

MEMORANDUM

DATE: July 24, 2013
TO: Michigan Strategic Fund Board Members
FROM: Mark Morante, SVP Special Projects
RE: DDA Development Plan Approval

Request

The Board is being asked to:

1. Approve a request from the Detroit Downtown Development Authority (DDDA) pursuant to 2012 Amendments to Act No. 197 of Public Acts of 1975, as amended, the Downtown Development Authority Act (the “DDA Act”). Those changes permit the DDDA to use specified tax increment revenues levied on or after July 1, 2010 (the “Catalyst Project Revenues”) to fund a Catalyst Development Project approved by the Michigan Strategic Fund (“MSF”). A Catalyst Development Project is defined in the DDA Act as a project occurring in a city with a population greater than 600,000 resulting in at least \$300,000,000 in capital investment. DDA and MEDC staffs have been engaged in discussions with Olympia Development of Michigan, LLC (“ODM”), and Wayne County (the “County”) to establish a Catalyst Development Project northwest of the current DDA Downtown District.
2. Approve a request from Olympia Development LLC of Michigan (ODM) for an inducement resolution in the amount of \$450 million to finance the construction of the new arena.

Staff recommends approval of both requests.

Background and Summary of the Project

For the past year or so, the parties of been actively engaged in negotiations regarding the building and financing of a new multipurpose event center anchored by the Detroit Red Wings. Negotiations included amending the DDA Act itself, which occurred last December, entering into a new Joe Louis Arena lease and entering into a Memorandum of Understanding between ODM, the DDDA and the County. Now that this work has been completed, various boards, city and county approvals are now necessary. Briefly, the terms of the proposal are as follows:

1. The Catalyst Development Project will consist of two components: (i) the development of a new events center consisting of approximately 650,000 square feet, approximately 18,000 seats, attached parking and ground floor retail to serve as a new home arena for the Detroit Red Wings and as a year-round venue for a wide range of sports and entertainment events (the “Events Center”), the Events Center will be located in the area on the NW corner of I-75 and Woodward.
2. The total cost of the Catalyst Development Project is estimated at \$650 Million, **in 2013 dollars**, with an estimated private investment of \$365.5 Million and an estimated public investment of \$284.5 Million, with an approximate split of 56% private and 44% public funds.

3. The development of the Events Center will cost approximately \$450 Million, to be funded through a contribution by the DDA of existing Catalyst Project Revenues, private land acquisition contribution, and other project related costs incurred by ODM, and revenue bonds having a term of 30 years to be issued by MSF (the "MSF Bonds"). The approximate split on funding for this portion of the overall catalyst development project is 58% public and 42% private.
4. The MSF Bonds will be repaid over the term of the MSF Bonds through the following sources: (i) a pledge by the DDA of at least \$12.8 Million per year but not to exceed \$15 Million per year in Catalyst Project Revenues; (ii) a contribution by the DDA of \$64.5 Million from other tax increment revenues, including but not limited to tax increment revenues attributable to certain County assessments of approximately \$4.75 Million, payable pursuant to an agreed upon schedule; (iii) an annual payment by ODM of \$11.5 Million; and (iv) other financial support from the County as may be identified by the County. In addition to debt service on the MSF Revenue Bonds, the above sources will also fund a debt service reserve, coverage reserve and maintenance and repair reserve.
5. Subject to approvals by Wayne County contemplated in Paragraph 12 below, the DDA and the County will enter into an Intergovernmental Agreement (the "IGA") identifying the capture of County taxes from the expanded portion of the DDA downtown district to be used towards the Events Center.
6. Subject to approvals contemplated in Paragraph 12 below, it is anticipated that each of the City of Detroit (the "City"), The Economic Development Corporation of the City of Detroit (the "EDC") and ODM will transfer to the DDA their respective lands located within the EC Project Area for no cash consideration.
7. The DDA will own the Events Center and the DDA and ODM will enter into a concession management agreement pursuant to the terms of which ODM will assume operational control of the Events Center and be responsible for the costs of its operations and maintenance.
8. In addition to the Events Center, ODM has committed, and/or will induce other private developers to commit, at least \$200 Million for other developments within the Catalyst Development Area.
9. The DDA and ODM (or its affiliates) will enter into a development agreement or agreements relating to such additional developments.
10. Subject to approvals contemplated in Paragraph 12 below, it is anticipated that certain City-owned and EDC-owned properties will be conveyed to the DDA to be held for additional development projects.
11. Provided that ODM has entered into development agreements on or before five (5) years after the Events Center is open and pursuant to the terms of those agreements ODM is obligated to commence projects with aggregate budgeted costs in the amount of at least \$200 Million, the DDA will contribute up to \$62 Million over approximately 30 years in Catalyst Project Revenues in excess of those pledged to the repayment of the MSF Bonds to support such additional development projects, to be allocated between the projects on a pro-rata basis.
12. The transactions contemplated by the MOU are subject to various approvals further described in Section XIII of the MOU by the parties to the MOU, MSF, the EDC, and the City, including, but

not limited to the approval by the DDA Board and the City of the expansion of the existing DDA downtown district and amendments to the DDA's Tax Increment and Development Plan and the approval by the EDC, and the City of contemplated land transfers. Upon approval of the MOU by the Board of Directors of the DDA, DDA staff will present the Board the proposed amendments to DDA Plan and related matters in the near future.

Attachments

The following are attached:

1. A formal letter of request from the DDDA with Exhibits explaining the overall development, the financing and the relative split between public and private funding of the project.
2. A power point presentation outlining other public/private stadia/arena developments across the nation.
3. The executed MOU with Exhibits, maps, etc.
4. Additional background material:
 - a. Excerpt from DDA Plan describing Catalyst Development Project the Board is being asked to approve.
 - b. Letter from ODM requesting the MSF to issue up to \$450 million in bonds.
 - c. A brief FAQ and executive summary put together by ODM.

