



CITY OF CLEVELAND
Mayor Frank G. Jackson

As you know, the Mall Site has been chosen as the location for the proposed Medical Mart and new convention center in downtown Cleveland. With this critical decision made, the City of Cleveland can now help move this project forward. A new convention center, paired with the Medical Mart, has the potential to create jobs, invigorate convention business, capitalize on our successful health care industry and position Cleveland for future growth.

Today, I met with Cleveland City Council to outline the City's next steps and the primary issues on which we are focused. As Mayor, I will continue to work with Cleveland City Council to ensure that the entire Cleveland community benefits from the project and that these issues are addressed expeditiously.

As of today, here are the primary matters on which we are working:

- 1. Value of City Property:** Cleveland's existing historic Public Auditorium and Convention Center are remarkable assets. I will negotiate with Cuyahoga County to ensure that the City of Cleveland receives appropriate compensation for the property and operations.
- 2. Physical Foundation of Current Convention Center:** The plans for the new convention center call for a modification to the existing foundation of the convention center, which reduced the cost estimate for the Mall Site by more than \$100 million. This design is based on the assumption that this concept will work and that this foundation will be sufficient to support the new convention center. If the assumption is proved wrong, the project cost could potentially increase by more than \$100 million.
- 3. Potential Conflict of Benefit:** It is important to recognize that at times, the interests of the private developer/operator and those of the public funding the project may be in conflict. The development agreement should address this issue to protect the public's interest while ensuring the developer/operator's prospects for success.
- 4. Functioning of New Convention Center:** The current plans call for 270,000 square feet of contiguous exhibition space which is 30,000 square feet less than experts indicate is needed. I will be working to ensure that the new convention center is built to achieve Cleveland's goal of being competitive in

attracting convention business. This means we need a state-of-the-art facility with expert-approved features, technology, meeting rooms, exhibit space and connectivity.

- 5. **The Development Agreement:** This agreement is being negotiated between MMPI and the County. Key points that I am looking to have addressed in this agreement are: the elements listed above, clarification on future payments of property tax for the new facilities; clarification on who is responsible for cost overruns on the project and inclusion of the City of Cleveland’s local hiring and MBE/FBE requirements as well as Cleveland-area small business contracting requirements.
- 6. **Timeline:** The following is the developer’s proposed timeline for the project.

ACTIVITY	TIMELINE
Execute development agreement	End of first quarter 2009
Showroom, conference, convention letters of intent signed	January 2009 – July 2009
Go/No Go Decision	August 2009
Design, architecture, permitting, planning	2009-2010
Construction	2011 – 2012
Project Opening	2013

Additionally, as to Public Auditorium, MMPI can begin hosting conferences and small trade shows within one year of permitting for renovation work.

I am committed to working through these issues in a timely manner to keep the project on track. As I move through the negotiations and the project progresses, I will provide regular updates to you because, ultimately, this project is yours. I look forward to continuing this conversation with you in the future.

Sincerely,



Frank G. Jackson, Mayor