,000. These figures when injected into the Michigan Consultants impact model would yield an amount of impact well in excess of our two (2) times multiplier.

Finally, a calculation was performed to express the economic impact in terms of current year dollar values applying a traditional CPI increase analysis. The table below is a modification and expansion of Table C as contained in the original Executive Summary of the Michigan Consultants Economic Impact Study and provides for a calculation of the updated economic impact for the existing Rock Financial Showplace of \$675, 916,000.

TABLE C*		
ANNUAL ECONOMIC IMPACTS FOR THE NEW NOVI EXPO CENTER		
DIRECT IMPACTS		
New conventions or conferences	\$ 12,570,000	
Present categories of events (including incremental gains)	\$117,414,000	
DIRECT SUB-TOTAL		\$ 129,984,000
MULTIPLIER		2.0
AREA OF ECONOMIC IMPACT ATTRIBUTABLE TO THE NEW FACILITY (as previously projected)		\$ 259,968,000
MULTIPLIER (additional)		2.0
ACTUAL AMOUNT OF EVENTS AND EXPENDITURES EXPERIENCED IN THE ROCK FINANCIAL SHOWPLACE		\$ 519,936,000

$$\left(\frac{\text{June 2008 CPI} - \text{October 1989 CPI}}{\text{October 1989 CPI}} \right) = \frac{218.815 - 168.2}{168.2} = 1.30$$

$$\$519,936,000 \times 1.30 = \$675,916,800.00 \quad \text{2008 Dollars}$$



July 25, 2008

Page 3

In conclusion, we believe that this extrapolation process is yielding a reasonable impact figure. As mentioned throughout the Michigan Consultant report it is worthy of emphasis that this is a major amount of economic impact derived uniquely through a privately funded operation in an environment which is almost solely and exclusively occupied by fully government subsidized operation.

It is also worth noting that this economic impact analysis does not take into consideration the economic impact from the onsite hotel planned to be constructed on the grounds of the Rock Financial Showplace. The planned hotel project will have a positive economic impact from a construction cost impact, job creation impact and tax revenue impact.

Morris, Kalish + Walgren P.C.

MORRIS, KALISH + WALGREN, P.C.



EVENT PROMOTERS DURING A RECENT 12 MONTH PERIOD*

AMC Network	Mich. Assn. of RVs & Campgrounds
American Diabetes Association	Mich. Boating Industries Assn.
American Show Management	Michigan Carwash Association
American Stitches	MI Inst. Of Laundering & Dry Cleaning, Inc.
American Woodworker	Michigan 50's Festival
Auntie Amy Stamps!	Michigan Restaurant Association
Blue Star Productions	Mich. United Conservation Clubs
Bride & Groom Pulications	Mid-Michigan Cat Fanciers
Building Industry Association	Miesel/Sysco
Convention Management Services	MLBA
Crown Amusements, Inc.	Motor City Convention, Inc.
Dairy Fresh Foods	Nat'l Assn. for college Adm. Counseling
Event Management Services	Nat'l Board of Medical Examiners
GATS, Ltd.	NOP Automotive
Gordon Food Service	Preparedness Expo
Great Lakes Marketing	Professional Trade Shows
Great Lakes Fitness Guide	Regency Communications
Great Northern Shows	RM Classic Car Productions, Inc.
Greenberg Shows, Inc.	RR Promotions
H & F Productions	Show Management
IBF Promotions	Show Promoter, Inc.
International Gem & Jewelry Inc.	Show Promotions
Job Shop Shows	Southern Shows, Inc.
Law Expo, Inc.	Sport Shows Promotions
Leisure Features	Sugarload Mountain Works, Inc.
Lipari Foods	The Big Idea
Livingston Kennel Club	US Food Service, Inc.
Mart Franchise Venture, Inc.	Wolverine Knife Collectors
Metro Detroit Landscape Assoc.	Woodworking Shows, Inc.
Metro Parent Magazine	Young President's Organization
Michigan Antique Arms Collectors	Detroit Int'l Festival

*Taken from the 1999 Economic Impact Analysis of the Novi Expo Center

**ROCK FINANCIAL SHOWPLACE
EVENT MASTER
JULY 2007 - JULY 2008**

02/08 Antique Arms Show	Leone Imports Wine Tasting
1st Annual Nuspire Twilight Benefit Ball	Light Up A Life
1st Annual Providence Park Gala	Lipari
20th Annual MI Psychoanalytic Foundation Gala	Lisa & Ryan's Wedding Reception
40 under 40	LOC Federal Credit Union
A&D Technology - Cookie Drop Off	Lockwood Company
AAU Junior Olympics	Log Home & Timber Frame Expo
Abbott Diagnostics	MACPA Annual Tradeshow and Educational Seminars
ABC Bridal Group - Progressive Dinner	MACPA/Michigan Association of CPAs (4)
Accenture	Macy's
Accenture Meeting	Magic Gathering
ACT Testing Administration	Maintenance Shows of America
ADI Security Conference - 2008	Mary Kay, Inc.
AFPD Spring Show	Max to the Millions
AIAG Auto Tech	Measurement Instruments (2)
AIAG Automotive Industry Action Group (3)	Meijer Employee Awards Banquet
Airbiquity (icw Telematics)	Memorial Luncheon
AirTech	Mercy High School Basket Ball Banquet
Aisin World Corp. of America	Mercy High School Track Banquet
Alana & Sarah's Bat Mitzvah	MGIA Landscaping
Alana and Shon's Wedding	MHRA Banquet- Road Knights
Albion College	MI Association of Fire Chiefs
American Baby Faire	MI Nurses Association
American Dance Academy - Holiday Charity Performance	Michelle's Bat Mitzvah
American Diabetes Association	Michigan Association of Insurance and Financial Advisors
American Israel Public Affairs Committee (AIPAC)	Michigan Association of Realtors Professional Standards Workshop
American Legion (2)	Michigan Department of Transportation (icw MITS)
American Mitsuba - CANCELED	Michigan Facilities Expo
American Sewing Expo	Michigan Golf Show
An Afternoon with Sylvia Browne	Michigan International Spring Classic Car Auction
Andover High School 2008 Prom	Michigan International Wine Expo
Ankit's Thread Ceremony / Luncheon	Michigan Kiwanis
Annual Care Giver Fair	Michigan Manufacturing Technology Center
Antique Arms Show - Nov	Michigan Meetings Expo
Antique Arms Show - Sept	Michigan Republican Party (2)
Arab Story Premier	Michigan Self Insurers' Association (2)
Ariella and Michael's Wedding	Michigan State Medical Society Leadership Training
Ashley's Bridal Shower	Michigan Women's Business Council
Asian Indian Womens Association	Michigan Women's Foundation
Association/Lion King FAM	Midwest Carwash Association

**ROCK FINANCIAL SHOWPLACE
EVENT MASTER
JULY 2007 - JULY 2008**

Autism Speaks (3)	Milford High School 2008 Prom
Autocross/Drift - CANCELED EVENT	MMHA Installer Course
Automation Alley	MMPI Board Meeting
Automotive Finishing Conference	Moldmaking Expo
Automotive Services Association of Michigan Seminar	Mother's Day Brunch
AVL - Testing Expo Reception	MTS Systems Corp. Luncheon
Blue Cross Blue Shield (10)	MTS Systems Corp. Reception
BMW Competitive Forum Live	My Favorite Bead Show
B'nai B'rith International	NAACP for Southern Oakland County
Boat Wars at the ROCK	National Corvette Restorers Society Board Meeting
Bridal Expo 2008	National Society of Hispanic MBA's
Business Planning Meeting	New Horizons Computer Learning Centers of Michigan
Cadillac Sales Training	New Year's Eve Gala
CAM Breakfast	Noah's Bar Mitzvah
CAM- VIP Annual Luncheon and Reception	North Central Association Fall Conference
Canadian Consulate Breakfast/Meeting	Northville HS 2008 Prom
Canadian Consulate Reception-ITEC	Northville HS Mens Track & Field Banquet
Caribbean Tour Organization	Northville Wrestling Banquet
Carolyn's 60th Birthday	Northville Youth Football
CC Mother's Club Fashion Show	Northwood University
Central Michigan University Center for Charter Schools	Novi Bobcats Football
Ceremony Rehearsal	Novi Boy's Soccer Banquet
Cessna	Novi Chamber of Commerce
Chabad Dinner	Novi Educational Foundation Fundraiser
Cheer Banquet	Novi High School 30th Class Reunion
Chinese New Year	Novi High School Awards Night
Christmas Show	Novi High School Class Reunion
Cisco Systems, Inc.	Novi High School Marching Band
Citation Corporation	Novi High School Prom - 2008
City Mission Annual Fundraiser	Novi High School Swim Banquet
Clarkston High School Prom	Novi High School Track Banquet
Club Extreme Volleyball Banquet	Novi Newcomers and Neighbors
Cody High School 30th Reunion	Novi Parks Foundation Fundraiser
Comau Pico	Novi Sturgeons Swim Team
Comerica Team Meeting	NTC America Corp Holiday Dinner
Comic Con	NTH Consultants, Ltd.
Community Institute for Associations-CAI	Oakland Chamber Networking Event
Corvette Regional Judging Event	Oakland Community College-Reception
Covenant House Michigan 1st Annual Fundraiser	Oakland County Department of Economic Development & Community Affairs
CSI Hors D'oeuvre Party	Oakland County Fall Update

**ROCK FINANCIAL SHOWPLACE
EVENT MASTER
JULY 2007 - JULY 2008**

Cure 43	Original Equipment Suppliers Association
CVS Pharmacy	Outdoorama & Cottage Lake Front Living
CW50 - CBS Television Stations - Detroit (2)	Patrick & Mandi's Wedding
Dakota Integrated Systems Company Vision Meeting	Pinckney High School Prom
Dance Competition	Player One Productions
Danlaw Inc. (2)	Pool & Spa Show
Design & Construction Expo	Prayer Breakfast
Detroit Area Agency on Aging	PSA Award Banquet
Detroit Catholic Central High School	Quality Expo
Detroit Chinese Business Association (DCBA)	Quicken Loans Meeting (5)
Detroit Free Press Marathon/Bowman Challenge	R.L. Polk & Company
Detroit Medical Center / Women's Show Event 2008	Raval Birthday Celebration
Dodge/Chrysler Minivan & Liberty Launch	Red Cross Blood drive
Dr. Sheremeta and Dr. Modi's Office Holiday Dinner	REIA Seminar (2)
dSPACE	Renee's Bridal Shower
DTE Energy Conference	Research In Motion - Reception for Sprint
E Commerce	Restaurant & Lodging Expo
Eagle Scout Dinner	Rizal Day 2007
Easter Brunch	Roncelli, Inc.
Ecolab	Roopal and Ankoor's Wedding
Ecolab Quick Serve	Ruby & Sarwan's Wedding
Empowerment	SAAB Ride and Drive
Engineering Society of Detroit-Future Cities Competition	Samantha and Kyle's Wedding
Ernst & Young Insurance Round Table	Scrapbook Megameet Exhibitor Reception
Evan's Bar Mitzvah	Scrapbook Show
Exatec	Self Insurer's Conference Breakfast
Experience West Oakland (2)	SEMCOG
Fall Bridal Show	Sherwood Food Distributors Luncheon
Fall Camper Show	Snow Management Conference & Expo
Fall Remodeling & Design Show	Snowmobile USA
Fall Sugarloaf Art Fair	Scofi Pre Wedding Dinner
Family Pet Expo	Southeast Michigan Association of Fire Chiefs
First Conferences Ltd.	Spillane and Reynolds Orthodontists
FIRST Lego	Spring Boating Expo
Franchise & Business Expo	Spring Detroit Camper & RV Show
FreeScale	Spring Home & Garden
Frontier Distributing	Spring Sugarloaf Art Fair
Gail & Rice Rice and Drive Training	Spring Tour
Garima and Harbinder's Wedding	Sprint (5)
Gem & Jewelry Show	State Association FAM

ROCK FINANCIAL SHOWPLACE
EVENT MASTER
JULY 2007 - JULY 2008

Gem & Jewelry Show	State Farm Chuck Moran (2)
General Motors (3)	State of the City Address
Giant Motorcycle Swap Meet	Stephen Hudson's Retirement Party
Girl Scout Dinner	Structural Images
Glory Foods-NOT USING ROOM!	SURPRISE 60th Company Anniversary
GM Meeting	TA Instruments
Gold Awards Dinner	TCF Bank (7)
Gordon Food Show	Techniques of Alcohol Management (2)
Gracenote Meeting (Telematics Exhibitor)	Telcordia Meeting
Graduation Celebration	Teleatlas (icw First Conferences)
Great Lake International Aviation Conference	Test Preparation Workshops (2)
Great Lakes Employee Benefit Services	Testing Expo
Great Train Expo	Testing Expo Dinner
Greater Novi Chamber of Commerce (2)	Thaddeus G. McCotter Rally
Greek World Story Premier	Thanksgiving Day Buffet
Gymnastic Banquet	Thurston High School 2008 Prom
Harada Industry of America Christmas Party	Toll Brothers - canceled event!
Heather & Dan's Wedding	Toyota Motor Sales/Ohio Sequoia/Corolla/Matrix Preview
Heather's Baby Shower	Toyota Tech Center Holiday Party
Heirloom Novi Rubber Stamp & Paper Art Festival	Tracey & Kevin's Wedding
Holiday Beverage Show	Trends Fall Show
Home Improvement	UFCW 951 Conference
Howell HS Girls Swim/Dive Team Banquet	Ultimate Fishing Show
ICSC Michigan Idea Exchange (2)	United Stationers
IITAP CSAT's Training	Valentines Dance
India Day	Vector Cantech
IN-HOUSE -Cheryl Stern (Baby shower)	Vector CANtech Inc.
Inrix Meeting (Telematics Exhibitor)	Vector Marketing (2)
Intel Corporation	Verizon Wireless
International Motorcycle Show	Visions - Massage Training Session (2)
International Womens Show	Walled Lake Braves Football Banquet
ITC Holiday Party	Wall's 80th Birthday
ITEC	Waste Management
ITS Annual Meeting and Exhibition	Wayne Dyer Event
Jackson-Dawson (14)	Wayne Memorial High School Reunion
Jake's Superbowl Weekend Bar Mitzvah	Weiss Environmental Technologies - Reception Room
Jessica and Johnathon's Wedding	Wendy's 'Sparkle Meeting'
Jessica and Yossi's Wedding	Western Wayne County Fire Dept Mutual Aid Association
John Deere Landscapes	Willis of Michigan Inc.
Joint Provider Surveyor Training (2)	Wind River meeting (Telematics Exhibitor)

ROCK FINANCIAL SHOWPLACE
EVENT MASTER
JULY 2007 - JULY 2008

Juzo	Wine, Chocolate, Jazz & All That Art
Ken & Lindsey's Wedding	Wolverine Knife/Antique Arms Show
Kiss-Auction Launch Party	Women of the Red Hat Society Holiday Luncheon
Kroger (3)	Women of the Year
Lacrosse Banquet	Woodworking Show
Lamborghini Troy Ride and Drive	Zack's Bar Mitzvah

October 18, 1999

**ECONOMIC IMPACT ANALYSIS OF
THE NOVI EXPO CENTER**

Prepared by:

**MICHIGAN CONSULTANTS
426 W. OTTAWA
LANSING, MICHIGAN 48933
517-482-0790**

Jacob Miklojck, President

EXECUTIVE SUMMARY

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

MISSION OF PROJECT

The Novi Expo Center (NEC) has been in operation for over seven years. Hundreds of thousands of individuals are attracted to Novi annually to attend the various trade shows, consumer shows, civic events, conferences, and other functions that utilize the center. The NEC is unique in that *it is the only convention/expo center of substantial size in Michigan that is privately owned and operated.*

This report identifies and enumerates the economic activity and impacts generated by the existing NEC. These figures exhibit what the NEC means to the area and the loss that would occur if the facility no longer existed within Novi. The analysis also provides projections for the additional benefits that would be generated from a new facility. The consultants undertook a variety of tasks in order to generate well-founded impact estimates. These activities included:

- Survey of event promoters.
- Review of event information in NEC archives.
- Analysis of state and national figures on spending by trade and consumer show attendees and exhibitors.
- Analysis of tourism spending data.
- Review of impact studies performed at other venues.
- Discussions with various commercial outlets near the center.

USAGE FIGURES

During a recent 12-month period, the NEC hosted 68 major events, most being several days in length. The trade shows drew attendees from selected target groups while the consumer shows and civic events drew from the public at large. The center also hosted numerous small, non-published, events. In that the NEC itself typically does not serve as an event promoter, exact historic records on attendees and exhibitors are not available. In order to develop the usage figures NEC data was supplemented by a survey of promoters and national surveys. The results are summarized in Table A.

Visitor days	769,854
Individual exhibits	11,697
Room nights	68,589

EXECUTIVE SUMMARY
ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

ECONOMIC IMPACTS

The visitors spend money off-site on such things as hotels, restaurants, and retail items. The exhibitors and promoters also spend dollars off-site for goods and services that aid with making the event a success. The consumer shows also attract people from throughout southeastern Michigan, the Midwest, and Canada to purchase goods at the events, many from local firms and vendors. The NEC also has a substantial budget, with the dollars flowing to the local economy.

These various expenditures result in economic impacts for the Novi area, Oakland County and Southeastern Michigan. Table B exhibits the total direct impacts.

TABLE B ANNUAL DIRECT IMPACT TOTALS FOR THE NOVI EXPO CENTER	
OFF-SITE SPENDING BY INDIVIDUALS	\$34,533,190
LOCAL BUSINESS SPENDING BY PROMOTERS AND EXHIBITORS	\$6,025,100
LOCAL EXHIBITOR "RETAINED REVENUES" (product purchase dollars captured locally)	\$47,353,075
NEC EXPENDITURES	\$7,000,000
TOTAL DIRECT IMPACTS	\$94,911,365

The full report delineates the manner in which care was taken to differentiate those dollars that were new to the geographic area or were retained in the area from dollars that simply passed through or that represent only a temporary shift. The report also identifies how the expenditure and impact factors utilized were more conservative than those used in similar studies for events and centers in other areas of the nation.

GROSS IMPACT AFTER CONSIDERATION OF MULTIPLIER EFFECTS

The dollars expended ripple through the economy via successive rounds of spending. The RIMS-2 model from the Bureau of Economic Analysis uses 2.075 as the multiplier for lodging and entertainment, 2.327 for eating and dining, and 2.244 for retail. The consultants choose to use a more conservative multiplier of 2.0 for all expenditures.

EXECUTIVE SUMMARY
ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

Using this multiplier, *the annual economic impact of the Novi Expo Center is calculated to be \$189,800,000 annually.* Given the location of exhibitors, as well as the restaurants, hotels, and retail stores, it is reasonable to calculate that more than half this figure occurs in *Oakland County--- approximately \$100,000,000 annually.*

These are extremely impressive totals, particularly considering that the NEC opened less than a decade ago, operates in a retrofitted facility built for other purposes, and has not received any public subsidies.

INCREASED ECONOMIC IMPACTS AT A NEW FACILITY

The report notes the limitations of the existing facility and the improvements planned for the new Novi Expo Center. The new facility will increase economic impacts by being able to attract large-scale conferences and conventions that the present facility cannot accommodate, and by increasing the number of attendees and exhibitors at present events. *It is stressed that the most important economic impact created by the new facility is retention of the present base of economic benefits.*

Table C exhibits the key totals for the new facility. *The annual economic impact of the new center is calculated to be over one-quarter of a billion dollars.* This figure is arrived at through conservative assumptions, caution in avoiding double counting, and exclusion of economic activities that occur outside of the general geographic region.

TABLE C ANNUAL ECONOMIC IMPACTS FOR THE NEW NOVI EXPO CENTER		
DIRECT IMPACTS		
	New conventions or conferences	\$12,570,000
	Present categories of events (Including Incremental gains)	\$117,414,000
	DIRECT SUB-TOTAL	\$129,984,000
	MULTIPLIER	2.0
	AREA ECONOMIC IMPACT ATTRIBUTABLE TO THE NEW FACILITY	\$259,968,000

At least 65% of the benefits are attributable to Oakland County, and a large portion is captured within Novi itself.

EXECUTIVE SUMMARY
ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

EMPLOYMENT (on-going)

The direct spending displayed in Table B creates employment. The figures calculate to an estimated *1,582 full-time equivalent jobs*. Additional positions are created by ripple effects in the economy.

The new center will assure that present employment created from present economic impacts is retained and additional employment occurs. The report calculates that *1,957 full-time equivalent jobs will be created/retained by the new facility*. Ripple effect positions increase this total.

CONSTRUCTION IMPACTS

The construction of the new facility will also produce a direct economic benefit to the area. A reasonable new construction estimate is \$12,000,000, although detailed cost engineering has not been completed. The local spending by construction company employees and subcontractors will further expand the economic impacts gained from construction.

A COMPETITIVE ENVIRONMENT

The final chapter of the report notes that the NEC operates in a competitive environment against heavily subsidized competition. A review of other centers in the Midwest with over 100,000 square feet of exposition space found only one other facility that was privately operated. The other major centers in Michigan (in Detroit, Lansing, and Grand Rapids) receive large public subsidies. Grand Rapids recently received a direct state appropriation of \$60,000,000 and a County appropriation of \$15,000,000 to aid with their new facility.

TABLE OF CONTENTS AND LIST OF TABLES

Chapter One---Introduction and Overview.....	1
Chapter Two---Events, Exhibitors, Attendees	3
Table 2-1: Characteristics of Primary Events.....	4
Table 2-2: Total Visitor Days and Room Nights	7
Chapter Three---Economic Impact Factors and Studies Elsewhere	9
Table 3-1: IACVB Spending Per Day Per Delegate	12
Table 3-2: IACVB Delegate Expenditures.....	13
Table 3-3: IACVB Association Expenditures.....	14
Table 3-4: IACVB Exhibitor Expenditures	15
Table 3-5: Denver Home Show Impacts	18
Table 3-6: Buffalo Center Projected Impacts	19
Chapter Four---Economic Impact Calculations for the NEC.....	20
Table 4-1: Lodging Spending.....	21
Table 4-2: Non-lodging Off-site Spending Factors	22
Table 4-3: Off-site Non-lodging Spending Totals	23
Table 4-4: Total Direct Off-site Spending.....	23
Table 4-5: Calculation of Economic Activity & Impact from Product Purchases	28
Table 4-6: Direct Economic Impact Totals	29
Table 4-7: Gross Economic Impacts (with multiplier).....	31
Chapter Five---Impacts Created by a New Facility	32
Table 5-1: Impacts from New Conferences/Conventions.....	38
Table 5-2: Increase in Impacts from Existing Categories	
Table 5-3: Gross Impacts for New Center (with multiplier).....	41
Chapter Six---Facility Policies and Trends in Other Communities	43

CHAPTER ONE INTRODUCTION AND OVERVIEW

BACKGROUND

The Novi Expo Center (NEC) has been operating within the City of Novi for over seven years. Hundreds of thousands of individuals are attracted to Novi annually to attend the various trade shows, consumer shows, civic events, conferences, and other functions that utilize the center. The NEC is unique in that *it is the only convention/expo center of substantial size in Michigan that is privately owned and operated.* Very few large centers in the nation operate without a significant ongoing public subsidy. These facilities receive subsidies because public officials are convinced of the positive economic impacts that a successful center brings to the geographic area.

The NEC building was originally constructed to serve industrial and storage purposes. NEC management has been able to modify the building into an exposition and conference facility that attracts a wide array of customers. Despite the success, the NEC is constrained from reaching its full potential because of the limitations of the current building. Due to the limitations, NEC ownership must consider moving to a new, larger, more flexible, and more cosmetically appealing site. Such a facility would expand the business of the center and increase the economic impacts.

MISSION OF PROJECT

This report identifies and enumerates the economic impacts generated by the existing NEC. The analysis differentiates between local, regional, and state impacts. The estimates generated exhibit what the NEC means to the area, and the loss that would occur if the facility did not exist within Novi. The analysis also provides projections for the additional economic benefits that would be created by a new facility.

The analysis places an emphasis on the direct economic impacts gained by the spending of visitors to the NEC and the dollars that are retained within the geographic area. The report includes an analysis of the economic multiplier effects that the dollars produce from the subsequent waves of dollar responding within the economy.

The report also provides a short review of how other centers are financed and reviews a sample of impact studies conducted of centers in other parts of the nation. This material further testifies to the benefits the NEC brings to the community and region.

METHODOLOGY

A variety of baseline data points and a series of calculations are needed. In performing this study, the consultants undertook a variety of tasks in order to generate the impact estimates. These activities included:

- Survey of event promoters regarding numbers, characteristics, and spending habits of exhibitors and attendees.
- Review of event information in NEC archives.
- Analysis of state and national figures on spending by trade and consumer show attendees, exhibitors, and promoters as well as state and national tourist spending data.
- Review of impact studies performed at other venues.
- Discussions with various commercial outlets near the center.

Michigan Consultants develops independent studies for each of its clients---a standard cookie-cutter approach is not used. Yet, as identified above, the consulting team does review and incorporate when appropriate the findings of impacts studies performed by other organizations at other venues. These references to other studies are useful in developing general parameters for our findings and typically show that our estimates are prudent.

CHAPTER TWO EVENTS, EXHIBITORS, AND ATTENDEES

SITUATION

Development of economic impact estimates begins with baseline figures for events that occur at the facility. The NEC itself rarely is the promoter (or host or organizer) of events that occur at the facility. Therefore, specific records for exhibitors and attendees (or delegates) are not in the possession of NEC management. To address the need for more information, the consultants undertook a telephone survey of a sample of event promoters. The survey provided information not only on the number of exhibitors and attendees, but also the knowledge promoters had regarding the locations and spending habits of exhibitors and attendees at their events. This information was further balanced by studies of exhibitors and attendees at other convention/expo centers.

EVENTS

Major types of events

NEC business is diverse and multifaceted in the types of events it hosts. Events range from the annual Michigan United Conservation Clubs show that attracts 50,000 visitors to smaller functions that may utilize only a portion of the facility.

For analysis, the various events are placed into the following major categories:

1. Trade Shows and association conventions.
2. Consumer shows.
3. Community events/festivals.
4. Private corporate events (typically involving training, testing, or research).
5. Miscellaneous (short-term private uses).

All possess economic benefits for the community, although the preponderance of the economic impacts are derived from the first three categories. The trade show/convention, consumer shows, and community events/festivals therefore receive the primary numerical analysis within this report.

Characteristics of primary events

Table 2-1 summarizes the key characteristics of the various types of events. There is a wide range of size and activities within each sub-group, but the summaries provide a useful structure to utilize for the impact analysis.

TABLE 2-1 CHARACTERISTICS OF PRIMARY EVENTS HELD AT THE NEC			
	SCHEDULE	EXHIBITORS	ATTENDEES
TRADE SHOWS/ CONFER- ENCES	<ul style="list-style-type: none"> ▪ 2-3 days typically. ▪ Usually mid-week. 	<ul style="list-style-type: none"> ▪ 100 to 200 or more. ▪ From throughout MI. and out of state. ▪ Use best hotels. ▪ Take orders and develop future leads. 	<ul style="list-style-type: none"> ▪ Private groups, not open to the public. ▪ Mixture of local, out-state, and out of state ▪ Several hundred to several thousand. ▪ Often make orders or commitments for large products.
CONSUMER SHOWS	<ul style="list-style-type: none"> ▪ 2-4 days. ▪ Primarily held over the weekends. 	<ul style="list-style-type: none"> ▪ 200 or more. ▪ Mostly SE Michigan. ▪ Use variety of hotels and restaurants. ▪ Sell goods directly and take orders. 	<ul style="list-style-type: none"> ▪ Open to the public. ▪ Totals often exceed 10,000. ▪ Primarily SE Michigan. ▪ Buy items at exhibits. ▪ One day visits.
COMMUNITY EVENTS/ FESTIVALS	<ul style="list-style-type: none"> ▪ A few each year. ▪ Held on weekends. 	<ul style="list-style-type: none"> ▪ Vendors. ▪ Often civic groups. ▪ Entertainers. 	<ul style="list-style-type: none"> ▪ Many thousands from local area and beyond.
PRIVATE CORPORATE EVENTS	<ul style="list-style-type: none"> ▪ One or more days. ▪ Mid-week. ▪ Occasional full-week training. 	<ul style="list-style-type: none"> ▪ Few. 	<ul style="list-style-type: none"> ▪ Range from small sessions to several hundred daily.
SHORT TERM PRIVATE USE	<ul style="list-style-type: none"> ▪ Typically a single mid-week night. 	<ul style="list-style-type: none"> ▪ None. 	<ul style="list-style-type: none"> ▪ Typically 100- 200.

In addition to the exhibitors and attendees other individuals also are involved in the events, and are sources of economic activity. For a mid-sized trade show or consumer show the sponsor will bring 3 to 8 people to assist in management of the show and to discuss issues with members. The NEC itself has a variety of employees and subcontractors.

PROMOTERS

Promoters design, implement, and manage major events. They typically also coordinate the exhibitor base and conceptualizing marketing to potential attendees.

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

During a recent 12-month period 62 promoters organized and managed major membership or consumer events at the NEC. The number of attendees range from approximately 50,000 to less than 1,000. The names are listed below. The events represent a range of consumer and private shows.

EVENT PROMOTERS DURING A RECENT 12 MONTH PERIOD

AMC Network	Mich. Assn. of RVs & Campgrounds
American Diabetes Association	Mich. Boating Industries Assn.
American Show Management	Michigan Carwash Association
American Stitches	Mi. Inst. of Laundering & Dry Cleaning, Inc.
American Woodworker	Michigan 50's Festival
Auntie Amy Stamps!	Michigan Restaurant Association
Blue Star Productions	Mich. United Conservation Clubs
Bride & Groom Publications	Mid-Michigan Cat Fanciers
Building Industry Association	Miesel/Sysco
Convention Management Services	MLBA
Crown Amusements, Inc.	Motor City Convention, Inc.
Dairy Fresh Foods	Nat'l Assn. for College Adm. Counseling
Event Management Services	Nat'l Board of Medical Examiners
GATS, Ltd.	NOP Automotive
Gordon Food Service	Preparedness Expo
Great Lakes Marketing	Professional Trade Shows
Great Lakes Fitness Guide	Regency Communications
Great Northern Shows	RM Classic Car Productions, Inc.
Greenberg Shows, Inc.	RR Promotions
H & F Productions	Show Management
IBF Promotions	Show Promoter, Inc.
International Gem & Jewelry Inc.	Show Promotions
Job Shop Shows	Southern Shows, Inc.
Law Expo, Inc.	Sport Shows Promotions
Leisure Features	Sugarloaf Mountain Works, Inc.
Lipari Foods	The Big Idea
Livingston Kennel Club	US Food Service, Inc.
Mart Franchise Venture, Inc.	Wolverine Knife Collectors
Metro Detroit Landscape Assoc.	Woodworking Shows, Inc.
Metro Parent Magazine	Young President's Organization
Mich. Antique Arms Collectors	Detroit Int'l Festival

As noted, in addition to the trade and consumer shows, the NEC also hosts smaller private, non-published, functions. These events may utilize only a portion of the center, and last no longer than one day or evening. Attendance at these functions range from over 1,000 to less than 100. Total attendance at these functions during a recent 12-month period was over 9,000, representing 33 separate functions.