Representatives of ODM, the finance and legal teams, and the City will be at meeting to make a presentation covering all the attachments and to answer any questions the Board may have.

City of Detroit



Downtown Development Authority
500 Griswold • Suite 2200
Detroit, Michigan 48226
Phone: 313 963 2940
Fax: 313 963 8839

July 11, 2013

Mr. Michael A. Finney
Board President & Chairman
Michigan Strategic Fund
300 North Washington, 3rd Floor
Lansing, Michigan 48913

Re: Proposed Catalyst Development Project, Detroit, Michigan

Dear Mr. Finney:

On June 26, 2013 the Board of Directors of the City of Detroit Downtown Development Authority (“DDA”) adopted proposed amendments to the Restated City of Detroit Downtown Development Authority Tax Increment Financing Plan and Development Plan for Development Area No.1 (the “DDA Plan”). The amended DDA Plan has been submitted to Detroit City Council for approval pursuant to the Downtown Development Authority Act (Act 197 of 1975, MCL 125.1651, et. seq.). The amendments contain a proposed “catalyst development project”, as that term is defined at MCL Section 125.1651(g) (the “Catalyst Development Project”). We are enclosing with this letter a copy of Section 407.11 of the DDA Plan which sets forth the proposed Catalyst Development Project (Exhibit A) and a graphic depicting the geographic area within which the project will be conducted (Exhibit B). MCL 125.1669(3) requires that the Michigan Strategic Fund (MSF) approve or reject this section of the DDA Plan. We are hereby requesting that Board of the MSF approve Section 407.11.

We understand that Olympia Development of Michigan, LLC (“ODM”) has submitted an application for financing relating to the Events Center portion of the Catalyst Development Project to the MSF. Said financing would be in furtherance of the Catalyst Development Project and the DDA is in support of the request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Holdwick', is written over a horizontal line.

Brian J. Holdwick
Authorized Agent
Downtown Development Authority

EXHIBIT A TO LETTER TO MSF

407.11 Catalyst Development Project

The Events Center Project and the EC Ancillary Development Project, described below in Sections 407.11.1 and 407.11.2, constitute the Catalyst Development Project under the Plan and as authorized pursuant to the Act. The Catalyst Development Project is located in the area depicted in Exhibit A to Section 407.11 (the “Catalyst Development Area”), the legal description for which is as follows:

Beginning at the north right of way line of the Fisher Freeway North Service Drive and the east right-of-way line of Woodward Avenue; then north along Woodward Avenue to a point on the north right-of-way line of Charlotte Street and its extension thereof; then west along Charlotte to the west right-of-way line of Fourth; then south along Fourth to the north right-of-way line of Temple; then west along Temple to the west right-of-way line of Grand River; then southeast along the west right-of-way line of Grand River to the south right-of way line of Middle; then easterly along Middle to the west right-of-way line of Clifford; then easterly to the east right-of-way line of Washington Boulevard; then north along Washington Boulevard to the north right-of-way line of Park; then northwesterly along Park to the south right-of-way line of Adams; then east along Adams to the west right-of-way line of Witherell; then southwesterly to the west right-of-way of Madison extended; then southeasterly along Madison to the east right-of-way of John R; then north along John R to the north right-of-way of Adams; then west along Adams to the east right-of-way line of Witherell; then north along Witherell to the south right-of-way line of Montcalm; then east along Montcalm to the east right-of-way line of John R; then north along John R extended to the north line of the Fisher Freeway North Service Drive; then west along the Fisher Freeway North Service Drive to the point of beginning.

407.11.1 Events Center Project

Project Description

The proposed “Events Center Project” is a sports/entertainment complex that is part of an initiative conceived to expand the traditional downtown business district into the area north of the Fisher Freeway and west of Woodward Avenue and to effectively connect downtown Detroit to Detroit’s Midtown area. Its objective is to transform the 2013 Expansion Area from its currently largely blighted state into a vibrant year-round business, residential and entertainment district that will enhance the viability of the Authority’s past and present economic development efforts throughout the Development Area, and in particular in the adjacent Grand Circus North Development Area. The initiative will also stimulate private and public development efforts in Detroit’s Midtown area.

A primary component of the project will be the development of a multi-purpose sports and entertainment center, including an attached parking deck (collectively, the “Events Center”) that will include a state of the art professional hockey arena which will become the new home of the Detroit Red Wings organization. In addition to serving as a venue for National Hockey League (“NHL”) events, the Events Center will be able to host a wide variety of entertainment events, including but not limited to concerts, other sports and entertainment events and similar events.

It is currently anticipated that the Authority will own the Events Center and that the Authority will enter into a concession management agreement (the “EC CMA”) with Olympia Development of Michigan, LLC or an affiliate thereof (“ODM”), pursuant to the terms of which ODM will assume the management and operation of Events Center. In the event that Wayne County provides a funding commitment for the construction of the Events Center, subject to the approval of the Board of Directors of the Authority, the Authority may transfer its ownership interest in all or a part of the Events Center to the Detroit/Wayne County Stadium Authority or other building authority formed under Act 31 of 1948, or other public entity, as determined by the Authority. Under such an alternative ownership structure, the EC CMA structure would also be modified, subject to the approval of the Board of Directors of the Authority. By way of

example, such building authority may lease the Events Center (or such portion in which it has an ownership interest) to Wayne County and Wayne County, in turn, would sublease the Events Center (or such portion thereof) to the Authority and the Authority, in turn, would enter into the EC CMA as contemplated above.

