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Deal reached for Huntington Place renovations, new hotel

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The board overseeing Huntington Place in downtown Detroit and the developer of the former Joe Louis Arena site have struck a deal to make renovations at the convention center and build a new hotel attached to it.

The five-member board of the Detroit Regional Convention Facility Authority voted unanimously Tuesday to enter into an agreement with Sterling Group that paves the way for the redevelopment project along the Detroit River, said Claude Molinari, board chairman and president and CEO of Visit Detroit.

"We had a (memorandum of understanding) in place, and today we memorialized that by turning it into an official agreement," Molinari told Crain's. "Now we're going to move forward with the development stages of outlining plans together so that we can improve the convention center's west side."

Molinari said the legally-binding agreement [solidifies previously floated plans](#) for the convention authority to extend Second Street to the Detroit River and for Sterling Group to build a hotel of 600-800 rooms connected to Huntington Place.

"It's a bit of a trade of land because a certain part of the Joe Louis Arena site is needed to expand the convention center, and part of the convention center site is needed for the Joe Louis Arena site to be appropriately used," Molinari said.

Crain's requested a copy of the deal terms between the convention authority and the developer. Sterling Group did not immediately respond to a request for comment.



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Molinari said he is hopeful the agreement is a step toward more redevelopment at Huntington Place, including a new 30,000-square-foot ballroom in the southwest corner of the venue, which would take over storage and meeting space and require expansion. Additional parking is also envisioned.

"It's a clear and bold statement that we mean business when it comes to meetings, convention centers and sporting events," Molinari said of the deal. "We also think that it's an indication to the entire industry of meetings, conventions and events that Detroit is a real player. The success of drawing events in the last two years has reinforced that we need to continue to build."

The convention authority's side of the deal would be financed through \$299 million in new bonding, as allowed with newly passed state legislation that also lets the authority enter public-private arrangements and lifts a \$279 million spending cap.

Molinari declined to give a timetable for the project or an estimated cost but said the authority would possibly seek additional loans after using the bonds. The first step, though, is meeting with banks.

"The banks have been very receptive to working with us, and now we're going through the process of putting together the final plans so we can make this happen," he said.



A major barrier to landing such events has been the lack of hotel space, which city and state leaders are now addressing more urgently, Molinari said.

"We have committed to the NCAA with regard to the Final Four that we would have additional hotel rooms built in the city of Detroit, and this is an affirmative answer... Yes, we will have the hotel facilities on site to host these events," he said.

The redevelopment would also unlock a part of the riverfront not easily accessible for visitors at Huntington Place and those west of it, while also allowing the venue to make much-needed improvements to its loading docks, Molinari said.

While the new ballroom and other renovations are not set in stone, Molinari said the business case is obvious, and the convention authority board seems to agree.

"The current ballroom is heavily used and has to turn away business quite often because we're already booked," he said.

– *Crain's senior reporters Kirk Pinho and Dave Eggert contributed to this report*