

Convention Facilities Authority Meeting (CFA)
Meeting Minutes of February 24, 2023

CFA Members Present: Lee Czerwonka, Nidhi Bambino-Bedi, Ashley Bryant-Bailey, Kevin Hardman, Lee Hawkins III, Bimal Patel, Dan Unger, Joe Mallory, Keizayla Fambro

CFA Members Absent: Brenden Cull, Donna Jones Baker

Others Present: Holly Christmann, John Bruggen, Lisa Anderson, Marc Von Allmen, Brad Ruwe, Ric Booth, Jim Downton, Karen Alder, Michael Friedmann, Linda Jensen, Andy Conklin, Samantha Brandenburg, Andrew Dudas, Andrew Garth

1. Call to Order

Chair Czerwonka called the meeting of the Hamilton County Convention Facilities Authority to order at approximately 12:00 p.m. Mr. Michael Friedmann conducted the roll call and indicated there was a quorum.

Mr. Czerwonka welcomed new member Joe Mallory.

2. Review and approval of the minutes of November 18, 2022.

Mr. Czerwonka accepted a motion to approve the minutes from Mr. Hardman, seconded by Mr. Patel. Mr. Czerwonka asked for discussion. Hearing none, he asked for a vote. The minutes were approved unanimously.

3. Election of Officers

Mr. Czerwonka asked if there were any nominations from the floor for officers.

Chairperson – On motion of Mr. Hawkins, seconded by Mr. Hardman, the nomination of Lee Czerwonka was approved.

Vice-Chairperson- On motion of Mr. Hardman, seconded by Mr. Czerwonka, the nomination of Brendon Cull was approved.

Treasurer- On motion of Mr. Czerwonka, seconded by Mr. Hawkins, the nomination of Kevin Hardman was approved.

4. Resolutions

a. Resolution appointing Secretary, Assistant Secretary, and Assistant Treasurer

- Secretary – Holly Christmann
- Assistant Secretary- Andrew Dudas
- Assistant Treasurer- Monica Morton

Mr. Czerwonka accepted a motion from Mr. Unger to adopt the resolution, seconded by Mr. Hardman. The resolution was adopted unanimously.

b. Appropriating Service Payments and Authorizing the Expenditure of Such Funds

Mr. Czerwonka accepted a motion from Mr. Hardman to approve the resolution seconded by Mr. Hawkins. The resolution was adopted unanimously.

c. Appropriating Taxes and Authorizing the Expenditure of Such Funds

Mr. Czerwonka accepted a motion from Mr. Hardman to adopt the resolution, seconded by Mr. Unger. The resolution was adopted unanimously.

5. Review of Financial Report

Ms. Adler presented the 4th Quarter Financial Report

There are no expenditures for 2023 so far. 2022 expenditures were \$24,050.00.

6. Resolution consenting to and authorizing the CFA to enter into a New Cooperative Agreement for an Amended Supplemental and/or Restated Cooperative Agreement with the Port of Greater Cincinnati Development Authority and the Board of County Commissioners, Hamilton County, Ohio.

Mr. Ruwe provided background and stated that in 2020 the Port Authority issued a little over \$52 million in bonds for the acquisition of the Millennium Hotel and property associated with it. Those bonds had a 3-year term, so the maturity date of those bonds is May 1, 2023.

The Port Authority has engaged a working group to look into whether it is possible, under the existing documents, to issue renewal notes to timely refund these bonds. The principal has not been paid down so interest has been payable for these 3 years, and in effect these bonds are being renewed or rolled over. The Port Authority financial team is projecting a 2-year bond issue. There is not going to be an official statement with these bonds, but they are going to be publicly marketed to sophisticated investors such as mutual funds, financial institutions, insurance companies, and those types.