The City and the EDC will convey to the Authority their respective properties located within the EC Project Area and described in Section 406.2.2 of the Plan for a nominal cash amount and other valuable consideration for the purposes of project implementation. Likewise, ODM (or its affiliates) will convey to the Authority those properties owned by it within the EC Project Area and described in Section 405.1.1 for a nominal cash amount and other valuable consideration for the purposes of project implementation.

Developer

It is anticipated that the Authority will own the Events Center and co-develop the Events Center with ODM or an affiliate thereof. Construction will be coordinated between the Authority, ODM and/or its affiliates, including but not limited to the Detroit Red Wings organization, and, if and as necessary, the City. In the event that the Detroit/Wayne County Stadium Authority or other building authority formed under Act 31 of 1948 owns the Events Center or a portion thereof as contemplated above, such building authority would also be involved in the development and coordination of construction of the Events Center.

Location, Extent and Character of Proposed Improvements

The Events Center will generally be located west of Woodward Avenue and east of existing and vacated alleys west of Park Street's existing location, commencing at the service drive for the I-75 Fisher Freeway and continuing north to Temple Street, as shown in the map attached hereto as Exhibit B to Section 407.11 (the "EC Project Area"), covering approximately 23.2 acres of generally vacant and underutilized land.

The EC Project Area may be amended from time to time by means of a resolution adopted by the Board of Directors of the Authority. In the event that the Events Center is owned by the Detroit/Wayne County Stadium Authority or other building authority or public entity as contemplated above, at the time of any such amendment, a resolution approving such amendment would also be required of the Board of Directors of such authority.

The Events Center will feature a NHL regulation ice rink and all fixtures, equipment and amenities customarily found in a first class professional sports and entertainment complex. The Events Center is planned generally as an approximately 650,000 square foot NHL caliber arena with approximately 18,000 seats, including approximately 1,200 premium seats. Plans include construction of an attached car parking deck located within the EC Project Area, estimated to accommodate 500 parking spaces. The ground floors of the buildings located within the EC Project Area, including of the attached parking garage, will feature approximately 10,000 square feet of retail space featuring a team store, restaurants and other retail. Such retail will be open to the public during appropriate days and hours, including when the Events Center is not being used for events.

Project implementation will impact a majority of structures within the EC Project Area and may require demolition of certain structures to accommodate construction of the Events Center. The existing street grid and block layout of the EC Project Area may be altered in order to facilitate access to the new uses and to facilitate vehicular and pedestrian circulation throughout the area. It is anticipated that major streets leading into the area will receive streetscape, curb and sidewalk improvements. Further detail on possible changes to the current streets and rights of way to accommodate the Events Center is set forth in Section 404.1.1.

Estimated Cost \$450,000,000

Source of Funds¹

Private:	\$188,412,775 ²
Public:	\$261,587,225

The costs of constructing the Events Center will be paid from money deposited into a fund to be established by the Michigan Strategic Fund (“MSF”) (the “Events Center Fund”), which funds will be controlled by a bond trustee and disbursed to ODM (or its affiliate) as construction progresses in accordance with the EC CMA. The sources of the Events Center Fund will include: (i) funds that the Authority has obtained as a result of property tax capture, continues to hold, and is authorized by MCL 125.1651 or by the State of Michigan to contribute to the Events Center Fund, currently estimated at \$31 million³⁴; and (ii) proceeds from one or more series of revenue bonds (the “EC Revenue Bonds”) to be issued by the MSF. Funds from other public or private sources for application to pay costs of infrastructure in or around the EC Project Area and funds committed by Wayne County (if any) may also be deposited in the Events Center Fund, to the extent available.

It is anticipated that the EC Revenue Bonds will be repaid over a period not to exceed 30 years from the following sources:

1. An irrevocable pledge by the Authority of tax increment revenues described in MCL 125.1651(cc)(vi) (the “Catalyst Project Revenues”) of approximately \$12.8 million and up to \$15 million annually as authorized by MCL 125.1664(6).
2. A contribution of \$64.5 million by the Authority from its local tax increment revenues, payable pursuant to a schedule to be determined by the Authority and the bond trustee. This amount will include all tax increment revenues attributable to Wayne County taxes in the 2013 Expansion Area for the duration of the EC Revenue Bonds, currently estimated at approximately \$4,740,000.
3. \$11.5 million annually payable by ODM (or its affiliate).

ODM, or its affiliate, shall be solely responsible for any construction cost overruns relating to the construction of the Events Center. The obligations of the governmental parties with respect to debt service on the EC Revenue Bonds shall not exceed the amounts specified above.

It is anticipated that ODM (or its affiliate), will be primarily responsible for paying the operating and maintenance costs of the Events Center. However, beginning four years following the issuance of the EC Revenue Bonds, a reserve for maintenance and capital improvements will be established from the above described sources and the sum of \$500,000 per year, escalating at the rate of 4% per year, will be placed in this reserve.

Estimated Completion Date

Construction of the Events Center is anticipated to be completed by 2017.

¹ Amounts indicated represent the present values as of July, 2013 of sources of private and public funding over the term of the EC Revenue Bonds, discounted at a rate of approximately 5.91%.

² Amount includes land acquisition and other project related costs by ODM for privately owned parcels included in the EC Project Area.

³ Such funds are comprised of Catalyst Project Revenues held by the Authority prior to the date of the 2013 Plan amendment and attributable to periods from and after July 1, 2010, deemed to be attributable to such periods or otherwise authorized by the Michigan Department of Treasury.

⁴ It is possible that \$25 million rather than \$31 million may be available from existing tax capture for such use. In the event that the amount of available funds is so reduced, additional private funding from ODM in the amount of such reduction will be added to the project.

