

CFA Meeting Minutes of September 15, 2023

Members Present: Lee Czerwonka, Kevin Hardman, Lawrence Hawkins III, Ashley Bryant-Bailey, Joe Mallory, Katie Eagan, Donna Jones Baker

Members Absent: Keizayla Fambro, Nidhi Bambino Bedi, Bimal Patel, Dan Unger

Others Present: Roger Friedmann, Jeff Aluotto, Holly Christmann, John Bruggen, Lisa Anderson, Monica Morton, Marion Haynes, Brad Ruwe, Julie Calvert, Andrew Dudas, Andrew Garth, Adam Gelter, James Pilcher, Ryan Heeter, Javarious Jackson, and Karen Alder

1. Call to Order

Chair Czerwonka called the meeting of the Hamilton County Convention Facilities Authority to order at approximately 12:00 p.m.

2. Review and approval of the minutes of April 28, 2023

Mr. Czerwonka accepted a motion to approve the minutes, with a correction to Lawrence Hawkins name, from Mr. Mallory, seconded by Mr. Hardman. The minutes were approved unanimously.

3. Convention Center District Update

Mr. Gelter with 3CDC presented an update on the convention center district. The presentation included an overview of the convention center renovation to include overhauling the façade, improving entrances and circulation, making improvements to energy efficiency (improved mechanical, plumbing, and electrical systems), providing flexibility for multiple simultaneous events, implementing new technology, upgrading meeting rooms and ballrooms, extending hall space, better integrating ADA accessibility, and creating quality, programmable outdoor space. Design team is led by Moody Nolan. Messer, TriVersity, and Jostin Construction has been selected as the construction management team.

The members discussed several items including square footage, connection of new hotel to convention center, and increased competitiveness as a result of the renovation.

The total budget for the renovation and capital improvements on the former Millennium Site is \$200 million. Mr. Gelter recapped the financing strategy for the project which will create a common plan of finance between the City and County.

Mr. Gelter provided an update on the Headquarter Hotel. 3CDC is currently working with Portman on an MOU. There is a \$160 million gap for 800 room hotel (33%). Mr. Gelter reviewed gap funding options and shared comparable hotel gaps from other cities, ranging from 30-50%.

Mr. Gelter then reviewed the construction and financing timelines. Convention center construction will start on 7/1/24 and last 18 months. Financing closing is anticipated in May 2024. Mr. Gelter shared the upcoming events for minority and union contractors to learn more about the project and opportunities.

The headquarter hotel is anticipated to begin construction during the 3rd quarter of 2024. 3CDC submitted a TMUD application to the state to help with the hotel gap; it is anticipated that awards will be announced on 12/1/23. Mr. Gelter explained the rationale for applying for a 650-room vs. 800-room hotel. 3CDC maximized the amount of tax credit that could be achieved through the State program. Had 3CDC listed 800 rooms on the application, no additional credit would be received, but if 800 rooms was listed and the project resulted in fewer rooms, the project could be financially penalized by reducing the value of the incentive.

Additional discussion included the convention center construction schedule, inclusion, including contractors and minority ownership and role of City/County oversight.

Mr. Aluotto led the discussion on the new proposed financial model and waterfall (the waterfall is, for all practical purposes, the dollars that fall out of the project after debt service and historically has been split between City and County).

The financial model estimates a 4% growth of the TOT and includes a 1% TOT increase (that has not been approved by the Board of County Commissioners at this time) and a \$3 million annual contribution from Visit Cincy. After all uses are paid, the funds that remain will include:

1. Repayment of the \$3 million that Visit Cincy is contributing to the project on an annual basis. (To the degree the model does not produce at a 4% growth rate, Visit Cincy will be made whole in subsequent years as growth allows.)
2. A pro rata split of additional residual occupancy tax between the County and City.
3. The City will be using its residual dollars to support capital needs of the DECC.
4. The County's residual will be divided among the following uses:
 - a. County priorities: This could include costs associated with tourism projects and priorities.
 - b. Capital contributions to the DECC and northern convention assets.
 - i. During the first four years, following the renovation of the DECC, all capital dollars will go toward the northern convention assets.
 - ii. To the degree the model does not produce at a 4% growth rate, the northern communities will be made whole in subsequent years as the model allows.

Mr. Aluotto stressed the importance of the financial model and offered to answer any questions and meet one and one to further discuss the details.

5. Other Business

Visit Cincy Update - Ms. Calvert stated they are working closely with City, County, hotels, and 3CDC on closure of DECC and relocating events and gave an update on those events. Ms. Calvert also discussed new room night goals with Sharonville.

Sharonville Convention Center Update – Mayor Hardman stated they are hoping the new expansion will open in late October. Sales team is working on event relocation given the DECC closure.

6. 2nd quarter Financials

Ms. Morton reported on the 2nd quarter financials and are at pre-pandemic levels. Ms. Morton explained the revenue and expenses.

7. Next Meeting- November 17, 2023 at the Sharonville Convention Center (12:00 p.m.)

8. Adjournment Mr. Czerwonka accepted a motion from Mr. Mallory to adjourn, seconded by Ms. Jones-Baker.