The reason that the CFA is involved is because the 3.5% lodging tax is the primary security for these bonds. What the resolution accomplishes, just like in 2020 when the original bonds were issued, it allows for the CFA to be a party to a cooperative agreement with the County and the Port Authority and the Trustee of the bonds in order to get the TOT tax to the Trustee to pay principal and interest. The pledge of that particular TOT tax is first and foremost to pay the Convention Center Bonds, the primary refunding bonds issued in 2014. The second tier goes to Sharonville to pay the Sharonville Convention Center bonds. The third-tier pledge, which is the primary backing of these 2020 bonds, and what will be the 2023 bonds, is the residual TOT tax, although there will be a mortgage on the property as well. The resolution authorizes the CFA to enter into a cooperative agreement primarily to provide security for these bonds. Mr. Ruwe stated that his understanding is that the County has a similar resolution on their agenda for March 9, 2023, and then the Port Authority will provide its resolution in early April. These actions should facilitate a closing by April 27, 2023 to get ahead of the May 1, 2023 maturity of the existing bonds.

Further discussion ensued.

Mr. Czerwonka asked if there were additional questions and discussion before adopting the resolution. Hearing none, Mr. Friedmann called the roll and the resolution was adopted unanimously.

7. Update on Sharonville Convention Center

Mr. Downton provided an update. The convention center will be doubling in size with the exhibit hall going from 20 thousand to 40 thousand square feet with a full bar and restaurant. 2022 was a great year but not at 2019 revenues but within about \$300,000.00. Business is much different than it was pre-covid. They historically did about 70% of corporate meetings Monday through Thursday, and public events on weekends. The average event size was 450 per event with about 400 events a year. That has completely shifted. In 2023, we have 280 events, but the average group size doubled to about 850. Public events are taking on a much more important role. Already have bookings for exhibit hall in the summer and are actively soliciting that business and planning an opening.

Mr. Booth stated that the fiscal year 2022 was still affected by Covid. In 2021 they suffered losses like they have never seen before. The convention center business is dependent on the hotel to get the larger

events. There were some successes with the consumer show side and meetings and are leveling out somewhat. They will have to go to a weekend model, more sports, etc. until the hotel is here.

Ms. Christmann turned it over to Mr. Von Allmen to talk about how they are addressing short-term rentals and lodging tax. Mr. Von Allmen stated that they are revising the Code of Regulations. As of now, the county collects its lodging tax from hotel operators that manage five rooms or more. They want to bring that threshold down to one. The main reason for this investigation is to promote fairness by imposing a similar tax rate for all lodging. Throughout the rest of the year, they will be looking into it and hope to have a resolution in the spring or summer with an effective date in the fall.

Further discussion ensued.

8. Other Business

Update on Millennium site project.

Ms. Christmann stated that they anticipate that the Board of Commissioners will receive an update on this in a couple weeks and are happy to schedule a special meeting with the CFA to update them before our April meeting.

Mr. Conklin of Visit Cincinnati provided an update. 2022 saw the highest level of leisure travel. There also was business and group travel which led to an increase of 34% over 2021. Conventions were up 26% but not where they were at 2018 levels. Group business and business travel needs to pick up and will with hotel. The need for a hotel is of the essence. Large conventions are the business they want.

9. Sharonville Convention Center

Optional hard hat tour of the expanded Todd Portune Exhibit Hall.

10. Next meeting

April 28, 2023 at Duke.

11. Adjournment

Mr. Czerwonka accepted a motion from Mr. Mallory to adjourn, seconded by Ms. Fambro at approximately 12:42 p.m.

RESOLUTION APPOINTING SECRETARY, ASSISTANT SECRETARY, AND ASSISTANT TREASURER

BY THE BOARD:

WHEREAS, the Hamilton County Convention Facilities Authority (CFA) has adopted the By-Laws for the operation of the CFA and that provide that the Board of Directors shall appoint the Secretary, Assistant Secretary and Assistant Treasurer of the CFA; and

WHEREAS, it is consistent with the understanding between the City of Cincinnati and the Hamilton County Board of Commissioners that the Secretary, Assistant Secretary, and Assistant Treasurer be appointed from the City and County staff; and

NOW THEREFORE BE IT RESOLVED, that Holly Christmann of the County Administrator's office shall be appointed Secretary of the CFA; that Andrew Dudas of the City of Cincinnati staff shall be appointed Assistant Secretary of the CFA; that Monica Morton of the City of Cincinnati staff shall be appointed Assistant Treasurer of the CFA.