407.11.2 EC Ancillary Development Project

Project Description

As part of the Catalyst Development Project, other projects involving the development, redevelopment, rehabilitation and repurposing of existing buildings and vacant lands located in portions of the Catalyst Development Area outside of the boundaries of the Events Center are proposed (the “EC Ancillary Development Project”). The construction and development of the Events Center will give impetus to other mixed-use development in the Catalyst Development Area.

The City and the EDC will convey to the Authority their respective properties located within the Catalyst Development Area and described in Section 406.2.2 of the Plan for a nominal cash amount and other valuable considerations for the purposes of project implementation. Such properties will be held by the Authority for development.

Developer

It is anticipated that independent developers and/or owners of private property, including but not limited to ODM or its affiliates, will participate in the EC Ancillary Development Project. In addition, with respect to any properties owned by the Authority, it is anticipated that the Authority would enter into development agreements with private developers, which may include ODM or its affiliates, with respect to the development of such properties.

Location, Extent and Character of Proposed Improvements

Development projects could be located anywhere within the Catalyst Development Area outside of the Events Center. Such projects may include retail, office, business, business innovation, housing, and education projects.

Certain projects currently under consideration include the following:

- New construction at Woodward near Sproat consisting of approximately 105,000 square feet of office and 35,000 square feet retail;
- Approximately 25,000 square feet of Office/Retail on Woodward;
- Detroit Life Building Renovation consisting of approximately 3,645 square feet of retail and 35 residential units;
- Blenheim Building Renovation consisting of approximately 1,833 square feet retail and 16 residential units;
- 1922 Cass Renovation consisting of approximately 70,000 square feet of office;
- New parking deck to accommodate approximately 700 cars, with approximately 15,000 square feet ground floor retail; and
- Approximately 20,000 square feet footprint for new hotel and retail.

However, after the feasibility of these and other projects are assessed by the Authority and potential developers, different projects acceptable to the Authority may be substituted for these projects. In addition, subject to the approval of the Authority and MSF, other projects consisting of the development or redevelopment of other vacant properties or abandoned buildings within the Catalyst Development Area may be identified at a later date and funded with Catalyst Project Revenues.

It is also anticipated that a new DTE substation described in Section 404.5.3.1(a) of the Plan will constitute a component of the EC Ancillary Development Project. Infrastructure projects, to the extent such projects support new developments projects in the Catalyst Development Area, are also contemplated as part of the EC Ancillary Development Project. By way of example only, infrastructure projects may include the construction of an elevated pedestrian bridge over the Fisher Freeway, located at Park Avenue or Clifford Avenue, the widening of the Woodward Avenue bridge over the Fisher Freeway, and/or other similar streetscape projects, including those described in Section 404.1.1 of the Plan.

Estimated Cost

The exact cost of the EC Ancillary Development Project is not currently known, but estimated at least \$200 million.

Source of Funds

Private: \$177.0 million pursuant to a commitment by ODM or its affiliates to invest, or cause other private parties to invest, such amount in the EC Ancillary Development Project.

Public¹: Approximately \$23.0 million in Catalyst Project Revenues, estimated to be the amount of Catalyst Project Revenues over the term of the EC Revenue Bonds in excess of those pledged for purposes of debt service on the EC Revenue Bonds.

Additional public funds yet to be determined for specific projects².

Estimated Completion Date: To be determined

¹ Represents present value as of July, 2013 of \$62 million in Catalyst Project Revenues estimated to be collected over the term of the EC Revenue Bonds, discounted at a rate of approximately 5.91%.

² Such public funds may include tax increment revenues reallocated from other projects, upon approval of the Board of Directors of the Authority, as permitted by the Plan.

CATALYST DEVELOPMENT PROJECT
Sources and Uses of Funds¹

Events Center:

Land acquisition costs, preliminary site work and construction of Event Center

Private Financing (ODM)	\$188,412,775
Public Financing	\$261,587,225
Existing Catalyst Project Revenues	\$31,000,000
Catalyst Project Revenues Commencing 12/2013	\$206,244,442
Wayne County tax increment revenues in 2013 expansion area	\$1,717,277
Other tax increment revenues	\$22,625,506

Events Center Subtotal ***\$450,000,000***

EC Ancillary Development Project:

Land acquisition, demolition, construction, rehabilitation, infrastructure for EC Ancillary Development Project

Private Financing	\$177,028,000
Public Financing	\$22,972,000

EC Ancillary Development Project Subtotal ***\$200,000,000***

Overall Catalyst Development Project

Private Financing	\$365,440,775
Public Financing	\$284,559,225

Catalyst Development Project Total **\$650,000,000**

¹ Private and public funding for Event Center construction and public funding for the EC Ancillary Development Project represents the present value as of July, 2013 of sources of such funding sources over the term of the EC Revenue Bonds, discounted at a rate of approximately 5.91%.