SEGMENT TOTALS FOR A TYPICAL YEAR

Survey of promoters--purpose and methodology

The exhibitor and attendee figures for each event are typically the proprietary information of the sponsoring agency. Therefore the NEC is not in a position to possess an automatic count of the total number of visitors to facility events each year. Management does possess certain rental and parking figures that can be used to place certain parameters on attendee estimates. Information is also available for the smaller functions that use catered meals.

In order to expand the base of information the consultants undertook a telephone survey of the promoters of the larger events. The promoters were asked questions pertaining to:

- Promoters
 - Length of show.
 - Days used to set-up and take down exhibits.
 - Number of sponsor staff involved at the event.
 - Comments on non-NEC expenditures.
- Exhibitors
 - Number of exhibits.
 - Average number of representatives per exhibit.
 - Home base for exhibitors (to estimate how many likely stay overnight).
 - Hotel and restaurant habits.
 - Local expenditures for products and services needed for the exhibits.
- Attendees
 - Number of attendees.
 - Length of stay.
 - Home base.
 - Hotel and restaurant habits.
 - Spending habits on goods purchased at the events.

The respondents also had the opportunity to add other viewpoints or information regarding what they felt were the most important impacts, the design and operation of the existing facility, and what they would like to see in a new facility.

Estimates of people involved and locations

The promoters sampled were involved with events that represented approximately one-half of attendees. Conservative extrapolations were made for the remaining events. From the survey and NEC data figures were generated for total visitors by category. The estimates are displayed in Table 2-2.

TABLE 2-2 ESTIMATES FOR ONE YEAR OF NEC EVENTS TOTAL VISITOR DAYS AND ROOM NIGHTS			
PRIME CATEGORY	KEY SUB-TOTALS	VISITOR DAYS	ROOM NIGHTS
EXHIBITORS			
Exhibits	11,697		
Exhibitor staff days			
Daytrippers	30,488		
Overnighters	5,050		
		36,088	
Room Nights			18,011
ATTENDEES			
Visit Days			
Daytrippers	653,115		
Overnighters	45,385		
		723,500	
Room Nights			49,924
PROMOTERS			
Promoters	62		
Individuals	388		
Staff on-site total days		1,266	
Room Nights			204
SHORT-TERM PRIVATE USE			
Attendees (visitor days)		9,000	
Room Nights			450
TOTALS			
Visitor Days		769,854	
Room Nights			68,589

The totals are clearly very impressive, and serve as the foundation for the substantial economic impact calculations developed in Chapter Four. Regardless of the factors used to estimate spending by the visitors, the attendance figures alone loudly declare the strong economic impact the NEC brings to the area.

The attendee figures developed and used in Chapter Four are derived from conservative estimation techniques, including only visitors where clear evidence exists. Visitors that were impossible to clearly track or estimate are not included. A prime example is when an exhibitor or promoter provides substantial quantities of complimentary tickets to various individuals. These may not show up in the figures the sponsors have for event attendance. Many events have corporate sponsors (such as a media outlet, consumer product, or retail chain); the complimentary tickets distributed by these groups also may not be recorded in the official attendance figures.

The figures in Table 2-2 therefore are viewed as base estimates; the actual number of visitors is likely to be even greater.

CHAPTER THREE
ECONOMIC IMPACT FACTORS
AND STUDIES ELSEWHERE

INTRODUCTORY COMMENTS

Before calculating the economic impacts of the NEC it is useful to establish a conceptual foundation and statistical reference points. This Chapter first discusses the concepts used to estimate and evaluate economic impacts. A section is then devoted to key surveys that have focused upon spending habits at conference, trade shows, and consumer shows, as well as overnight tourism in general. Included are the results published by other studies of particular pertinence to the NEC situation. The final section further identifies the types of total impacts calculated at a variety of other venues around the nation.

A primary benefit of this somewhat academic exercise is to display that the findings developed in this report are consistent with the types of findings developed in other venues for convention/exposition centers. The figures also establish that the estimates generated for the NEC are based upon conservative assumptions---benchmarks that more than likely will be exceeded by the new NEC facility.

CONCEPTS INVOLVING THE ECONOMIC BENEFITS OF ATTRACTING NEW DOLLARS TO A COMMUNITY (OR RETAINING LOCAL DOLLARS)

Types of spending

Given the deep subsidies that many communities provide to convention and Expo centers, there is a clear consensus that having a successful center in an area generates economic benefits. The basic reasoning is that a center brings new dollars into a community. Some of the types of new dollars include:

- Hotel and restaurant spending by Expo center visitors.
- Spending that is directed into the community through the staff salaries and other spending by the center.
- Local subcontractors whose services are purchased through the center or directly by exhibitors.
- Other local spending by visitors, such as retail, entertainment, and rental cars.
- Local products sold by local exhibitors.

In understanding the impacts it is also important to consider the living or business location of the exhibitors and the attendees.

Shifted versus new dollars

An economic impact study needs to differentiate new expenditures that have a direct local impact, retained dollars from local spending that otherwise would have left the community, and spending that is shifted within the community and would not have left even if the event did not occur. The most evident benefits come from visitors from other regions that stay overnight in Novi. There is the obvious economic activity at hotels and restaurants due to the NEC. In most cases there will also be expenditures on retail goods, entertainment, and other items. This type of expenditure is a "*positive sum game*" for the community, more money comes in than flows out.

A local attendee may spend relatively little while attending the conference. Even if the person or company makes expenditures, these may have occurred locally anyway at another time. Yet, there is a benefit from keeping dollars within the community if the local dollars would otherwise flow to another region. These impacts in a sense keep the convention and exposition expenditures from becoming a "*negative sum game*" for the community.

There is also the purchasing of goods at many of the shows. The consumer shows are directed to immediate purchasing by visitors. If the exhibitor is local and the buyer from a distance, these expenditures represent significant gains for the area economy. This is only partially offset by the rarer occasion of a local person buying from an exhibitor from a distant area for an item that would otherwise have been bought locally if not for the show.

Economic impact and economic activity

Without becoming overly academic, the above discussion introduces the difference between economic impact and economic activity. Our emphasis is *economic impact*--the difference the NEC makes in the economy of the area. This involves the net dollars added to the economy or kept within the economy due to its existence. An even larger figure is the *economic activity*---all dollars spent in the area that relate to functions at the NEC, whether or not some of the spending is immediately leaving the area. A substantial economic activity figure is an attribute for any event, but the net gain to local residents and merchants may not be as tangible as the economic impact figures. Examples are provided in a later section of this document.

Discussion of geographic "area"

There are several geographic "areas" that are referred to in this report:

- Novi itself.
- The Novi area (Novi and adjacent communities).
- Oakland County (with some overlap into northern Wayne County).
- Southeast Michigan (primarily Oakland, Wayne, and Macomb).
- Entire state.

Some expenditures can be traced to a specific community--such as the spending that occurs at Novi (or Oakland county) hotels and restaurants. Others are more general--such as the sales made by "local" exhibitors, who come from southeast Michigan. Some entire shows likely would not be held in Michigan if not for the NEC; in this situation significant economic benefits are generated for the entire state. Choosing a larger geographic area surrounding an event means a higher likelihood that off-site expenditures do indeed occur within the area.

When possible, the analytic emphasis of this report is Novi itself. Due to data limits, however, we often need to refer to a larger area for spending capture. In most instances our findings are comments that refer to the Novi area, Oakland County, or southeastern Michigan.

REFERENCE SOURCES FOR CONVENTION/EXPO SPENDING

Sources based upon survey data

In addition to the information gained from the promoter survey, several published resources were considered when developing a baseline for the spending that occurs at conventions, conferences, consumer shows, and other events that would use the NEC. The sources that were determined to be of most use for our project are briefly reviewed in this Chapter. *Each utilized some form of survey to obtain first-hand information on spending habits. None of the sources were viewed as perfectly representing the NEC situation, but each was helpful in developing the factors chosen for the calculation of NEC impacts.*

IACVB Foundation Convention Income Survey Report

The International Association of Convention and Visitors Bureaus (IACVB) has published results of a survey conducted in 1998 of the spending of "delegates",

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

"exhibitors" and "associations." These functions tend to be conferences or conventions, rather than consumer shows, but the data is still very useful in helping to understand NEC impacts.

To develop their data, the IACVB distributed over 50,000 surveys during the course of a 12-month period throughout the nation. An attribute of the IACVB survey was that its magnitude allows the information to be differentiated between size of the event and the type of community. Events in the largest cities, such as New York and Chicago, naturally create larger expenditures for attendees than those in less populous communities.

Overall, across all types and locations of events, the average delegate spent \$696 per event or \$231 per day for an average stay of approximately three nights. Approximately one-half of the spending went towards lodging, while one-quarter went to food and beverage. Their surveys found that exhibitor spending at trade shows averaged \$300 per attendee or \$83 per day per attendee.

The study did not consider spending on products purchased at the exhibits.

The spending per delegate day figures for *International, National or Regional events*, and *State and Local events* are shown in Table 3-1.

	International, National, Regional	State & Local
<u>Convention Delegate</u>		
Delegate Expenditures	\$239.87	\$198.72
Association Expenditures	<u>\$17.29</u>	<u>\$17.49</u>
TOTAL	\$257.16	\$216.21
<u>Trade Show Delegate</u>		
Delegate Expenditures	\$239.87	\$198.72
Association Expenditures	\$17.29	\$17.49
Exhibitor Expenditures	<u>\$76.06</u>	<u>\$97.83</u>
TOTAL	\$333.22	\$314.04

A similar study had been conducted in 1995. Total daily spending at State and Local events had increased 45% for Delegates, 94% for Associations, and 74% for Exhibitors.

Subdivided IACVB spending estimates for state and local events

The expenditures for delegates, exhibitors, and associations are subdivided in the following three tables.

Delegate spending

The various spending categories are delineated in Table 3-2. Some of the figures are rounded. A "Delegate" in their calculations represents the overall travel party, or an average of 1.6 people.

TABLE 3-2 DELEGATE EXPENDITURES AT STATE AND LOCAL EVENTS <i>Source: IACVB Convention Income Survey Report, 1998</i>		
Type of Expenditure	Total	Daily
Lodging and Incidentals	\$198.55	\$97.33
Hotel food and Beverage	\$61.11	\$29.96
Other food and beverage	\$49.30	\$24.17
Tours/Sightseeing	\$3.01	\$1.48
Admission to Museums, etc	\$2.52	\$1.24
Recreation	\$3.50	\$1.72
Sporting events	\$1.77	\$0.87
Retail stores	\$49.90	\$24.46
Local transportation	\$3.23	\$1.58
Auto rental (within event city)	\$5.96	\$2.92
Gasoline, Tolls, Parking (within city)	\$9.45	\$4.63
Other	\$17.09	\$8.38
Total	\$405.39	\$198.72
Out-of-town delegates	\$442.69	\$217.00
In-town delegates	\$66.93	\$32.81

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

The figures do not include any airfare to or from the host city. The "Other" category includes such items as gambling, retreats, pictures, gratuities, massages, messengers, donations, etc.

Association spending

The Association sponsoring the event, or the sponsor of a consumer show, also makes substantial local expenditures on the event. When considering these figures for economic impact calculations (Chapter Four of this report) it is important not to double-count the spending. The dollars for the Association spending were generated through the fees of the delegates and exhibitors.

The Association expenditures for State and Local events as calculated by the IVACB study are displayed in Table 3-3.

Type of Expenditure	Total	Daily
Food and beverage	\$19,834	\$6,011
Exhibition Space Fees	\$4,906	\$1,487
Additional Exhibit Hall/Mtg. Room	\$1,125	\$341
Staff Members Living Expenses	\$1,745	\$529
Equipment Rental	\$3,265	\$989
Services Hired	1,749	\$530
Other (speakers, special events, etc.)	\$5,458	\$1,654
Total	\$38,083	\$11,540

Average number of days per event: 3.30
Average delegate attendance: 660
Average spending per delegate day: \$17.49

Exhibitor spending

The IACVB survey estimated exhibitor spending. Approximately one-third of the events in their survey had exhibitors. The costs for the individuals who served as exhibitors (for rooms, restaurants, etc.) are apparently captured within the delegate spending totals, and are not included in Table 3-4.

TABLE 3-4
EXHIBITOR EXPENDITURES AT STATE AND LOCAL EVENTS
Source: IACVB Convention Income Survey Report, 1998
(figures rounded)

Type of Expenditure	Total	Daily
Food and Beverage	\$739	\$274
Hospitality Suites	\$117	\$44
Advertising (in Event City)	\$62	\$23
Additional Meeting Rooms	\$16	\$6
Equipment Rental	\$50	\$18
Services Hired	\$30	\$11
Vender Services (drayage, electrical)	\$264	\$98
Other (gratuities, parking, customer enter.)	\$366	\$136
Total	\$1,643	\$611

Average number of days per event: 2.69
 Average delegate attendance: 660
 Average number of exhibiting companies: 165
 Average spending per attendee: \$97.83

Some of the expenditures by exhibitors represent pass through dollars to the sponsor or the center and thus care will be used not to double count these figures in the economic impact figures.

Michigan Tourism Figures

Several sources were visited to review spending habits by visitors to Michigan and by Michigan residents travelling to other Michigan destinations for business or pleasure. The State Tourism Office maintains tourist spending data. Michigan State University publishes each year a variety of tourism reports specifically addressing economic impact issues. The United States Department of Transportation 1995 American Travel Survey also publishes Michigan specific data. *A benefit of reviewing the tourism data is to reinforce the concept that visitors to NEC events spend significant dollars off-site---dollars that benefit the local economy.*

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

A study performed at Michigan State University estimated that \$9.8 billion was spent on tourism in Michigan during 1997, with the total being \$7.2 billion when airfare was excluded. Of this, \$5.0 billion of the spending was for goods made inside Michigan or services provided within the state. These Michigan expenditures brought \$2.3 billion in direct income to Michigan residents (via wage and salary income, proprietor's income, and rents and profits).

The MSU study also calculated that the tourism spending resulted in the creation of 140,000 direct jobs. When secondary spending was considered (the respending of the initial dollars within the economy) the total effects were calculated to \$9.3 billion in sales and \$4.5 billion in income. *These figures are particularly useful reference points when considering the economic multiplier effects of spending created by the NEC.*

Of the \$7.2 billion in total spending (airfare excluded), the main categories were as follows:

Category	Total	Percentage
Lodging	\$1.4 billion	19.4%
Restaurants	\$1.5 billion	20.8%
Groceries	\$1.0 billion	13.9%
Vehicle	\$1.0 billion	13.9%
Recreation/Entertainment	\$0.5 billion	6.9%
Retail	\$1.8 billion	25.0%
Total	\$7.2 billion	

Source: Michigan State University

The statewide average per motel, hotel, cabin, or bed & breakfast was approximately \$60 per party per night. This figure is skewed lower by the prices in the tourist areas of the north.

Colorado Garden & Home Show Economic Impact Analysis

The Colorado Garden Show, Inc. commissioned an economic impact study by BBC Research & Consulting of their 1999 event. The report estimates that the event generated approximately \$10 million in direct impacts and more than \$22 million in new spending.

There are three reasons why the Colorado Show study merits special attention:

- First-hand information was gathered via a telephone survey of attendees.
- Most studies of events at major convention/expo centers focus upon conventions and major exhibitions rather than consumer shows.
- An attempt was made to calculate the value of purchases by attendees from the exhibitors (this is not common).

Consumer shows apparently have received less attention in economic impact studies around the nation, perhaps due to a high proportion of local residents attending the events. This is unfortunate, because there are still an enormous amount of attendees from outside the immediate area, and the sales at the shows are extremely important to local merchants/handcrafters.

The purchase figures of particular relevance from the Denver study include:

- 10,600 attendees resided outside the six county Denver Metro area, and over 41,000 from within the area.
- Over 53% of non-local attendees reported purchasing something from a vendor during the event, and 16% made such a purchase after the event. The average expenditure by non-local attendees during the event was \$146 and after the Show was \$2,600.
- Over 55% of local attendees bought something during the Show, and 31% reported buying something from a Show vendor afterwards.
- Of those who made purchases, over one-third reported that the purchases would not have been made locally if the event had not been held.

The sources and totals from the study of all direct and indirect impacts are displayed in Table 3-5.

Expenditure Type	Direct \$ Impacts	Indirect \$ Impacts	Total \$ Impacts
Lodging & Entertainment	335,627	360,865	696,492
Local Attendees who would have purchased from non-local vendors but for the event	266,406	353,654	620,060
Parking	122,087	158,176	280,263
Transportation	39,251	46,081	85,332
Retail from area stores	130,812	162,822	293,634
Purchases from local vendors in the event	6,928,377	8,623,750	15,552,127
Local event-related expend.	2,078,510	2,630,354	4,708,864
Totals	\$9,901,070	\$12,335,703	\$22,236,772

The indirect impacts in Table 3-5 represent the Colorado analysis estimates of respending of dollars within the Denver area economy. For a single show the total estimated figures are notable. A large portion of the spending is clearly a shift within the local economy, but these dollars are highly significant to the vendors at the show. It is unclear if the analysis considers the location of the raw materials for the goods sold (within or outside the area) or purchases made by local residents of vendors from outside the area. The event attendance is in close proximity to the attendance to the largest shows held annually at the NEC.

Builder Home and Detroit Flower Show (Cobo Hall)

In a press release summarizing a report submitted to the Show's sponsor, David Littman estimated that the show "brought \$28.2 million into the Detroit economy in 1998. This includes \$23.5 million in direct spending and another \$4.7 in indirect re-spending in Metro Detroit". It is unclear if shifted spending within the local economy is considered in the full analysis. In a survey conducted for the study "almost 40% of the exhibitors estimated their total sales at the show to exceed \$200,000."

OTHER STUDIES FOR REFERENCE

Several reports were reviewed from other parts of the nation. The level of quality and detail varied. *In all cases the studies were used to justify significant tax subsidies for the centers.* A few samples are noted on the following page.

Buffalo Convention Center Feasibility Study

The economic impact study was part of an analysis of the benefits to be derived from an expanded center. Both "base" (existing impacts) and "increment" (additional from the expansion) were calculated, and are shown in Table 3-6.

TABLE 3-6 SUMMARY OF BUFFALO CONVENTION CENTER DIRECT IMPACT ESTIMATES <i>Source: Buffalo Convention Center Feasibility Study</i>			
	Base	Increment	2005
Delegate	7,712,100	12,127,100	19,839,200
Association	988,900	1,932,500	2,921,500
Exhibitor	2,174,700	3,535,100	5,709,800
Convention Center	788,700	1,435,800	2,224,600
Totals	\$11,664,400	\$19,030,500	\$30,695,000

Austin City Convention Expansion Study

The 1998 Austin study estimated that the community economic impact from an expansion of the existing center would increase the present level of economic impact from \$70.6 million annually to \$156.6 million annually. Jobs created would increase from 1,464 to 3,268.

Richmond Convention Center Expansion

The Richmond study estimated that an expanded center would create attendee spending of over \$90 million annually. It also estimated that state tax revenues would equate to almost \$6.8 million annually.

SUMMARY COMMENT

Approaches to calculated economic impacts vary. *It is evident that all studies agree that convention/expo centers and their events bring in (or retain within) tremendous amounts of dollars for the local economy.*

CHAPTER FOUR ECONOMIC IMPACT CALCULATIONS FOR THE NOVI EXPO CENTER

FORMAT

Each of the major economic impact areas will now be calculated. A conscientious effort was made to avoid double counting of any expenditures or impacts and also to delineate expenditures that are new to the area from those that are generated from within the area.

The calculations are presented in the following order:

- Personal spending by individuals off-site.
 - Exhibitors.
 - Attendees.
 - Sponsor staff.
- Business expenses by firms off-site.
 - Exhibitors.
 - Promoters.
- Personal spending on-site
 - Food, beverage, and parking (pass-through to other categories).
 - Show expenses (pass-through to other categories).
 - Attendee product spending.
- NEC spending and other contractors (a pass through from on-site spending).

The calculations utilize the various NEC attendance figures developed in Chapter Two and the various expenditure factors discussed in Chapter Three.

PERSONAL SPENDING BY INDIVIDUALS OFF-SITE

To the typical citizen probably the most evident economic impact created by the NEC is the off-site spending by visitors to the events. This involves lodging, restaurants, entertainment, retail purchases, gasoline, and various other expenditures.

The expenditures for people traveling a distance to attend are significantly different from those of local individuals. To arrive at the average expenditures utilized in this report, the analysis considered the IACVB "state and local event" averages and the Michigan Tourism figures that were introduced in Chapter Two, along with first hand information gathered from hotels and from event promoters.

In many instances a person involved with an event, whether as a promoter, exhibitor, or attendee, will come to Novi with another person who does not attend. The IACVB survey found that delegates to conferences have an average "party" size of 1.6 people. For the purposes of our report, the dollars spent by the second (or more in the case of a family) person is included in the average per person expenditures of the attendee, sponsor, or exhibitor.

Lodging

Table 4-1 estimates the lodging expenditures. Some figures are rounded.

TABLE 4-1 LODGING SPENDING GENERATED BY NEC EVENTS			
	Room Nights	Average \$ per room	Total Expenditures
Attendee	49,924	70	3,494,645
Exhibitors	18,011	80	1,440,840
Promoters	204	80	16,280
People at non- published events	450	70	31,500
TOTALS	68,589		\$4,983,265

Non-lodging personal expenditures off-site

Using state and national sources average non-lodging expenditures are calculated. Prudent assumptions are utilized. The factors for attendees and exhibitors are shown in Table 4-2.

TABLE 4-2 OFF-SITE NON-LODGING PER DAY SPENDING FACTORS FOR NEC EVENTS				
	ATTENDEES		EXHIBITORS	
	Overnighters	Daytrippers	Overnighters	Daytrippers
Food and Beverage	\$60	\$15	\$50	\$15
Entertainment	\$20	\$0	\$10	\$0
Retail	\$25	\$10	\$20	\$10
Local gasoline and local auto rental	\$20	\$5	\$10	\$5
Other	\$10	\$5	\$10	\$5
TOTALS	\$135	\$35	\$100	\$35

The expenditure factors are averages and not medians. For example, many daytrippers will not spend any money on retail, but these are offset by the individuals who spend hundreds in the upscale shopping areas near the NEC.

The attendee expenditure factors are multiplied totals introduced in Table 2-2--- 653,115 visitor days from daytrippers and 45,385 visitor days from overnighters. The exhibitor factors are multiplied by 30,488 visitor days from daytrippers and 5,050 from overnighters.

For Promoters, a fixed figure of \$70 per day (meshing overnights and daytrippers) is utilized, and for non-published event patrons an average figure of \$35 per visitor day is used.

Parking is viewed as pass-through expenditure to the NEC. The economic impact of those dollars is calculated through the NEC expenditures in the community that are displayed in a following section.

The totals for non-lodging off-site spending are displayed in Table 4-3.

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

TABLE 4-3 OFF-SITE NON-LODGING SPENDING GENERATED BY NEC EVENTS	
Attendee	\$27,397,525
Exhibitor	\$1,748,780
Promoters	\$88,620
Patrons of non-published events	\$315,000
TOTAL	\$29,549,925

The figures do not include airfare or car rental expenditures made outside of Michigan, or gasoline bought in distant areas. Such out-of-area spending is substantial but are not appropriate to include in NEC economic impact considerations.

The non-lodging and lodging off-site figures are totaled in Table 4-4.

TABLE 4-4 TOTAL DIRECT OFF-SITE SPENDING (lodging and non-lodging) GENERATED BY NEC EVENTS	
Attendee	\$30,892,170
Exhibitor	\$3,189,620
Promoters	\$104,900
Patrons of non-published events	\$346,500
TOTAL	\$34,533,190

The total of \$34,533,190 is utilized in the direct spending grand total provided in a latter section of this Chapter.

LOCAL BUSINESS SPENDING BY EXHIBITORS AND PROMOTERS
(excluding payments to the NEC)

This section considers the business expenditures by exhibitors and promoters. It does not include the expenses for personnel that were represented in the previous section. The totals also do not include payments to the center (rent, concessions, parking, etc.) because these pass-through dollars are more accurately totaled and represented in the NEC expenditures presented in a following segment.

Local expenditures are included only if they occur while the event is operating (including set-up and take down). In actuality, exhibitors spend many thousands each year preparing their exhibits for a tour of shows. In some instances these expenditures involve Novi area businesses, but the data is not sufficiently established to offer a reasonable estimate of that form of spending.

Promoters

There is a wide variance in the spending by promoters, depending upon the type of show. The national figures and discussions with promoters were considered in deriving the average expenditures per promoter. The factor averages per show were also cross-checked with delegate day and exhibitor day spending figures in national studies.

A total of 68 shows are used (rather than 62) because some promoters hold more than one event at the NEC.

The following factors are utilized for per show averages

Good and Services	\$5,000
Advertising	\$25,000
Catering/Hospitality	\$5,000
Other	\$2,000
<u>Total per show</u>	<u>\$37,000</u>

The total for the year is therefore \$2,516,000 ($\$37,000 \times 68$).

The advertising figures include only direct expenditures. It does not include non-cash contributions from sponsor or cross-marketing arrangements with newspapers, merchandisers, or radio outlets. Inclusion of the total value of such arrangements would increase the advertising figure to \$100,000 or greater.

Exhibitors

As noted, the expenditures here include only local dollars directly involving the particular show and exclude any payments to the promoters or the NEC. The same process for developing factors for the promoters was employed for the exhibitors.

An average of \$300 per exhibit per show was derived. This includes expenditures such as copying, booth material, local equipment/computer rentals and third-party services. The annual total number of exhibitors calculated previously was 11,697. This generates an estimated total expenditure in this category of \$3,509,100.

Category total for promoters and exhibitors

Summing the two subtotals produces a category total of \$6,025,100.

ATTENDEE PRODUCT PURCHASING

The reason that trade and consumer shows exist is the business they create for the exhibitors. The consumer shows in particular are based upon the direct purchase by attendees from the exhibitors, or at a minimum future purchases through the contact made at the event.

During the discussions the consultants held with the promoters there were numerous descriptions received of large-scale purchases being made at NEC events, both consumer shows and trade shows.

Economic activity and economic impact

It is valuable to again distinguish economic activity from economic impact. Both concepts merit consideration. The economic activity generated by an event is the reason the event occurs. A substantial figure helps assure the viability of the event and the viability of the center. Yet, not all of the economic activity accrues to local economic impact; an example would be a Lansing visitor to a consumer show who purchases after the event a kitchen range from an Ann Arbor exhibitor. An example at the other economic impact extreme is an out-of-state visitor who buys artwork from a Novi area artist. In the same vein, items purchased from civic groups at the Blues Festival primarily accrue to the Novi area.

In assessing the economic weight the NEC creates in the Michigan economy the *economic activity* figure merits special note. In assessing the impact the NEC has on the Novi area, Oakland, and the tri-county area the *economic impact* figures are, perhaps, more appropriate to consider.

Factors used in other studies

Due to the magnitude of the figures, it is useful to revisit the product purchase figures from other studies introduced in Chapter Three. The attendee survey for the Colorado Garden & Home Show Analysis found that over 53% of non-local attendees bought a product from a vendor (exhibitor) at the show and 16% made a purchase from a show vendor after the show. The average expenditure during the show was \$146 and the average expenditure after the show was \$2,600. Local attendees spent in even larger amounts. Over 55% of the local attendees bought something from a vendor at the show (average purchase total of \$550).

The Builders Home and Detroit Flower show claims \$23.5 million for their four-day event. This represents an average spending per attendee of over \$400.

Product purchase factors used in this study

In developing factors for the Novi shows, several items were considered:

- The average income of the attendees at the NEC events show is likely the same or greater than at the Detroit or Denver shows.
- The majority of attendees in the visitor day totals are for consumer shows.
- The consultants believe it is most appropriate to use conservative figures that emphasize expenditures induced rather than shifted in time.
- Smaller purchases, typically at the show itself, should analytically be distinguished from larger purchases that typically would be finalized after the show.
- The consultants prefer conservative factors that may underestimate the total economic impact but serve to create a sound foundation for public claims and presentations.

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

The factors that are utilized in this report are listed below. The term *local* refers to the tri-county area, although sponsor information suggests that a high proportion of the exhibitors at consumer shows come from Oakland County.

Personal products

Average purchase amount for personal products: \$100
Percent of attendees making such purchases: 50%
Percent of purchases from local exhibitor: 85%
Cost of provision of the product: 30%

Large home or business expenditures

Average purchase amount: \$1,300
Percent making such purchases: 8%
Percent local exhibitor: 85%
Cost of provision of the product: 65%

It is noted that the factors chosen are significantly lower than those chosen by the consultants for the Denver and Detroit studies. We believe it prudent (and more convincing) to choose conservative factors. Even with this conservative approach the calculations still extrapolate to very impressive totals for the NEC.

The calculations are displayed in Table 4-5. The unit figures are maintained to the dollar level to facilitate continuity of approach, but all figures should be rounded. The totals generated---*\$122+ million annually in direct economic activity and \$47+ million annually in direct economic impact from the retained revenues---are very impressive accomplishments.*

The totals do not include purchases between exhibitors. Such expenditures would further expand the economic activity figures, but a baseline does not exist to make an estimate, and some dollars would be shifted rather than new.

The Denver and Detroit factors can be viewed as the high end of the range of estimates. Use of the factors in those studies would swell the activity figure to over one-half billion dollars.

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

TABLE 4-5
CALCULATION OF ECONOMIC ACTIVITY &
ECONOMIC IMPACT FROM PRODUCT PURCHASES
AT NEC EVENTS

	PERSONAL ITEMS	LARGE SCALE ITEMS	TOTALS
Average total expenditure by those making purchases	\$100	\$1,500	
Percentage of attendees making such purchases	50%	8%	
Visitor days	723,500	723,500	
Total purchases or Economic Activity	\$36,175,000	\$86,820,000	\$122,995,000
Percent of sales by local exhibitors	85%	85%	
Sales attributable to local exhibitors	\$30,748,750	\$73,797,000	\$104,545,750
Reduction due to material costs of the product	30%	65%	
Local exhibitor "Retained Revenues" (contribution towards NEC impact)	\$21,524,125	\$25,828,950	\$47,353,075

Some of the expenditures would have been made in southeastern Michigan even if the show did not exist. Clearly, though, the event would not exist if it did not increase the revenues of exhibitors. Furthermore, the use of conservative expenditure and local capture figures offsets any concerns that some of the purchases were shifted in time rather than new dollars.

NOVI EXPO CENTER EXPENDITURES

Any expenditures by promoters, exhibitors, or attendees from the NEC have been treated as passthrough dollars in order to avoid double counting. These dollars are represented in the expenditures by the NEC in staff, building costs, utilities, and provision of goods and services.

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

The total budget of the NEC for the most recent year was approximately \$7,000,000.

TOTAL DIRECT IMPACTS

The totals for the four categories are listed in this section. As noted throughout, the consultants have been careful to avoid inclusion in the figures any expenditures that relate to the events at the Center but would have occurred in other regions of the state or country.

Economic Impact

Table 4-6 uses the economic impact figure for the product purchases, along with the other categories of local expenditures, to arrive at the total direct impact during a single year of operation.

TABLE 4-6 ANNUAL DIRECT ECONOMIC IMPACT TOTALS FOR THE NOVI EXPO CENTER	
OFF-SITE SPENDING BY INDIVIDUALS	\$34,533,190
LOCAL BUSINESS SPENDING BY PROMOTERS AND EXHIBITORS	\$6,025,100
LOCAL EXHIBITOR "RETAINED REVENUES" (product purchase dollars captured locally)	\$47,353,075
NEC EXPENDITURES	\$7,000,000
TOTAL DIRECT ECONOMIC IMPACT	\$94,911,365

The total does not include any multiplier impacts, which are considered in a following section.