ADOPTED at a regularly adjourned meeting of the Hamilton County Convention Facilities Authority the 24th day of February, 2023.

Mr. Czerwonka	<input checked="" type="checkbox"/>	Mr. Cull	<input type="checkbox"/>	Ms. Jones Baker	<input type="checkbox"/>
Ms. Bambino Bedi	<input checked="" type="checkbox"/>	Ms. Bryant-Bailey	<input checked="" type="checkbox"/>	Ms. Frambro	<input checked="" type="checkbox"/>
Mr. Hardman	<input checked="" type="checkbox"/>	Mr. Hawkins	<input checked="" type="checkbox"/>	Mr. Patel	<input checked="" type="checkbox"/>
Mr. Unger	<input checked="" type="checkbox"/>	Mr. Mallory	<input checked="" type="checkbox"/>		

CERTIFICATE OF SECRETARY

IT IS HEREBY CERTIFIED that the foregoing is a true and correct copy of a transcript of a resolution adopted by the Board of Directors of the Hamilton County Convention Facilities Authority in session this 24th day of February, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Hamilton County Convention Facilities Authority this 24th day of February, 2023.



Secretary
Hamilton County Convention
Facilities Authority

**RESOLUTION APPROPRIATING SERVICE PAYMENTS AND AUTHORIZING
THE EXPENDITURE OF SUCH FUNDS IN 2023**

BY THE BOARD:

WHEREAS, pursuant to Chapter 351 of the Ohio Revised Code, in a resolution adopted by the Board of County Commissioners of Hamilton County, Ohio on May 15, 2002, the Convention Facilities Authority for Hamilton County, Ohio (CFA) was created and exists as a body corporate and politic performing central government functions and is authorized to acquire, purchase, construct, reconstruct, enlarge, furnish, equip, maintain, repair, sell, exchange, lease or rent to others, lease or rent from others, operate, and contract for the operation by others of, certain convention center facilities; and

WHEREAS, the CFA is entered into a "Project Service Agreement: with the City of Cincinnati to provide for the acquisition, construction, improvement, equipment and furnishing of the convention facilities project and the operation and maintenance thereof pursuant to a "Project Service Agreement"; and

WHEREAS, Article III of the Project Service Agreement provides for the City to make Service Payments to the authority to pay, or reimburse the Authority for, the costs of the Authority's annual audit, directors and officers insurance, costs of calculating payments required to be made to the Rebate Fund pursuant tot the Prior Lien Bonds Indenture and other costs payable by the Authority pursuant to the Bond Documents and other operating expenses of the Authority; and

WHEREAS, it is necessary the CFA Board approve the expenditures of funds from the proceeds of the Service Payments.

NOW THEREFORE BE IT RESOLVED, the Hamilton County Convention Facilities Authority (CFA) hereby appropriates Service Payments for the year 2023 by the City of Cincinnati to a CFA account with the City of Cincinnati as fiscal agent of the CFA:

City of Cincinnati \$65,000

BE IT FURTHER RESOLVED, the proper CFA officials and its agents are hereby authorized to do all things necessary to carry out this Resolution.

ADOPTED at a regularly adjourned meeting of the Hamilton County Convention Facilities Authority the 24th day of February, 2023.

Mr. Czerwonka ✓
Ms. Bambino Bedi ✓
Mr. Hardman ✓
Mr. Unger ✓

Mr. Cull ✓
Ms. Bryant-Bailey ✓
Mr. Hawkins ✓
Mr. Mallory ✓

Ms. Jones Baker ✓
Ms. Frambro ✓
Mr. Patel ✓

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Hamilton County Convention Facilities Authority this 24th day of February, 2023.