City of Detroit Downtown Development Authority

Exhibit B to Section 407.11

Event Center Project
Area Map

- DDA DISTRICT 2013 EXPANSION AREA
- EVENT CENTER PROJECT AREA

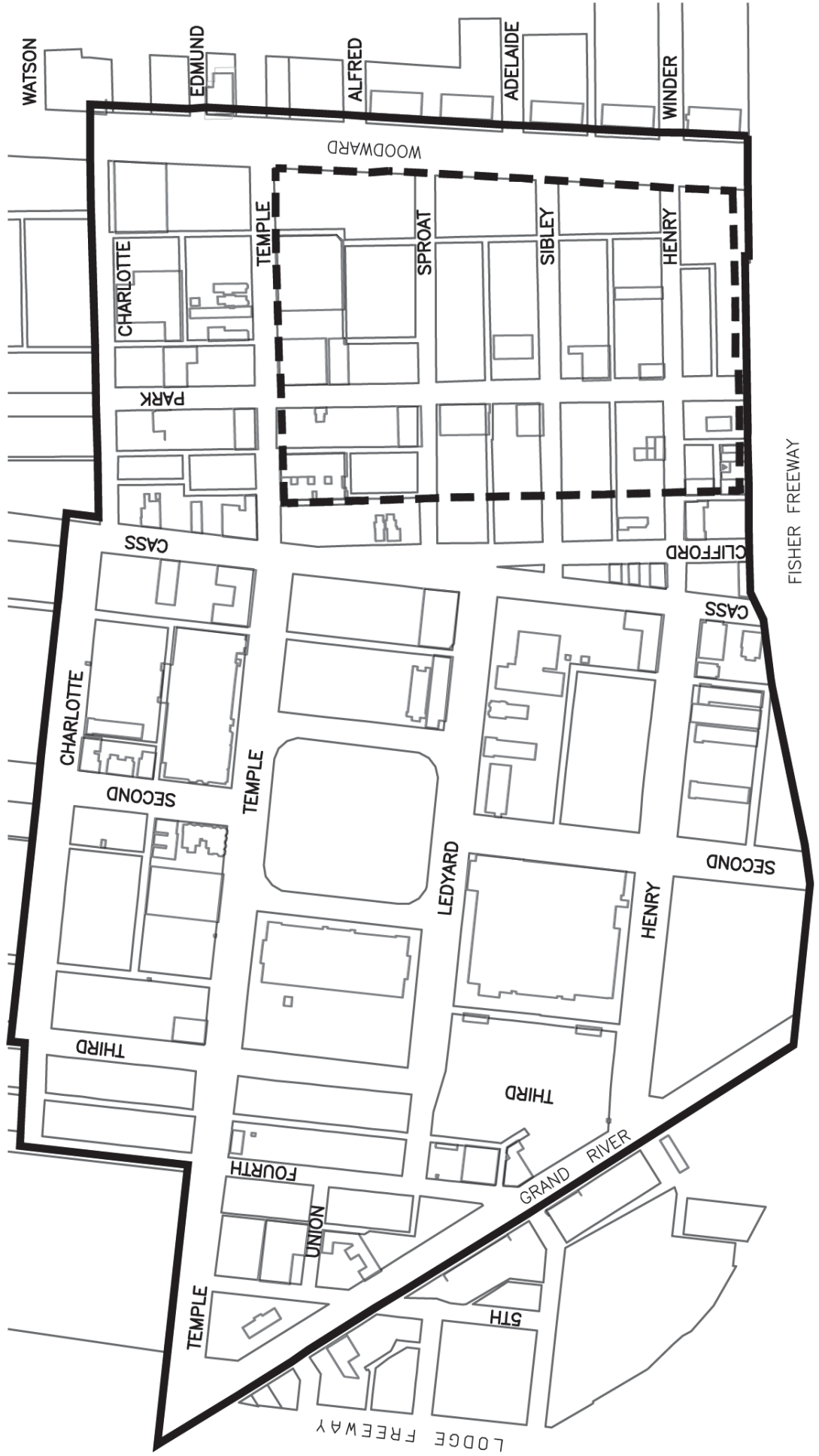
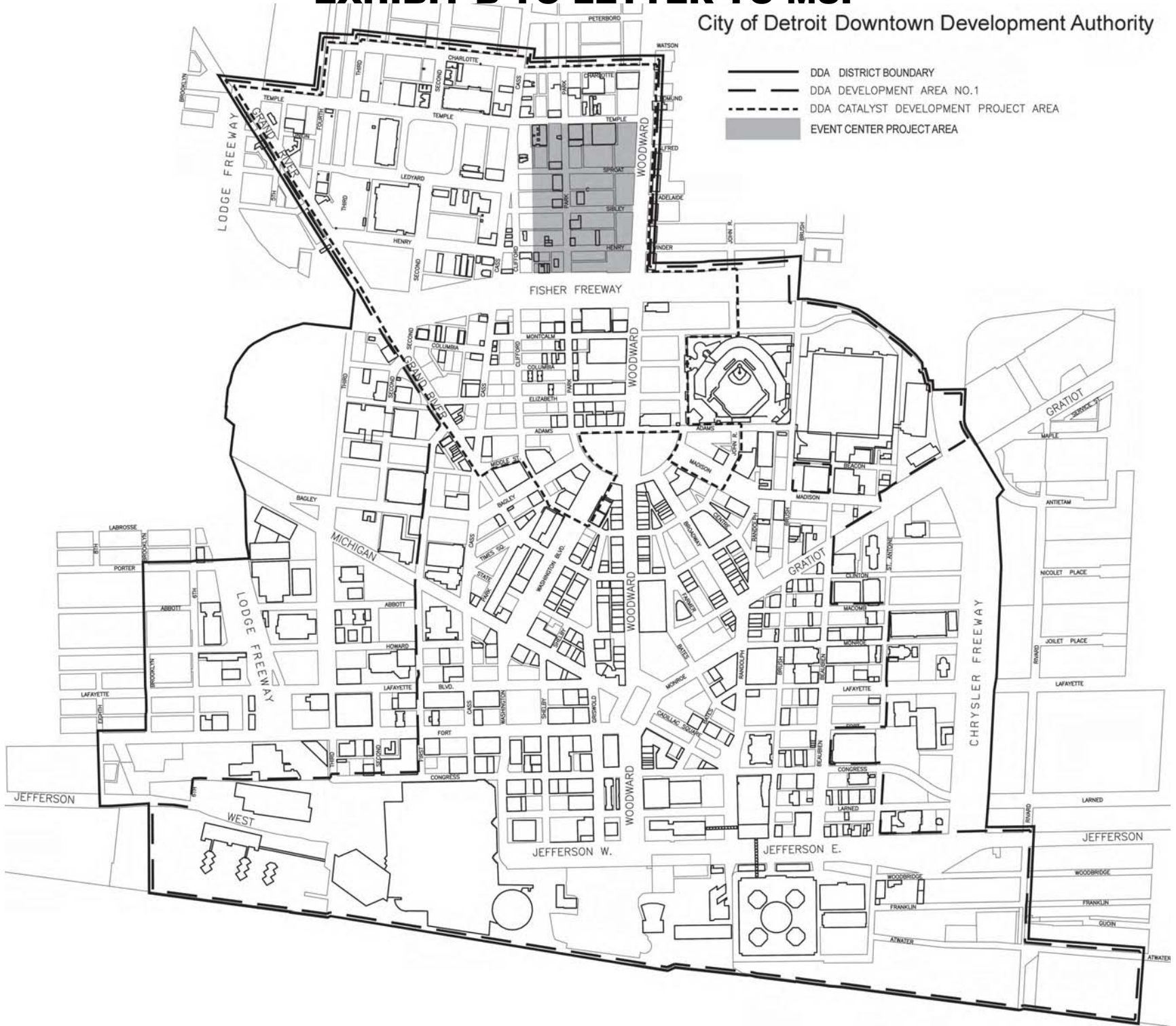


