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Deal keeps auto show in Cobo, \$1.75 billion in local economy, through 2017

By Meghana Keshavan



ANDREW TEMPLETON/CRAIN'S DETROIT BUSINESS

The North American International Auto Show generates up to \$400 million for the region's economy every year, says auto show Chairman Bill Perkins.

The estimated economic impact of keeping the **North American International Auto Show** at **Cobo Center** in downtown Detroit means a total of about \$1.75 billion will remain in the regional economy through the 2017 show.

The five-year contract was first reported by *Crain's* on Wednesday afternoon.

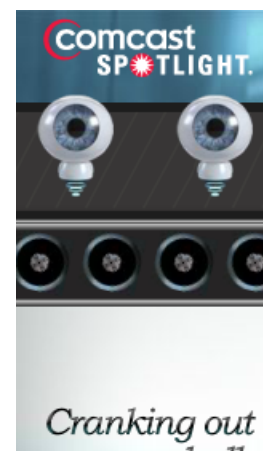
The contract will result in \$1.75 billion in aggregate economic impact for Southeast Michigan, said Larry Alexander, chairman of the **Detroit Regional Convention Facility Authority**. That includes items such as spending and hotel costs from visiting journalists and show attendees, plus exhibit displays and related events put on by automakers, suppliers and others.

There had been worry in recent years that the auto show, operated by the **Detroit Auto Dealers Association**, would find a different venue. Talk had circulated that the show might move out of downtown Detroit to Novi or even out of state.

"Cobo's shortfalls were eroding the auto show's relevancy and stature on the global automotive stage," said Alexander, also president and CEO of the **Detroit Metro Convention & Visitors**

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stage," said Alexander, also president and CEO of the Detroit Metro Convention & Visitors Bureau.

The speculation was fueled by the show's need for more space and a history of mismanagement, corruption and waste at Cobo

The convention center has since responded with several waves of much-needed improvements, such as improved labor costs, improved infrastructure, and expanded exhibit space, Alexander said.

Contracts between the NAIAS and Cobo historically have run year to year. But Bill Perkins, chairman of the auto show and owner of the **Bill Perkins Automotive Group**, said that considering the city's financial investment in the show, a long-term commitment was needed.

"I don't think very many cities in North America can say during one of the worst months of the year that they will generate \$350 to \$400 million in revenue," Perkins said. "So the one thing we wanted to do as a committee — we wanted to show our support for Southeast Michigan and especially the city of Detroit."

Perkins said negotiations were a statewide effort, encompassing representatives from Wayne, Oakland and Macomb counties; the city of Detroit; and Lansing. He said securing the terms for this five-year deal have been under way since September 2009.

In November, the Cobo authority secured short-term financing for the \$279 million renovation of the convention center. The money will pay for the third phase of the renovation, which calls for **Cobo Arena** to be converted into meeting space with a 40,000-square-foot ballroom over an open-air terrace and overlooking Hart Plaza. Space to the south will look out over the Detroit River.

Plans also call for creation of a three-story atrium that will have a view of the river. An overhang, glass walls and a digital sign board will be added to the building's main façade.

Work on Cobo began in 2009. The first phase of renovations cost about \$3 million and consisted of upgrades to the center's electrical infrastructure and fixing building leaks.

The second phase, which cost about \$57 million, enclosed the loading docks, made additional electrical improvements, created 400 parking spaces, partially reroofed the building and added 25,000 square feet of exhibition space to Wayne Hall.



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