Secretary
Hamilton County Convention
Facilities Authority

**RESOLUTION APPROPRIATING TAXES AND AUTHORIZING
THE EXPENDITURE OF SUCH FUNDS IN 2023**

BY THE BOARD:

WHEREAS, pursuant to Section 5739.09 of the Ohio Revised Code, as amended Sub. House Bill No. 518, effective September 6, 2002, the Board of County Commissioners of Hamilton County, Ohio by Resolution, dated September 25, 2002, amended the rate of excise tax on lodging by an additional three and one-half percent; and

WHEREAS, Section 5739.09 of the Ohio Revised Code, as amended Sub. House Bill No. 518, effective September 6, 2002 permits the City of Cincinnati, after the adoption of such a Resolution by Board of County Commissioners of Hamilton County, Ohio, to amend the rate of the excise tax on lodging by an additional one percent on or before September 30, 2002; and

WHEREAS, the usage of the excise taxes on lodging are defined in the Cooperative Agreement among the Convention Facilities Authority, County of Hamilton and City of Cincinnati relating to the Cincinnati Convention Center; and

WHEREAS, it is necessary the CFA Board approve the expenditure of funds in existence or in the process of collection.

NOW THEREFORE BE IT RESOLVED, the Hamilton County Convention Facilities Authority (CFA) hereby appropriates the excise taxes on lodging collected or in the process of collection for the year 2023 by Hamilton County, Ohio, and the City of Cincinnati to a CFA account with the City of Cincinnati as fiscal agent for the CFA:

Hamilton County	\$10,500,000
City of Cincinnati	<u>5,500,000</u>
Total	\$16,000,000

BE IT FURTHER RESOLVED, the proper CFA officials and its agents are hereby authorized to expend such funds as indicated in the Cooperative Agreement among the CFA, County and City relating to the Cincinnati Convention Center and the Project Service Agreement between the City and CFA.

BE IT FURTHER RESOLVED, the proper CFA officials and its agents are hereby authorized to do all things necessary to carry out this Resolution.

ADOPTED at a regularly adjourned meeting of the Hamilton County Convention Facilities Authority the 24th day of February, 2023.

Mr. Czerwonka	<u>✓</u>	Mr. Cull	<u>✓</u>	Ms. Jones Baker	<u>✓</u>
Ms. Bambino Bedi	<u>✓</u>	Ms. Bryant-Bailey	<u>✓</u>	Ms. Frambro	<u>✓</u>
Mr. Hardman	<u>✓</u>	Mr. Hawkins	<u>✓</u>	Mr. Patel	<u>✓</u>
Mr. Unger	<u>✓</u>	Mr. Mallory	<u>✓</u>		

CERTIFICATE OF SECRETARY

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Hamilton County Convention Facilities Authority this 24th day of February, 2023.


 Secretary
 Hamilton County Convention Facilities Authority

RESOLUTION CONSENTING TO AND AUTHORIZING THE CONVENTION FACILITIES AUTHORITY FOR HAMILTON COUNTY, OHIO TO ENTER INTO A NEW COOPERATIVE AGREEMENT OR AN AMENDED, SUPPLEMENTAL AND/OR RESTATED COOPERATIVE AGREEMENT WITH THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY AND THE BOARD OF COUNTY COMMISSIONERS, HAMILTON COUNTY, OHIO

BY THE BOARD

WHEREAS, pursuant to Chapter 351 of the Ohio Revised Code and a resolution adopted by the Board of County Commissioners of Hamilton County, Ohio (the "*County*") on May 15, 2002, the Convention Facilities Authority for Hamilton County, Ohio (the "*CFA*") was created and exists as a body corporate and politic, performing essential governmental functions; and

WHEREAS, the Port of Greater Cincinnati Development Authority (the "*Port Authority*") issued its Revenue Bonds, Series 2020 (Convention Center Hotel Acquisition and Demolition Project), dated February 12, 2020 in the original aggregate principal amount of \$52,855,000 (the "*Series 2020 Bonds*") in order to acquire and demolish the Millennium Hotel and to evaluate the timing, scope and size of the construction of new convention facilities, including a new hotel and expansion of the convention center on the site of the Millennium Hotel (the "*Project*"); and

