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Cobo Authority nets \$2 million through 5 months of fiscal year Beats budget by 79 percent

DETROIT – A combination of higher operating and parking revenue and lower-than-expected expenses helped the Detroit Regional Convention Facility Authority exceed its net income projection by 79 percent through the first five months of its fiscal year.

The DRCFA, which operates Cobo Center, had net income of more than \$2 million from Oct. 1, 2012, through February 2013 – beating the forecast by \$891,000. The Cobo Authority's budget anticipated net income of \$1.1 million for that period.

"We won't be able to keep the same pace in the next few months, but it's great to have this cushion," said Patrick Bero, CEO/CFO of the DRCFA.

Most of the higher revenue came from Cobo Center operations, especially proceeds from the North American International Auto Show and additional bookings in the early part of the year. Operating revenue of nearly \$4 million exceeded the forecast by almost \$314,000.

Parking revenue was \$1.8 million through February, exceeding the budget by more than \$226,000. After completing renovations of the Congress Street and Washington Boulevard garages in 2012 while rooftop parking remained open, Cobo Center has had all of its 2,000 parking spaces available.

Parking revenue during the North American International Auto Show was higher than expected, while the return of National Hockey League action at Joe Louis Arena provided revenue that could not be anticipated because of the lockout.

Meanwhile, Cobo Center operating expenses were \$376,000 under budget at less than \$6 million. DRCFA administration expenses were \$250,000, which was \$26,000 below the budget.

The Authority's \$279 million Cobo Center capital improvement project remains on schedule and on budget, Bero said. The project was 50 percent complete at the end of February and remains on track for full completion by January 2015.

The new Atrium and Grand Ballroom will come on line this summer, with events being booked for late August and September.

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About the Detroit Regional Convention Facility Authority:

The Detroit Regional Convention Facility Authority (DRCFA) was created in 2009 to operate Cobo Convention and Exhibition Center in Detroit under long-term lease from the City of Detroit. The DRCFA Board of Directors is comprised of five representatives selected by the Governor of Michigan, the Mayor of Detroit, and the county executives of Wayne, Oakland and Macomb Counties. The DRCFA receives funding from revenues at Cobo Center as well as support from the state's Convention Fund. For more information, visit www.DRCFA.org.

