

Part 2: Application Documents

A. General description of the facility (year built, original use, most recent use, number of stories, square footage)

The current facility is comprised of 2 multi-level buildings, no higher than 3 stories, which total 178,000 SF. The site is a hotel called the Kensington Hotel, which is independently operated by Graham Hotel Systems. It was built in 1967 as a 128 room Hilton Suites. The additional 72 rooms and 10,000 square feet of meeting space was added at various times over the past 50 years. Since 1993 it has operated as under different brand names.

B. Description of the qualified facility's proposed use

Graham Hotel Systems, the entity that owns and operates the Kensington Hotel, intends to add a new 43,000 square foot conference and training facility to the east end of the Kensington Hotel and a 300-space parking garage located between Kensington Hotel and the Holiday Inn Express and Suites.

A tax abatement is being requested to assist in the development and funding for this project to bring additional tax revenue and jobs to the area. This will be done throughout the construction process and staffing needed to operate the conference center. A development of this magnitude would not be possible without the tax abatement due to the expense to construct, the length of time to develop, cultivate repeat clients and marketing to develop a base cliental. Once broad knowledge of this conference facility is known outside the greater Ann Arbor area, local businesses will reap the benefits of the facility. Increasing Ann Arbors ability to attract large conferences and groups.

C. Description of the general nature and extent of the rehabilitation to be undertaken

The rehabilitation involves the new construction of a building that would include a conference center, updated kitchen and enlarged restaurant. This facility could accommodate up to 1,500 guests, which would fill a market need in the economy, as well as provide increased economic activity for surrounding businesses.

D. Descriptive list of the fixed building equipment that will be a part of the qualified facility

A list of some of the fixed building equipment that would be included as part of this project:

- HVAC equipment
- Kitchen equipment
- Walk in coolers and freezers
- AV equipment
- Event and specialty lighting
- Security equipment
- Elevator equipment

E. Time schedule for undertaking and completing the facility's rehabilitation

Construction for the project is estimated to take two years, which is planned to begin in July 2019, with an estimated completion date of July 2021.

F. Statement of the economic advantages expected from the exemption

With the expansion, annual revenues are expected to increase to by 36%. The expansion will allow the Convention and Visitors Bureau, Destination Ann Arbor, to bid on and award contracts for up to 1,500 guests; our current limitation in Washtenaw County is 400 guests. These 1,500 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 5,600 events between 400 people to 1,500 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 positions once open.

G. Legal description

Parcel Number: 09-12-08-100-062

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 1995 WAS PARCELS 09-12-08-100-015, 09-12-08-100-041, AND 09-12-08-100-042 COMBINED INTO 09-12-08-100-062

H. Description of the "underserved area" (Qualified Retail Food Establishments only)

Not applicable to this application.

Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)

Not applicable to this application.