WHEREAS, the CFA, the County and the Port Authority entered into a Cooperative Agreement, dated as of February 1, 2020 (the "*2020 Cooperative Agreement*") in connection with the Series 2020 Bonds in order to provide for the pledge of and periodic payment of "County Residual Funds" (as defined in the 2020 Cooperative Agreement) to the Port Authority (or its assignee) to be utilized as a source of direct payment for, or as a payment source and/or security for the Series 2020 Bonds in accordance with the priority of payment of County Residual Funds as set forth in the Cooperative Agreement, dated March, 2004, as supplemented by the Ninth Supplement to Cooperative Agreement, dated February 12, 2020, as amended and/or supplemented from time to time (the "*Convention Center Cooperative Agreement*"), by and among the CFA, the County and the City of Cincinnati; and

WHEREAS, the stated maturity date of the Series 2020 Bonds is May 1, 2023; and

WHEREAS, the 2020 Cooperative Agreement and the Trust Indenture, dated as of February 1, 2020 (the "*Trust Indenture*") by and between the Port Authority and The Huntington National Bank, as trustee, provide for the issuance of "*Renewal Notes*" in order to refund the Series 2020 Bonds and to refinance the Project (and in the event the term "Renewal Notes" is amended or revised, this term, as used herein, is intended to include bonds, notes or other obligations issued subsequent to the Series 2020 Bonds, the proceeds of which are primarily used to refund the Series 2020 Bonds whether directly or as part of a series of refundings); and

WHEREAS, the Port Authority is expected to issue Renewal Notes in one or more series in order to refund the Series 2020 Bonds and to refinance the Project; and in order to facilitate the refunding of the Series 2020 Bonds and the refinancing of the Project, it is necessary to enter into a new cooperative agreement, or to amend, supplement and/or restate the 2020 Cooperative Agreement (the “*2023 Cooperative Agreement*”) and to provide related closing certificates and documents;

NOW, THEREFORE, BE IT RESOLVED, that this Board, in conjunction with the sale and delivery of Renewal Notes by the Port Authority in an amount and for a term acceptable to the CFA, hereby authorizes the Chairperson of the CFA to execute the 2023 Cooperative Agreement, providing for the payment of County Residual Funds in a manner consistent with the Convention Center Cooperative Agreement, as such 2023 Cooperative Agreement will be reviewed and approved by legal counsel to the CFA, in order to facilitate the refunding of the Series 2020 Bonds and refinancing of the Project; and

BE IT FURTHER RESOLVED, that this Board authorizes the Chairperson, and to the extent necessary, the Secretary, to do all things necessary and proper to carry out the duties and responsibilities of the CFA set forth in the 2023 Cooperative Agreement and to deliver related certificates and documents which are reasonably required and proper to carry out the intent and purposes of the 2023 Cooperative Agreement in conjunction with the issuance of Renewal Notes by the Port Authority, including without limitation, if necessary, providing for an amendment of or supplement to the Convention Center Cooperative Agreement; and

BE IT FURTHER RESOLVED, that it is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Ohio Revised Code.

BE IT FURTHER RESOLVED, that the Secretary of this Board is hereby directed to certify copies of this resolution to Jeff Aluotto, Hamilton County Administrator, Roger E. Friedmann, Assistant Prosecuting Attorney, the Chairperson of the CFA, and Laura Brunner, CEO of the Port of Greater Cincinnati Development Authority.

ADOPTED at a _____ meeting of the Hamilton County Convention Facilities Authority for Hamilton County, Ohio this 24 day of February, 2023.

Ms. Bambino Bedi ✓

Ms. Bryant-Bailey ✓

Mr. Cull

Mr. Czerwonka ✓

Ms. Fambro ✓

Mr. Hardman ✓

Mr. Hawkins III ✓

Ms. Jones Baker

Mr. Patel ✓

Mr. Unger ✓

Mr. Mallory ✓

CERTIFICATE OF THE SECRETARY

It is hereby certified that the foregoing is a true and correct copy of a transcript of a resolution adopted by the Board of Directors of the Hamilton County Convention Facilities Authority in session this 24 day of February, 2023.

IN WITNESS WHEREOF, I hereunto set my hand and affix my signature and/or the Official Seal of the Hamilton County Convention Facilities Authority this 24 day of February, 2023.



Secretary,
Hamilton County Convention Facilities Authority