Economic activity

The section that focused on product purchases also calculated an economic activity figure for that component of \$122,995,000. If that figure is substituted for the *Local Exhibitor "Profit"* component in Table 4-6 the calculations generate a figure of over *\$170 million annually as the direct total economic activity involving the Novi Expo Center.*

MULTIPLIERS

The dollars expended ripple through the economy via successive rounds of spending. One example is when the employees at the restaurants and hotels that have jobs due to the NEC spend money locally, thus helping to create additional economic impacts and jobs. The use of multipliers is a technique to enumerate these additional rounds of spending. Unfortunately, it is not uncommon to find an economic impact study that uses inappropriate or excessive multiplier figures in order to propel the totals.

Two common models for calculating multiplier effects are the RIMS-2 model from the Bureau of Economic Analysis and the IMPLAN model. RIMS-2, for example, uses 2.075 as the multiplier for lodging and entertainment, 2.327 for eating and dining, and 2.244 for retail. The direct costs for each component are to be multiplied by the appropriate multiplier to derive the total impact. For example, \$1,000,000 in local retail expenditures equates to indirect expenditures of \$1,244,000 and a total economic impact of \$2,244,000.

The calculation of the direct impacts (in Table 4-6) took care not to include expenditures that did not occur locally or clearly would not be captured locally. Therefore using the multipliers is appropriate.

The consultants choose to use a multiplier of 2.0 for all expenditures---again a prudent figure. *The total economic impact of the Novi Expo Center using this multiplier is therefore \$189,800,000 annually.* Given the location of exhibitors, as well as the restaurants, hotels, and retail stores, it is reasonable to calculate that more than half this figure occurs in Oakland County---approximately \$100,000,000 annually.

EMPLOYMENT

Direct employment can be calculated by using an average factor of spending to create a job divided into total expenditures. Michigan State University has developed various job factors through an Input-Output model prepared for the tourist industry. In 1995 their model utilized a factor for hotel sales of 23 jobs created from each \$1,000,000 in direct hotel expenditure. This equates to one job per each \$43,478 in direct spending. The retail factor was 29 jobs, and the restaurant and bar factor was 31 jobs.

Given the rising cost of labor, and a desire to be conservative, this analysis uses a factor of \$60,000 (job per million in direct spending) for job creation in Oakland County in the effected industries. The direct spending created by the NEC thus creates a total job figure of 1,582 jobs.

CHAPTER SUMMARY

Using prudent estimation and calculation techniques the analysis arrived at the key totals exhibited in Table 4-7 (Note: the figures have been rounded).

TABLE 4-7 GROSS ANNUAL ECONOMIC IMPACTS FROM THE EXISTING NOVI EXPO CENTER	
DIRECT IMPACT	\$94,900,000
MULTIPLIER	2.0
AREA ECONOMIC IMPACT	\$189,800,000
EMPLOYMENT FROM DIRECT IMPACTS (not including multiplier)	1,582

These are very impressive totals, particularly considering the NEC opened less than a decade ago, operates in a facility built in 1965 for other purposes, and has not received any public subsidies.

CHAPTER FIVE IMPACTS CREATED BY A NEW FACILITY

PLANS

NEC management has developed plans for a new facility. Modifications to the plans may marginally alter the scope of the project, and thus potentially the additional economic impacts. Yet, the plans and discussions with governmental entities have developed to the point where reasonable projections can be developed for the increase in business and the increased economic impacts.

The limitations at the existing facility make it difficult (sometimes impossible) to attract certain types of events to Novi. Moreover, with convention/expo facilities being built or modernized in other parts of the Midwest, a new facility is needed to assure long-term competitiveness. A new facility will not only increase the economic impacts from the present level, but also help assure that the impressive level of present impact is not jeopardized.

This Chapter first discusses the existing facility and some of the additional types of events that may be attracted by a new facility.

The Chapter then enumerates the increase in economic benefits that will be created by a new facility. It also briefly references the incremental impacts a sample of convention/expo center projects in other parts of the nation are hoping to achieve through expansion and modernization.

In discussing the new facility one point needs to be emphasized--*the most important economic impact aspect of a new facility is the solidifying of the current economic impact levels by assuring that clients do not move to more modern centers in other parts of the Midwest.* The new facility will significantly increase economic benefits, but the first priority is assuring that the present benefits for the Novi area, Oakland County, and southeastern Michigan do not vanish.

PRESENT LIMITATIONS ADDRESSED BY THE NEW FACILITY

It is useful to review the physical limitations of the present NEC facility and note how these would be addressed in a new facility. The improvements directly relate to the attraction of new and expanded business and therefore enhanced economic impacts.

Comments received through the sponsor survey

In performing the survey of a sample of event promoters, the consultants were given the opportunity to receive comments on the existing structure from the customers. Comments were also received pertaining to the design of a new facility. The observations most commonly provided are listed below:

Positives

- Geographic location.
- Short distance to major highways.
- NEC management and staff easy to deal with.
- "User friendly" (flexibility in operation).
- Absence of hidden or inflated costs.
- Reasonable parking (though more would be ideal).
- Great attendance.

Limitations

- Ceiling heights.
- Size/capacity.
- Need modern communication lines.
- Need a first class foyer/forum.
- Occasional traffic tie-ups.
- Posts are unattractive and sometimes a hindrance.
- Walls.
- Freight doors in only one area.
- Need more office space for exhibitors/promoters.
- Better restrooms needed.
- Better looking floor needed.
- More parking.
- Need seminar rooms.
- Would love a square building.

In all cases those interviewed were enthusiastic about a new facility. It was quite common for the promoters to mention that some large exhibits that cannot be accommodated by the present facility would definitely be present if the same event was held at the new facility.

Several participants in the survey mentioned that other sites, existing and proposed, in other Midwest communities have expressed a strong desire to host their event. The NEC is very well thought of due to its location and management, but the facility must be competitive with those at other venues.

It merits remembering that the survey was conducted of promoters already using the facility. The vast majority had been hosting successful events at the NEC for several years running. By definition then, these are individuals who overcame any sales barriers that are created by the relatively modest visual appeal of the facility and by the internal limitations. The survey did not include promoters that presently do not use the facility but would bring a major event to the City of Novi if the facility was more modern.

Improvements incorporated in the design of the new facility

The NEC has been successful, but it is fully appreciated by management that the present facility has serious limitations. Each of the desired improvements noted by promoters during the survey will be addressed by the new facility.

The improvements planned for the new facility include:

- Larger total square footage.
- Higher ceilings, accommodating bigger displays.
- More meeting and presentation rooms (particularly important for attracting conventions and trade shows).
- Improved forum and common area outside of exhibition hall.
- Separate rooms available for promoters or special exhibitors.
- Improved internal traffic flow; elimination of unwanted barriers/walls.
- Advanced communications lines.
- Additional parking.
- Better road entry and exit.
- Rooms more adaptable to large banquets.
- More flexible internal access between rooms and delivery areas.

A modern new facility within Novi will build on the proven attributes of the NEC management team and the Novi location while eliminating the disadvantages of operating in a retrofitted structure.

CATEGORIES OF EXPANDED ECONOMIC IMPACT PRODUCED BY A NEW FACILITY

The first benefit from the new facility is solidifying the attractiveness of Novi for existing promoters and events. There are also incremental gains that can be realized through a new facility. The gains fall into three categories:

1. Hosting major conventions/conferences.
2. Hosting additional trade shows, consumer shows, and private events.
3. Expansion of attendees, exhibitors, and exhibit sizes at existing events.

Each is briefly discussed below.

Hosting of major conventions/conferences

NEC management has been informed through a variety of discussions that the Novi area is an attractive location for the associations that sponsor major conventions or conferences annually. The problem is that the present NEC facility is inadequate to house such events.

These are events that could be held in a variety of other locations in the Midwest or the nation. Managers of such events will often prefer centers in major cities (such as in Chicago, Cleveland or Detroit), but also prefer to rotate the type of location to the type of area that Novi represents. The generally lower costs for hotels, restaurants, parking, etc. are an attractive alternative to many delegates. In some instances the convenience Novi offers to auto manufacturers along the I-75 and I-96/I-94 corridors makes the location a natural choice by delegates that want to be able to call on clients before or after the event.

These events possess particularly potent economic impacts off-site. Delegates typically stay at local hotels and have significant expense account dollars to spend at local restaurants, retail stores, and entertainment options.

Hosting additional trade shows, consumer shows, and private events.

The NEC has an excellent reputation for being a successful venue for such events, but some promoters desire a more modern structure with the design features that only a new NEC facility could accommodate. Depending upon schedule, another 10 trade or consumer shows would likely be attracted by a new center.

The new facility will also provide the opportunity to greatly expand the one-day private function segment. There will be much greater flexibility to expand or subdivide meeting rooms. Such events typically involve at least one major catered lunch or dinner. Scheduling of concurrent events will be more manageable.

Expansion of attendees, exhibitors, and exhibit sizes at existing events.

Existing events moved to the new center can be expected to increase the average number of attendees, exhibits, and size of exhibits. A dynamic is created---the chance for more attendees creates an increase in the quality of exhibits and the number of exhibits, which in turn increases the number of attendees. Of a very direct note, some exhibits that would be placed at existing NEC events simply cannot be accommodated due to ceiling heights and other facility limitations.

A high proportion of the growth in attendees and exhibits will most likely come from attracting individuals and companies from outside of Oakland County and Southeastern Michigan. Such individuals typically exhibit higher spending averages off-site and on-site and more directly represent an infusion of new dollars into the local economy.

CALCULATION OF INCREMENTAL ECONOMIC IMPACT GAINS

The methodology for calculating the economic benefits at the new facility is very similar to that used in Chapter Four to determine the benefits of the existing facility. For the expansion in trade show, consumer show, and private rental events the same major categories of economic impact are utilized to represent the various types of spending and the ability of the area to capture or retain the dollars.

Slight modification is made to the basic structure to calculate the benefits from the new, large-scale, conferences and conventions.

Calculation of added economic impacts from conventions and conferences.

A reasonable objective for the new facility would be to house 3 major conventions/conferences each year. This may represent a rotation of several events, rather than the same event coming back to the NEC each year.

These events produce larger off-site expenditures than the typical trade show or consumer show because delegates are much more likely to stay overnight and they tend to be several days in length.

The survey used for the IACVB 1998 report found that the event expenditures for delegates at "International, National, and Regional Events" was \$839.53, with an average of 3.5 "nights" per event. The average incorporates both out-of-town and in-town delegate averages. This includes lodging, food and beverage, and the other expenditures discussed in Chapter Three, but excludes transportation to the venue from the delegates' home base and any entry fees to the event. Given the lower costs for hotels and the like in the Novi area, it is reasonable to assume spending at similar events at Novi would be about 20% lower, or approximately \$670 per delegate per event.

Association expenditures at such events average \$184,144 per event. This figure includes payments to the facility and speaker fees. When these expenditures are excluded the local expenditure total is approximately \$150,000 per event (including staff member living expenses). For an event in Novi a reasonable figure to use for non-NEC expenditures by the association is \$120,000 per event.

Exhibitor expenditures (not paid to the association or the center) averaged \$4,000 per event; for Novi we use a figure of \$3,600 per event.

In Table 5-1 the area economic impacts of the three conventions/conferences are generated using the factors described above.

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

**TABLE 5-1
ECONOMIC IMPACTS FROM NEW CONFERENCES/CONVENTIONS
DRAWN TO THE NEW CENTER**

	# Per Event	Events/ Year	\$ Per event	\$ Total
DELEGATES	5,000	3	\$670	\$10,050,000
ASSOCIATIONS/ PROMOTERS	1	3	\$120,000	\$360,000
EXHIBITORS	200	3	\$3600	\$2,160,000
TOTAL				\$12,570,000

The total does not include any "exhibitor product purchase" impacts. The events by their nature do not focus on direct sales from exhibitors to consumers. There may indeed be some very tangible benefits to local companies that find it more convenient, less costly, and profitable to display their products at an event in Novi than if the event was located at another venue in the Midwest or other region of the country. From the limited information available, however, it is not possible to generate any reasonable estimate of such a benefit.

Added local expenditures by the NEC are incorporated in a following table.

Calculation of incremental economic benefits from new and expanded trade shows, consumer shows, and private rentals.

Various factors are used to increase the base figures previously generated. The factors were derived from the views of NEC management, comments made by promoters, a review of studies in other venues, and trends in the overall convention/expo center market. As always, the increase factors are viewed as prudent, and represent a base threshold rather than the ultimate internal operating goals of NEC management.

ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

The added impacts and the total impacts for the new facility are calculated in Table 5-2.

TABLE 5-2 INCREASE IN DIRECT IMPACTS FROM NEW FACILITY FROM EXISTING CATEGORIES OF CUSTOMERS (TRADE AND CONSUMER SHOWS AND PRIVATE RENTALS)				
SOURCE	BASE FROM EXISTING	INCREMENT		TOTAL AT NEW FACILITY
		% INCREASE	\$ INCREASE	
Lodging expenditures				
Attendees	3,494,645	25%	873,661	4,368,306
Exhibitors	1,440,840	30%	432,252	1,873,092
Promoters	16,280	25%	4,070	20,350
Patrons of NP	31,500	100%	31,500	63,000
Non-lodging off-site				
Attendees	27,397,525	25%	6,849,381	34,246,906
Exhibitors	1,748,780	30%	524,634	2,273,414
Promoters	88,620	25%	22,155	110,775
Patrons of NP	315,000	100%	315,000	630,000
Spending at local bus. by exhibitors and promoters				
Promoters	2,516,000	20%	503,200	3,019,200
Exhibitors	3,509,100	30%	1,052,730	4,561,830
Local exhibitor retained revenues				
Personal items	21,524,125	15%	3,228,619	24,752,744
Large scale items	25,828,950	20%	5,165,790	30,994,740
NEC Expenditures				
Includes new conferences/conv.	7,000,000	50%	3,500,000	10,500,000
	\$94,911,365		\$23,502,992	\$117,414,357

Incremental increase factors of particular note for the new facility include:

- Public event attendees---increase by 20%; moreover, this increase will be weighted towards individuals from greater distances.
- Private event patrons---increase of 100%.
- Room nights---increase of 22% for attendees, 30% for exhibitors and 25% for promoters.
- Non-lodging off-site personal expenditures---increase of 20% for attendees, 30% for exhibitors, and 100% for private function patrons.
- Off-site purchases---increase of 30% for exhibitors and 20% for promoters.
- Capture of on-site product purchase---increase of 12% in personal products and 18% in larger products.
- NEC expenditures---increase in budget to \$10,500,000.

TOTAL ECONOMIC IMPACT (INCLUDING RESPENDING WITHIN THE LOCAL/COUNTY/REGIONAL ECONOMY).

Just as the dollars captured in the base analysis ripple through the economy through successive rounds of spending, the incremental spending will create the same multiplier effect captured via the new facility. **Table 5-3** exhibits the direct economic impacts calculated in **Table 5-1** & **Table 5-2** and utilize again the very conservative multiplier of 2.0 to estimate ripple effects through the economy. The multiplier generates a gross figure of *over one-quarter of a billion dollars for the overall economic impact of the new center.*

As described earlier, this figure is arrived at through prudent assumptions, caution to avoid double counting, and exclusion of economic activities that occur due to the center but are not captured within the general geographic area. The figures in **Table 5-3** have been rounded.

TABLE 5-3 GROSS ECONOMIC IMPACTS FOR THE NEW NOVI EXPO CENTER (figures rounded)	
DIRECT IMPACTS	
New Conventions or Conferences	\$12,570,000
Present categories of events (including Incremental)	\$117,414,000
DIRECT SUB-TOTAL	\$129,984,000
MULTIPLIER	2.0
AREA ECONOMIC IMPACT ATTRIBUTABLE TO THE NEW FACILITY	\$259,968,000

At least 65% of the benefits can be attributable to Oakland County. It is not possible to calculate a specific figure for Novi itself from the available data, but the total is in the range of \$100,000,000 annually.

EMPLOYMENT (on-going)

The new center will assure that the existing employment levels created from the current economic impacts are retained and additional employment occurs. The \$60,000 per job factor detailed in Chapter Four is also appropriate for the jobs retained and created by the new center. A conservative estimate of 1,957 full-time equivalent jobs is generated for the employment estimate. This does not include ripple effect jobs.

CONSTRUCTION IMPACTS

The construction of the new facility will also produce a direct economic benefit to the area. A round cost figure of \$12,000,000 is a reasonable estimate. The total costs will be better estimated when final design engineering is completed.

The \$12,000,000 figure does not include the spending by the construction company and its employees in the area while the work is being undertaken. These expenditures alone may add millions more to the local economy.

The project itself will create approximately 120 personnel-years of construction employment directly, with the vicinity spending by employees adding dozens more. Furthermore, the ripple spending within the economy adds to the overall employment creation dynamic.

CHAPTER SIX FACILITY POLICIES AND TRENDS IN OTHER COMMUNITIES

A COMPETITIVE ENVIRONMENT

It is useful to conclude the report with an overview of the competitive environment that the NEC operates within. Of the 68 large events that were held at the NEC during a recent 12 month period very few "had" to be held in Novi. In many cases promoters were actively recruited by competing centers to locate the events at these other venues. The promoters chose the NEC because of a superior operation, location, and value. The NEC must continue to offer a competitive venue if it is to be a financial success for ownership---and continue to provide the beneficial economic impacts to the community.

The success of the NEC is particularly impressive in that it is privately owned; no public subsidy was used to retrofit the facility nor is there any subsidy of ongoing operations.

OVERALL MARKET

The overall market for trade and consumer shows is gradually expanding.

The Center for Exhibition Industry Research (CEIR) has projected that attendance at trade shows will increase approximately 27% between 97 and 2000. The growth, however, comes primarily from larger attendance at each exhibition. The number of events is projected to increase only 10%. In a separate report, the CEIR also has predicted that the average exhibition will be 25% bigger by the year 2001. Information on trade show growth suggests similar themes---the shows are growing in size per show, but the number of shows is growing at a lower rate.

If these trends and projections hold true the value of having a competitive venue becomes of the utmost importance. The economic impact of a typical event may likely be greater than ever in the future, but with only a gradual increase in the number of shows the competition from venues will be fierce. As discussed below, the NEC is a private enterprise competing with venues that receive substantial public subsidies.

SUBSIDIES AS A GIVEN

In reviewing other economic impact studies from around the nation, and national surveys made of the financing methods of convention centers, it was very clear that subsidies for centers are essentially viewed as a given. The discussion typically focuses on how (type of tax or general fund payment) and how much subsidy. An excellent example of the viewpoint towards financing can be found in a study performed for the expansion of the Buffalo Convention Center:

"The private development of major convention and trade show facilities is rare because most often, meeting facilities do not generate sufficient cash to support operations and capital improvement costs. The benefits from a convention center accrue to the community as a whole, rather than to a single, private entity.

In the United States, convention center construction is usually financed with public debt, which is repaid over a twenty to thirty-year period. Sources of funds to repay the debt are usually tax revenues; primarily those generated from the activities or businesses most likely to use, or otherwise benefit from the facility...

In addition, these tax sources are frequently used to finance ongoing operating and marketing needs of the facility"

Report to the Greater Buffalo Convention & Visitors Bureau by C.H. Johnson Consulting, Inc.

A review of reports on centers around the nation found that subsidies were indeed common. Only one other center with over 100,000 square feet of event space was found to be operating and to have been built without public subsidy.

The NEC therefore is competing with facilities and governmental entities that have the advantage of possessing reduced (or zero) mortgages to pay off from operations and in many cases the operations themselves are subsidized.

MIDWEST COMPETITION AND SUBSIDIES

The consultants undertook a brief survey of a sample of centers in Michigan, Ohio, and Indiana that were listed in the April issue of Expo Magazine and possess over 100,000 square feet of exhibition space. Only one center (in Ohio) was found not to be presently receiving public subsidies.

The centers listed for Michigan included:

- Cobo Conference Exhibition Center
- The Grand Center--Grand Rapids
- Lansing Center
- Pontiac Silverdome

All receive substantial public subsidies. It is particularly noteworthy that in the case of Cobo and the new facility being developed in Grand Rapids, that part of their subsidies are generated from the Oakland County tax base. The Cobo subsidy comes from a state law passed several years ago.

In the case of Grand Rapids, the new center has been appropriated \$60,000,000 in state funds from the most recent state budget cycle. Oakland County businesses and residents, obviously, are major contributors to state finances. The center is also in line for \$15,000,000 in County contributions.

FINAL COMMENT

The NEC clearly brings substantial economic benefits to the Novi area, Oakland County, and southeastern Michigan. It is a privately owned and operated entity facing the same return on time and investment challenges that face all businesses. The NEC is placed in an even more difficult position by the fact that even though it generated substantial benefits to the area, dollars from the area are subsidizing other venues. Even in cases where the competition has not sought state dollars or dollars from southeastern Michigan, these centers receive substantial subsidies from their own geographic area.

Potential Hotel Room Nights
updated 8/2/11

Name of Group	# of events per year	# of rooms per night(maxed at our full occupancy for group)	Will use more RN's in area	Potential Annual RN's
MI School Business Officials	2	120	X	720
MI Assn of CPA's	1	120	X	360
MI Assn of CPA's	3	40		360
MI Assn of CPA's	100	10		1,000
MI Dental Assn	1	120	X	380
MI Dental Assn	3	25		150
MI Safety Council	1	120	X	380
MI Assn of Home Builders	3	15		45
Michigan Works!	1	120	X	260
MI Department of Education	3	50		150
MI Elementary & Middle School Principals Assn	1	120	X	380
MI Concrete Paving Assn	1	40		80
MSAE Diamond Awards	1	25		25
MI Assn of Fairs and Exhibitions	1	120		360
GM Dealer Auto Breakfast	1	120		120
MI Assn of Chiropractors	1	120	X	400
The League of Michigan	1	20		40
MI Assn of Commercial Dental Labs	5	30		300
Joe Cornell Entertainment	10	10		120
MI Nonprofit Assn	1	75		125
Family Reunions	5	25		200
Car Club Conventions	3	40		400
Military Reunions	2	30		180
Religious Retreats/Conferences	4	50		300
Corporate Training	7	30		540
Michigan State Troopers Association	4	120		870
MMPOA- Michigan Public Purchasing Officers Association	3	90		130
Detroit Metropolitan Association	2	20		40
MSAE- Michigan Society of Association Executives	4	120	X	780
SAE- International Society of Automotive Engineers	1	120	X	320
Michigan Credit Union League	7	120	X	3020
Michigan Association of Public Employee Retirement Systems	3	120	X	2280
MASA- Michigan Association of School Administration	6	120	X	2790
Michigan Association of Chiefs of Police	2	120	X	780
Michigan Association of Non-Public Schools	1	120	X	1030
Michigan Association of Community Mental Health Boards	100	120		880
Michigan Association of School Boards	15	120	X	3080
Michigan Association of Chiropractors	3	120		440
Michigan Association for Computer Users in Learning	4	120	X	1360
MAIFA- Michigan Association of Insurance and Financial Advisors	1	50		85

National Association for College Admissions Counseling	1	20		40
Original Equipment Suppliers Association	4	120	x	120
American Philatelic Society	2	120	X	1720
Michigan Reading Association	8	120	X	1980
Michigan Association of Insurance Agents	5	120	X	620
Michigan Association for the Education of Young Children	12	120	X	3760
Michigan Association of Commercial Dentabl Laboratories, Inc	2	30		60
MIEM-Michigan Institute for Educational Management	2	80		160
Michigan Association of Nurse Anesthetics	2	85		100

Totals

356

4010

28055

September 19th, 2011

The City of Novi
45175 West 10 Mile Rd
Novi, MI 48375

To whom it may concern,

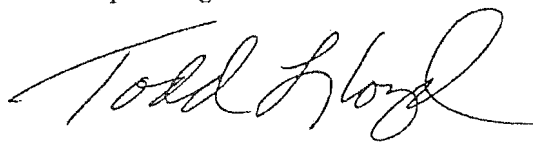
I'm writing to express my support for a 120 room hotel attached to Suburban Collection Showplace. The addition of a hotel with more meeting space will make the entire venue more desirable as a place to hold events of all types. When I first heard about this idea I immediately knew it would be good for Novi and all of Southeast Michigan.

Having a hotel at a venue like Suburban Collection Showplace will bring jobs and economic prosperity to our community. As an event professional and leader on both the local and national level, I've seen the value adding a hotel to a venue brings. We have many examples in our own area where this model has been successful. Take a look at the Inn at St. John's in Plymouth for example. They will boast about how easy it's been to sell their meeting and banquet space since adding a hotel. They are often booked to capacity – simply because they added a hotel to their space.

The city of Novi and the Suburban Collection Showplace will not be the only beneficiaries when a hotel is added. It will be good for hundreds of small businesses that do business with Suburban Collection Showplace and Diamond Center.

In short, approving the addition of a hotel at Suburban Collection Showplace will add jobs and economic growth to our community. Please join me and support the many long-term benefits building a hotel will bring.

In the spirit of great events,



Todd Lloyd
Executive Team Hero
Top That! Event
Chair Covers & Linens
Phone: (855) B-MY-HERO

2011 Immediate Past President, National Association of Catering Executives Greater Detroit
2011 NACE National CPC Board Vice Chair Event Professional

855-TOP-THAT!
(855-867-8428)



TOP THAT!
EVENT

SAE International

SAE Automotive Headquarters
755 W. Big Beaver Road, Suite 1600
Troy, MI 48084-4903 USA

Phone: (248) 273-2455
Fax: (248) 273-2494
www.sae.org

September 20, 2011

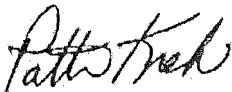
Ms. Mary Jane Scott
Suburban Collection Showplace
46100 Grand River Ave.
Novi, MI 48374

Dear Mary Jane,

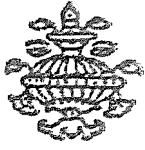
I am pleased to learn that the Suburban Collection Showplace is moving plans forward to build an attached hotel. Novi has always been an attractive area to us for holding our events because of the easy access to major freeways and the many restaurants, retail and nightlife offerings in the City. Over the years, SAE International has submitted many RFP's for our technical engineering events. Your location has been eliminated because there was not enough break out space and/or there was the need for onsite guest rooms. By building an attached hotel with additional break out space, your location becomes more suitable for the numerous meetings, conferences and symposiums that SAE holds in the Southeastern Michigan area, the State and the region.

Please keep me up to date as to the progress of the hotel so I may keep my staff members informed to include the Suburban Collection Showplace in future RFP distributions.

Sincerely,



Patti Kreh
Business Unit Leader
Engineering Events Development & Management
SAE International



Jain Society of Greater Detroit, Inc.



29278 W. 12 Mile Road,
Farmington Hills, MI 48334-4108
(248) 851-JAIN (5246)

Tax ID: 38-2368360

A NON-PROFIT TAX EXEMPT (501-C3) RELIGIOUS ORGANIZATION

www.jain-temple.org

September 16, 2011

Courtney Teeple
Catering & Event Sales Manager
Suburban Collection Showplace
46100 Grand River Ave
Novi, MI 48374

Dear Courtney,

We are very excited to hear that plans are moving forward to build an attached hotel at the Suburban Collection Showplace. We are working hard to bring the 2013 JAINA National Convention to Michigan and to hold the event in the Suburban Collection Showplace.

As we discussed, the National JAINA Committee has indicated to us that having a hotel attached to the Convention Center is a big plus in selecting the convention site.

If the National Committee doesn't select Michigan for 2013, we know that having the hotel added will be the missing piece to your venue and for our success in booking the future JAINA Convention.

Please let us know what the projected completion date will be for adding the hotel so we can look at the calendar for the next available opportunity to host the national convention.

Please contact us if we can provide any additional information.

Sincerely,

Rajendra Modi
Chairman
Board of Trustees
Jain Society of Greater Detroit

September 20th, 2011

Blair Bowman
46100 Grand River Ave.
Novi, Michigan 48374

**Re: 1. Current Use of Showplace and Diamond Center
2. Support for Hotel and Meeting Facility Expansion**

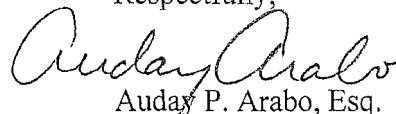
Dear Blair and Staff,

As you know AFPD currently utilizes your facilities for several events throughout the year. Particularly, during these challenging times the production of successful events are a critical component to the overall economic success of our association and its members. For our trade show events, and annual dinner we literally have thousands of vendors travel from in and out of state and hundreds of workers who are required to service these events and the sales activity generated thereafter.

The addition of an onsite hotel and expanded meeting facilities would allow us to potentially expand our events, the usage of your facilities, and the economic impact generated from these functions. While we currently host events many of those who attend chose not to stay for multiple days and we believe that we would be able to attract larger amounts of both attendees and participants from longer range with the addition of an onsite headquarter hotel.

We will watch your progress with interest and again wish to voice our strong support for any assistance the City of Novi can provide in your endeavors.

Respectfully,


Auday P. Arabo, Esq.
President & CEO



Michigan Association of
School Administrators

2010-2011
EXECUTIVE BOARD

President

T.C. Wallace, Jr.
Lansing School District

President-Elect

Marsha Wells
Portage Public Schools

Past President

Thomas Langdon
Big Rapids Public Schools

Director

Dave Campbell
Olivet Community Schools

Director

Peter Dion
Novi Community Schools

Director

John Searles
Merrill Community Schools

Director

Mary Vratanina
Cheboygan-Otsego-Presque Isle
ESD

Executive Director

William H. Mayes

The mission of MASA is
to develop leadership and
unity within
its membership to
achieve the continuous
improvement of public
education in Michigan.

*Your Success,
Our Passion*

1001 Centennial Way, Suite 300
Lansing, MI 48917-9279

Phone: 517-327-5910
Fax: 517-327-0779
www.gomasa.org

MICHIGAN ASSOCIATION of SCHOOL ADMINISTRATORS

May 16, 2011

Erin Oding
Sales Manager

Diamond Banquet Center
Suburban Collection Showplace
46100 Grand River
Novi, MI. 48374

Dear Erin:

Thank you for being part of the Familiarization Tour that I took with the Detroit Convention and Visitor Bureau. It was great to tour your facility once again. I was extremely excited to hear that you are contemplating building an attached Hotel. Our Executive Board is always looking for new locations for our Annual Conference but won't even consider a facility that does not have an attached hotel.

Please keep me updated on any progress your venue makes in this matter.

Sincerely,

Diane L. Dick, CMP, CMS

MASA & MIEM Conference and Event Planner



April 17, 2011

Courtney Teeple
Catering & Event Sales Manager
Diamond Center at Suburban Collection Showplace
46100 Grand River
Novi, MI 48374

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order to bring our Spring Conference to your location. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

Kari Pardoe
Director

From: Rebecca Schlussek [<mailto:becca@joecornell.com>]
Sent: Wednesday, April 13, 2011 10:20 AM
To: courtney
Subject: The Suburban Collection Hotel!

Hi Courtney,

As you are well aware, we love working with you and the Suburban Showplace. Our clients are always treated top notch...and they always rave about YOU, your service and the venue!

It is so easy to send a new client your way. They are always in awe of the amazing facility.

A hotel on the Suburban Campus could ONLY add to its already amazing features.

Bar and bat mitzvah client's typically have another gathering for "out of towners" during the weekend's festivities. Whether its a Friday night dinner or a Sunday AM brunch, families are always searching for venues to have these functions in places that make it easy on their guests from out of town.

