

## Novi's Showplace hopes to benefit from bill freezing property taxes

Written by

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Blair Bowman is inching closer to his goal of expanding the Suburban Collection Showplace and adding a hotel thanks to a tax-freeze bill that is awaiting Gov. Rick Snyder's signature.

The legislation, House Bill 4759, would allow local governments to freeze property taxes for up to 10 years for redevelopment and allow the Commercial [Rehabilitation Act](#) to apply to vacant properties that had a commercial use.

Bowman will benefit from it because a clause was added to the bill to include a "qualified facility," of which his 320,000-square-foot expo center that opened in September 2005 in Novi is one.

"Without it for sure we don't go forward," he said, noting a myriad of other things have to fall into place as well. "But given the impact of the overall economy on the [hotel industry](#) in general, this is a high hurdle and we wouldn't be able to do this unless we get this kind of relief in the initial

phases."

The project, which has undergone some changes since it was first presented nearly three years ago, calls for a 120-125 room hotel, at least seven meeting rooms and additional space.

Bowman estimates the cost to be in the \$10 million to \$12 million range when completed.

He said the hotel is needed for the [convention center](#) to continue to attract more diverse and larger shows. He referred to it as becoming a "headquarter" hotel, meaning the people's heads are over the beds in a meeting space and they don't have to travel off site.

"We know we need to grow to be successful for the long term," Bowman said.

Ron Wilson, CEO of [Hotel Investment Services](#) based out of Troy which operates the Staybridge Suites in Novi, said he feels Bowman would be getting an unfair

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advantage from the abatement.

He noted that Bowman said without the abatement the expansion wouldn't likely be possible, so he questions why that is fair to everyone who is already making it work.

"I understand his position, and he is doing the best he can for his development, but is it fair to give him a lower property tax rate than all the other hotels operating in Novi?" Wilson said. "Because he would have a lower cost basis and could sell his rooms cheaper than everyone else, it would make the other hotels less profitable and potentially put someone out of [business](#)."

Bowman said he is doing an "unusual thing" as a private sector party totally funding a project that is "typically required to be a fully government subsidized, totally taxpayer funded, at-a-loss program."

He is planning on meeting with Novi officials soon and submitting preliminary site plans in the next two to three months.

The House bill is just one piece of the puzzle as the Commercial Rehabilitation Act also requires approval from the local government. The city would have to create a rehabilitation district following a public hearing, and could grant an exemption that would last between one and 10 years. The State Tax Commission also must give approval.

Novi Mayor David Landry urged the city council at Monday's meeting to get a policy in place as soon as possible regarding tax

abatements in commercial areas so when Bowman comes the city is ready.

"This is a serious discussion," said Landry.

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A blueprint from the Suburban Collection Showplace shows what the proposed \$10 million to \$12 million hotel and expansion project would look like.

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