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# Cobo Center's operating revenues double

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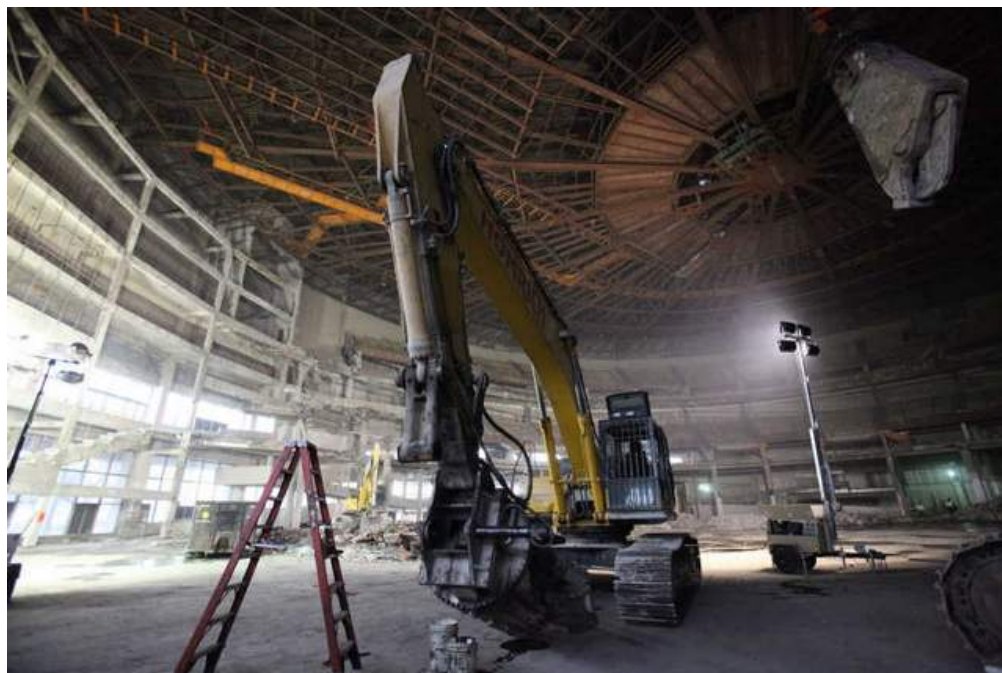
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Interior demolition is shown at Cobo Arena as part of remaking it as a dual-level exhibition hall and ballroom. / December 2011 photo by PATRICIA BECK/Detroit Free

By John Gallagher

Detroit Free Press Business Writer

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A little more than two years after taking control of Cobo Center from the City of Detroit, a new regional authority has more than doubled annual revenues even as state subsidies for Cobo continue to shrink.

Operating revenues increased from \$3.6 million in fiscal year 2010 to \$7.6 million last year, according to the annual audit of the Detroit Regional Convention Facility Authority, conducted by Doeren Mayhew certified public accountants, the authority said Friday.

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The audit noted that the [improving](#) revenues occurred despite a decline in operating subsidies from Michigan and the federal government from \$20 million in 2010 to \$12.5 million last year. The audit covers the fiscal year ending Sept. 30, 2011.

"In its second full year of existence, the authority continues to make great strides in improving the operations of Cobo, as evidenced by the numbers presented in this audit report," said Patrick Bero, CEO and chief [financial](#) officer of the public authority that runs Cobo.

The DRCFA assumed control of Cobo from Detroit on Sept. 15, 2009.

Until the authority took over, Cobo was run as part of a city department. Once taking over, the authority brought in a professional facilities management team called SMG, hired a professional sales force, renegotiated contracts with vendors, and took other steps to make Cobo a more efficient, user-friendly

place.

The most visible step included Cobo's current renovation work, a nearly \$300-million project that will dramatically change the look of Cobo over the next two years. Those changes will include a stunning new entrance on Atwater Street that opens up Cobo to views of the Detroit River. Nearby Cobo Arena is undergoing major renovations to make it into exhibition and ballroom space.

All these things contributed to the higher revenues, Bero said.

"It's professional management, it's better service, it's better sales, so we've increased the level of activity," he said.

Then, too, the national economy has been picking up, leading to more trade show activity. "That's going to help us going forward," he said.

By law, the subsidy that Cobo receives from the state will continue to shrink until it disappears in 2024. By that time, Bero said, the authority and the management team expect to have Cobo operating at a profit. A recent [income](#) statement from the authority was not available Friday.



The northeast entrance of Cobo Center is at Washington Boulevard and Congress in Detroit. Operating revenues increased from \$3.6 million in fiscal year 2010 to \$7.6 million last year. / March 2011 photo by PATRICIA BECK/Detroit Free Pre

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