By having a hotel on your grounds. You have helped the social client two fold. Now they have a place for their guests to "stay" and they have a place to use as their home base for the weekend to "entertain". I say that's a WIN for both you and the customer!

Keep us in the know...we would love to scream the news if the hotel is a go!

Becca

--

Rebecca Schlussek
Vice President
Joe Cornell Entertainment
www.joecornell.com



<http://www.facebook.com/JoeCornellEntertainment>

Planning a party?
Visit www.PlanItMagazine.com

Hi Mary Jane, Here you go. Please let me know you received this.

Thanks, Jean

From: Jean Jernigan, CMP
Sent: Thursday, April 21, 2011 3:54 PM
To: Peggy Dzierzawski
Subject: FW: Possible Hotel with Suburban Collection Showplace

My response to their request...

From: Jean Jernigan, CMP
Sent: Monday, April 11, 2011 4:26 PM
To: 'Mary Jane Scott'
Cc: Karra N. Townsend
Subject: Possible Hotel with Suburban Collection Showplace

Dear Mary Jane,

I was thrilled to hear the plans to build an attached hotel at the Suburban Collection Showplace may become a reality soon. We have always brought our larger events to the Suburban Collection Showplace. We prefer to host our more than 200 seminars at properties with hotels because it allows us to offer our national speakers the same location to stay overnight and host our program. As we are already impressed with the service the Suburban Collection Showplace provides our organization, we very much look forward to hearing when you will be completing the addition of a hotel with more meeting space so we can discuss hosting some of these programs with you.

Please keep us in the loop when you anticipate this project being completed. We would like to have the first opportunity to consider scheduling some of our other events with you.

Sincerely, Jean

Jean Jernigan, CMP
Vice President of Conferences and Special Projects
Michigan Association of CPAs
Office: 248.267.3700
Direct: 248.267.3706
Fax: 248.267.3755

Connect with *your* network:
[MACPA](#) | [Facebook](#) | [LinkedIn](#) | [Twitter](#)

"It's the reporting year; where do you stand with your CPE credit hours? Check your [CPE Tracker](#) Today!"



MICHIGAN
ASSOCIATION for
**Education
of Young
Children**

To: Erin Ording, Sales Manager
Suburban Collection Showplace

From: Laurie Nickson, *LN* Director of Professional Programs
Michigan Association for the Education of Young Children

Date: May 3, 2011

I am pleased to learn that Suburban Collection Showplace is seriously considering the addition of a hotel to the property. The lack of an adjacent hotel is the primary reason I have not considered your facility for any of the professional development conferences I coordinate. In addition to my position at MiAEYC coordinating the Association's many professional development events, I work contractually coordinating conferences for the Office of Early Childhood Education and Family Services at Michigan Department of Education, and for the Michigan After-school Collaborative.

All of the entities I represent will consider Suburban Collection Showplace as a possible venue if a hotel is added. Please keep me informed as your plans progress.

800-336-6424

517-351-4183 (local)

517-351-0157 (fax)

839 Centennial Way

Suite 200

Lansing, Michigan

48917-9277

www.MiAEYC.org

"...promoting quality education
and the well-being
of young children..."



2012 Conference
April 17-18, 2012
DeVos Place, Grand Rapids, MI

To: Mary Jane Scott
Suburban Collection Showplace

From: Denise McGinn, CAE, CTA
Executive Director

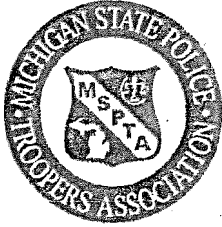
Date: May 6, 2011

Re: Hotel

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. Our Board of Directors has always held out hope that your facility would have an attached hotel with additional breakout rooms so we can include you in our annual rotation of locations around the State of Michigan. Southeastern Michigan is one of the areas we have wanted to include but until now had not found a facility big enough or in the right location to accommodate us.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about specific future dates.

Denise McGinn, CAE



MICHIGAN STATE POLICE TROOPERS ASSOCIATION, INC.

INCORPORATED 1964

May 5, 2011

Ms. Erin Ording
Sales Manager
Diamond Banquet Center
Suburban Collection Showplace

Dear Erin,

I am very glad to hear there are plans for an attached hotel at the Suburban Collection Showplace. Our membership (although perhaps a little spoiled) always prefers that our meetings be held in a facility where conference space and hotel rooms are under one roof. I would certainly consider this location in the future as we rotate our meeting sites around the State of Michigan. Please keep me posted as to your progress, and best of luck with your expansion.

Sincerely,

Pat Strzalkowski
MSPTA Office Manager

MEMBER OF THE NATIONAL TROOPERS COALITION

1715 ABBEY ROAD, SUITE B • EAST LANSING, MICHIGAN 48823 • 517.336.7782 • FACSIMILE: 517.336.8997
WEBSITE: WWW.MSPTA.NET

MACUL

Michigan Association for Computer Users in Learning

Ric Wiltse, Executive Director • rwiltse@macul.org
Ieva Kule, Executive Assistant • ikule@macul.org
Barbara Surtman, Business Manager • bsurtman@macul.org

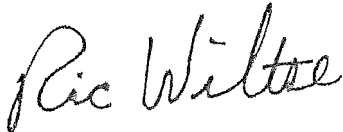
May 9, 2011

Dear Mary Jane,

I was very glad to hear of the plans to build an attached hotel next to the Suburban Collection Showplace. As you know, MACUL has an interest in determining if we could hold our annual conference at your facility. For the past several years our conference has alternated between Cobo Center in Detroit and DeVos Place in Grand Rapids to accommodate our attendance of around 3-4,000 attendees.

A major limitation of your facility in the past has been the need for 20-30 breakout rooms for our conference. Expanding Suburban Collection Showplace to meet these needs is an exciting development! Please keep us informed as your plans progress.

Sincerely,




Ric Wiltse, Executive Director
Michigan Association for Computer Users in Learning (MACUL)

Dear Mary Jane,

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. Our Board of Directors has always held out hope that your facility would have an attached hotel so we can include you in our annual bidding process of locations around the State of Michigan.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about possible future dates.

Sincerely,

A handwritten signature in cursive script that reads "Beverly J. Sink".

Associate VP Professional Development
Michigan Association of Insurance Agents
Lansing, Michigan



416 W. Ionia, Lansing, MI 48933
(517) 367-2225 • (800) 949-1401 • fax (517) 367 2228
www.chiromi.com • info@chiromi.com

April 13, 2011

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is one thing your facility was lacking in order to bring our Fall Conference to your location. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa Love-Smith', written in a cursive style.

Lisa Love-Smith

Membership/Program Director

Michigan Association of Chiropractors

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order for us to bring more business to your location – brides love a one stop shop! Now we can seriously consider using your facility for weddings for our clients. Let me know what the foreseen completion date will be so I can advise them accordingly when looking for wedding venues. I look forward to working with you soon!

Sincerely,

Ana Skidmore

Two Foot Creative

From: macdl_il [mailto:macdl_il@sbcglobal.net]
Sent: Saturday, April 09, 2011 2:19 PM
To: 'courtney'
Subject: RE: Suburban Collection Showplace

Courtney,
I enjoyed your tour through your facility this last Thursday.

YES, I would be interested in the attached hotel facility. It is the main reason that I have not fully given the facility a serious look in the past. Although my meetings are not large, I feel the hotel would give us more reasons to consider your facility.

Irene

Irene Leidich, Executive Secretary/Program Coordinator
Michigan Association of Commercial Dental Laboratories, Inc.
22800 Stair Dr.
Clinton Twp., MI 48036-2747
V: 586-469-1121
F: 586-469-1147
E: Irene@macdl.org
Website: www.macdl.org

April 13, 2011

Dear Courtney,

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. A year ago I was looking for space for our annual conference in the Southeastern Michigan area and could not find one due to the fact that there are very few spaces that can hold a conference of up to 500 attendees with 12-15 breakouts available along with large space to hold the opening plenary and meals. So now that I hear Suburban Collection Showplace is adding an attached hotel, well that will change things and give us a better chance to come to SE Michigan with our larger meetings and conferences.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about specific future dates and space.

Sincerely,

Mary Estrada
Michigan Nonprofit Association
Program and Logistics Manager
1048 Pierpont, Ste. 3
Lansing, Michigan 48911
(517)492-2443

Dear Mary Jane,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order to consider your space for an upcoming event. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Kopkau". The signature is written in black ink and is positioned above the typed name.

Debbie Kopkau, MBA, CMP, GMS
MSBO/MIEM

Economic contribution of trade and consumer shows

According to a study by researchers at the University of Guelph's School of Hospitality and Tourism Management, more than 2.3 million people visit the Greater Toronto Area each year to attend a consumer or trade show, combining to generate direct expenditure of \$1.1 billion in the region. Consumer and trade shows directly support 10,000 jobs in the Toronto region and show organizers and visitors pay a combined \$260 million in taxes to all three levels of government. "This independent study proves that trade and consumer shows are a major piece of the tourism pie," said Barry Smith, President and CEO of the Metro Toronto Convention Centre. "We traditionally associate only big city-wide conventions as generating significant economic benefits to the community and for the first time we now realize how important trade and consumer shows are to our economic success."

Top consumer shows can attract over 140,000 people over several days. Trade shows are large industry events including buying shows such as HostEx and Canadian Food and Beverage Show.

Toronto is the number-two destination for trade shows in North America, behind only Las Vegas, according to Trade Show Week. "Most of the large consumer and trade shows are in off-peak tourism seasons, which means they are supporting hotels, restaurants and hundreds of businesses and jobs in the fall and winter period," said Arlene Campbell, general manager of the Direct Energy Centre. "This is the first study in North America to look specifically at the tourism impact of consumer and trade shows," said Dr. Marion Joppe, Professor of Tourism Management at the University of Guelph and the study's lead author. "More than 2 million people cited these shows as their primary reason for visiting the Toronto area, so clearly this is a sector that generates real visitor traffic."

Executive Summary

Total Direct Expenditures of Trade & Consumer Shows:		Toronto & Area	Rest of Ontario
\$1.1 billion	Total Direct Expenditures	\$1,096,169,137	
	GDP (Total Impacts)	\$810,628,216	\$94,141,284
	Labour Income	\$464,493,673	\$57,855,759
	Employment:		
	Direct	9,929	269
	Indirect	1,267	444
	Induced	1,514	578
	Direct Taxes	\$256,494,113	\$4,547,898
	Total Taxes	\$343,480,456	\$29,062,368

Spending

Overnight Fringe Residents (OFR)	\$145.32 per person per day
Tourists	\$210.21 per person per day
Exhibitors	\$103.87 per person per day
Exhibitor Companies	\$5,880 per company per show
Show Organizers	\$467,145 per show

Origin

	Visitors	Exhibitors
Ontario	72.7%	49.3%
Other Canada	14.1%	27.2%
USA	8.4%	14.9%
Overseas	4.8%	8.6%

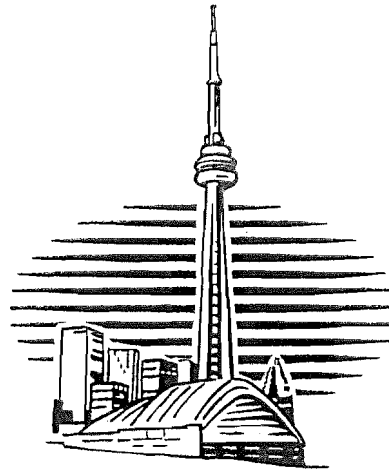
Population

Visitors	2.13 million (out of 8.9 million attendance)
Exhibitors	232,796 total or 1,219 exhibitors per show
Exhibitor Companies	44,533 or 233 companies exhibiting per show
Show Organizers	126 consumer and 65 trade shows

Staff

Exhibitor companies have an average of 2.85 locally hired staff, while show organizers have an average of 26.57.

Economic Impact of Trade & Consumer Shows



RESEARCH CONDUCTED BY
MARION JOPPE, PH.D.
HS CHRIS CHOI, PH.D.
DONGKOO YUN, PH.D.

ON BEHALF OF

TOURISM TORONTO IN PARTNERSHIP WITH
INTERNATIONAL CENTRE, METRO TORONTO CONVENTION CENTRE & DIRECT ENERGY CENTRE

APRIL 20, 2006

Acknowledgements

We would like to thank the staff of the three venues that tirelessly conducted surveys with visitors and exhibitors over a twelve month period, and those who managed these teams, the contacts with the show organizers to obtain their permission to conduct surveys and provide the necessary follow-up a study of this magnitude requires. Without their diligence, this research would not have been possible.

We would also like to thank Rick Goy, who supported the Research Team through the development of the web-based surveys, and the researchers at Tourism Toronto, Mena Nunes and Ned Sabev, for their support throughout this study.

How to Use This Report

This report provides the summary economic impact findings based on a large number surveys conducted with visitors to trade and consumer shows, exhibitors staffing booth at these shows, the companies that organize and manage trade and consumer shows and their exhibiting companies.

It is not the objective of this report to provide definitive details on individual shows, nor on any of the four segments that were surveyed. Rather, the report serves as a tool to the trade and consumer show industry, the venues that host these shows and Tourism Toronto as

the marketing agency to determine the economic impact generated by hosting such events.

Introduction & Purpose

The consumer and trade show industry is one of the fastest growing sectors within the tourism industry. In particular, exhibition facility growth is expected to produce future challenges for Toronto and other Canadian destinations in maintaining traditional fair market share for exhibitions and trade shows. From this perspective, understanding their economic significance, attendance, and market value has become increasingly important to facility managers and governments. However, there are no known studies that have attempted to assess current market value, share and economic impacts of trade and consumer shows held in the Greater Toronto Area.

Purpose

The purpose of this report is to assess the value of the consumer and trade show sector to the GTA's economy and identifying the distribution of economic return.

The scope of the work includes the following components:

1. Background research of previous economic impact studies;
2. Consumer and trade show trends assessment;
3. Consumer and trade show economic impact assessment; and

4. Inventory of consumer and trade shows taking place in 2003 & 2004 in the GTA.

How This Report Is Organized

Shown below are the major sections of this report.

SECTION	PAGE
Introduction and Purpose	1
Executive Summary	2
Methodology	3
Expenditures Incurred	8
Economic Impact	11
Limitations	13
Glossary	14

Executive Summary

	Toronto & Area	Rest of Ontario
Total Direct Expenditures of Trade & Consumer Shows:		
	\$1,096,169,137	
	\$810,628,216	\$94,141,284
	\$464,493,673	\$57,855,759
	Employment:	
	9,929	269
	1,267	444
	1,514	578
	\$256,494,113	\$4,547,898
	\$343,480,456	\$29,062,368
	\$145.32 per person per day	
	\$210.21 per person per day	
	\$103.87 per person per day	
	\$5,880 per company per show	
	\$467,145 per show	
	Visitors	Exhibitors
	72.7%	49.3%
	14.1%	27.2%
	8.4%	14.9%
	4.8%	8.6%
	2.13 million (out of 8.9 million attendance)	
	232,796 total or 1,219 exhibitors per show	
	44,533 or 233 companies exhibiting per show	
	126 consumer and 65 trade shows	
	Exhibitor companies have an average of 2.85 locally hired staff, while show organizers have an average of 26.57.	

Methodology

Introduction

This multi-phase study collected expenditure information from both the demand and supply sides of trade and consumer shows in the Greater Toronto Area.

IN THIS SECTION ...

- What data collection methods were used?
 - What were the sampling procedures?
 - What was the actual sample size obtained?
-

Data Collection

The systematic sampling survey method was employed to capture both expenditures and revenues of (1) visitors, (2) exhibitors, (3) exhibitor companies, and (4) show organizers or show management companies. A different questionnaire was developed for each of the four segments. The Ontario Ministry of Tourism's economic impact model (Tourism Regional Economic Impact Model: TREIM) is used for the assessment of the economic impact of trade and consumer shows in the GTA.

Sampling Procedures

The demand side covers visitors and exhibitors.

The sampling frame was constructed based on each venue's show schedule.

The targeted sample size for each venue was as follows:

400 useable visitors from consumer shows

400 useable visitors from trade shows

400 useable exhibitors

In accordance with the allocation of sampling above, a specific targeted number of samples from each show were re-allocated based on the information of event shows in each venue during the study period (September 15, 2004 to September 14, 2005).

The information of the event shows used for allocation purposes included the macro type of show (consumer or trade), geographical level (local & regional, national or international), industry category, total expected number of

attendees, total expected number of exhibitors, and show dates.

Data collection periods were divided into four waves in terms of seasonality and event show demand:

Wave 1: September, 2004 to November, 2004

Wave 2: December, 2004 to February, 2005

Wave 3: March, 2005 to May, 2005

Wave 4: June, 2005 to August, 2005

100 surveys were to be completed in each wave for show visitors and exhibitors.

Supply Side

The supply side covers exhibitor companies and show organizers (management companies) that participated in consumer and trade shows. The sampling frame for the exhibitor companies was established based on business cards given to interviewers by exhibitors and the approval of the show organizer.

The total number of the exhibitor companies and show organizers and the targeted sample size, respectively, in the sampling frame was as follows:

Exhibitor companies: 694 – 527

Show organizers: 203 – 122

The supply side surveys were conducted during October, November and December, 2005 using web-based and mail survey methods with e-mail and mail reminders and follow-up phone calls.

Sample Size Visitors

From September 15, 2004 to September 14, 2005, a total of 2,742 visitor surveys were collected. Of these, 2,020 were useable for the calculation of visitors' expenditure (73.7%). Useable data were composed of 82 fringe residents who stayed overnight in the GTA (out of 533 surveyed) and 1,938 tourists whose permanent residence was more than 80 km from Toronto. According to established criteria for the treatment of respondents who indicated that less than 50% of their decision to attend a show was as a result of the show itself, these were dropped from the calculations. Therefore, the final sample size was **61 overnight fringe residents** and **1609 tourists**

for a total of 1670 visitors.

Of the 2,742 visitor surveys,

796 were collected from the International Centre,
1,046 from Metro Toronto Convention Centre and
900 from the National Trade Centre.

68 shows from three participating venues were surveyed over 101 days.

The 2,742 surveys represent a total of

1,628 samples from consumer shows and 1,114 from trade shows.
1,594 from local & regional level shows, 703 samples from national
level shows and 445 from international level shows.

surveys were collected from 11 industry categories:

- "Sports, Travel, Entertainment, Art, & Consumer Services" - 902
- "Consumer Goods & Services" - 625
- "Medical & Health Care" - 31
- "Natural Resources & Agriculture" – 12

Overall, the data were widely distributed in terms of show characteristics.

Exhibitors

From September 30, 2004 to August 31, 2005, 1,220 exhibitor surveys were collected. Of these, 1,029 provided useable information for the calculation of their expenditures (84.3%), composed of 73 fringe residents who stayed overnight in the GTA (out of 195 surveyed) and 956 exhibitors whose permanent residence was more than 80 km from Toronto.

Of these 1,220 surveys,

436 were collected from the International Centre,
522 from Metro Toronto Convention Centre, and
242 from the National Trade Centre.

47 events from three venues were surveyed over 60 days.

The 1,220 surveys represent a total of

727 from consumer shows and 493 from trade shows.
804 from local & regional show levels, 265 from national and 151
from international level shows.

surveys were collected from 11 industry categories:

- "Sports, Travel, Entertainment, Art, & Consumer Services" - 548
- "Consumer Goods & Services" - 227
- "Food" - 35
- "Medical & Health Care" – 18

Exhibitor Companies

Overall, the data were widely distributed in terms of show characteristics. From October to November, 2005, 58 exhibitor companies responded: 36 to the web survey and 22 to the mail survey. 30 from consumer shows and 28 from trade shows. 28 from local & regional show levels, 24 from national and 6 from international level shows.

Show Organizers

From October to December, 2005, 28 show organizers responded: 20 to the web survey and 8 to the mail survey. 12 from consumer shows and 16 from trade shows. 13 from local & regional show levels, 9 from national and 6 from international level shows.

Decision Influence

Visiting a consumer or trade show is rarely the sole motivator for a visit to the GTA. Depending on the type of show, its geographical base and visitor origin.

Decision Influence by Type of Show and Visitor

Visitor Type	Consumer Show	Trade Show	Total
<i>Overnight Fringe</i>			
<i>Tourists</i>			
Local or regional show	86.57%	97.25%	90.23%
National show	87.92%	96.71%	91.16%
International show	82.00%	87.50%	83.57%
<i>Tourists</i>			
Local or regional show	96.05%	96.95%	96.32%
National show	96.22%	97.76%	97.23%
International show	86.47%	97.24%	96.56%

Total Visitation Visitors

Based on visitor counts during one-hour time frames at 17 consumer and trade shows, the distribution of visitors between Torontonians, same day and overnight fringe residents, and tourists was determined. Of approximately 8.9 million attendees that attended a consumer or trade show between September 15, 2004 and September 14, 2005, 400,474 were overnight fringe residents and 2.12 million tourists. Since about **25% of overnight fringe residents** and **16% of tourists** indicated that their decision was influenced at less than 50%, these totals need to be discounted. Thus, the three

	participating venues generated just under 2.13 million visitors for the purpose of economic impact calculations.
Exhibitors	On average, there are 5.98 exhibitors per exhibitor company.
Exhibitor Companies	There are an average of 233 companies exhibiting per show.
Show Organizers	A total of 191 consumer and trade shows were held at the three participating venues between September 15, 2004 and September 14, 2005.

Expenditures Incurred

Introduction

This section examines the expenditures incurred by visitors and exhibitors, taking into account thirteen categories of spending: (1) accommodations, (2) restaurants, (3) concessions, (4) groceries or other food & beverage, (5) admission or tickets, (6) other entertainment, (7) show merchandise, (8) retail clothing, (9) car rentals, (10) gas, parking or car repairs, (11) local transportation, (12) other retail or incidentals, and (13) other expenses.

It also examines supply-side spending: For exhibitor companies and show organizers, eight categories of expenditure are taken into account (1) booth/hall rental, (2) wages to staff the booth/show (3) advertising services and communication, (4) machine, equipment supplies, energy, and utilities, (5) accommodation for staff, (6) food & beverage for staff, (7) transportation for staff, and (8) tour, recreation & entertainment for staff.

Performance measures for show organizers included (1) total revenue, (2) total number of employees hired locally, (3) total number of staff working the show, (4) total number of attendees, and (5) total number of exhibitors.

IN THIS SECTION...

- What is the average daily expenditure for fringe residents and tourists?
 - What is the average daily expenditure for exhibitors?
 - What is the average spending of exhibitor companies and show organizers?
-

Visitor Spending

Overnight Fringe Residents

Fringe residents that stayed overnight spent an average of **2.02 nights** in the GTA. Average **party size was 2.81**. Spending of \$824.87 per party per visit translates into average **spending per person per day is \$145.32**, weighted by the decision influence (89.5%). When multiplied by the total number of

Tourists

fringe residents that stayed overnight and who were influenced by the show at 50% or more, this accounts for **total direct spending of \$88.1 million**. Overall, tourists spent an average of **1.4 nights** in the GTA. Average **party size was 3.8**. Spending of \$1,118.32 per party per visit translates into average **spending per person per day is \$210.21** weighted by the decision influence (96.6%). When multiplied by the total number of tourists and who were influenced by the show at 50% or more, this accounts for **total direct spending of \$525.7 million**.

Exhibitors

The **total number of exhibitors (visitors)** is estimated to be **232,796** in the 191 shows that take place in the three participating venues. Their average **personal spending is \$103.87 per day**. This accounts for **total direct personal spending of \$97.5 million**.

Origins**Visitor Origins**

Fringe residents and tourists combined broke down as follows:

Ontario	72.7%
Other Canada	14.1%
USA	8.4%
Overseas	4.8%

Exhibitor Origins

Exhibitors broke down as follows:

Ontario	49.3%
Other Canada	27.2%
USA	14.9%
Overseas	8.6%

**Supply-side
Spending****Exhibitor Companies**

The respondents in this category were heavily weighted towards local and regional shows. **Average operating expenses by exhibitor companies** for all types of shows is **\$5,580** (this compares to US\$6,753 as determined by IACVB for 2004). The three participating venues estimated that there is an **average of 233 exhibiting companies per show for a total of 191 shows**

that took place over the past year in these venues. The operating expenses of exhibitor companies totalled **\$261.9 million**, however when including the estimated operating profits, **the actual direct expenditures are \$287.1 million.**

On average, exhibitor companies brought 5.98 staff and locally employed 2.85.

Show Organizers

Average operating expenses by show organizers for all types of shows is **\$467,145** (this compares to US\$454,673 as determined by IACVB for 2004, but the IACVB study did not report average expenditure by show orientation). This accounts for total operating expenses of **\$89.2 million**. When including the estimated operating profits, **the total expenditures of show organizers are \$97.8 million.**

Economic Impact

Introduction

The Ministry of Tourism's TREIM model requires separate economic impact calculations for visitor and exhibitor spending as well as for the operational expenditures of each of the exhibitor companies and show organizers. As a result, the five separate economic impacts have been combined to provide a total economic impact statement for Toronto and Area.

	Greater Toronto Area	Rest of Ontario
Total Visitors' Spending & Total Operational Expenses with Estimated Profits	\$1,096,169,137	
Gross Domestic Product		
Direct	\$567,882,798	\$16,015,501
Indirect	\$104,950,345	\$34,084,313
Induced	\$137,795,075	\$44,041,471
Total	\$810,628,216	\$94,141,284
Labour Income		
Direct	\$325,821,392	\$10,314,347
Indirect	\$62,219,794	\$20,825,520
Induced	\$76,452,487	\$26,715,891
Total	\$464,493,673	\$57,855,759
Employment*		
Direct	9,929	269
Indirect	1,267	444
Induced	1,514	578
Total	12,709	1,291
Direct Taxes		
Federal	\$146,553,337	\$3,209,424
Provincial	\$105,664,585	\$1,327,549
Municipal	\$4,276,192	\$10,924
Total	\$256,494,113	\$4,547,898
Total Taxes		
Federal	\$198,835,250	\$19,281,255
Provincial	\$138,407,746	\$9,517,892
Municipal	\$6,237,461	\$263,221
Total	\$343,480,456	\$29,062,368

* Employment: full time, part-time and seasonal employment.

Total Economic Impacts of Consumer and Trade Shows on the GTA's Economy

	Total Impacts		Demand Side		Supply Side	
	GTA	Rest of Ontario	GTA	Rest of Ontario	GTA	Rest of Ontario
Total Visitors' Spending & Total Operational Expenses	\$1,096,169,137		\$711,312,697		\$384,856,440	
Gross Domestic Product						
Direct	\$567,882,798	\$16,015,501	\$350,707,291	\$14,396,612	\$217,175,507	\$1,618,889
Indirect	\$104,950,345	\$34,084,313	\$72,853,333	\$29,736,494	\$32,097,012	\$4,347,819
Induced	\$137,795,075	\$44,041,471	\$129,281,954	\$42,381,944	\$8,513,121	\$1,659,527
Total	\$810,628,216	\$94,141,284	\$552,842,576	\$86,515,050	\$257,785,640	\$7,626,234
Labour Income						
Direct	\$325,821,392	\$10,314,347	\$175,056,809	\$9,100,333	\$150,764,583	\$1,214,014
Indirect	\$62,219,794	\$20,825,520	\$41,654,573	\$18,036,347	\$20,565,221	\$2,789,173
Induced	\$76,452,487	\$26,715,891	\$71,194,757	\$25,634,928	\$5,257,730	\$1,080,963
Total	\$464,493,673	\$57,855,759	\$287,906,139	\$52,771,609	\$176,587,534	\$5,084,150
Employment						
Direct	9,929	269	6,595	233	3334	36
Indirect	1,267	444	804	383	463	61
Induced	1,514	578	1,417	556	97	22
Total	12,709	1,291	8,815	1,172	3894	119
Direct Taxes						
Federal	\$146,553,337	\$3,209,424	\$100,313,060	\$2,858,611	\$46,240,277	\$350,813
Provincial	\$105,664,585	\$1,327,549	\$86,540,575	\$1,183,481	\$19,124,010	\$144,068
Municipal	\$4,276,192	\$10,924	\$189,020	\$9,728	\$4,087,172	\$1,196
Total	\$256,494,113	\$4,547,898	\$187,042,654	\$4,051,820	\$69,451,459	\$496,078
Total Taxes						
Federal	\$198,835,250	\$19,281,255	\$144,064,540	\$17,698,222	\$54,770,710	\$1,583,033
Provincial	\$138,407,746	\$9,517,892	\$115,112,612	\$8,842,313	\$23,295,134	\$675,579
Municipal	\$6,237,461	\$263,221	\$1,707,131	\$247,748	\$4,530,330	\$15,473
Total	\$343,480,456	\$29,062,368	\$260,884,282	\$26,788,283	\$82,596,174	\$2,274,085

Limitations

Visitor Survey

To compare the differences of visitor spending by the macro type of show and geographical level, a large sample size is obligatory for successful economic impact assessment when multiple venues are involved. This study used a systematic random sampling method to collect surveys from visitors and exhibitors as recommended by Crompton and his colleagues. The study obtained a little over its target sample size, which is large enough for the economic impact assessment. However, optimal sample size was not achieved for some segments (12 segments = 2 visitor types [OFRs & Tourists] x 3 geographical levels [Local & Regional, National and International] x 2 show orientations [Consumer & Trade Shows]) though the overall sample size was large enough for calculating expenditure figures for the study. Accordingly, to obtain reliable sample size for each segment, a stratified sampling method is recommended for future studies.

Exhibitor Company & Organizer Survey

The Research Team encountered some difficulties when collecting expenditure information from exhibitor companies and show organizers. The companies were reluctant to share their information due to its sensitivity to their operation. Combining web-based and mail surveys was unsatisfactory to increase the response rate significantly. As a result, this study had a relatively low response rate for exhibitor companies and show organizers. Future studies should consider using face-to-face or telephone surveys to collect information from both groups. In particular, before surveying and interviewing organizers, the participating venues need to individually contact show organizers to obtain their agreement in participating in the study. It is believed that this method would be more effective to collect accurate figures for total attendance and their expenditure.

Glossary

Torontonians	Residents of the following cities: Toronto, York, North York, East York, Etobicoke, Scarborough and Mississauga
Fringe Residents	Residents outside of the Toronto area but less than 80 km.
Tourists	Residents whose permanent residence is more than 80 km from Toronto.
Visitors	Combines Fringe Residents who stayed overnight and tourists.
Direct Impacts	The impact that the demand side spending has on the front-line business serving these visitors. Therefore, these impacts are the initial, immediate economic activities (jobs and income) generated by the C/T shows. This includes the initial visitor or exhibitor expenditures as well as purchases of goods and services for the C/T show operations.
Employment	All employment figures are from Statistics Canada's Labour Force Survey. This survey measures employment in terms of "jobs," a concept that includes seasonal, part-time and full-time employees, as well as self-employed and employees not receiving remuneration. The jobs that are attributed to both the consumer and trade show industry and tourism are generated by the Ministry of Tourism's economic impact model (TREIM) , which essentially converts visitor expenditures in a particular industry to jobs according to the industry's production process and part-time/full-time ratios.
Gross Domestic Product	The total value of wages & salaries, profits and indirect taxes (less subsidies) generated by the industries involved in the production process that is initiated with the consumer and trade show visitor spending.
Gross Output	The total sales by all industries (direct and indirect) that participate in the production process initiated by the tourists' or visitors' spending.
Indirect Impact	The economic impact resulting from the expansion of demand from the industries involved in the direct supply of goods and services to tourists or visitors and to other industries. In other words, these impacts are the subsequent economic spending by the host destination travel industry businesses on goods and services from local suppliers on behalf of the consumer or trade show.
Induced Impact	The economic impact associated with the re-spending of labour income and/or

Appendix

profits earned in the industries that serve visitors directly and indirectly. These impacts are the result of spending by households in the local economy due to the direct and indirect effects from the C/T shows. The induced effects arise when employees (not exhibitors) who are working for a C/T show spend their new income in the host destination.