EXHIBIT B TO LETTER TO MSF

City of Detroit Downtown Development Authority

- DDA DISTRICT BOUNDARY
- - - DDA DEVELOPMENT AREA NO.1
- - - DDA CATALYST DEVELOPMENT PROJECT AREA
- EVENT CENTER PROJECT AREA



Presentation to:
Michigan Economic Development Corporation
Michigan Strategic Fund Board

July 24, 2013



Why we are here

The Ilitch organization is taking a step forward with the public sector to create a partnership that will support the development of an innovative district in Detroit's downtown core comprised of residential, retail and office facilities, anchored by a new state-of-the-art, multi-purpose events center. We are excited by this catalyst development project's potential to positively impact the economy, create thousands of jobs and be a driving force in the growth of our city, region and state.

Great states, have great cities...and Detroit is one of Michigan's greatest opportunities

Great Cities:

- Enhance the quality of life
- Create opportunities by investing resources that enhance prior investments
- Utilize strong partnerships between the public and private community to foster economic vitality and growth



Case Studies: Lessons Learned

What works best for events centers and urban revitalization:

- **Concentrate revitalization in a well-defined district**
- **Include a balance of business, residential and cultural assets with a sports and entertainment center**
- **Include parks, plazas and sidewalks that provide continuity and connectivity with other districts**
- **Develop detailed and defined plans, short and long term, that will lead to more development and investment**

Case Study: Los Angeles

From tarnished reputation ...



Los Angeles

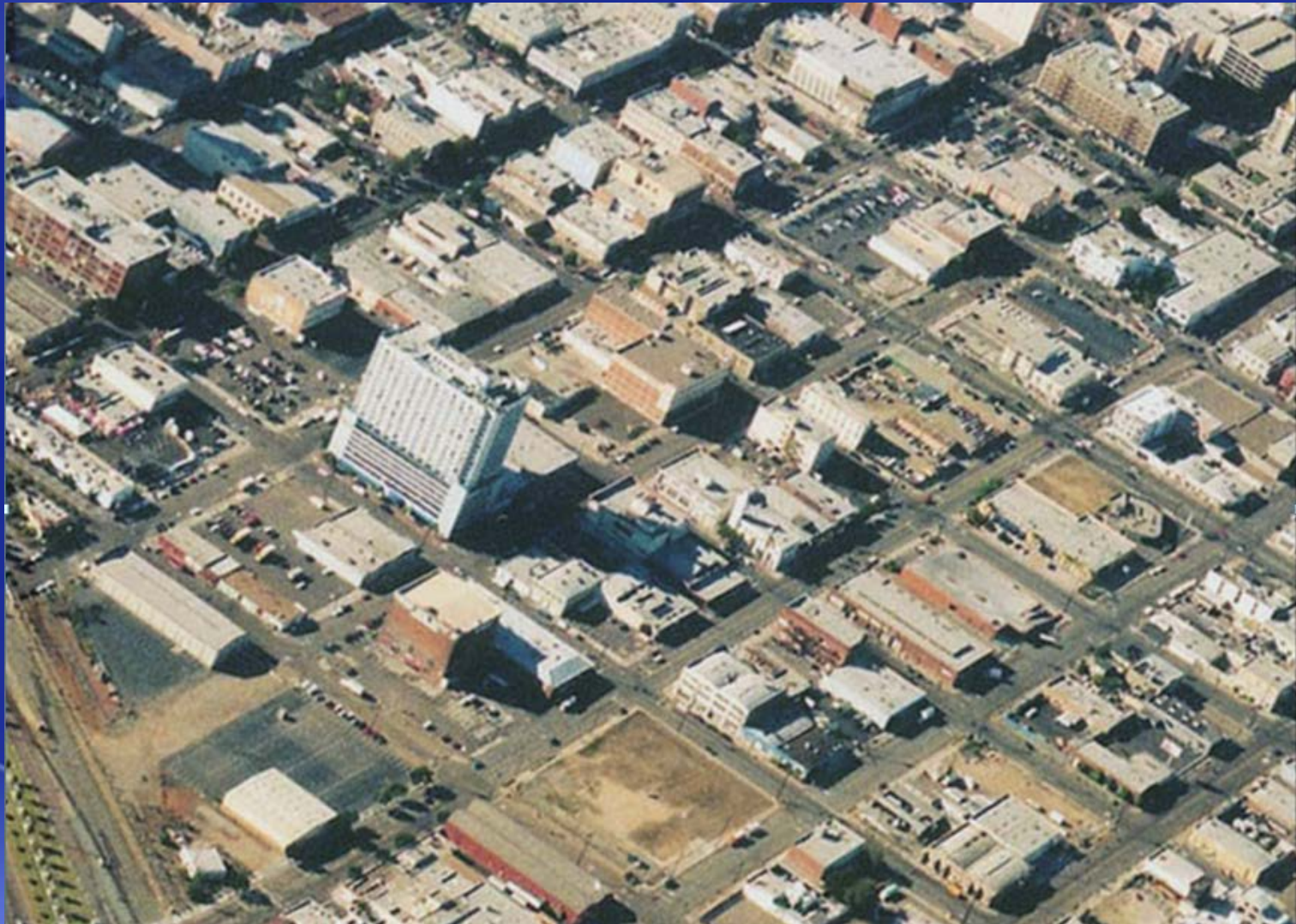
... to “an unqualified success.... a win for taxpayers, the economy and all the people of Los Angeles.” Laura N. Chick, former LA Controller and City Councilwoman

