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Detroit Regional Convention Facility Authority to Redeem \$13.5 Million in Taxable Bonds, Saving State Taxpayers Approximately \$11.7 Million over the Life of the Bond

DRCFA Nearly Seven Years Ahead of Financial Schedule as a Result of \$279 Million Renovation, Increased Bookings

Detroit – January 30, 2017 – The Detroit Regional Convention Facility Authority (DRCFA) announced today that it is encouraged by Cobo Center’s financial progress and is near breakeven, a goal set by state legislature for the DRCFA, nearly seven years ahead of schedule. On January 23, the DRCFA paid down \$13.5 million in taxable bonds which will save the state’s taxpayers approximately \$11.7 million over the life of the bond issue or \$7.75 million in present value dollars.

The DRCFA completed a \$279 million renovation and upgrade to Cobo Center on time and within budget in August, 2015. As a result of the renovation, Cobo Center has become more accessible, spacious and efficient in its use of space. The world-class convention center now offers spectacular views of the Detroit River and Canada, multiple new entrances, increased parking, public art and improved traffic flow to enhance visitor experience.

“Local and national organizations are looking to us as a model of regional cooperation. The renovation has enhanced Cobo Center’s competitive position, created operating efficiencies and has expanded the services we are able to provide,” said Larry Alexander, chairman of the board, DRCFA. “Although the renovation is complete, we are always striving for constant improvement in order to continue exceeding customers’ expectations and needs in service, capabilities and technology.”

Other additions to Cobo Center include a new entrance to Hall E, new banner supports for exhibitors, new graphic designs in the food court, and the addition of air curtains to improve the guest comfort level during conventions. In mid-December, a two million-dollar technology upgrade was completed, which allows 32,000 simultaneous users on the facility’s Wi-Fi network.

The impact of Cobo Center’s recent multi-year \$279 million renovation as well as the increase in bookings has put the DRCFA ahead of its financial schedule. It was estimated that the city was losing \$21 million year on Cobo Center when the DRCFA took over control in September 2009. In 2016, the DRCFA has reduced that loss to \$280,000.

Since the renovation, Cobo Center has increased the amount of bookings and in 2016, Cobo Center hosted 16 city-wide conventions including the annual North American International Auto Show (NAIAS).

“We are pleased by the progress we have made toward the goal the legislation set for us to get Cobo Center to breakeven by 2023,” said Patrick Bero, Chief Executive Officer and Chief Financial Officer, DRCFA. “The impact of the renovation as well as an increase in bookings has put us within reach of our breakeven goal nearly seven years ahead of schedule. We hope to continue to pay down the debt early and save tax payers money.”

The DRCFA hopes to repeat its success again in 2017 and 2018. Already this year, the 2017 NAIAS saw over 806,000 visitors including more than 5,100 journalists and nearly 40,000 executives and industry professionals attended NAIAS preview week. During a press conference at the auto show, Michigan



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Governor Rick Snyder and Inventor Dean Kamen announced that the annual FIRST (For Inspiration and Recognition of Science and Technology) student robotics competition will be coming to Cobo Center in 2018 for at least three years.

Located downtown on the beautiful Detroit Riverfront, Cobo Center is one of the largest convention centers in the national and hosts nearly 1.5 million visitors annually.

About the DRCFA:

On 9/15/09, operational control of Cobo Center transferred to the Detroit Regional Convention Facility Authority, under a collaborative agreement by the Michigan State Legislature, the City of Detroit, and Wayne, Oakland and Macomb counties. Each of these entities has an appointed member on the DRCFA Board. Larry Alexander is the appointee of the Governor of the State of Michigan and serves as Chairman of the Board. For more information visit: <http://www.drdfa.org/>.

About Cobo Center:

With 723,000 square feet of exhibit space, Cobo Center boasts one of the largest contiguous exhibit floor spaces in North America and is the 17th largest convention center in the country. Visit online at www.cobocenter.com.

About SMG:

Founded in 1977, SMG provides management services to 233 public assembly facilities including convention and exhibition centers, arenas, stadiums, theaters, performing arts centers, equestrian facilities, science centers and a variety of other venues. With facilities across the globe, SMG manages more than 15 million square feet of exhibition space and more than 1.5 million sports and entertainment seats. SMG provides venue management, sales, marketing, event booking and programming, construction and design consulting, and pre-opening service. . For more information visit www.smgworld.com.

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