

Cleveland Medical Mart & Tradeshow Facility Paired with a new Cleveland Convention Center

July, 2007

Shaping Cuyahoga County's Future Today

Cuyahoga County is the home of 1.3 million people, which is larger than seven of our United States. With such a large population, we can no longer afford to keep falling behind instead of moving forward. Cuyahoga County must compete locally, nationally, and internationally. In order to achieve and succeed in the world market, our future must encompass imagination, determination, and vision. Cuyahoga County must enhance—and even change—its image while shaping goals. The cost will not simply be measured in monetary units—but also in individuals. Cuyahoga County needs job creation, downtown development, and renovation. New jobs and new revenue must be created to generate the excitement and enthusiasm needed to instill confidence once again in the Greater Cleveland area.

Merchandise Mart Properties, Inc. (MMPI) is a trade show and property management firm specializing in managing buildings devoted to wholesale showrooms and commercial office space. MMPI produces more than 300 trade shows, market events, and conferences each year, and is located in Chicago, Illinois, with Christopher Kennedy as the company's president. After proper negotiations, MMPI will take the lead in developing and managing Cleveland's Medical Mart & Tradeshow Facility with an opportunity to also manage the new Convention Center. The Cleveland Medical Mart will build on Cleveland's existing world-renowned health care reputation and resources to attract new events and business opportunities to our region.

Sales Tax Information

On the table for consideration by Cuyahoga County Commissioners is the option to fund the public portions of the Medical Mart/Convention Center by a one-quarter of one percent (\$0.0025) increase in the sales tax, increasing the current tax from 7.5 % to 7.75%. County Commissioners will only support a convention center that will be built in conjunction with the Medical Mart. ***Building a convention center alone will not be considered.***

The additional sales tax for the consumer would translate as follows:

<u>Amount of Purchase</u>	<u>Consumer will pay an additional</u>
\$ 4.00	\$ 0.01 (one penny)
\$ 40.00	\$ 0.10 (ten cents)
\$ 100.00	\$ 0.25 (twenty-five cents)
\$ 1,000.00	\$ 2.50 (two dollars & 50 cents)
\$ 5,000.00	\$12.50 (twelve dollars & 50 cents)

\$10,000.00

\$25.00 (twenty-five dollars)

Additional Facts Regarding the Medical Mart and the Sales Tax

- \$0.0025 percent is the smallest increment increase that is allowed by state law.
- The proposed investment will raise approximately \$42 million dollars per year for purposes of attracting the construction of a Medical Mart & Tradeshow Facility paired with a new Cleveland Convention Center and addressing the demands of the community.
- Of the current 7.5% sales tax, Cuyahoga County only receives one percent with the balance going to the State of Ohio and RTA.
- Medical Mart investors estimate that 50 medical trade shows will be attracted to Cleveland each year with nearly \$330 million in additional, direct local spending and 300,000 visitors.
- The Medical Mart will help our region move forward in a new direction, focusing on medical fields and related hi-tech and biotech manufacturing and research.
- The Greater Cleveland region has more doctors than Boston.
- Northeast Ohio has approximately 200,000 healthcare jobs.
- The Cleveland Clinic, University Hospitals, and the MetroHealth System are recognized nationally and internationally.
- A study completed by the Economics Center for Education and Research at the University of Cincinnati estimated the total economic impact of Northeast Ohio's hospitals and related facilities at \$15.5 billion in 2004.
- The construction of a Medical Mart will provide hi-tech jobs in medical fields as well as entry-level positions in our local hospitality industries.
- The Medical Mart and related development will help reduce the "brain drain" and help keep qualified workers in Northeast Ohio.
- Tradeshow attendees, tourists, and out-of-county residents will help pay part of the cost through their purchases.
- Medical Mart owners are committed to opening an office in Cleveland to be staffed by senior executives who will not just manage this project but will also look for other real estate and additional private sector investment and development in our community.

- The construction of a Medical Mart will increase downtown property values and tax revenues in the downtown area, which additionally benefits our local schools.