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March 11, 2013 5:32 PM

## Having Cobo under regional authority has proven to be a key to comeback



With the governor's pending appointment of an emergency financial manager, the 2009 decision to move **Cobo Center** out from under the city of Detroit to a regional authority has become key in the city's comeback.

Also key: the **Detroit Metro Convention & Visitors Bureau's** status as an independent, regional group, rather than a department of the city, as convention and visitor bureaus often are in other places.

As I've reported recently, the number of new bookings Cobo and the Detroit Metro Convention & Visitors Bureau have signed for the coming years is on the rise.

The increased bookings are spurring new hotels in the city: the **Crowne Plaza Pontchartrain**, a boutique hotel in the works for the 1929 firehouse across from Cobo and another boutique hotel, the **Aloft Detroit**, planned for the **David Whitney Building** in the Grand Circus Park area.

The promise of large-scale event bookings at Cobo and other meetings held in the city is also spurring investment in renovations. The **Detroit Marriott Renaissance Center**, for example plans in the fourth quarter to begin a renovation of its 1,298 rooms and 100,000 square feet of meeting space, a project it has estimated will cost \$40 million to \$50 million.

Those investments in additional hotel rooms in the city are the result of the renovations and improved service at Cobo and the city's own comeback, as the Detroit Metro Convention & Visitors Bureau is calling it.

Yes, "comeback," amid news that the city's former mayor has been found guilty on numerous racketeering and related charges and that the city is in dire financial straits.

Last week, the CVB began getting calls from a handful of concerned meeting planners who had scheduled events in Detroit.

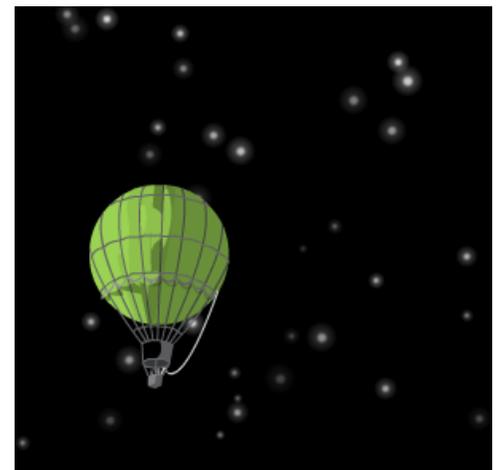
Among them was the national **Alcoholics Anonymous** organization, which has booked its 2020 convention at Cobo. The event, which is held every five years, is expected to draw about 60,000 people to Detroit.

The national organization and others concerned with the impact of the city's financial situation had many questions, Alexander said. Would the bureau continue to operate without interruption? Would the city be able to provide essential services to groups hosting events here?

The answer to all of those questions "is a resounding yes," bureau President and CEO Larry Alexander said in a letter sent to about four dozen groups with events planned at Cobo in the

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coming years.

The Detroit Metro Convention & Visitors Bureau “is not an arm of city government,” Alexander said. It’s a private nonprofit, regional entity that receives funding from hotel assessments and membership dues.

“Therefore, the city’s issues pose no threat to our operation,” he said.

Cobo is also independent from the city, Alexander said. Since 2009, it’s been managed by a five-member authority with representation from the state, three-county region around Detroit and the city.

Cobo “has never been more financially stable,” Alexander said, pointing to its ongoing, \$300 million renovation project.

And there are many continuing to invest in the city, despite its financial turmoil.

Detroit has been in the national headlines lately not only because of its finances but because of the “amazing transformation” taking place here which is drawing new visitors, employees and companies to the city, Alexander said.

Over the past decade, more than \$15 billion has been invested downtown in sports and entertainment venues, the casinos, hotels, residential developments, retail, restaurants and nightclubs, he said, ticking off investments.

Detroit is leading other parts of the country in growing demand for technology professionals, and local health systems are investing about \$2 billion in new jobs and improvements to their Detroit facilities and the neighborhoods around them.

Like other cities that have operated under state or federal oversight at one point or another, such as Washington, D.C., New York and Miami, “Detroit is likely to emerge from its troubles as a much stronger city,” Alexander said.

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