- Downtown population up 148%
- Housing units up 167%
- Assessed property values up 83%
- No city general fund dollars



Case Study: San Diego

From a blighted downtown with high crime rate, declining business activity and a relocating population ...



San Diego

... to waterfront neighborhood

- More than 3,600 residential units added
- 957 new hotel rooms
- 610,000 square feet of new commercial space



Case Study: Indianapolis

From "India-no-place" ...



Indianapolis

... to *“Amateur Sports Capital of the World”*

- Downtown population up 68%
- Apartment units up 45%



Case Study: Columbus

From barren rail yards ...



Columbus

... to a vibrant new neighborhood linking the university to the downtown business district

- More than 500 residential units
- 1.2 M square feet in Class A office space
- Ancillary development
 - New restaurants and pubs
 - City parks
 - New/renovated hotels



Public-Private Partnerships

How successful projects are structured

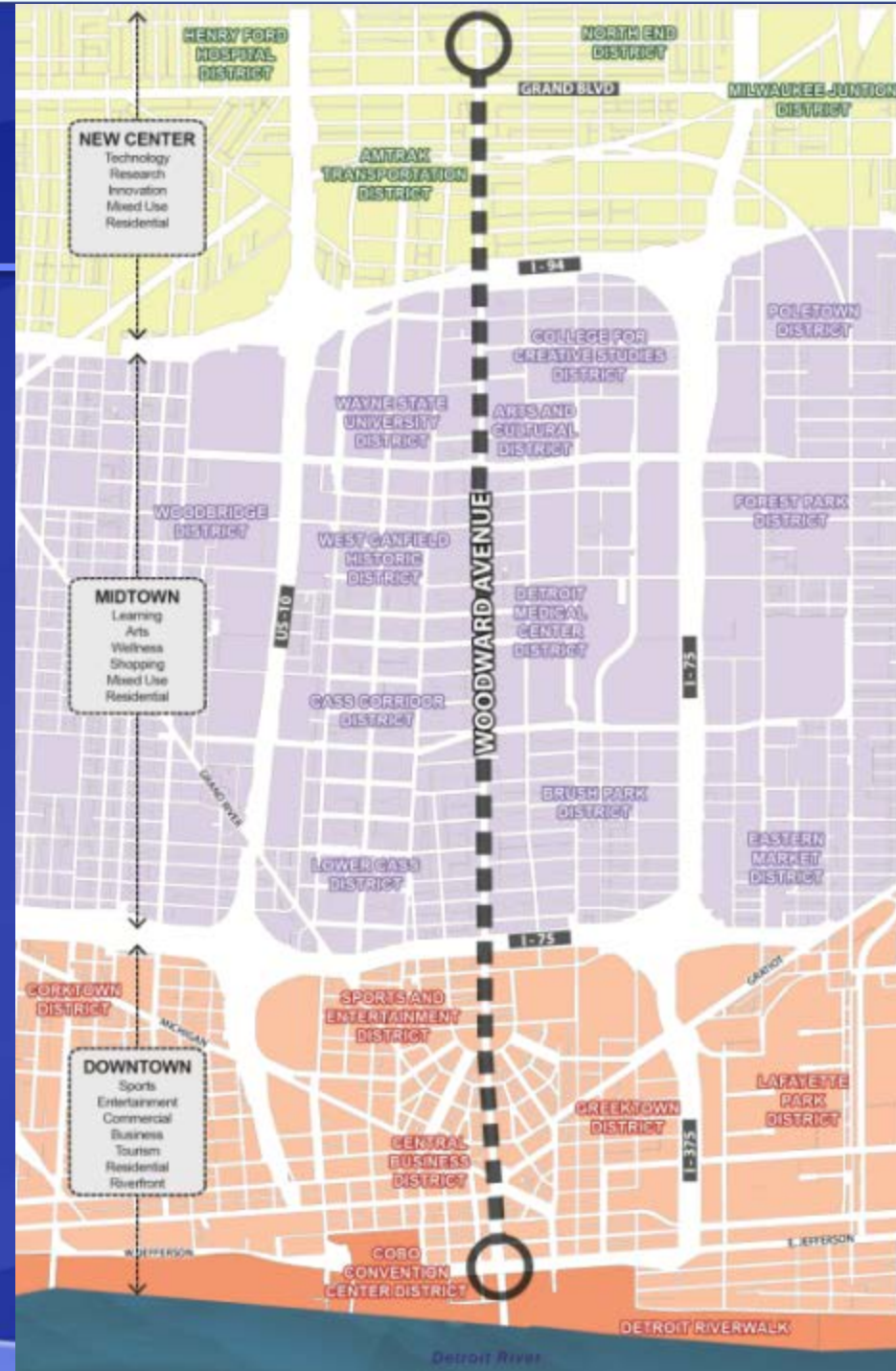
<u>Arenas & Ballparks Built In The Last 10 Years</u>	<u>Year</u>	<u>Public</u>	<u>Private</u>
• FedEx Forum – Memphis, TN	2004	100%	0%
• Toyota Center – Houston, TX	2003	100%	0%
• Great American Ball Park – Cincinnati, OH	2003	90%	10%
• Amway Center – Orlando, FL	2010	90%	10%
• Jobing.com Arena – Glendale, AZ	2003	80%	20%
• Citifield – New York, NY	2009	74%	26%
• Consol Energy Center – Pittsburgh, PA	2010	68%	32%
• Petco Park – San Diego, CA	2004	67%	33%
• Prudential Center – Newark, NJ	2007	56%	44%
• Time Warner Cable Arena – Charlotte, NC	2005	50%	50%
• Citizens Bank Park – Philadelphia, PA	2004	50%	50%
• Events Center District – Detroit, MI	TBD	44%	56%

