

July 24, 2018

City Administrator Howard Lazarus
Larcom City Hall, third floor
301 E. Huron St. narrative
Ann Arbor, MI 48104

Barbara Herzig, on behalf of Graham Hotel Systems, the parent company of the Kensington Hotel on State Street and the Holiday Inn Express Ann Arbor requests the development of a Commercial Rehabilitation District in compliance with the Commercial Rehabilitation Act, PA 210 of 2005.

The Commercial Rehabilitation District encompasses the expansion of the Kensington Hotel including but not limited to a new 43,000 square foot conference and training facility, on the east end of the hotel, and a 300 space stack parking garage, to be located between the two hotels.

With the expansion, annual revenues are expected to increase to \$15 million from the current income of \$11 million as of December 2017. The expansion will allow the Convention and Visitors Bureau, Destination Ann Arbor, to bid on and award contracts for up to 1500 guests; our current limitation in the county is 400 guests. These 1500 guests would use the local gas stations, restaurants, hotels and Briarwood Mall. We are seeking incentives and property tax abatement in order to complete the design, construction and operations for up to 10 years.

Within the meeting planning community there are 2 main lead generating systems, the CVB or Destination Ann Arbor and CVENT, a meeting planning web based software. Destination Ann Arbor (AACVB) tracks leads as planners are looking for the perfect location, submits the leads to the appropriate or requested hotel and follows up with the planner. Over the past several years Destination Ann Arbor has turned down, or not responded to, thousands of leads due to the limited space within Washtenaw County. In 2016, according to CVENT, the city of Detroit hosted 5600 events between 400 people to 1500 people which generated over \$26,000,000. This includes room revenue, food and beverage and audio visual needs.

The construction will provide between 100 and 150 jobs during construction and 50 permanent associates once open.

Time line of construction project

July 24, 2018 to date preliminary drawings have been completed

December 1, 2018 drawing completed and submitted for planning review

March 2019 send plans to construction companies for a RFP

July 2019 begin construction

Complete construction by July 2021.

Parcel 12-08-100-062, situated in the City of Ann Arbor, State of Michigan, County of Washtenaw, and described as follows:

That Part of

PRT NE 1/4 SEC 8 T3S R6E COM E 1/4 COR SEC 8 TH N 1 DEG 39 MIN W 1077.25 FT TH S 87 DEG 25 MIN W 60 FT FOR POB TH S 1 DEG 39 MIN E 165.16 FT TH S 26 DEG 05 MIN W 172.35 FT TH S 70 DEG 21 MIN W 174.70 FT TH S 54 DEG 52 MIN 30 SEC W 163.84 FT TH S 39 DEG 24 MIN 10 SEC W 198.53 FT TH S 51 DEG 05 MIN 30 SEC W 193.56 FT TH N 36 DEG 28 MIN W 423.05 FT TH NELY 68.08 FT ALG ARC OF 892.43 FT RAD CIR CUR TO LT THRU A CENTRAL ANG OF 4 DEG 22 MIN 15 SEC HAVING A CH WHICH BEARS N 51 DEG 1 MIN 50 SEC E 68.07 FT TH 34.72 FT IN ARC OF CUR NW R-892.43 FT CH N 49 DEG 55 MIN E 34.67 FT N 46 DEG 37 MIN E 159 FT TH 588.50 FT IN ARC OF CUR SE R-862.43 FT CH N 67 DEG 1 MIN E 576.14 FT TH N 87 DEG 25 MIN E 172.83 FT TO POB ALSO LOT 16 BRIARWOOD SUB

Address: 3500 South State Street

Thank you for your consideration.



M. Barbara Herzig