

[Click Here to Print This Page](#)

Information Pertinent to Legislative and State Department Activities Since 1906

Volume #47, Report #12, Article #03 --Thursday, January 17, 2008

[<< back](#)

FICANO, GRANHOLM UNVEIL COBO EXPANSION PROPOSAL

A "framework" of a proposal for an expansion of Detroit's Cobo Center that would cost a total of \$595 million was outlined at a press conference by [Governor Jennifer Granholm](#), Wayne County Executive Robert Ficano, Detroit Mayor Kwame Kilpatrick and others at Cobo on Thursday, but some details on the proposal remained up in the air.

Legislation will be required to establish a new way for the local governments to create a public agency to own and run Cobo.

The proposal calls for expanding the center by 120,000 square feet, essentially a 15 percent increase in the current exhibition space. That would still leave the center smaller than venues like McCormack Place in Chicago, but help provide the space needed to keep the North American International Auto Show the premier show of its type in the United States

The officials announced the project during the media preview of the show.

Ms. Granholm said the framework was the closest officials had come to a deal to expand the center, which was last expanded in the 1980s. She also said it was absolutely essential that the Detroit show maintain its prominence.

Economic analysts have estimated the annual value of the show to Detroit and the surrounding area at close to \$600 million a year.

The proposal calls for the construction to cost an estimated \$323 million. It would be paid for by extending the current hotel taxes charged in Wayne, Oakland and Macomb counties for seven years - they are now set to expire in 2015 - and continue the liquor taxes adopted for the Cobo construction for another seven years as well.

The proposal also calls for a \$140 million endowment to operate the center, \$110 million to pay off bonds on the center and \$20 million to buy Cobo from Detroit. About \$150 million would be funded by the state, but how that would be done was not announced.

Mr. Ficano also wants the center to be a tax-free zone and provide for other convention centers across the state to also be tax-free zones. Making other centers tax free is considered part of the way to win political approval for legislation that could be introduced next week.

Mr. Ficano and Ms. Granholm said they had briefed Oakland County Executive L. Brooks Patterson about the proposal and they were confident he would back it.

Richard Blouse, president of the Detroit Regional Chamber, said the proposal heads in the right

direction, but that all its details have to be fully vetted before the final agreement is signed.

Gongwer News Service: State Government News Reporting Since 1906. Copyright, 2008
124 W. Allegan St., Suite 1200, Lansing, Michigan, 48933
Phone: 517-482-3500 Fax: 517-482-4367 Email:gongwer@gongwer.com