Economic Impact

[Exhibitions](#)

[Corporate Publications](#)

[Press Booths](#)

[Speaker Bureau Requests](#)

[Job & Vendor Opportunities](#)

[Trade Shows](#)

Search for Events

We're a busy place but never too busy to help you find an event. Click here to search for future events by name or for events occurring during a specific time range.

ECONOMIC IMPACT

The mission of the San Diego Convention Center Corporation is to generate significant economic benefits for the greater San Diego region by hosting international and national conventions and trade shows in our world-class facility. Since opening in 1989, the Convention Center has contributed over \$18 billion to the regional economy making it one of San Diego's most important economic engines.

Click & Email to Request a Response to Inquiries to the Convention Center generates.

Economic Benefits At-a-Glance for FY10



Economic Impact	\$1.27 billion
Total Tax Revenues	\$20.2 million
Hotel Room Nights	709,298
Total Events	165
Convention & Tradeshows <small>(events bringing in out-of-town visitors)</small>	66
Local Events	99
Total Attendance	786,403
Out-of-town visitors	557,237
Local visitors	229,166

[About Us](#)

[Contact](#)

[Site Map](#)

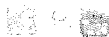
[Email Sign-up](#)

[Community Partners](#)

[Advertising](#)

[FAQs](#)

11005 • 2011 San Diego Convention Center Corporation • San Diego, CA 92161



Economic Impact of Convention and Conference Centers

by Steven E. Spickard, 1998

[What If They Don't Come?](#)

[The Best Facilities Don't Always](#)

[Multiple Facilities Lose Money](#)

[Opening a Public Office Building](#)

[Civic Centers Are OK](#)

(Presented to the 2nd Annual Conference of the National Council for Urban Economic Development, titled "If You Build It, Will They Come?: Stadiums, Arenas & Convention Centers")

The primary mission for members of the National Council for Urban Economic Development (CUED) is economic development for their communities. In many communities throughout North America today, development or expansion of a meeting facility is being considered as a means of creating positive economic impacts to achieve the economic development goal.

As communities consider the role of convention or conference centers in their economic development plans, five basic points should be kept in mind:

1. Public investing for economic impacts is like any other leveraged investment. There is the possibility of negative leverage as well. Economic impacts can be less than zero.
2. It takes more than a meeting facility to get conventions and conferences to come to your city.
3. Contrary to a popular misconception, convention and conference centers are designed to lose money.
4. How you operate a facility on a daily basis has a great deal to do with how much economic impact you can achieve.
5. Some communities should stop feeling guilty about their secret agendas. It is okay to want a civic facility.

1. What If They Don't Come?

What if you build it, and they do not come? For one thing, the community is stuck with debt service that continues for 15 to 25 years. You may very well achieve negative economic impacts.

Starting with an assumption that a conference or convention center would be good for their community, many communities have made the mistake of hiring an architect before they know what type of facility they really need. Market research needs to be

done before you start designing. You must know what your future facility users will want, and design to meet customer needs.

Expanding Existing Facilities

It is useful to break the decision-making down into two types of facilities. The first type are existing facilities requiring expansion. In North America, these are primarily convention centers because everyone who has a reasonable convention destination already has at least some kind of facility in place. Construction of these large centers boomed in the 1970s, but in the 1980s convention and trade show groups kept growing as well. The associations sponsoring large meeting-intensive events discovered that a trade show component could be a money-maker for the association, and could underwrite the meeting functions of their events. Therefore, needs for expanded exhibit space have grown even faster than the number of meeting groups. At the same time, trade show/exhibit groups began to find that educational purposes also needed to be served for their industries, and what had been pure exhibit events added meeting components to their events.

With expansions, it is necessary to be clear on what your community is trying to accomplish.

- Trying to keep your existing customers from outgrowing you?
- Trying to open up new markets?

Either way, it is necessary to talk to actual users, and plan the facility expansions for their needs. To keep existing customers as they grow, you must know if their trade show/exhibit function is what is outgrowing your existing facilities, or if they have other needs. Such other needs could be for a larger number of additional break-out rooms, or for larger break-out rooms to hold larger meeting groups. Flexible ballrooms have also become much demanded by groups, and a few are looking for specialized facilities such as fixed-seat theaters of specific sizes.

A key concept for expansion facilities is flexibility. For one thing, flexibility means that individual spaces should have the capability of being reconfigured to make smaller spaces and even to serve as swing space which can be an exhibit hall for one group, and meeting room space for the next.

Another aspect of flexibility is to create facilities which can accommodate multiple user groups simultaneously. For example, you need more than one "front door" to the facility. Every group wants to be made to feel that they are the only meeting in town.

Simultaneous use of the facility can also create greater economic impact. With a single large convention/trade show event, a boom of four or five days of activity is followed by four or five days of move in/move out, during which there are no guests in hotels, a lack of patrons in restaurants, underutilized transportation facilities, etc. In a facility that can accommodate more than one group at a time, schedules tend to naturally become interleaved so that one group is in the middle of their meeting while another is moving in or out. This more even flow of delegates through your community creates a more sustained and even economic impact, which is more conducive to the establishment of visitor-serving businesses in the

vicinity of the meeting facilities.

New Facilities

The second class of facilities are those which are being developed from the ground up, where no meeting venue existed in the past. New facilities today tend to be smaller and typically are more properly thought of as conference centers (Again, the locations for convention centers already tend to have such a facility). With expansion of an existing facility the community knew what kind of destination they had, they were only fine-tuning a going concern. New development is harder, because the community has to guess whether they even have the potential for a destination draw.

To investigate the potential attraction power of your community, you need to understand the motivation of potential users for coming to your location:

- Is it a retreat, to get away from where they normally are?
- Is it to get together in a convenient place, centrally located?
- Is there any unique draw to your community?
- What are their alternatives (i.e., who are your competitors)?
- Why would they come to you instead of them (the competition)?

Another question which must be answered concretely before you start counting on economic impact of your new meeting facility is: how long are the delegates going to stay? In virtually every community, there is a demand for people to get together for seminars, product demonstrations, sales pitches, training sessions, parties and weddings. These users will pay to rent meeting facilities for a few hours, but they do not contribute much to overnight visitation. It is the overnight visitor that creates most of the economic impact from convention and conference centers. It is the money which is imported from outside the immediate region which has the power to stimulate true expansion of your local economy. One-day meetings tend not to draw people from great distances, and even when they do, those people have little opportunity to spend significant amounts of money in your community.

2. The Best Facility Isn't Enough

Even the very best meeting facility isn't enough to make meeting groups come to you. A number of other elements must be present in your community as well. Of great importance are hotels:

- They must be of sufficient quality, not merely motels.
- There must be a sufficient quantity, not only the number of rooms in total, but a sufficient number which can be blocked months and years in advance for use by a single group (traditionally at a discounted rate).
- They must be in close proximity to the meeting facilities and to transportation and airport access.

Overnight hotel business is predominantly driven by air travelers in most locations. The day-use market for short meetings, on the other hand, is often composed of drive-in traffic. A major meeting location requires convenient air access, with greater lift

available for larger facilities.

Other attractions besides the meeting facilities are also necessary to create interest in your community as a destination. For more sophisticated meeting groups, the city itself is generally the attraction. Cities such as San Francisco and New Orleans have become known as great places for consenting adults, with urbane cultures. Other groups may be attracted by commercial attractions. Disney theme parks have been great for the convention draw in Anaheim and Orlando. As meeting groups get more resort-oriented, attractions such as golf and other recreational facilities become more important.

Cost is obviously a major issue for every meeting planner, but it is not so simple that the lowest-cost destination becomes the most attractive. Each association analyzes the trade-off between cost and revenue potential. As stated before, associations have discovered they have the greatest revenue potential for themselves from the trade show component to their major meetings. The demand to rent space in the exhibit hall is in turn driven by the expected attendance of delegates (customers) at the meeting. Those cities known to be attractive as fun destinations to individual delegates will in turn create more revenue for the association in spite of somewhat higher costs. For example, San Francisco is a very high-cost destination in North America, but many groups get their biggest draw ever each time they meet in that city. Exhibitors in the respective industries know that as well, and are willing to spend big to be present in these transitory marketplaces.

A more dramatic illustration of why the meeting facility itself is not sufficient to draw the business is provided by the results of Metropoll. Metropoll is a syndicated survey of several thousand meeting planners in North America that ERA has been conducting since the start of the 1980s. In the figure below, meeting executives have been asked to rate the importance of different criteria when selecting the site for their next convention. For each meeting planner, there will be an initial screening of a potential destination to see if the bare minimum convention facilities are available in the right proportions to house their event. Once that basic threshold is established, the evaluation hinges on factors in the order of importance as presented in the figure.

Costs of food and lodging are first, with 78% of meeting planners rating this as a very important consideration in site selection. Travel connections and costs are close behind in importance.

The inventory of hotel rooms is also very important, and is based on the number of rooms that can be blocked for convention business, not just on the gross number of hotel rooms in the area. Meeting planners are also looking for a large block in as few individual hotel properties as possible, with at least one hotel being sufficiently large to serve as the headquarters for their event. With around 50% of respondents reporting this factor as very important, attributes of the city are then considered. ERA has observed a trend of increasing concern over security and crime rates in site selection, but general friendliness and attractiveness of the destination is also important. Way down at 32% is the first time that the attractiveness of the convention center itself is considered.

The conclusion is clear that the facility alone will not create sufficient attraction for your community. You must have the whole package of tourism infrastructure to pursue this economic development strategy.

3. Meeting Facilities Lose Money

It is hard to be absolute, because there are real-world exceptions to virtually every rule; however, even in the rare cases where revenues cover operating costs in meeting facilities, they never cover debt service. For example, in San Francisco the Moscone Center brings in about \$10 million per year in revenue. Operating expenses, on the other hand, are currently running at about \$13 million per year. Thus, there is a "planned deficit" of about \$3 million annually. On top of that, this year's debt service will be about \$20 million, creating a structured deal that is designed to lose \$23 million per year for the City of San Francisco.

The profits from a convention or conference complex come from renting hotel sleeping rooms. What may not be observable in an integrated private conference center is that there is an internal subsidy occurring between the meeting facilities and the overnight accommodations. In a large-scale public convention center in a community of hotels and other tourism-supported businesses, a more complicated means of subsidization must be created. This is typically accomplished by a tax on the hotel sleeping rooms, variously referred to as the "bed tax", the "transient occupancy tax (or TOT)" or simply the "hotel tax".

In their planning phases, many communities make statements such as, "We will include a convention center in our new project so it can subsidize our performing arts center (or new municipal auditorium, or other new civic facility)." Using a meeting facility to subsidize other public facilities is obviously a flawed concept.

The figure on the following page provides an illustration of the dynamics of this need for subsidizing in an expansion project as an example. The significant goal of the community is the economic impact, which is depicted by the large bar on the right side of the figure. This impact can be \$200 million per year or more. A local government concerned about the well-being of its people is willing to suffer some seeming cost to get this dramatic economic benefit for its citizens. Looking at the bottom line for the public convention center, its financial performance is clearly a loser. Starting from zero, operating expenses and debt service drive the facility into a hole so deep that operating revenues cannot bring it back into the black.

On the other hand, no matter how good the intentions, the local government must remain whole in order to survive over the long run. Some other forms of public revenues must be used to make up the loss from the convention facility. As can be seen in the figure, the hotel tax on the rooms the incremental delegates pay is not enough. Even adding all the other taxes the delegates generate, such as sales tax or payroll taxes, don't add up to enough to meet the break-even line. In the case of the expansion being analyzed here, which was true of San Francisco about ten years ago, and is true of the new expansion being proposed today, the hotel tax city-wide must be raised a point or two to create a fiscal situation for the local government that is positive for the long run.

It is important to note that an enlightened hotel community is willing to go along with this tax increase because they receive much of the incremental business in the economic impact column on the right of the figure. Furthermore, this incremental hotel business tends to be the additional money flowing in after fixed costs have been covered, and is

what contributes disproportionately to the bottom-line profits for hotel properties.

4. Operating Policies Affect Impact

From the figure before, one might look at the third bar and ask "why not operate the facility in such a way as to maximize facility revenues?" The way to do this is by booking consumer shows and events which cater to the local market. Promoters of these shows pay great rent, often in the form of a percentage of the gate. The problem with this strategy is that there is little or no expansion in the local economy created.

Community economic impact is maximized when delegates and exhibitors are attracted from out of town, bringing their money with them to spend as they stay for several days in your city. This new money flowing in then creates multiplier effects as the initial spending is circulated through businesses which serve as suppliers to the directly-affected hotels and convention service companies, and from there as it filters from the hands of employees into the grocery stores, service stations and other businesses that support the general population in your community.

Most major cities have realized this trade-off today, but the industry has been evolving over the last couple of decades. On behalf of ERA, I spent the 1980s shuttling between Los Angeles and San Francisco, advising both communities on their tourism industries and meeting facilities. San Francisco had bought into this systemic view of the convention industry early on, and geared their marketing and booking policies to attract out-of-town user groups. In contrast, Los Angeles pursued policies to maximize facility revenues in service to the City Council. As a result, Los Angeles covered operating costs and, in some years, even contributed slightly to debt service, but did not enjoy nearly as large a boost to its city economy as did San Francisco as a result of convention business. Los Angeles is still struggling today, in spite of its \$500 million investment in a facility expansion, to change its image and boost its economic impact.

One other point on operations is that each location has its own unique seasonality in hotel occupancy. The point of attracting meeting groups is to fill hotel rooms in the slower periods, but not to displace the higher-paying, free and independent tourists and commercial travelers. Booking priorities, pricing and marketing should reflect these seasonal imperatives.

5. Civic Centers are OK

As a counterpoint to the bulk of this presentation, it should be noted that economic impact is not the only reason communities build public assembly facilities. In spite of the goals of CUED, economic development is not the only goal communities have. Legitimate public purposes can be served by having civic auditoriums and community meeting halls, and because there is that demand for day-use meetings in every community, even heavily-subsidized civic facilities have the potential to make some revenue by renting space for meetings.

The point, however, is to be honest in the community's objectives. It is a mistake to try to justify development of a civic center for your own residents' use by claiming it will have great economic impacts. Civic centers are public precisely because they serve

social purposes, yet are not sufficiently profitable to be provided by the private sector.

If you are in this situation, you should stop feeling guilty about wanting facilities to expand your own quality of life. Community-serving facilities may not generate great economic benefits, but they are good for you anyway.

Contact:

Economics Research Associates

388 Market Street, Suite 1580

San Francisco, CA 94111

(415) 956-8152 phone

(415) 956-5274 fax

erasfo@erasf.com

Web Site: <http://www.econres.com>

[Back to Economics Research Associates Index](#)

[Search Hotel Online](#)

[Home](#) | [Welcome!](#) | [Hospitality News](#) | [Classifieds](#)
[Catalogs & Pricing](#) | [Viewpoint Forum](#) | [Ideas/Trends](#)

Please contact [Hotel Online](#) with your comments and suggestions.

Creative Strategies Group

- [Home](#)
- [Properties Represented](#)
- [Core Services»»](#)
- [About CSG»»](#)
- [Portfolio»»](#)
- [News](#)
- [Contact Us](#)
- [Events Calendar](#)

Colorado Garden & Home Show

Posted by [admin](#) on Friday, August 27, 2010 · [Leave a Comment](#)



www.gardeningcolorado.com

February 11-19, 2012
Colorado Convention Center

The Rocky Mountain Region's Largest & Most Successful Consumer Show

Simply stated, there is no other consumer show of its kind in the Rocky Mountain West that has achieved the success and notoriety of the Colorado Garden & Home Show.

The 53-year old non-profit organization utilizes more floor space, (400,000 square feet), attracts larger audiences (54,000+ adults), has more exhibitors, (sold out months in advance to 650 companies) and invests more in advertising, (\$250,000+ paid plus \$200,000+ promotional), dwarfing its next closest competitor. Associating with this highly-anticipated annual show provides its sponsors with extensive reach and tremendous exposure to impact and sell to their target customers.

It is truly the largest marketplace in the region for those researching and purchasing products and services for the home and yard. Independent economic impact studies have determined that each year, \$40 million in incremental commerce is generated from the Show.

Application for Commercial Rehabilitation Tax Abatement
Proposed Hotel and Meeting Facility Expansion

Response to Criteria Items FF & GG

- FF. The Applicant—and the Proposed End User/Operator of the Hotel—Must be a Viable, Profitable, and Highly Reputable Ongoing Business Concern:
- GG. The Applicant and Proposed End User/Operator Must Commit, In Writing, to Stay as a Viable Business Concern for the Entire Term of the Tax Abatement and into the Future:

The applicant hereby submits that it is a viable ongoing business concern and that it intends to continue to do business as such. As it relates to references to highly reputable or ongoing community concern organization, the applicant will let its record of the past nineteen years of business investment and involvement and community involvement stand as its best evidence of that fact.

S SUBURBAN COLLECTION SHOWPLACE

Petition in Support of an Attached Convention Center Hotel and
 Expansion of Meeting Space
 Suburban Collection Showplace
 Tax Abatement Application: City of Novi

Business/Person's Name	Print Name & Title	Signature	Date
NWS	Sean Burke Sales Rep	[Signature]	9/20/11
D&B GREENS	Matthew Hesano	[Signature]	9-20-11
PRO CANAD CONSULT	DAN VARON	[Signature]	9-20-11
ED WEGLARZ	V-P	[Signature]	9-20-11
Jenny Austin	Jenny Austin / MGR	[Signature]	9/20/11
Cheryl [unclear]	FRAN AMONGER	Cheryl Ludwiced	9/20/11
[unclear]	Janet [unclear]	Janette [unclear]	9/20/11
[unclear]	DARLEN DICKOW	[Signature]	9/20/11
[unclear]	John L. Chiado	[Signature]	9-20-11
Sharon Hunter	Sharon Hunter	[Signature]	9-20-11
Janet [unclear]	Janet [unclear]	[Signature]	9/20/11
Jennife [unclear]	Jennife [unclear]	[Signature]	9-20-11
David [unclear]	David [unclear]	[Signature]	9-20-11
Lindsay [unclear]	Lindsay [unclear]	[Signature]	9-20-11
[unclear]	Jessie [unclear]	[Signature]	9-20-11
MI Brewing Co	Gene Mezo/Sales	[Signature]	9-20-11
Monsieur Morsale	Kelsey Jensen-Designer	[Signature]	9/20/11
Tubbs	Sheila [unclear]	[Signature]	9/20/11
Tubbs	Margie [unclear]	[Signature]	9-20-11
Complimentary Foods	Ashley [unclear]	[Signature]	9-20-11
Complimentary Food	Robert [unclear]	[Signature]	9-20-11
COMP FOOD	MIKE BATHI	[Signature]	9-20-11
NWS	CHRIS ROMANES / MGR	[Signature]	9-20-11
Civicon Marketing	James O'Brien	[Signature]	09/20/11
NWS	Adam Carr	[Signature]	9/20/11
NWS	Scott O'Brien	[Signature]	9/20/11
NWS Shelly Kamm	Shelly Kamm/Regacts	[Signature]	9/20/11
NWS	Michelle [unclear]	[Signature]	9/20/11
NWS	BOB GOETZ/Sales	[Signature]	9/20/11
Stinky Garage Margaritas	Thomas Vaughan	[Signature]	9/20/2011
NWS	Don [unclear]	[Signature]	9/20/11
NWS	Sara [unclear]	[Signature]	9-20-11
Sims [unclear]	Key Acct Mgr.	[Signature]	9-20-11
Fred Heth	Robert [unclear]	[Signature]	9-20-11
Pete [unclear]	Mark [unclear]	[Signature]	9-20-11
ICC	Greg [unclear]	[Signature]	9-20-11
ICC	Andrea Miller	[Signature]	9/20/11
ICC	Jill Odell	[Signature]	9/20/11
Jeff David	[unclear]	[Signature]	9/20/11
Ramon Weitzer	[unclear]	[Signature]	9/20/11
Dir Schelen	Daung Sathana	[Signature]	9/20/11
Debb [unclear]	[unclear]	[Signature]	9-2-11
ROBERT KENN [unclear]	ROBIN [unclear]	[Signature]	9/20/11
Dark [unclear]	Arnold [unclear]	[Signature]	9/20/11
David Orlando	David Orlando	[Signature]	9/20/11
PRIME FARMS	JOHN [unclear]	[Signature]	9-20-11
STEWART MEDIA	DEREK DICKOW	[Signature]	9-20-11
AFPP	TAMAR [unclear]	[Signature]	9/20/11
AFPP	CAROL D'Lee	[Signature]	9/20/11

STATE USE ONLY		
Application Number	Date Received	LUCI Code

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

Read the instructions page before completing the form. **This application should be filed after the commercial rehabilitation district is established.** The applicant must complete Parts 1, 2 and 3 and file one original application form (with required attachments) and one additional copy with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) HEYOTS, LLC			NAICS or SIC Code
Facility's Street Address 46100 Grand River Ave.	City Novi	State MI	ZIP Code 48374
Name of City, Township or Village (taxing authority) Novi		County Oakland	School District Where Facility is Located Novi
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy)		Planned Date of Rehabilitation Completion (mm/dd/yyyy)	
Estimated Cost of Rehabilitation		Number of Years Exemption Requested (1-10)	
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity <input checked="" type="checkbox"/> Retain Employment <input type="checkbox"/> Revitalize Urban Areas <input checked="" type="checkbox"/> Create Employment <input checked="" type="checkbox"/> Prevent Loss of Employment <input type="checkbox"/> Increase Number of Residents in Facility's Community			
No. of jobs to be created due to facility's rehabilitation	No. of jobs to be retained due to facility's rehabilitation	No. of construction jobs to be created during rehabilitation	
PART 2: APPLICATION DOCUMENTS			
Prepare and attach the following items:			
<input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)		<input type="checkbox"/> Statement of the economic advantages expected from the exemption	
<input checked="" type="checkbox"/> Description of the qualified facility's proposed use		<input type="checkbox"/> Legal description	
<input type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken		<input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only)	
<input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility		<input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)	
<input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation			
PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Blair Bowman		Telephone Number (248) 348-5600	
Fax Number (248) 347-7720		E-mail Address bbowman@suburbanshowplace.com	
Street Address 46100 Grand River Ave.		City Novi	State MI
		ZIP Code 48374	
<p><i>I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.</i></p> <p><i>I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.</i></p>			
Signature of Authorized Company Officer (no authorized agents)		Title Owner	Date 09/13/2011

PART 4: ASSESSOR RECOMMENDATIONS (assessor of LGU must complete Part 4)			
Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).			
	Taxable Value	State Equalized Value (SEV)	
Land			
Building(s)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.			
<input type="checkbox"/> By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.			
Name of Local Government Body			
Name of Assessor (first and last name)		Telephone Number	
Fax Number		E-mail Address	
<i>I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.</i>			
Assessor's Signature			Date
PART 5: LOCAL GOVERNMENT ACTION (clerk of LGU must complete Part 5)			
Action Taken By LGU (attach a certified copy of the resolution):			
<input type="checkbox"/> Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)			
<input type="checkbox"/> Exemption Denied			
Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code	
PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION (clerk of LGU must complete Part 6)			
Clerk's Name (first and last)		Telephone Number	
Fax Number		E-mail Address	
Mailing Address		City	State
		ZIP Code	
LGU Contact Person for Additional Information		LGU Contact Person Telephone Number	Fax Number
<i>I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.</i>			
Clerk's Signature			Date

The clerk must retain the original application at the local unit and mail one copy of the completed application with attachments to:

State Tax Commission
 P.O. Box 30471
 Lansing, MI 48909

Instructions for Completing Form 4507

Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. Rehabilitation may commence after establishment of the Commercial Rehabilitation District.

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
2. Prepare and attach all documents required under Part 2 of the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
 - b. Description of the qualified facility's proposed use
 - c. Description of the general nature and extent of the rehabilitation to be undertaken
 - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
 - e. Time schedule for undertaking and completing the facility's rehabilitation
 - f. Statement of the economic advantages expected from the exemption
 - g. Legal description of the facility
 - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
3. Qualified Retail Food Establishments:
 - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
 - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
 - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
 - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
 - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.

For assistance in determining the project area's eligibility, visit www.michigan.gov/propertytaxexemptions and click on Commercial Rehabilitation Act.
4. Submit the application and all attachments to the clerk of the LGU where the property is located.

LGU Assessor Instructions

Complete and sign Part 4 of the application.

LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
 - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
 - b. All required attachments listed under Part 2
 - c. A copy of the resolution by the LGU establishing the district
 - d. A certified copy of the resolution by the LGU approving the application
 - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. Submit the completed application to: State Tax Commission, P.O. Box 30471, Lansing, MI 48909

Application Deadline

The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

For guaranteed receipt by the State Tax Commission, send applications and attachments via certified mail.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call (517) 373-2408.



September 30, 2011

Blair M. Bowman, Owner
Suburban Collection Showplace
46100 Grand River Ave.
Novi, MI 48374

Dear Mr. Bowman,

RE: Application for Commercial Rehabilitation Tax Abatement Proposed Hotel and Meeting Facility Expansion, Suburban Collection Showplace

CITY COUNCIL

Mayor
David B. Landry

Mayor Pro Tem
Bob Gatt

Terry K. Margolis

Andrew Mutch

Dave Staudt

Justin Fischer

Wayne Wrobel

City Manager
Clay J. Pearson

City Clerk
Maryanne Cornelius

Economic Development Director
Ara Topouzian

The City of Novi received your application on September 22, 2011 for consideration of creating a Commercial Rehabilitation District under PA210 for a proposed hotel attached to a convention center. We continue to look forward to working with you towards a successful project and addition to your Suburban Collection Showplace. It is one of the keys to Novi and the area’s economic success.

City staff has reviewed your application for completeness in accordance with the City’s recently-adopted policy for abatements under the Act. City Council has developed expectations in that policy for supporting data to be included with submitted applications. Your application requires further information in order to clarify certain provisions under the policy. Additionally, after initial review, the application does not indicate the **specific area of the proposed District by legal description or other visual depiction**. Furthermore, the application does not describe the specific area, by way of legal description, for which an **exemption certificate** will eventually be requested. We request that information be provided as well.

In an effort to provide a comprehensive package to the City Council, the following information is requested in order for the application to be considered complete:

- **Tab 3. Items C. i. and D** contemplate additional information regarding the appearance of the proposed hotel improvements. The policy adopted by the City Council states that the applicant is to provide information establishing that the “project will be of exceptional high quality construction. . . .” It appears that the discussions involve a Hyatt Place hotel. The information provided is minimal and extremely generic given the likely known hotel brand, features, and amenities. Additional information should be provided regarding the architecture, façade, and materials for that sort of building—including, for example, information regarding other similar Hyatt Place hotels, assuming that is the brand.
- **Tab 4. Item F** requests the applicant to provide a specific calculation, based upon the anticipated value of the construction, of the local tax abatement amount. Please provide this information in the form of a numeric analysis. **Item J** asks for

City of Novi
45175 W. Ten Mile Road
Novi, Michigan 48375
248.347.0460
248.347.0577 fax

cityofnovi.org
investnovi.org

any projected increase in the taxable value/personal property tax as relates to the convention center use **only** (i.e., the existing Showplace). Please provide this information. In addition, the text under this **Item J** indicates that there is a possible area for expansion of an additional 120 to 140 rooms. Please specify where that area is on the application.

With regard to **Item K**, the item requests a number reflecting the anticipated real and personal property value to be added to the entire development at the end of the abatement period. Please provide that information in the form requested.

- **Tab 7. Items O and P**, relating to the number and kinds of jobs to be created by the hotel improvement, please provide a list of jobs (by classification for both full and part time positions) directly created by the project corresponding with the anticipated salary and if the positions receive benefits.
- **Tab 9. Items U and V** expect a specific description by the applicant as part of the application (i.e., not by reference to other documents created by the City) of the competition/potential adverse effect on other hotels within the City. This information, along with that required in **Item EE** discussed below, requires a comparison of the proposed hotel with the specific hotels now existing in the City of Novi. Please provide that additional information.
- **Tab 12. Item Z** asks for environmental impact of the project. Please note the provided information regarding “the area of crushed aggregate” is not a permitted material for parking. This has been shared previously with the applicant. Please revise the application accordingly, and discuss with the Community Development Director, Charles Boulard, if necessary.
- **Tab 13.** Under **Item AA**, the information requested contemplates greater detail with regard to architecture, façade materials, and the like. Please provide this additional information in the context of a proposed Hyatt Place building, using other existing Hyatt Place buildings to the extent applicable.
- **Tab 14. Item CC** requires the applicant to “clearly and convincingly demonstrate” that without the exemption certificate, the project would not proceed. Although the City is not at this time requesting a full financial *pro forma*, you have provided essentially no factual information on this item. Please provide sufficient financial detail with regard to the feasibility of the project for the City to determine the amount of the annual tax exemption in comparison to the overall cost of the construction/operation of the facility. Please note that the information can be readily held to be confidential by the City, and exemption from disclosure to anyone other than the City

Council and appropriate City staff.

- **Tab 16. Item EE. i.** requires the applicant include information regarding hotels, at a minimum, those located within the City of Novi. A reference to prior analysis by the City administration is insufficient. Please provide the identifying materials as described in this section.

Items EE. ii. And EE. iii. are not, in the opinion of City staff, sufficiently addressed from an informational standpoint. Information with regard to these items would require, for example, identification of existing hotels within the service area (and specifically Novi) and an analysis as to whether and how the proposed hotel would or would not be a direct competitor to such existing hotels. In the alternative, additional information with regard to "spillover" as contemplated by the applicant is required. The information appended to **Item EE** does not address either the direct competition or the spillover to other hotels.

- **State Application.** The full set of information required in the State application (including legal descriptions for the proposed exempted area) is to be provided at the time of the request for a district. Please include, for example, the legal description of the proposed district and the anticipated area for which you intend to petition for an exemption certificate.

Please review and contact me at your earliest convenience. Ideally, if you provide the additional information to the City Clerk, in writing, by Friday, **October 7, 2011**, then this would allow the administration and City Council adequate time to review the complete application in time for placement on the October 17th agenda for creation of the District. If that district is favorably considered at the meeting on the 17th, then October 26th could be the likely public hearing date for the PA210 application for the exemption certificate.

If you have any questions, please feel free to contact me at 248-347-0583 or atopouzian@cityofnovi.org.

Sincerely,

Ara Topouzian
Economic Development Director

c: Mayor and City Council members
Maryanne Cornelius, City Clerk
Clay J. Pearson, City Manager
Victor Cardenas, Asst. City Manager
Thomas R. Schultz, City Attorney

TBON, L.L.C.

