

Legislative Analysis



CONVENTION FACILITY LEASING

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House Bill 4998

Sponsor: Rep. Shanelle Jackson

Committee: Regulatory Reform

Complete to 6-17-09

A PRELIMINARY SUMMARY OF HOUSE BILL 4998 AS INTRODUCED 5-26-09

The bill would amend the Regional Convention Facility Authority Act, which was enacted in 2008 to allow for the transfer of the Cobo Conference/Exhibition Center from the city of Detroit to a specially created regional authority. The area of the authority consists of Wayne, Oakland, and Macomb counties. The new act also granted the local legislative body (the Detroit City Council) the authority to prevent the transfer through a resolution of disapproval, and the City Council has subsequently disapproved the transfer.

The bill would:

- In cases where transfer of a facility has been disapproved, allow the local legislative body (the city council), with the approval of the mayor, to authorize the lease of the convention facility to the regional authority. The lease agreement would be for a term of 30 years with the rental fee of \$20 million payable when the lease agreement was entered into. The lease agreement could be renewed.
- Require the authority board to establish policies assuring that the board and the authority make good faith efforts to hire residents who reside in the community where the facility is located. This would apply if the unemployment rate in that municipality was 25 percent or more greater than the state unemployment rate.

MCL 141.1361

FISCAL IMPACT:

A fiscal analysis is in process.

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Fiscal Analyst: Jim Stansell

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