Average Financing: 75% Public – 25% Private

Catalytic Activity

Opportunity to activate highly under-utilized areas and strengthen existing assets

- CONNECTOR
- DEVELOPMENT
- WALKABLE
- DENSITY and ACTIVATION
- RECRUITING TOOL
- ACCESSIBILITY
- STABILITY





The Vision

- A district that accommodates a variety of uses
- A blend of revitalized landmarks and new buildings
- An eclectic mix of restaurants and street-side shopping
- A central gathering place
- A venue that will serve as a point of destination

Event Opportunities

Detroit's sports and entertainment industry injects excitement and vibrancy into the region and state by participating in, and attracting major sporting events and spurring new business.

- World Class Concerts
- MLB All-Star Game
- MLB World Series
- NFL Super Bowl XL
- NHL Stanley Cup Playoffs
- NBA Playoffs
- NCAA Final Four
- NCAA Frozen Four
- PGA Ryder Cup
- Detroit Indy Grand Prix
- APBA Gold Cup Races
- Red Bull Air Races
- WWE WrestleMania
- Specialty Shows and Events

Sustained Jobs Growth

EXISTING DOWNTOWN ARENA

660

Permanent jobs

\$125M

Annual economic
impact

NEW EVENTS CENTER

1,100

Permanent jobs

\$210M

Annual economic
impact

Immediate Jobs Impact

EVENTS CENTER ONLY

5,550

Jobs created from construction

\$200M

Total economic impact within Wayne County

\$700M

Total economic impact within the State of Michigan

EVENTS CENTER AND PHASE 1 ANCILLARY DEVELOPMENT

8,300

Jobs created from construction

\$300M

Total economic impact within Wayne County

\$1B

Total economic impact within the State of Michigan

Long-Term District Economic Impact (Phase 2: 20 year build out)

\$1.1B

Direct expenditures

\$780M

Indirect effect

\$1.8B

Total economic impact
within the State of
Michigan

Momentum



**Residential Rental Unit
Occupancy Rates are 95%+**



**Highest Population Growth is
Among Young, Educated People**



**Expansion of World-Class
Medical Institutions**



Attracting Major Events



Growth in Higher Education



**Newly Expanded
Convention Center**

Civic Pride and Positive Social Impact



TIGERTOWN

No city has been harder hit by the economic downturn than Detroit, and that forced Tigers owner Mike Ilitch to take a most drastic measure: He raised the payroll and reinvested it surgically in his franchise. What's unfolded this summer, one year removed from a last-place finish, has lifted a city.

BY LEE JENKINS

PHOTOGRAPH BY GARY SMITH

THE BEST ATHLETE IN TEXAS BY GARY SMITH
PHOTO: A First-Of-Its-Kind Report From Comerica Stadium by Chris Richard

Sports Illustrated

THE RIGHTEOUS FRANCHISE
DETROIT

Three Days' Entertainment for June
7/11/12/13



BEST sports town, period!

Tigers, other Detroit teams give the region a reason to celebrate despite tough times



A GREAT NIGHT IN DETROIT

Thousands swamp city for big events

By Brian McCollum

Free Press Staff Writer

It was just the kind of night to put a proud thump in the hearts of Detroit boosters.

A prime-time convergence of big events Friday night — concerts, sports, plays — lured tens of thousands downtown for a swamped, sizzling night in the Motor City.

"Absolutely nuts," remarked one Detroit traffic officer at the crowded crosswalk at Woodward and Elizabeth ahead of the Tigers' marquee matchup with the New York Yankees.

Some arriving fans said traffic had crawled.



Wings' championship unites a region that's often divided

BY FRANCIS X. DONNELLY | The Detroit News

DETROIT — A hockey jersey adorned a baseball statue. Suburbanites made a rare trek to the city for Red Wing merchandise. Workers in suits at the Fort Shelby Hotel convention site discussed the same game as fans in suits outside the federal cour-



Velvet S. McNeil / The Detroit News

a region known for its differences, it was a day of coming together. The team's championships have a way of uniting people. "We're all happy about the same thing."

The Team Unity theme coursed through memorabilia customers such as Jeff Kalczynski, 25, shopping in Westland