A Michigan Limited Liability Company
46100 Grand River Ave.
Novi, Michigan 48374
Ph: (248) 348-5600 Fax: (248) 347-7720

Owner of



October 7th, 2011

Mr. Ara Topouzian
Economic Development Director
C/O City Clerk
City of Novi
45175 West Ten Mile Road
Novi, Michigan 48375

2011 OCT - 7 P 1:11
CITY OF NOVI
CITY CLERK'S OFFICE

Re: Response to September 30th, 2011 Communication Requesting Additional and Supplemental Information

Dear Ara,

I appreciate receiving your response and review of our application. Within that response you had indicated that the administration feels that in certain instances, additional information is necessary and/or suggested to be submitted. While I very much appreciate your pursuit of additional information, my understanding of the policy is that it establishes criteria that the decision makers will consider the "extent" to which an application qualifies. In that spirit, we have included significant amounts of additional information and at the same time, acknowledge that we may not meet all of the criteria or be able to provide responses to some portions of the application to your full satisfaction. We respectfully contend that our original Application merited consideration and approval and feel that with this supplemental information being delivered to the decision makers along with our original package the need for this modest type of assistance will be clear.

As it relates to your request for a legal description of the district and the exemption certificate area, we have developed and sent a legal description to the City and that description is included immediately following this correspondence. The description meets the minimum area required under the State statute and we would propose that the area established for the exemption certificate itself be one in the same as the district. This approach should be consistent with what we understand the City Administration's position to be as to the size of the district. We truly did not want to assume what the City desired to do as it related to the district's area and did not realize that the development of the description was our responsibility. This should address this initial issue identified in your response.

In further response, we have followed, by item and tab, your correspondence of September 30th, Please consider the following:

Tab 3. Items C.i. & D: As previously indicated we are focusing on a Hyatt Place franchise and brand. After considering multiple brands and types of hotels, the Hyatt Place, in our opinion, represents the highest quality best fit for both our operations and for meeting the requirements of the criteria set forth in the City policy. In addition to those materials previously provided, enclosed with this supplemental package are additional photographs of existing Hyatt Place facilities, examples of interior finishes, rooms and amenities. Additionally, we have provided copies of the façade portion of our previously approved site plan package for a Hyatt Place which was proposed to be located in our South parking area and connected to the Showplace via skywalk. Again, as we previously noted, while the finishes will be substantially similar to those as previously proposed and approved however, a façade waiver will be required.

Tab 4. Items F, J & K:

F: Following, please find our calculation of the local abatement. We have included the table and calculations provided by the City Administration for the ordinance review committee. We still feel that the administration and assessing professionals are the best source to make such an estimate. Our calculations are based upon the estimate of real property improvements being \$8.5 million. We are assuming that the hotel would be complete by 2013. Using the millage rate and other assumptions contained in the City of Novi estimate we have also adjusted the calculation to reflect a six year abatement period.

J: As previously stated, no material change is anticipated in the convention center's real or personal property, with the exception of the potential for the continued decline in the overall real property values that has been experienced over the last three to four years.

Relating to the potential future expansion area, the area was identified on the site plan submitted in the original package. We have highlighted the area for easier reference and included it again.

K: The real property portion of this criteria has been addressed in the previous sections. Personal Property and equipment will be added at the startup of the hotel operations and will be consistent with other hotels of this size and type and is estimated to be in excess of \$1,000,000 dollars depending again on the size and ultimate number of rooms.

Tab 7. Items O & P: Please refer to chart found in the supplemental material.

Tab 9. Items U & V: We had referenced the other information previously developed by the City Administration during the deliberation relating to the establishment of the policy because it was, in our opinion, the best source of this type of information and it already existed and had been previously provided. We have developed a "Google" style map showing the location of hotels in the Novi

area and have included a copy of the table developed for the Ordinance Review Committee.

As it relates to potential negative impact, as we have previously stated our position is that no negative impact will exist. We believe that the evidence provided as it relates to new and substantial demand generation from events that we will attract to the area, will be of great benefit to all the region's businesses including the surrounding hotels. Because they may have been lost in the large volume of information previously provided, we have included again and direct your attention to the significant number of Letters of Interest and Intent contained within this supplemental package.

As it relates to competitive disadvantages and advantages, it in fact is highly arguable that the existing hotels enjoy a significant advantage even if we are successful in obtaining the limited tax abatement being requested. This is due to the fact that most, if not all, of the surrounding hotels were transacted at substantially lower, and in some cases, distressed sale values at some point in their transaction history. This lower cost basis allows these hotels to offer their room inventory at a much lower rate than that of our proposed hotel which will be built at new construction costs. Finally many of the hotels identified on the list enjoy an assessed or taxable value, on a per room basis, that is considerably lower than the estimated value arrived at for our proposed hotel.

As it relates to the differentiation between our proposed project and other hotels within the community, the obvious and major difference is that our hotel will be attached to the convention exposition and conference facility as required by the State Statute. This distinction in and of itself should set this facility and project apart from any other hotel that is located within the city's boundaries or in the region for that matter. In addition, we are proposing to construct an additional eight to ten (8 – 10) meeting rooms which will provide the breakout space necessary to attract the larger conference and convention delegations. Finally, it is worth noting that the Showplace with the attached hotel will be more directly competitive with projects outside of the Novi area, such as The Inn at St. John's. At the core of our proposal is the expectation that we will be more competitive with Lansing, Grand Rapids and other convention centers in the Midwest that have attached lodging facilities. We will be aggressively pursuing these types of events and business currently not considering our area due to the lack of an onsite hotel and adequate meeting space. We will also be pursuing however, much larger convention and trade show business due to the obvious larger exposition space as an added asset at the Suburban Collection Showplace.

Tab 12. Item Z: Please revise our application to remove any reference to the "crushed aggregate" area which is the festival/entertainment area to the immediate East of the Showplace site. It is important to note that this area will be critical in our attracting at least one larger scale event that we are pursuing. I have included

a copy of an e-mail received very recently and we are meeting with the Great Lakes Agricultural Fair Committee to hopefully attract what is a revitalization of The Michigan State Fair. Areas like the festival area will be critical for entertainment and outdoor exhibits and agricultural exhibits. As also previously shared with the administration, we will be seeking to request adjustments to the required parking amounts as we are consistently experiencing that our parking lots, in the vast majority of the events, are “over parked.” We will provide information to show that we have excess spaces even with the inclusion of the hotel and meeting space, and that the remaining available parking will be more than adequate. Our point was, the use of offsite, overflow parking arrangements, certainly from an environmental standpoint is a much more prudent approach ie: using on a rare occasion, this adjacent site versus having to hard-surface a sea of parking that will be used for only a few days out of the year. This is an issue that would be addressed during the site plan process.

Tab 13. Item AA: Please see the included plans and information with regard to similar Hyatt Place projects located in the Supplemental information for Criteria Items C & D.

Tab 14. Item CC: Of all the criteria items, we believe that this one should be the most evident. The lack of feasibility for this type of project is clearly demonstrated by a review of what is common knowledge relating to the overall economic conditions, the hotel and development market in general, and the fact that no other similar style projects are planned or have been built for years within the City. The City can easily review its own public records relating to the distressed values and the transaction history relating to many of the hotels within its borders. Also, the highly publicized liquidations of major hotel projects in Southeastern Michigan are further evidence of the lack of viability for this type of project.

Furthermore, we have provided a statement for the formal public record that we will not proceed with this project if an abatement is not received and we have further indicated that other factors in addition to the abatement are necessary to be accomplished including successful financing arrangements (which will require extraordinary ratios as compared to traditional measures relating to debt to equity) and franchising arrangements. It must be clear and stated again for the record, that it is not a certainty that the project will proceed even if the abatement is granted.

It was (and is) our intention to have representatives from the hotel industry and our potential Franchiser provide a portion of our presentation at the hearing for the establishment of the district. This presentation will provide more detail on the hotel and financing markets that will further cement the “clear demonstration” that the project will not proceed without the grant of the abatement amongst other critical items that need to be accomplished.

Tab 16. Item EE. i., ii. & iii: Please refer to Supplemental response to Criteria Items U & V

State Application: In response to your indication that a completed State Application must be included at the time of the application for the district, I was unable to find that requirement specifically outlined and in fact the State legislation requires that the application not be submitted until after the establishment of the district. It also requires an adopted resolution of the local unit of government establishing the district be included. We have included an updated application form and the description. All other required information for the State Application is contained within the original package and the supplemental package. We will work with the City to finalize a completed application and submit it at the appropriate time once the district has been established.

Finally, we are continuing our petition drive efforts and have been overwhelmed with the amount of positive feedback and support that we have received. To this point, along with the Letters of Support and petition signatures, we have over 300 local businesses, citizens, vendors and customers of the Showplace expressing their support for our project. This emphasizes the importance that the decision makers should consider the benefit to the entire community and while important, not focus solely on the hotels. We would again, like to thank you, the City Administration and the decision makers for their consideration of our request.

Very Truly Yours,



Blair M. Bowman
Owner
Suburban Collection Showplace

PROPOSED HOTEL SITE PROPERTY DESCRIPTION

A PARCEL OF LAND IN THE NORTHEAST 1/4 OF SECTION 16, TOWN 1 NORTH, RANGE 8 EAST, CITY OF NOVI, OAKLAND COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS: COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 16; THENCE ALONG A LINE AS MONUMENTED AND OCCUPIED, S.87°26'37"W. 1135.25 FEET (PREVIOUSLY DESCRIBED AS S.86°56'26"W.); THENCE N.01°45'51"W. 306.73 FEET TO THE POINT OF BEGINNING; THENCE S.88°14'09"W. 270.00 FEET; THENCE N.01°45'51"W. 111.09 FEET TO THE SOUTHEAST CORNER OF THE EXISTING SHOWPLACE BUILDING; THENCE ALONG THE EXISTING EASTERLY SHOWPLACE BUILDING LINE THE FOLLOWING FIVE COURSES: N.01°45'51"W. 30.67 FEET, S.88°14'09"W. 3.77 FEET, N.01°45'51"W. 21.75 FEET, N.88°14'09"E. 3.77 FEET AND N.01°45'51"W. 189.85 FEET TO THE NORTHEAST CORNER OF SAID EXISTING SHOWPLACE BUILDING; THENCE CONTINUING N.01°45'51"W. 195.04 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF I-96 EXPRESSWAY (RIGHT-OF-WAY VARIES); THENCE ALONG SAID I-96 RIGHT-OF-WAY LINE S.74°00'10"E. 283.51 FEET; THENCE S.01°45'51"E. 461.91 FEET TO THE POINT OF BEGINNING. CONTAINING 134,474 SQ. FT. OR 3.087 ACRES AND BEING TOGETHER WITH AND SUBJECT TO EASEMENTS, RESTRICTIONS OR RIGHTS-OF-WAY OF RECORD.

SUBURBAN COLLECTION SHOWPLACE

Petition in Support of an Attached Convention Center Hotel and Expansion of Meeting Space Suburban Collection Showplace Tax Abatement Application: City of Novi

You may have heard of our efforts at the SCS to construct an onsite attached hotel. This onsite hotel will allow us to attract more and larger events, particularly of a convention and conference nature. We are asking the business community to indicate their support for our efforts and acknowledge the positive economic impact that it has had on their operations from the current and past activity at the Showplace and prior to that, at the Novi Expo Center. We are pursuing a tax abatement from the City of Novi and it is our intention to submit this petition(s) as evidence of the support for the passage of that abatement. It is important to make it clear that this will be at no cost to the tax payers, that taxes will not rise or be used to support the project whatsoever; it will simply freeze the level of current taxes and require us to pay all of the school taxes based upon the value of the new hotel.

Business/Person's Name	Print Name & Title	Signature	Date
Suburban Collection Showplace	Elizabeth Szlaga, ^{BOA} ^{MEMBER}		9/16/11
Suburban Collection Showplace	Stephanie Ganesha Nibouch		9/16/11
Historia Told	Kristina Jones		9-16-11
Maggie Aldenberg	Maggie Aldenberg		9-16-11
Jessie Krawinkel	Jessie Krawinkel		9-16-11
Suburban Collection Showplace	Cynthia Kople		9-16-11
Suburban Collection Showplace	Erin Ordling		9/16/11
EPOCH CATERING	Kelli Eberly		9-16-11
EPOCH CATERING	Marian Patterson		9/16/11
EPOCH CATERING	Moneth McLeans		9-16-11
EPOCH CATERING	Ashlan Yareed		9/16/11
EPOCH CATERING	Diamond Kesh		9/16/11
EPOCH CATERING	William A Kemp		9/16/11
EPOCH CATERING	Fernanda Rosa, GM		9/16/2011
Epoch Catering	Susan Foster		9/16/2011
Epoch Catering	Patricia J. ...		9/16/11
Epoch Catering	Wendy Foster, CHEF		9/16/11
Epoch Catering	James St. Germain		9/16/11
Epoch Catering	Denise Hainstall		9/16/11
EPOCH CATERING	SANDY RODRIGUEZ, CHEF		9/16/11
EPOCH CATERING	Josie Cadillo Martinez		9/16/11
EPOCH CATERING	MARY JANE SCOTT		9/16/11
Suburban Collection Showplace	Nikita Corcoran		9-16-11
EPOCH CATERING	JENNIFFER SNOW		9-16-11
Epoch Catering	Matthew Falsetti		9/16/11
EPOCH Catering	Natasa Falsetti		9/16/11
EPOCH Catering	Juan Lopez		9-16-11
SAS Maintenance	Ann Raurin		9-16-11
SAS Maintenance	Jacobs Courtot		9-16-11
SCS	Kelvin Bourgeois		9-16-11
Epoch Catering	Anthony W. Fontana		9-19-11
BOCO ENTERPRISES	Maura Pat St. Pierre Controller		9/19/11
BOCO Enterprises	Tepri Freitag - Event Coordinator		9/19/11
BOCO Enterprises	Andrew Asaro		9/19/11
BOCO Enterprises	Eric Pace		9/19/11
Epoch Catering	Nick Miracle		9/19/11
Shaw's Power Plus	J. Gardella		9/19/11
Shaw's Power Plus	David C. Beeman		9/19/11
ART CRAFT DISPLAY	DAVID C. BEEMAN, Art.G.M.		9-19-11
Art Craft Display	Charles Coleman		9-19-11
Art Craft Display	Aaron Germaine		9-19-11

S SUBURBAN COLLECTION SHOWPLACE

Petition in Support of an Attached Convention Center Hotel and
Expansion of Meeting Space
Suburban Collection Showplace
Tax Abatement Application: City of Novi

Business/Person's Name	Print Name & Title	Signature	Date
Carlos P. Guerra		Carlos P. Guerra	9-19-11
Art Craft	Aaron Duvall	Aaron Duvall	9-19-11
Art Craft	Aaron Sikes	Aaron Sikes	9-19-11
Art Craft	Michelle Wiseman	Michelle Wiseman	9-19-11
Art Craft	REAGAN WARE	Reagan Ware	9-19-11
Art Craft	Buffy Gordon	Buffy Gordon	9-19-11
Art Craft	Jesse Otherton	Jesse Otherton	9-19-11
Art Craft	Charon Kovach	Charon Kovach	9-19-11
Art Craft	Bill Ogilvy	Bill Ogilvy	9/19/11
Art Craft	Justin Wikman	Justin Wikman	9/19/11
Art Craft	CHRIS LEITCH	Chris Leitch	9-19-11
Art Craft	DAVE MOULTY	Dave Moulty	9-19-11
Art Craft	Maureen G. Arnold	Maureen G. Arnold	9-19-11
David Marzouk	David Marzouk	David Marzouk	9-19-11
David Lewis	David Lewis	David Lewis	9/19/11
Lucio Melo Horik	Lucio Melo Horik	Lucio Melo Horik	9/19/11
Francisco Roldan	Francisco Roldan	Francisco Roldan	9/19/11
Rishi K. Talla	Rishi K. Talla	Rishi K. Talla	9-19-11
Poco Enterprises	Adam Bant	Adam Bant	9-19-11
epoch catering	Peter Papa	Peter Papa	9-19-11
Epoch Catering	Ryan Holmes	Ryan Holmes	9-19-11
Art Craft Display	Dana Gould (Gardner)	Dana Gould	9/19/11
Poco Enterprises	Chris Bassman	Chris Bassman	9/19/11
Art Craft	Carl E. Jones Jr	Carl E. Jones Jr	9/19/11
Art Craft Display	Stephen Kaprielian	Stephen Kaprielian	9/19/11
Art Craft Display	Chris Morrison	Chris Morrison	9/19/11
Art Craft Display	Kim Morrison	Kim Morrison	9-19-11
Art Craft Display	Dennis Rosta	Dennis Rosta	9-19-11
Art Craft Display	Carroll Freeman	Carroll Freeman	9/19/11
ARTHUR L. HEARD	SECURITY	Arthur L. Heard	9/20/11
Axiom	T. DRAYTON	T. Drayton	9/20/11
ART KAYS KENTY	ISLAND MOHAWP	Art Kays	9-20-11
Cheryl Lewis	Cheryl Lewis	Cheryl Lewis	9-20-11
Jennifer Duke	Jennifer Duke	Jennifer Duke	9/20/11
Dawn Geiger	Dawn Geiger	Dawn Geiger	9/20/11
James Holcomb	AXIOM	James Holcomb	9/20/11
Matthew S. H.		Matthew S. H.	9/20/11
FRANK ACIARI	FRANK ACIARI	Frank Aciar	9-20-11
STEVE SANDER	STEVE SANDER	Steve Sander	9/20/11
COUNTRY FRESH	CHRISTY WLENYO	Christy Wlenyo	9/20/11
COUNTRY FRESH	Mark Banet	Mark Banet	9-20-11
FRITO-LAY	CHRIS RICHELL	Chris Ricchell	9-20-11
FRITO-LAY	GRAB SZYKAUSKI	Grab Szykauski	9-20-11
FRITO-LAY	Richard Thang	Richard Thang	9-20-11
FRITO-LAY	Phil Sauer	Phil Sauer	9-20-11
FRITO-LAY	Jack Towell	Jack Towell	9-20-11
FRITO-LAY	EMILY SCHAFER	Emily Schaffer	9-20-11
FRITO-LAY	Bob Bayler	Bob Bayler	9-20-11
FRITO-LAY	Bill Bastuba	Bill Bastuba	9-20-11
FRITO-LAY	Mark Kopylov	Mark Kopylov	9-20-11
FRITO-LAY	Greg Ertler	Greg Ertler	9-20-11
FRITO-LAY	Joseph Victor	Joseph Victor	9-20-11

SUBURBAN COLLECTION SHOWPLACE

Petition in Support of an Attached Convention Center Hotel and
Expansion of Meeting Space
Suburban Collection Showplace
Tax Abatement Application: City of Novi

Business/Person's Name	Print Name & Title	Signature	Date
UWS	Sean Burke Sales Rep		9-20-11
DJB GREENS	Matthew Hesano		9-20-11
PRO CANDI CONSULTING	VARON G. GILBERT		9-20-11
ED WEGLARZ	V-P		9-20-11
Jerry Austin	Jerry Austin / Mgr		9/20/11
Cherie Ludwicek	PRM AM MGR		9/20/11
XXXXXXXXXXXX	XXXXXXXXXXXX		9/20/11
John G. G... (unclear)	XXXXXXXXXXXX		9/20/11
John L. Chiado	John L. Chiado		9-20-11
Shawn Hunter	Shawn Hunter		9-20-11
street business!	Janet G... (unclear)		9/20/11
Health Runks	Jennide Howard		9-20-11
	David Sang... (unclear)		9-20-11
	Lindsay Wilson		9-20-11
	Susan Kac... (unclear)		9-20-11
MI Brewing Co	Gene Mezo / Sales		9-20-11
Monstrous M... (unclear)	Kelsie Jensen - Designer		9/20/11
Tubby's	Mel Marchewka / Burg... (unclear)		9/20/11
Tubby's	Margie Uysal / Office Mgr		9-20-11
Complementary Foods	Christina Diercks		9-20-11
Compu... Food	Robert Ann		9-20-11
COMP FOOD	MIKE BARRI		9-20-11
NWS	Cyril Rasmussen / Mgr		9-20-11
Concessionary	James O'Brien		09/20/11
NWS	Adam Carr		9/20/11
NWS	Scott O'Brien		9/20/11
NWS Shelly Kamm	Shelly Kamm / Reg... (unclear)		9/20/11
NWS	Michelle... (unclear)		9/20/11
NWS	BOB GOETZ / MGR		9/20/11
Staky S... Margaritas	Thomas Vaughan		9/20/2011
NWS	Don S... (unclear)		9/20/11
NWS	Don S... (unclear)		9/20/11
Sams... (unclear)	S... (unclear)		9-20-11
Fred Huth	Key Acct Mgr.		9-20-11
	Robert J. Higgins		9-20-11
	Andy G... (unclear)		9-20-11
	G. W... (unclear)		9-20-11
	Andrea Miller		9/20/11
	Jill Odell		9/20/11
	David Schona		9/20/11
	Kevin... (unclear)		9-20-11
	ARMOUR FRENCH MEATS		9/20/11
	David Orlando		9/20/11
	Carol M. D... (unclear)		9-20-11
PRIME FARMS	JOHN T. POLTI		9-20-11
STEWART MEDIA	DEREK DICKOW		9-20-11
AFPP	TAMAR LITZ		9/20/11
AFPP	Carol D. Dec		9/20/11

SUBURBAN COLLECTION SHOWPLACE

Petition in Support of an Attached Convention Center Hotel and Expansion of Meeting Space Suburban Collection Showplace Tax Abatement Application: City of Novi

You may have heard of our efforts at the SCS to construct an onsite attached hotel. This onsite hotel will allow us to attract more and larger events, particularly of a convention and conference nature. We are asking the business community to indicate their support for our efforts and acknowledge the positive economic impact that it has had on their operations from the current and past activity at the Showplace and prior to that, at the Novi Expo Center. We are pursuing a tax abatement from the City of Novi and it is our intention to submit this petition(s) as evidence of the support for the passage of that abatement. It is important to make it clear that this will be at no cost to the tax payers, that taxes will not rise or be used to support the project what-so-ever.; it will simply freeze the level of current taxes and require us to pay all of the school taxes based upon the value of the new hotel.

Business/Person's Name	Print Name & Title	Signature	Date
<u>Suburban Coll SP</u>	<u>Deondray Andrews</u>	<u>[Signature]</u>	<u>Sep 29</u>
	<u>CHRIST BOWMAN</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>LEN HEBERARD</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>DAVID JAMES</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Joe Bareja</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>HELEN WILSON</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>DAVID CONRAD</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Jim Simmons</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Karl Dosty</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>James A Brown</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>David Oswald</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>LUIS ANDERSON</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Scott Lester</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>DR. MARY TIX</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Doug Chamberlain</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>ROD LUNDERSON</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>William Jackson</u>	<u>[Signature]</u>	<u>9-29-2011</u>
	<u>STEVE WILLIAMS</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Adam Harding</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>James Sunny</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Kohal Jan</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Deaver Preston</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Joe Johnson</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>D Jones</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>David Gallagher</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Karen McCann</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Jon Tjian</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Melinda Bore</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Teri Wojcikowski</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Chae Lic Leadle</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Vicki Taylor</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Tiffany Carey</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Michelle Mellon</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Bill Pauls</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Bill Rich</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>DIANE ANDREWS</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>STEVEN R. STRATTNER</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Kenay O. Schulte</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Bryan Buechel</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Matt Kunkel</u>	<u>[Signature]</u>	<u>9-29-11</u>
	<u>Tyler Gerard Sales Rep.</u>	<u>[Signature]</u>	<u>9/29/11</u>
	<u>Stephan Walker</u>	<u>[Signature]</u>	<u>9/29/11</u>

19 SUBURBAN COLLECTION SHOWPLACE

Petition in Support of an Attached Convention Center Hotel and
Expansion of Meeting Space
Suburban Collection Showplace
Tax Abatement Application: City of Novi

Business/Person's Name	Print Name & Title	Signature	Date
Pen-Tech Mfg.	Calis Spier		9/29/11
Beaver Creek	Ken Kennedy		9/29/11
MGIA	Karla Troso		9/29/11
PEGASUS	ANTONIO DIAZ		9/29/11
VJSSO CRAFT	KATHY BOWMAN		9/29/11
WESTLAND Campers	LUCY CORTEZ		9/29/11
	Alexandria Rodriguez		9/29/11
	Ashley Kolongowski		9/29/11
	Wendy Camps		9-29-11
	SAM Kelle		9-29-11
	SHAY YOUNG		9-29-11
	WHADE YOUNG		9-30-11
	Clenn Conkeld		9-30-11
	Earl Cantich		10-3-11
	David Sowers		10/3/11
	David Ballot		10-3-11
	David Kachub		10/3/11
	Trene Kuchelle		10/3/11
	Mick Coates		10/3/11
	WILLIAM SHEFFER		10/3/11
	SEAN GILLIGAN		10/4/11
G-3	Pat Egan		10/4/11
G-2	LANCE MINK		10-4-11
G-5	Dan Mackinnon		10-4-11
G-7	James Hutchison		10-4-11
	Tom Kaster		10-4-11
	Christa Neveau		10-4-11
	ANITA EVANOVER		10-5-11
	John D VANOVER		10-5-11
	Marie Dwyer		10-5-11
	Walter RU		10-5-11
	DAVID WELLS		10-5-11
	Sean Nemczyk		10-5-11
	BRAD BONE		10-5-11
	Daniel Hilbert		10-5-11
American CV	Jon Krentman		10-5-11
"	Dil Biker		10-5-11
	Joshua Hinman		10-5-11
W.B. Draper	W.B. Draper		10-5-11
General RI	Bob Brown		10-5-11
General RV	Bob Brown		10-5-11
General RC	Bob Brown		10-5-11
General RV	Bob Brown		10-5-11
General RV	John W. Lott		10-5-11
	Steve Bulore		10-5-11
	Jan Czarniak		10-5-11
	Nick Swabs		10-5-11
	Elizabeth Tamer		10-5-11
	Joe Suring		10-5-11
General RV	David J. Suring		10-5-11
General RV	Michael Montroy		10-5-11
	John		10/5/11

Supplemental Material for Criteria Items C & D





HYATT PLACE

















Kevin Schramm
Vice President of Development
71 S. Wacker Dr.
12th Floor
Chicago, IL 60606

September 26, 2011

Mr. Blair Bowman
Suburban Collection Showplace
46100 Grand River Ave.
Novi, MI 48374

Dear Blair:

RE: Proposed Hyatt Place Hotel – Novi, MI

Dear Blair:

I'm writing to express the Hyatt Corporation's interest in the development opportunity you are proposing in Novi, MI. We are familiar with the market and welcome the opportunity to be a part of this project. Hyatt has historically been very successful in convention center locations. In this instance, our Hyatt Place concept best suits the lodging demand created by The Suburban Collection Showplace.

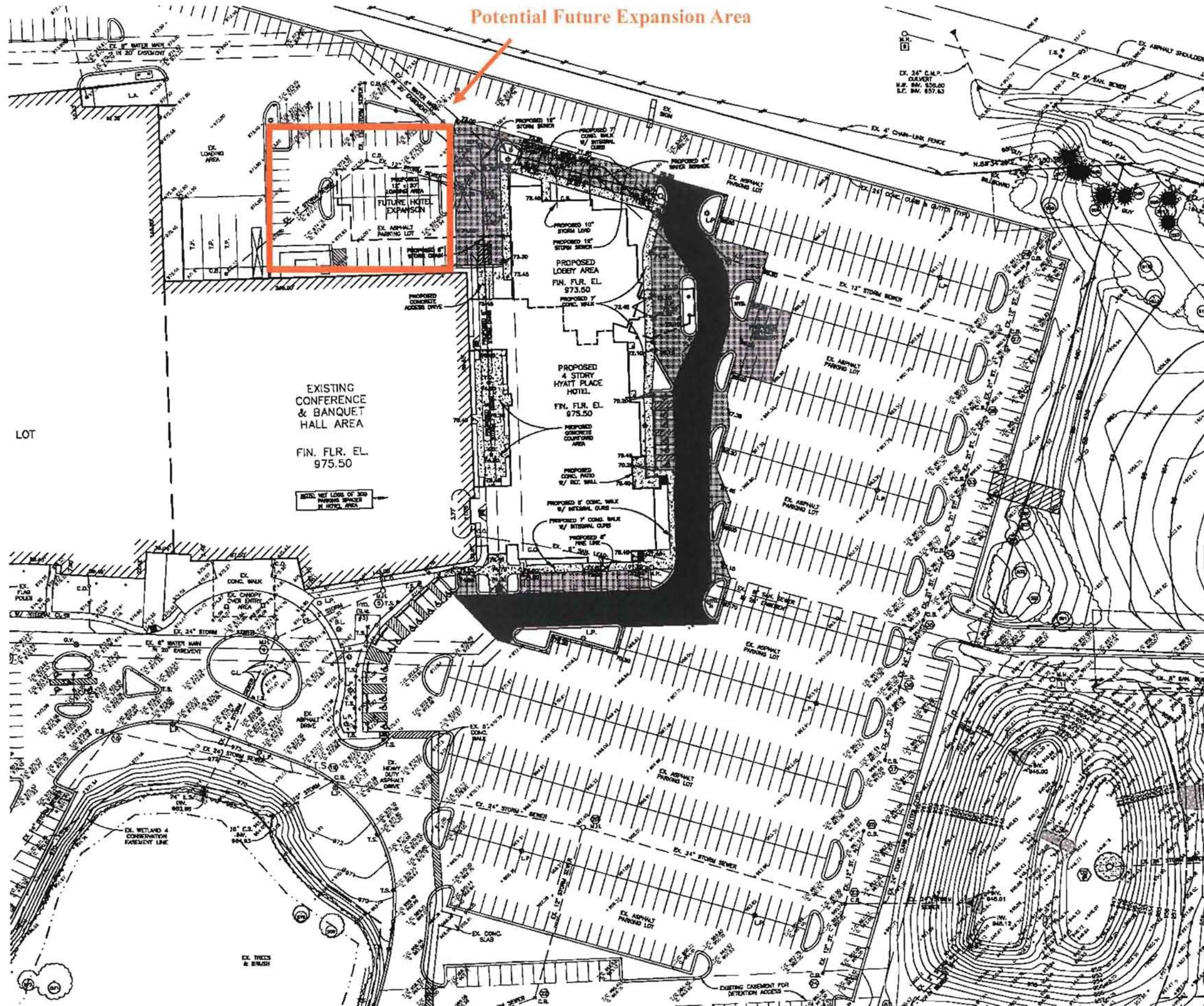
Hyatt Place is a new kind of hotel that puts style, innovation and The Hyatt Touch® within everyone's reach. Our guests will enjoy a spacious guestroom with a 42" flat-panel HDTV, our signature Hyatt Grand Bed™, a plush Cozy Corner oversized sofa-sleeper that is separated from the sleeping area, and complimentary high-speed Wi-Fi internet access throughout the hotel.

Guests at Hyatt Place may purchase signature hot breakfast entrées along with Starbucks® specialty coffees or enjoy a free continental breakfast. Hyatt Place also offers a variety of freshly prepared, café quality items, including made-to-order entrées, sandwiches, soups, salads and pizza which guests can order 24 hours a day, seven days a week via a touch screen menu in the Guest Kitchen or from the Gallery Host.

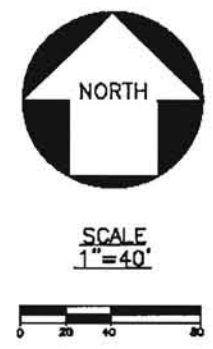
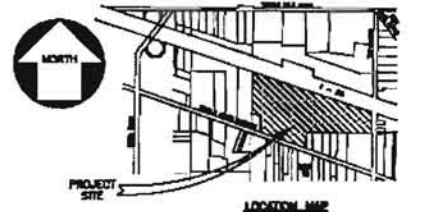
The Hyatt Place Hotel will be an ideal solution for the lodging needs of those visiting Novi, MI. The Hyatt Reservation System contributes approximately 70% of the overall business to our Hyatt Place hotels. The lack of representation of Hyatt products in Novi, plentiful demand generators in close proximity to this site, and connectivity to The Suburban Collection Showplace has us very excited about this opportunity. I have great confidence in your ability to deliver a high quality development as you've demonstrated in other locations.

Sincerely,

Kevin Schramm
Vice President of Development
Hyatt Corporation



Potential Future Expansion Area



LEGEND

—	EXISTING ELEVATION
—	PROPOSED ELEVATION (ADD 500 FEET)
—	EXISTING CONTOUR (ADD 500 FEET)
—	PROPOSED CONTOUR (ADD 500 FEET)
—	EXISTING TREE TAG NO.
—	UTILITY POLE
—	RAY MARK
—	TRAFFIC SIGN
—	FIRE HYDRANT
—	WIRE MARK
—	CATCH BASIN
—	MANHOLE
—	LIGHT POLE
—	FOUND BRANCH
—	FOUND IRON
—	SET IRON
—	GROUND LIGHT
—	BLAMP POST
—	TRAFFIC SIGNAL POLE
—	TRUCK PARKING AREA
—	LOADING AREA

LOT

EXISTING
CONFERENCE
& BANQUET
HALL AREA

FIN. FLR. EL.
975.50

NOTE: NET LOSS OF 300
PARKING SPACES IN HOTEL AREA

PROPOSED
4 STORY
HYATT PLACE
HOTEL

FIN. FLR. EL.
975.50

PROPOSED HOTEL AT THE
SUBURBAN COLLECTION SHOWPLACE
IN SECTION 18
OAKLAND COUNTY

PRELIMINARY SITE ENGINEERING PLAN
Environmental engineers, Inc.
18620 WEST TEN MILE ROAD SOUTHFIELD, MICHIGAN 48075
PHONE: 248/424-6510 FAX: 248/424-2854

PROJECT No. 1104
DATE ISSUED 03/25/11
PAGE No. C-2

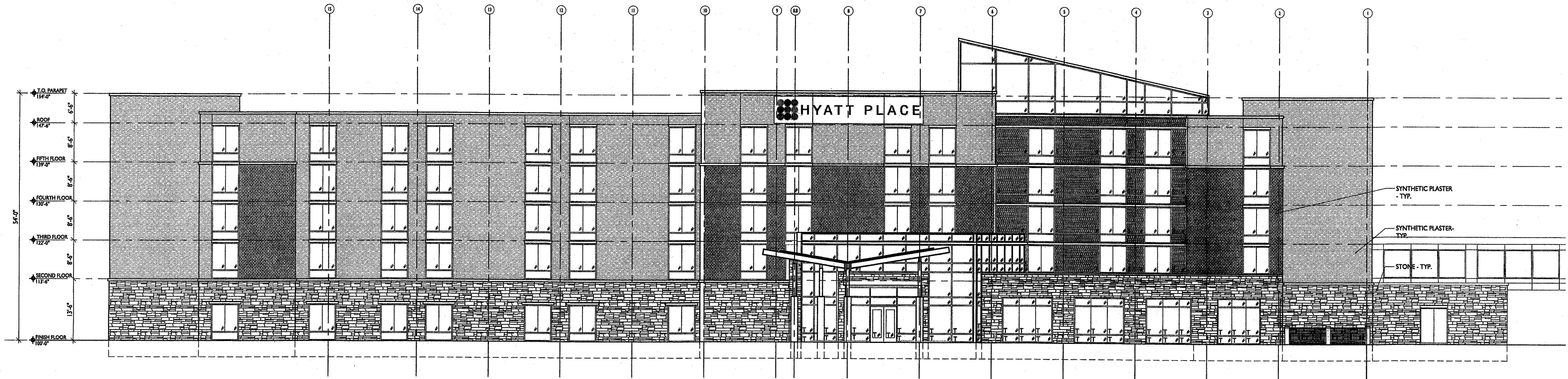
CLIENT: TITAN HOTEL DEVELOPMENT, L.L.C.
48100 GRAND RIVER AVE.
NORV, MICHIGAN 48373
PHONE: 248/348-5800

REVISIONS:
REVISED 04/05/11 - PER CLIENT
REVISED 04/18/11 - PER CLIENT
REVISED 04/26/11 - PER CLIENT

CITY OF NCM

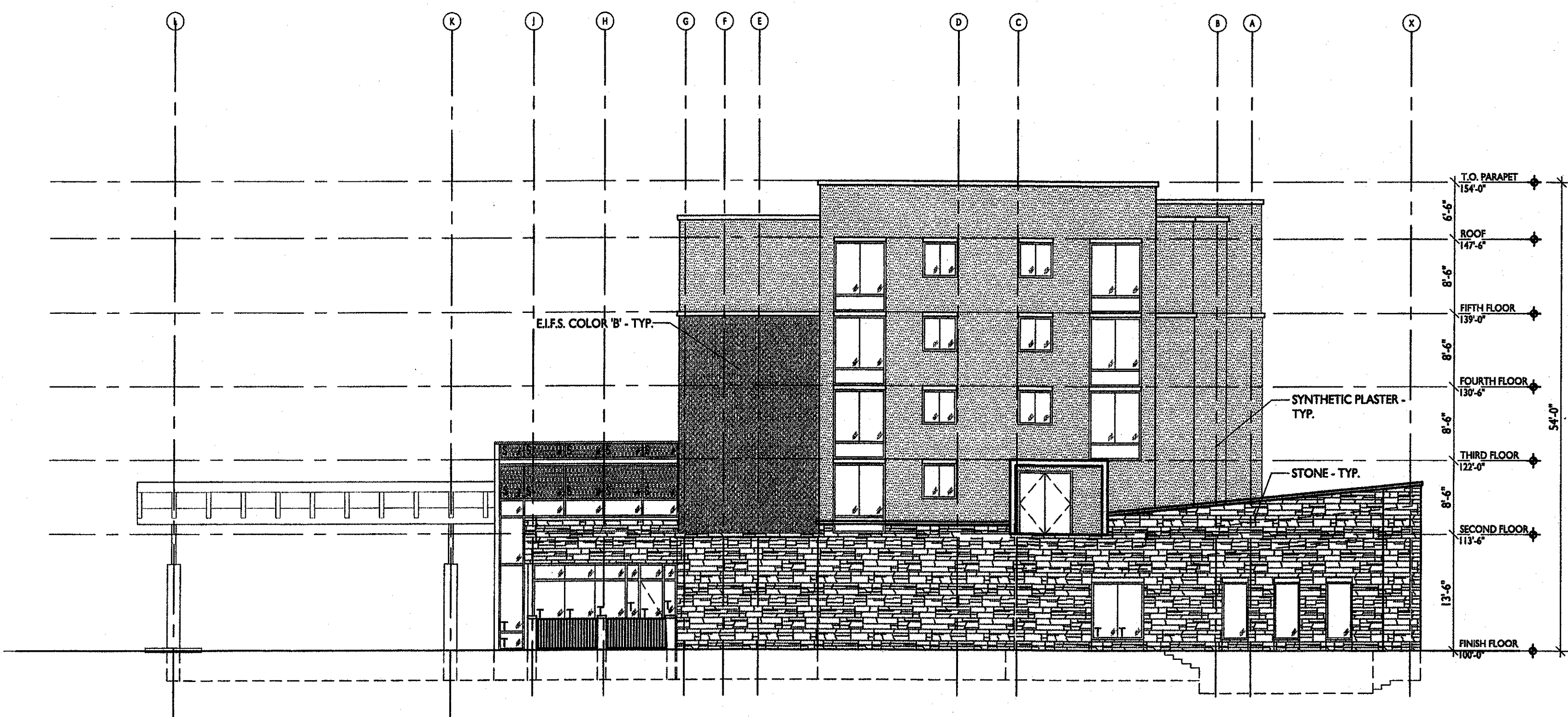
MICHIGAN





ENTRY ELEVATION(SOUTH)

SCALE: $\frac{1}{8}'' = 1'-0''$



EAST ELEVATION

SCALE: $\frac{1}{8}'' = 1'-0''$

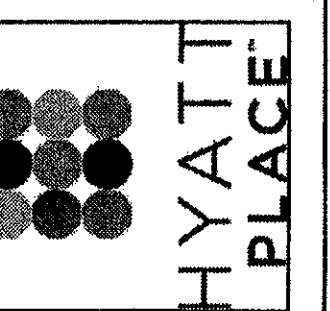
Hyatt	Front		East		Rear		West		Total	
	Mat'l	Mat'l	Mat'l	Mat'l	Mat'l	Mat'l	Mat'l	Mat'l	Mat'l	Mat'l
	(SF)	%	(SF)	%	(SF)	%	(SF)	%	(SF)	%
Glass	5949.2	42%	1137.7	25%	3729.8	27%	1084.8	24%	11902	32%
Synthetic Plaster	4932.7	35%	1987	44%	1778.9	48%	2042.5	45%	15739	43%
Stone	2780	20%	1279	28%	3037.5	22%	1334.5	29%	8440	23%
Cast Stone	164	1%	28.9	1%	185	1%	49.4	1%	427.3	1%
Metal Coping	166.8	1%	40.4	1%	166.4	1%	41	1%	414.6	1%
Metal Doors	0	0%	73	2%	104	1%	0	0%	177	0%
Total Elevation (SF)	13902		4546		14000		4552		37000	

MATERIALS CALCULATION

BOWERSPREIN
Achieving your vision™

2400 South Huron Parkway + Ann Arbor, MI 48104
t: 734.975.2400 + f: 734.975.2410
www.bowersprein.com

Consultant + Name



Project + Information
HYATT PLACE

GRAND RIVER AVE
NOVI, MICHIGAN 48374

Project + Number

08-201

Issue + Date

5 JUNE 2008 SUBMITTAL

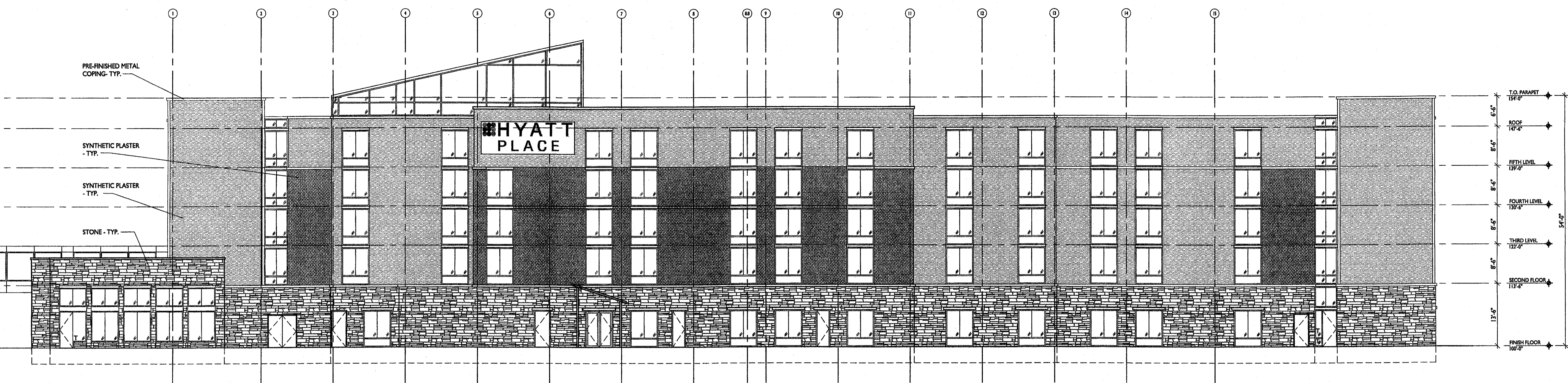
Sheet + Title

EXTERIOR ELEVATIONS

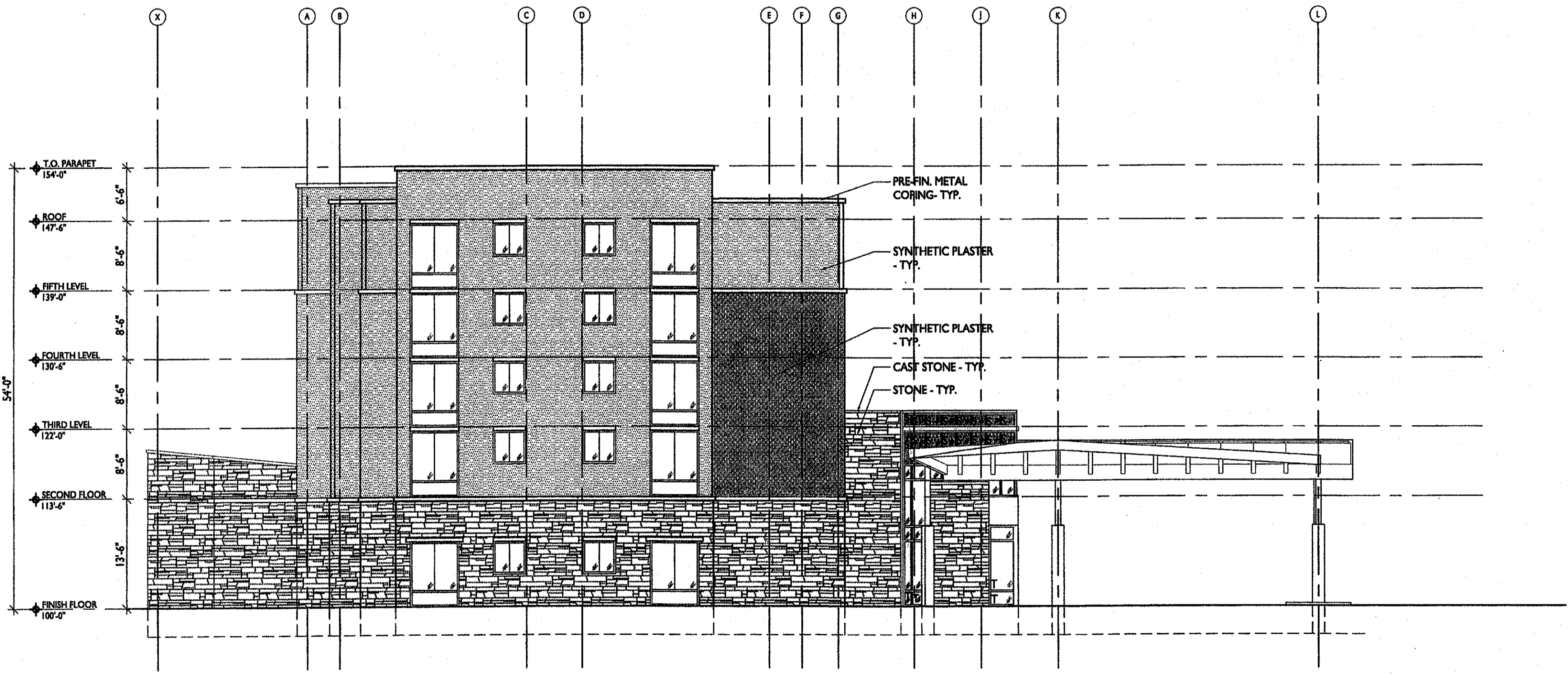
8201a500.dwg

Sheet + Number

A5.00



NORTH ELEVATION
SCALE: $\frac{1}{4}'' = 1'-0''$



WEST ELEVATION
SCALE: $\frac{1}{4}'' = 1'-0''$

BOWERSREIN
Achieving your vision.
2400 South Huron Parkway • Ann Arbor, MI 48104
T: 734.975.2400 • F: 734.975.2410
www.bowersrein.com

Consultant + Name

Project + Information
HYATT PLACE
GRAND RIVER AVE.
NOVI, MICHIGAN 48374

Project + Number
08-201

Issue + Date
5 JUNE 2008 SUBMITTAL

Sheet + Title
ELEVATIONS
8201a500.dwg

Sheet + Number
A5.01

© copyright 2007 Bowers + Rein Associates, Inc.

Supplemental Material for Criteria Item F

Portion of Taxes Abated by the City of Novi

Year	Amount
1 (2013)	\$41,972.70
2 (2014)	\$41,972.70
3 (2015)	\$41,972.70
4 (2016)	\$41,972.70
5 (2017)	\$41,972.70
6 (2018)	\$41,972.70
Total	\$251,836.20

These numbers are based off the assumptions contained in the city calculations chart provided to the Ordinance Review Committee meeting package on August 3rd, 2011. A copy of these calculations is attached.

PA210 Commercial Rehab Estimate

Suburban Collection Showcase - Hotel Construction

PA 210 Commercial Rehabilitation Estimate

Land (Taxable Value):	\$ -
Building (Taxable Value):	
Planned Investment:	\$ 8,500,000

Estimated Savings with PA210
\$ 1,138,916

TOTAL Millage Rate:	52.6043
Local School Op & SET Mills*:	24.0000
Other Mills:	28.6043

* These are the ONLY mills applied to the investment under PA210:



InvestorCity.org

Year	Frozen Taxable Value Building ONLY	ALL Taxable Values **			Estimated Taxes with PA210				Estimated Taxes with No Incentives
		Land	Building	Improvements	Land Taxes	Frozen Taxes	PA210	Total Tax	
1 2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 2012	\$ -	\$ -	\$ -	\$ 4,250,000	\$ -	\$ -	\$ 102,000	\$ 102,000	\$ 223,568
3 2013	\$ -	\$ -	\$ -	\$ 4,292,500	\$ -	\$ -	\$ 103,020	\$ 103,020	\$ 225,804
4 2014	\$ -	\$ -	\$ -	\$ 4,335,425	\$ -	\$ -	\$ 104,050	\$ 104,050	\$ 228,062
5 2015	\$ -	\$ -	\$ -	\$ 4,378,779	\$ -	\$ -	\$ 105,091	\$ 105,091	\$ 230,343
6 2016	\$ -	\$ -	\$ -	\$ 4,422,567	\$ -	\$ -	\$ 106,142	\$ 106,142	\$ 232,646
7 2017	\$ -	\$ -	\$ -	\$ 4,466,793	\$ -	\$ -	\$ 107,203	\$ 107,203	\$ 234,973
8 2018	\$ -	\$ -	\$ -	\$ 4,511,461	\$ -	\$ -	\$ 108,275	\$ 108,275	\$ 237,322
9 2019	\$ -	\$ -	\$ -	\$ 4,556,575	\$ -	\$ -	\$ 109,358	\$ 109,358	\$ 239,695
10 2020	\$ -	\$ -	\$ -	\$ 4,602,141	\$ -	\$ -	\$ 110,451	\$ 110,451	\$ 242,092
Total:					\$ -	\$ -	\$ 955,590	\$ 955,590	\$ 2,094,505

** Values are increased a conservative 1% annually.

These tax estimates represent general approximations, and are not meant as precise projections of tax liability. These estimates do not have the force of law, nor should they be construed as an incentive offer from the City of Novi. Further consultation with a private tax attorney and/or a certified public accountant is highly recommended to firms considering location or expansion in Novi, Michigan.

Supplemental Material for Criteria Items O & P

Job Creation Estimate

<u>Hotel Development:</u>	<u>Number of Jobs:</u>
Construction:	400*
Full-Time	12
4 Administrative:	
Manger (\$75,000-\$95,000 including benefits per year)	
Assistant Manger (\$40,000-\$60,000 including benefits per year)	
Executive House Keeper (\$38,000-\$45,000 per year)	
Desk Supervisor (#38,000- \$45000 per year without benefits)	
8 House Keeping/Maintenance (\$20,000-\$30,000 per year without benefits)	
Part-Time	15
(Average salary of \$2 an hour above minimum wage without benefits)	
<u>Additional Showplace/Support Operations if the hotel is constructed:</u>	200
Peak Temporary Operation Jobs	
Combination of Hotel and Show/Event staff	
(Average salary of \$2 an hour above minimum wage)	
Service/Set-Up Personnel	45
Average \$10-\$12 dollars an hour without benefits	
Average of 40+/- during regular seasons	
Administrative Full-time	4
(\$30,000-\$45,000) with benefits)	
Full-Time Job Equivalentents due to Additional Economic Impact	700+/-**

* See attached letter provided by Cunningham-Limp.

** Based upon formulas utilized in the Michigan Consultant's Economic Impact Study



September 20, 2011

Mr. Blair Bowman
President
Suburban Collection Showplace
46100 Grand River
Novi, MI 48374

SENT ELECTRONICALLY

RE: Proposed Hotel Project, Novi, Michigan


Dear Blair,

With respect to the proposed construction of a new hotel at the Suburban Collection Showplace, we are proud and happy to have been selected as the builder for this project. As a supporter of the City of Novi in light of over 2,000,000 square feet of construction we have directed in Novi, we are very excited and fully supportive of the project moving forward, particularly because of the economic impact it will have to Novi and surrounding local communities.

With specific respect to this project, the generation of jobs during the construction of the hotel will be significant. Based on our past history and the economic development tools we have at our disposal, over 400 construction-related jobs will be the direct result of this project in the coming year. This does not take into consideration secondary jobs that will be created, or the economic value of these workers enjoying Novi's restaurants and retail establishments while the project is underway, not to mention the thousands of hotel patrons that will experience the benefits of Novi as well.

Blair, please let me know personally how I can help you demonstrate the positive economic result this project will have to Novi and surrounding communities. It will be impactful.

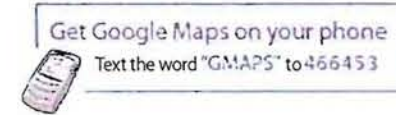
Sincerely,
CUNNINGHAM-LIMP COMPANY


Samuel J. Ashley, Jr.
Vice President, Pre-Construction Services

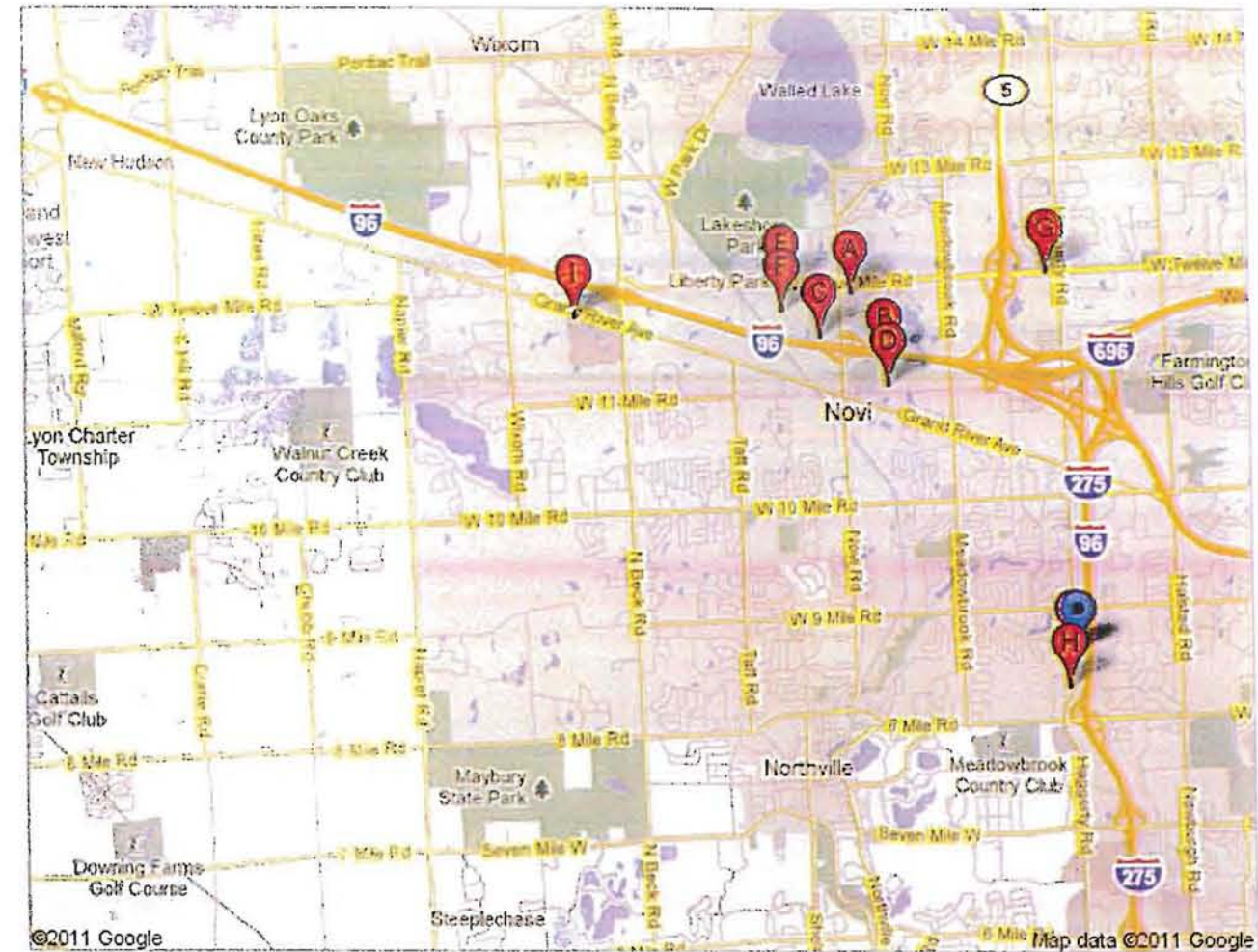
Supplemental Material for Criteria Items U & V



hotels near Novi, Oakland, Michigan



- A. **The Baronette Renaissance Detroit-Novi Hotel**
27790 Novi Road, Novi, MI
(248) 349-7800
2 reviews
- B. **Doubletree Hotel Detroit/Novi**
42100 Crescent Boulevard, Novi, MI
(248) 344-8800
3 reviews
- C. **Crowne Plaza Hotel Detroit- Novi**
27000 Sheraton Drive, Novi, MI
(248) 348-5000
8 reviews
- D. **Courtyard Detroit Novi**
42700 West 11 Mile Road, Novi, MI
(248) 380-1234
2 reviews
- E. **Residence Inn Detroit Novi**
27477 Cabaret Drive, Novi, MI
(248) 735-7400
3 reviews
- F. **Hilton Garden Inn Detroit/Novi**
27355 Cabaret Drive, Novi, MI
(248) 348-3840
5 reviews
- G. **Holiday Inn Express Hotel & Suites Novi**
39675 Twelve Mile Road, Novi, MI
(248) 344-8204
3 reviews
- H. **Sheraton Detroit Novi Hotel**
21111 Haggerty Road, Novi, MI
(248) 349-4000
1 review
- I. **Staybridge Suites Hotel Novi - IHG Priority Club Points!**
27000 Providence Parkway, Novi, MI
(248) 349-4600
2 reviews
- J. **Country Inn & Suites By Carlson Novi**
21625 Haggerty Road, Novi, MI
(248) 596-9800
7 reviews



Novi Hotel Census

Hotel Name	Location	# of Rooms	Meeting Space?	Meeting Space Size	Monthly/Yearly Occupancy Rate	Revenue (Up/Down)
				Largest - 8,778 sq. ft.; Smallest - 468 sq.		
Sheraton Novi	21111 Haggerty Road	239	Yes; 17 meeting spaces		ft. message	
Crowne Plaza Novi	27000 Sheraton Drive	218	Yes; 9 meeting spaces	12,000 + sq. ft.	message	
The Baronette Renaissance	27790 Novi Road	155			message	
Courtyard by Marriott	42700 West 11 Mile Road	122	Yes; 1 meeting room	637 sq. ft.	~70%	Relatively Same
Exented Stay Deluxe	39640 Orchard Hill Place	86			message	
Extended StayAmerica	21555 Haggerty Road	125			message	
Hampton Inn	20600 Haggerty Road	105	Yes; 1 meeting room	1,100 sq. ft.	~mid-80%	Up. Marginally
Hilton Garden Inn	27355 Cabaret Drive	140	Yes; 4 meting rooms, 1 ballroom	~2,000 sq. ft.	message	
Holiday Inn Express	39675 Twelve Mile Road	92	Yes; 1 meeting room	1,092 sq. ft.	message	
Staybridge Suites	27000 Providence Parkway,	108	Yes; 1 boardroom	126 sq. ft.	message	
DoubleTree	42100 Crescent Boulevard	148	Yes; 5 independent "salons"	3,075 sq. ft.	message; out of office until 8/1/11	
Residence Inn	27477 Cabaret Drive	107	Yes; 1 meeting room	280 sq. ft.	message	
Country Inn & Suites	21625 Haggerty Road	100	Yes; 1 meeting room	~600 sq. ft.	message	
TownePlace Suites	42600 Eleven Mile Road	95	Yes; 1 meeting room	0 sq. ft.	message	

Potential Hotel Room Nights
updated 8/2/11

Name of Group	# of events per year	# of rooms per night(maxed at our full occupancy for group)	Will use more RN's in area	Potential Annual RN's
MI School Business Officials	2	120	X	720
MI Assn of CPA's	1	120	X	360
MI Assn of CPA's	3	40		360
MI Assn of CPA's	100	10		1,000
MI Dental Assn	1	120	X	380
MI Dental Assn	3	25		150
MI Safety Council	1	120	X	380
MI Assn of Home Builders	3	15		45
Michigan Works!	1	120	X	260
MI Department of Education	3	50		150
MI Elementary & Middle School Principals Assn	1	120	X	380
MI Concrete Paving Assn	1	40		80
MSAE Diamond Awards	1	25		25
MI Assn of Fairs and Exhibitions	1	120		360
GM Dealer Auto Breakfast	1	120		120
MI Assn of Chiropractors	1	120	X	400
The League of Michigan	1	20		40
MI Assn of Commercial Dental Labs	5	30		300
Joe Cornell Entertainment	10	10		120
MI Nonprofit Assn	1	75		125
Family Reunions	5	25		200
Car Club Conventions	3	40		400
Military Reunions	2	30		180
Religious Retreats/Conferences	4	50		300
Corporate Training	7	30		540
Michigan State Troopers Association	4	120		870
MMPOA- Michigan Public Purchasing Officers Association	3	90		130
Detroit Metropolitan Association	2	20		40
MSAE- Michigan Society of Association Executives	4	120	X	780
SAE- International Society of Automotive Engineers	1	120	X	320
Michigan Credit Union League	7	120	X	3020
Michigan Association of Public Employee Retirement Systems	3	120	X	2280
MASA- Michigan Association of School Administration	6	120	X	2790
Michigan Association of Chiefs of Police	2	120	X	780
Michigan Association of Non-Public Schools	1	120	X	1030
Michigan Association of Community Mental Health Boards	100	120		880
Michigan Association of School Boards	15	120	X	3080
Michigan Association of Chiropractors	3	120		440
Michigan Association for Computer Users In Learning	4	120	X	1360
MAIFA- Michigan Association of Insurance and Financial Advisors	1	50		85

National Association for College Admissions Counseling	1	20		40
Original Equipment Suppliers Association	4	120	x	120
American Philatelic Society	2	120	X	1720
Michigan Reading Association	8	120	X	1980
Michigan Association of Insurance Agents	5	120	X	620
Michigan Association for the Education of Young Children	12	120	X	3760
Michigan Association of Commercial Dental Laboratories, Inc	2	30		60
MIEM-Michigan Institute for Educational Management	2	80		160
Michigan Association of Nurse Anesthetists	2	85		100

Totals

356

4010

28055



SAE Automotive Headquarters
755 W. Big Beaver Road, Suite 1600
Troy, MI 48084-4903 USA

Phone: (248) 273-2455
Fax: (248) 273-2494
www.sae.org

September 20, 2011

Ms. Mary Jane Scott
Suburban Collection Showplace
46100 Grand River Ave.
Novi, MI 48374

Dear Mary Jane,

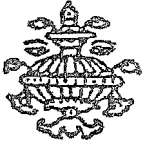
I am pleased to learn that the Suburban Collection Showplace is moving plans forward to build an attached hotel. Novi has always been an attractive area to us for holding our events because of the easy access to major freeways and the many restaurants, retail and nightlife offerings in the City. Over the years, SAE International has submitted many RFP's for our technical engineering events. Your location has been eliminated because there was not enough break out space and/or there was the need for onsite guest rooms. By building an attached hotel with additional break out space, your location becomes more suitable for the numerous meetings, conferences and symposiums that SAE holds in the Southeastern Michigan area, the State and the region.

Please keep me up to date as to the progress of the hotel so I may keep my staff members informed to include the Suburban Collection Showplace in future RFP distributions.

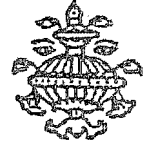
Sincerely,

A handwritten signature in black ink that reads "Patti Kreh". The signature is written in a cursive style with a large, prominent "P" and "K".

Patti Kreh
Business Unit Leader
Engineering Events Development & Management
SAE International



Jain Society of Greater Detroit, Inc.



29278 W. 12 Mile Road,
Farmington Hills, MI 48334-4108
(248) 851-JAIN (5246)

Tax ID: 38-2368360

A NON-PROFIT TAX EXEMPT (501-C3) RELIGIOUS ORGANIZATION

www.jain-temple.org

September 16, 2011

Courtney Teeple
Catering & Event Sales Manager
Suburban Collection Showplace
46100 Grand River Ave
Novi, MI 48374

Dear Courtney,

We are very excited to hear that plans are moving forward to build an attached hotel at the Suburban Collection Showplace. We are working hard to bring the 2013 JAINA National Convention to Michigan and to hold the event in the Suburban Collection Showplace.

As we discussed, the National JAINA Committee has indicated to us that having a hotel attached to the Convention Center is a big plus in selecting the convention site.

If the National Committee doesn't select Michigan for 2013, we know that having the hotel added will be the missing piece to your venue and for our success in booking the future JAINA Convention.

Please let us know what the projected completion date will be for adding the hotel so we can look at the calendar for the next available opportunity to host the national convention.

Please contact us if we can provide any additional information.

Sincerely,

Rajendra Modi
Chairman
Board of Trustees
Jain Society of Greater Detroit

September 20th, 2011

Blair Bowman
46100 Grand River Ave.
Novi, Michigan 48374

**Re: 1. Current Use of Showplace and Diamond Center
2. Support for Hotel and Meeting Facility Expansion**

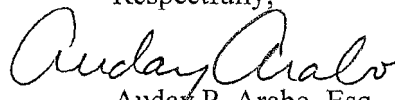
Dear Blair and Staff,

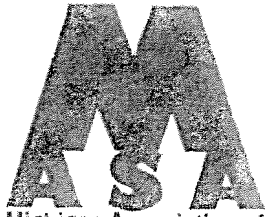
As you know AFPD currently utilizes your facilities for several events throughout the year. Particularly, during these challenging times the production of successful events are a critical component to the overall economic success of our association and its members. For our trade show events, and annual dinner we literally have thousands of vendors travel from in and out of state and hundreds of workers who are required to service these events and the sales activity generated thereafter.

The addition of an onsite hotel and expanded meeting facilities would allow us to potentially expand our events, the usage of your facilities, and the economic impact generated from these functions. While we currently host events many of those who attend chose not to stay for multiple days and we believe that we would be able to attract larger amounts of both attendees and participants from longer range with the addition of an onsite headquarter hotel.

We will watch your progress with interest and again wish to voice our strong support for any assistance the City of Novi can provide in your endeavors.

Respectfully,


Auday P. Arabo, Esq.
President & CEO



Michigan Association of
School Administrators

2010-2011
EXECUTIVE BOARD

President

T.C. Wallace, Jr.
Lansing School District

President-Elect

Marsha Wells
Portage Public Schools

Past President

Thomas Langdon
Big Rapids Public Schools

Director

Dave Campbell
Olivet Community Schools

Director

Peter Dion
Novi Community Schools

Director

John Searles
Merrill Community Schools

Director

Mary Vratanina
Cheboygan-Otsego-Presque Isle
ESD

Executive Director

William H. Mayes

The mission of MASA is
to develop leadership and
unity within
its membership to
achieve the continuous
improvement of public
education in Michigan.

*Your Success,
Our Passion*

1001 Centennial Way, Suite 300
Lansing, MI 48917-9279

Phone: 517-327-5910
Fax: 517-327-0779
www.gomasa.org

MICHIGAN ASSOCIATION of SCHOOL ADMINISTRATORS

May 16, 2011

Erin Oding
Sales Manager

Diamond Banquet Center
Suburban Collection Showplace
46100 Grand River
Novi, MI. 48374

Dear Erin:

Thank you for being part of the Familiarization Tour that I took with the Detroit Convention and Visitor Bureau. It was great to tour your facility once again. I was extremely excited to hear that you are contemplating building an attached Hotel. Our Executive Board is always looking for new locations for our Annual Conference but won't even consider a facility that does not have an attached hotel.

Please keep me updated on any progress your venue makes in this matter.

Sincerely,

Diane L. Dick, CMP, CMS

MASA & MIEM Conference and Event Planner



April 17, 2011

Courtney Teeple
Catering & Event Sales Manager
Diamond Center at Suburban Collection Showplace
46100 Grand River
Novi, MI 48374

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order to bring our Spring Conference to your location. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

A handwritten signature in black ink that reads 'Kari Pardoe'. The signature is written in a cursive, flowing style.

Kari Pardoe
Director

From: Rebecca Schlussek [mailto:becca@joecornell.com]
Sent: Wednesday, April 13, 2011 10:20 AM
To: courtney
Subject: The Suburban Collection Hotel!

Hi Courtney,

As you are well aware, we love working with you and the Suburban Showplace. Our clients are always treated top notch...and they always rave about YOU, your service and the venue!

It is so easy to send a new client your way. They are always in awe of the amazing facility.

A hotel on the Suburban Campus could ONLY add to its already amazing features.

Bar and bat mitzvah client's typically have another gathering for "out of towners" during the weekend's festivities. Whether its a Friday night dinner or a Sunday AM brunch, families are always searching for venues to have these functions in places that make it easy on their guests from out of town.

By having a hotel on your grounds. You have helped the social client two fold. Now they have a place for their guests to "stay" and they have a place to use as their home base for the weekend to "entertain". I say that's a WIN for both you and the customer!

Keep us in the know...we would love to scream the news if the hotel is a go!

Becca

--

Rebecca Schlussek
Vice President
Joe Cornell Entertainment
www.joecornell.com



<http://www.facebook.com/JoeCornellEntertainment>

Planning a party?
Visit www.PlanItMagazine.com

Hi Mary Jane, Here you go. Please let me know you received this.

Thanks, Jean

From: Jean Jernigan, CMP
Sent: Thursday, April 21, 2011 3:54 PM
To: Peggy Dzierzawski
Subject: FW: Possible Hotel with Suburban Collection Showplace

My response to their request...

From: Jean Jernigan, CMP
Sent: Monday, April 11, 2011 4:26 PM
To: 'Mary Jane Scott'
Cc: Karra N. Townsend
Subject: Possible Hotel with Suburban Collection Showplace

Dear Mary Jane,

I was thrilled to hear the plans to build an attached hotel at the Suburban Collection Showplace may become a reality soon. We have always brought our larger events to the Suburban Collection Showplace. We prefer to host our more than 200 seminars at properties with hotels because it allows us to offer our national speakers the same location to stay overnight and host our program. As we are already impressed with the service the Suburban Collection Showplace provides our organization, we very much look forward to hearing when you will be completing the addition of a hotel with more meeting space so we can discuss hosting some of these programs with you.

Please keep us in the loop when you anticipate this project being completed. We would like to have the first opportunity to consider scheduling some of our other events with you.

Sincerely, Jean

Jean Jernigan, CMP
Vice President of Conferences and Special Projects
Michigan Association of CPAs
Office: 248.267.3700
Direct: 248.267.3706
Fax: 248.267.3755

Connect with *your* network:

[MACPA](#) | [Facebook](#) | [LinkedIn](#) | [Twitter](#)

"It's the reporting year; where do you stand with your CPE credit hours? Check your [CPE Tracker](#) Today!"



MICHIGAN
ASSOCIATION
**Education
of Young
Children**

To: Erin Ording, Sales Manager
Suburban Collection Showplace

From: Laurie Nickson, ^{LN} Director of Professional Programs
Michigan Association for the Education of Young Children

Date: May 3, 2011

"...promoting quality education
and the well-being
of young children..."

I am pleased to learn that Suburban Collection Showplace is seriously considering the addition of a hotel to the property. The lack of an adjacent hotel is the primary reason I have not considered your facility for any of the professional development conferences I coordinate. In addition to my position at MiAEYC coordinating the Association's many professional development events, I work contractually coordinating conferences for the Office of Early Childhood Education and Family Services at Michigan Department of Education, and for the Michigan After-school Collaborative.

All of the entities I represent will consider Suburban Collection Showplace as a possible venue if a hotel is added. Please keep me informed as your plans progress.

800-336-6424

517-351-4183 (local)

517-351-0157 (fax)

839 Centennial Way

Suite 200

Lansing, Michigan

48917-9277

www.MiAEYC.org



2012 Conference
April 17-18, 2012
DeVos Place, Grand Rapids, MI

To: Mary Jane Scott
Suburban Collection Showplace

From: Denise McGinn, CAE, CTA
Executive Director

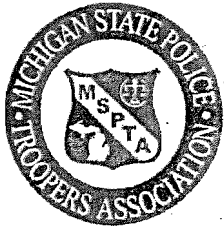
Date: May 6, 2011

Re: Hotel

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. Our Board of Directors has always held out hope that your facility would have an attached hotel with additional breakout rooms so we can include you in our annual rotation of locations around the State of Michigan. Southeastern Michigan is one of the areas we have wanted to include but until now had not found a facility big enough or in the right location to accommodate us.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about specific future dates.

Denise McGinn, CAE



MICHIGAN STATE POLICE TROOPERS ASSOCIATION, INC.

INCORPORATED 1964

May 5, 2011

Ms. Erin Ording
Sales Manager
Diamond Banquet Center
Suburban Collection Showplace

Dear Erin,

I am very glad to hear there are plans for an attached hotel at the Suburban Collection Showplace. Our membership (although perhaps a little spoiled) always prefers that our meetings be held in a facility where conference space and hotel rooms are under one roof. I would certainly consider this location in the future as we rotate our meeting sites around the State of Michigan. Please keep me posted as to your progress, and best of luck with your expansion.

Sincerely,

Pat Strzalkowski
MSPTA Office Manager

MEMBER OF THE NATIONAL TROOPERS COALITION

1715 ABBEY ROAD, SUITE B • EAST LANSING, MICHIGAN 48823 • 517.336.7782 • FACSIMILE: 517.336.8997

WEBSITE: WWW.MSPTA.NET

MACUL

Michigan Association for Computer Users in Learning

Ric Wiltse, Executive Director • rwiltse@macul.org
Ieva Kule, Executive Assistant • ikule@macul.org
Barbara Surtman, Business Manager • bsurtman@macul.org

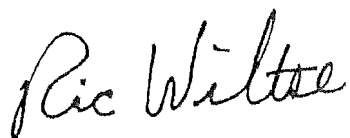
May 9, 2011

Dear Mary Jane,

I was very glad to hear of the plans to build an attached hotel next to the Suburban Collection Showplace. As you know, MACUL has an interest in determining if we could hold our annual conference at your facility. For the past several years our conference has alternated between Cobo Center in Detroit and DeVos Place in Grand Rapids to accommodate our attendance of around 3-4,000 attendees.

A major limitation of your facility in the past has been the need for 20-30 breakout rooms for our conference. Expanding Suburban Collection Showplace to meet these needs is an exciting development! Please keep us informed as your plans progress.

Sincerely,



Ric Wiltse, Executive Director
Michigan Association for Computer Users in Learning (MACUL)

Dear Mary Jane,

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. Our Board of Directors has always held out hope that your facility would have an attached hotel so we can include you in our annual bidding process of locations around the State of Michigan.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about possible future dates.

Sincerely,

A handwritten signature in cursive script that reads "Beverly J. Sink".

Associate VP Professional Development
Michigan Association of Insurance Agents
Lansing, Michigan



416 W. Ionia, Lansing, MI 48933
(517) 367-2225 • (800) 949-1401 • fax (517) 367 2228
www.chiromi.com • info@chiromi.com

April 13, 2011

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is one thing your facility was lacking in order to bring our Fall Conference to your location. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa Love-Smith', written in a cursive style.

Lisa Love-Smith

Membership/Program Director

Michigan Association of Chiropractors

Dear Courtney,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order for us to bring more business to your location – brides love a one stop shop! Now we can seriously consider using your facility for weddings for our clients. Let me know what the foreseen completion date will be so I can advise them accordingly when looking for wedding venues. I look forward to working with you soon!

Sincerely,

Ana Skidmore

Two Foot Creative

From: macdl_il [mailto:macdl_il@sbcglobal.net]
Sent: Saturday, April 09, 2011 2:19 PM
To: 'courtney'
Subject: RE: Suburban Collection Showplace

Courtney,
I enjoyed your tour through your facility this last Thursday.

YES, I would be interested in the attached hotel facility. It is the main reason that I have not fully given the facility a serious look in the past. Although my meetings are not large, I feel the hotel would give us more reasons to consider your facility.

Irene

Irene Leidich, Executive Secretary/Program Coordinator
Michigan Association of Commercial Dental Laboratories, Inc.
22800 Stair Dr.
Clinton Twp., MI 48036-2747
V: 586-469-1121
F: 586-469-1147
E: Irene@macdl.org
Website: www.macdl.org

April 13, 2011

Dear Courtney,

Thank you for your email informing us that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. A year ago I was looking for space for our annual conference in the Southeastern Michigan area and could not find one due to the fact that there are very few spaces that can hold a conference of up to 500 attendees with 12-15 breakouts available along with large space to hold the opening plenary and meals. So now that I hear Suburban Collection Showplace is adding an attached hotel, well that will change things and give us a better chance to come to SE Michigan with our larger meetings and conferences.

Please keep us posted as to the progress of the Hotel so we can set a time to come in and talk to you about specific future dates and space.

Sincerely,

Mary Estrada
Michigan Nonprofit Association
Program and Logistics Manager
1048 Pierpont, Ste. 3
Lansing, Michigan 48911
(517)492-2443

Dear Mary Jane,

I am very excited to hear that plans are moving forward to build an attached Hotel at Suburban Collection Showplace. That is the one thing your facility was lacking in order to consider your space for an upcoming event. Now we can seriously consider using your facility. Let me know what the foreseen completion date will be so I can look at my calendar for the next available opportunity.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Kopkau".

Debbie Kopkau, MBA, CMP, GMS
MSBO/MIEM

Supplemental Material for Criteria Item Z

Genevra Mitrovich

From: Linda Zabik [L.Zabik@genisyscu.org]
Sent: Wednesday, September 21, 2011 11:38 AM
To: 'Blair Bowman'
Cc: 'Jackie Scramlin'; 'Linda Davis-Kirksey'
Subject: RE: Thank YOU and Follow Up

Blair,

It is with great pleasure that I contact you, to pass along, that the Board of Directors for the Great Lakes Agricultural Fair, last evening, selected Suburban Collection Showplace as one of two venues to move forward with additional conversation.

As we are a volunteer Non Profit Board of Directors, we will need to meet during the evening. A proposed date to meet with you and members of your team is **Wednesday, October 5th – 7:00 p.m. at the Suburban Collection Showplace.**

We are excited about the next step and look forward to hearing from you.

Linda Zabik
Manager
Public Relations and Community Involvement
Genisys Credit Union
Where You Come First
2100 Executive Hills Blvd.
Auburn Hills, MI 48326
Phone - 248-745-8914
Cell - 248-421-7198
Fax - 248-322-6527
lzabik@genisyscu.org



From: Blair Bowman [<mailto:bbowman@suburbanshowplace.com>]
Sent: Tuesday, August 30, 2011 4:09 PM
To: Linda Zabik
Subject: RE: Thank YOU and Follow Up

Linda-

It was a pleasure speaking to you both as well. We look forward to the opportunity to work with and host the Great Lakes Agricultural Fair. We understand that you are looking at other venues but are confident we can make it happen here at Suburban Collection Showplace. We look forward to going into more detail in the near future.

Regards,

Blair Bowman
Suburban Collection Showplace
248-348-5600

From: Linda Zabik [<mailto:LZabik@genisyscu.org>]
Sent: Tuesday, August 23, 2011 5:20 PM
To: 'bbowman@suburbanshowplace.com'
Cc: 'gmitrovich@suburanshowplace.com'; 'Jackie Scramlin'; 'Linda Davis-Kirksey'
Subject: Thank YOU and Follow Up

You have a wonderful location and we are excited about the possibilities. It was a pleasure meeting you both and we certainly appreciated all the time you provided to us.

We are in the process of sharing with the Board of Directors highlights of each venue we have visited. Our plan is to have a special board meeting during the third week of September and then notify our top two venues, at which point we will be able to discuss details for our 2012 event.

As we discussed, please find attached our DRAFT budget ... which certainly can be adjusted and reviewed, based on our venue relationship and a DRAFT layouts.

Please feel free to contact us if you have additional thoughts or questions ☺

Thank YOU again, very much for your interest and willingness to promote our Agricultural industry for the State of Michigan.

Linda Zabik

Manager
Public Relations and Community Involvement

Genisys Credit Union

Where You Come First
2100 Executive Hills Blvd.
Auburn Hills, MI 48326
Phone - 248-745-8914
Cell - 248-421-7198
Fax - 248-322-6527
lzabik@genisyscu.org



STATE USE ONLY		
Application Number	Date Received	LUCI Code

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

Read the instructions page before completing the form. **This application should be filed after the commercial rehabilitation district is established.** The applicant must complete Parts 1, 2 and 3 and file one original application form (with required attachments) and one additional copy with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) TBON, LLC			NAICS or SIC Code
Facility's Street Address 46100 Grand River Ave.	City Novi	State MI	ZIP Code 48374
Name of City, Township or Village (taxing authority) Novi	County Oakland	School District Where Facility is Located Novi	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 04/01/2012	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 04/01/2013		
Estimated Cost of Rehabilitation	Number of Years Exemption Requested (1-10)		
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity		<input checked="" type="checkbox"/> Retain Employment	
<input checked="" type="checkbox"/> Create Employment		<input type="checkbox"/> Revitalize Urban Areas	
<input type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken		<input type="checkbox"/> Increase Number of Residents in Facility's Community	
No. of jobs to be created due to facility's rehabilitation	No. of jobs to be retained due to facility's rehabilitation	No. of construction jobs to be created during rehabilitation	

PART 2: APPLICATION DOCUMENTS	
Prepare and attach the following items:	
<input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)	<input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption
<input checked="" type="checkbox"/> Description of the qualified facility's proposed use	<input checked="" type="checkbox"/> Legal description
<input type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken	<input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only)
<input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility	<input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)
<input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation	

PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Blair Bowman		Telephone Number (248) 348-5600	
Fax Number (248) 347-7720		E-mail Address bbowman@suburbanshowplace.com	
Street Address 46100 Grand River Ave.		City Novi	State MI
			ZIP Code 48374
<p><i>I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.</i></p> <p><i>I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.</i></p>			
Signature of Authorized Company Officer (no authorized agents)		Title	Date 10/06/2011

PART 4: ASSESSOR RECOMMENDATIONS (assessor of LGU must complete Part 4)			
Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).			
	Taxable Value	State Equalized Value (SEV)	
Land			
Building(s)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.			
<input type="checkbox"/> By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.			
Name of Local Government Body			
Name of Assessor (first and last name)		Telephone Number	
Fax Number		E-mail Address	
<i>I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.</i>			
Assessor's Signature			Date
PART 5: LOCAL GOVERNMENT ACTION (clerk of LGU must complete Part 5)			
Action Taken By LGU (attach a certified copy of the resolution):			
<input type="checkbox"/> Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)			
<input type="checkbox"/> Exemption Denied			
Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code	
PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION (clerk of LGU must complete Part 6)			
Clerk's Name (first and last)		Telephone Number	
Fax Number		E-mail Address	
Mailing Address	City	State	ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number	
<i>I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.</i>			
Clerk's Signature			Date

The clerk must retain the original application at the local unit and mail one copy of the completed application with attachments to:

State Tax Commission
P.O. Box 30471
Lansing, MI 48909

PROPOSED HOTEL SITE PROPERTY DESCRIPTION

A PARCEL OF LAND IN THE NORTHEAST 1/4 OF SECTION 16, TOWN 1 NORTH, RANGE 8 EAST, CITY OF NOVI, OAKLAND COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS: COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 16; THENCE ALONG A LINE AS MONUMENTED AND OCCUPIED, S.87°26'37"W. 1135.25 FEET (PREVIOUSLY DESCRIBED AS S.86°56'26"W.); THENCE N.01°45'51"W. 306.73 FEET TO THE POINT OF BEGINNING; THENCE S.88°14'09"W. 270.00 FEET; THENCE N.01°45'51"W. 111.09 FEET TO THE SOUTHEAST CORNER OF THE EXISTING SHOWPLACE BUILDING; THENCE ALONG THE EXISTING EASTERLY SHOWPLACE BUILDING LINE THE FOLLOWING FIVE COURSES: N.01°45'51"W. 30.67 FEET, S.88°14'09"W. 3.77 FEET, N.01°45'51"W. 21.75 FEET, N.88°14'09"E. 3.77 FEET AND N.01°45'51"W. 189.85 FEET TO THE NORTHEAST CORNER OF SAID EXISTING SHOWPLACE BUILDING; THENCE CONTINUING N.01°45'51"W. 195.04 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF I-96 EXPRESSWAY (RIGHT-OF-WAY VARIES); THENCE ALONG SAID I-96 RIGHT-OF-WAY LINE S.74°00'10"E. 283.51 FEET; THENCE S.01°45'51"E. 461.91 FEET TO THE POINT OF BEGINNING. CONTAINING 134,474 SQ. FT. OR 3.087 ACRES AND BEING TOGETHER WITH AND SUBJECT TO EASEMENTS, RESTRICTIONS OR RIGHTS-OF-WAY OF RECORD.

City of Novi
Tax Abatement Policy
Commercial Rehabilitation Act PA 210
Hotel/Convention Center Only

Real Property Tax Abatement Statement of Purpose

The Commercial Rehabilitation Act, PA 210 of 2005, was amended in 2011 to provide that the construction of a hotel with meeting/convention space attached to an existing convention and trade center of a certain size and location can qualify for a tax abatement of 100% of the value of the hotel improvements (but not the land on which it is located) for a period of up to 10 years. There is a convention center in the City that meets the description in the amended act. This policy describes the City's objectives in considering an abatement for the construction of a hotel attached to a convention center; the criteria under which the City would review an application for an abatement; and the limitations on any abatement. This policy also sets forth the requirement that any abatement be accompanied by an agreement between the applicant and the City designed to ensure that the City's goals are being furthered by the abatement.

It is further the intention of this policy to state the City's general expectation that, while an abatement (if granted) can be expected to enhance the convention center by increasing its business opportunities (e.g., increasing the kind or number of shows, customers, or prospects), the net benefit to the City and its residents and existing business would have to greatly outweigh the costs to those same affected individuals and entities in order for it to be considered by the City. In other words, while the temporary tax relief for a given property will obviously result in the loss of revenue to the City for a specified period of time, the expectation in granting any such abatement is that at the end of the period the City will have an increased tax base resulting from investment in a development that would not otherwise have occurred without the tax incentive, and that the short-term costs to the City and its businesses and residents will clearly be exceeded by identifiable and quantifiable short-term and long-term benefits resulting from the new development.

Objectives to be Achieved by Granting a Hotel/Convention Center Tax Abatement

Applications for tax abatements in connection with the construction of a hotel attached to a convention or trade center will be evaluated in terms of the likelihood that they will achieve some or all of the following objectives of the City of Novi:

- A. To "phase in" long-term tax benefits to the City that result from the construction of a very high quality, highly reputable, and sustainable hotel that would not have been constructed absent the abatement.
- B. To assist in the economic viability of an existing convention and trade center in a manner that will provide significant economic benefits to the community and its businesses and residents, without creating a high demand for City Services and City-funded infrastructure improvements.
- C. To encourage and promote a significant capital investment that will serve as a catalyst for other substantial investments within the community, while not undermining the economic/financial viability of any existing City businesses.

- D. To create or retain a significant number of employment opportunities that offer competitive wages within the industry.
- E. To judiciously and prudently use all tools available to improve the quality of life in the City of Novi, in a manner that assures that the long-term benefits of such action outweigh the short-term costs and foregone revenue.

General or Minimum Requirements for Eligibility

Every applicant must satisfy the following

- A. The applicant must provide information establishing that, in relation to the other similar uses throughout the City, the project will be of exceptionally high-quality construction and service reputation, and value to the local community, given the cost to the City of foregone revenue.
- B. The project must be fully compatible with the City's zoning ordinance and master plan for land use and other ordinance requirements.
- C. The applicant must clearly and convincingly demonstrate that it would not construct or conduct the improvements in the City if tax abatement was not available. To satisfy this standard, the applicant must provide a written explanation of the need for the abatement, including a financial *pro forma* if requested.
- D. The applicant must clearly and convincingly demonstrate that the hotel will promote the convention center and that it will fill a need that will assist in the attraction of events and attendance to the center in order to ensure the center itself remains a viable operation as relates to other competitive uses. To satisfy this standard, the applicant must provide information regarding what types of additional or new users are expected to come to the facility following construction of the hotel, and evidence that they will come only if there is a hotel attached to the facility.
- E. The applicant must submit information to the City that:
 - i. identifies any existing hotels or other businesses within the same service area and with which the proposed hotel is expected to compete for business;
 - ii. describes the anticipated adverse effect (if any) on such existing hotels or other businesses; and
 - iii. explains why the grant of an abatement does not constitute the grant of a competitive advantage to the applicant
 - iv. quantifies, to the extent feasible, the net economic benefits of the project to the City and its businesses and residents
- F. The applicant—and the proposed end user/operator of the hotel—must be a viable, profitable, and highly reputable ongoing business concern.
- G. The applicant and proposed end user/operator must commit, in writing, to stay as a viable business concern for the entire term of the tax abatement and into the future.

Review Criteria Specific to Project

The following criteria will be used to evaluate specific requests for a tax abatement in terms of the **net benefit to the City and its residents and businesses**, and to determine the number of years of the abatement. The City Council reserves the right to modify the tax abatement criteria to reflect the changing objectives, priorities, or conditions of the community. The applicant shall provide **sufficient information** to the City to allow it to conduct a full and complete review of the stated criteria.

- A. The value or cost of the hotel improvement (i.e., the capital investment)

- B. The quality of the proposed construction
- C. The expected economic life of the improvement
- D. The aesthetic value of the improvements – façade, materials, workmanship, etc.
- E. The total expected local abatement amount
- F. The amount of real and personal property taxes already paid by the existing development (the convention center)
- G. The total amount of real and personal property value that is expected to be added to the convention center (if any) during the abatement period
- H. The total amount of real and personal property value that is expected to be added to the entire development (convention center and hotel) at the *end* of the abatement period
- I. Any additional costs to the City, direct or indirect (e.g., additional required infrastructure, public safety impacts, traffic concerns, and the like)
- J. Direct or indirect public benefits to be provided by project (land donations, contamination clean-up, utility extensions, road improvements, recreational opportunities, other local “goodwill” to be offered by the end user)
- K. The number and kind of jobs to be retained by the existing development (the convention center) as a result of the improvement
- L. The number and kind of jobs to be created by the hotel improvement:
 - i. Permanent full time jobs
 - ii. Temporary jobs
 - iii. Part-time jobs
- M. The total projected annual payroll of the newly-created jobs
- N. The skill level of the newly-created jobs
- O. The extent to which the jobs are (i) minimum wage; (ii) above minimum wage; (iii) considered to be “high wage” within the industry; and (iv) provide health care and other benefits
- P. The extent to which the jobs are anticipated or projected to be filled by Novi residents
- Q. The extent to which the applicant commits to the use of local (City of Novi) vendors, suppliers, and contractors, expressed in a set amount or percentage of total construction costs and ongoing supply/service expenses.
- R. The extent to which the applicant would be in direct competition with other similar existing hotels or other businesses in the City of Novi
- S. The extent to which the hotel improvement would adversely affect such other existing hotels or businesses
- T. The extent to which the project will enhance opportunities for other existing or planned businesses in the City of Novi as part of the overall net economic benefits of the project to the City and its businesses and residents
- U. The extent to which the other public economic assistance is being provided to the applicant or the hotel by the City or other governmental agencies
- V. The extent to which other governmental agencies support the project.
- W. The environmental impact of the project and improvements—on woodlands, wetlands, storm water, air quality, etc.
- X. Any other factor deemed relevant by the City relating to the property, the project, the applicant, or any end user or hotel operator

Limitations

- A. The maximum time period for an abatement is six (6) years.
- B. Motels do not qualify for an abatement.

- C. A project must not have started more than 6 months before an application for abatement was received by the City, and must be located in a Commercial Rehabilitation District established before the commencement of the project.
- D. There must be no outstanding taxes, fines, or liens owed by the applicant or entity with regard to the property at issue.

Agreement Required

The City will require a written agreement with the applicant that will include, as a minimum:

- (1) The term of the abatement;
- (2) Any conditions required by the City Council in connection with the grant of the abatement, as to which the City reserves all rights to determine in the interests of the City;
- (3) Any reporting requirements established by the City with respect to the information stated above and/or provided by the applicant, whether required and described under PA 210 itself or established by the City as appropriate to the project and the agreement;
- (4) Events of default that will automatically terminate the agreement, including (by way of example only):
 - (a) Closure/abandonment/sale of building
 - (b) Change of use
 - (c) Failure to use local vendors.
 - (d) Failure to create new jobs as represented to the City.
 - (e) Failure to complete construction in a timely manner.
 - (f) Failure to meet any reporting requirements.
 - (g) Delinquency of either the hotel or the convention and trade center with regard to property taxes and/or to timely and properly follow legal procedures for contest.
 - (h) Failure to comply with local ordinances.
 - (i) Assignment without approval of the City
- (5) Any “claw back” or restitution provisions determined by the City to be necessary as appropriate to a specific project, under which the City will be paid back the amount of the abatement in the event of certain kinds of defaults

Procedures

The applicant must submit a submittal form prepared by the City and an application provided by the State of Michigan. The documents and the submission will be judged on its own individual merits, on a case-by-case basis, with respect to the achievement of the economic development goals of the City and satisfaction of the criteria outlined in this policy.

Applicants bear the burden of proof and must substantially satisfy conditions of the policy at initial application in order to be considered for abatement.

Review of applications shall be as required by statute. The City may approve, deny, or approve the proposal with conditions within the time specified by statute.

All procedures, rights, and obligations concerning such exemptions are subject to Act 210. The City reserves the sole discretion, to the fullest extent available under the law, to review each application and determine whether the project meets the City’s goals and the review criteria, and to determine whether the project would

be beneficial to the City, whether the applicant merits consideration, and whether any other conditions exist that affect the City determination to grant or deny an application.

1691261.3