CULTURAL FACILITIES TASK FORCE

UNION TERMINAL & MUSIC HALL

PROJECT FUNDING COMMITTEE REPORT

JUNE 23, 2014

TABLE OF CONTENTS

I. Cultural Facilities Task Force Background and Mission
  a. Task Force Members and Committees
  b. Professionals and Industry Experts
II. Uses of Funds
  a. Union Terminal
  b. Music Hall
  c. Uses of Funds Summary
III. Sources of Funds
  a. Sources of Funds Summary
  b. Capital Grants
    i. State of Ohio
    ii. City of Cincinnati
  c. Historic Tax Credits
  d. Philanthropy
  e. Public Funds
    i. Security and Issuer Analysis
      1. Property Tax
      2. Sales Tax
    ii. Comparison of Tax Levy and Bond Terms
IV. Sensitivity and Risk Analysis
  a. Timing of the Bond Issue Under Sales Tax Scenarios
  b. Interest Rate Risk
  c. Economic Risks
  d. Delay Risks
V. Conclusion and Recommendation

I. CULTURAL FACILITIES TASK FORCE BACKGROUND AND MISSION

Union Terminal and Music Hall are two iconic, publicly-owned buildings in need of significant repair and infrastructure improvements. Over much of the past decade, independent efforts at each building have failed to produce solutions necessary to fix the deteriorating structures and safeguard the long-term viability of these regional community assets. In addition, the Hamilton County Commission has called for the development of viable solutions for the preservation of Union Terminal for many years. For example, in August 2009, the Hamilton County Commission unanimously approved a resolution directing the development of a framework for "addressing the long-term capital needs at the historic Union Terminal."

At the recommendation of the Hamilton County Tax Levy Review Committee, the Cultural Facilities Task Force ("Task Force") was created in December 2013 under the collaborative efforts of the Greater Cincinnati Foundation and The Carol Ann and Ralph V. Haile Jr./U.S. Bank Foundation. The Task Force is composed of independent business and civic leaders, key stakeholders, and industry experts.

The objectives of the Task Force were to:

- Evaluate Union Terminal and Music Hall renovation plans, value engineer and quantify the cost of the improvements
    - Included analyzing options to relocate Cincinnati Museum Center to an alternative facility
- Recommend a viable funding strategy

The goal of the Project Funding Committee was to develop a plan of finance that meets the capital budget needs of the projects while minimizing the burden on local taxpayers.

a. Task Force Members and Committees

Members

- Robert A. McDonald – (Committee Chairman); Procter & Gamble; retired chairman, president and CEO
- J. Wickliffe Ach – Hixson Architects; president and CEO
- Hon. Theodore N. Berry Esq. – Hamilton County Municipal Court; judge
- James E. Evans – American Financial Group; director
- Scott D. Farmer – Cintas Corporation; CEO
- William Froehle – Plumbers, Pipefitters and M.E.S. Local 392; business agent
- Father Michael J. Graham, S.J. – Xavier University; president
- Thomas L. Guidugli, Jr. – International Alliance of Theatrical Stage Employees Local No. 5 (IATSE); business agent
- Robert Killins – The Greater Cincinnati Foundation; community investment program officer
- S. Craig Lindner – American Financial Group; co-chief executive officer/co-president and director
- Timothy J. Maloney – The Carol Ann and Ralph V. Haile, Jr./U.S. Bank Foundation; president & CEO
- W. Rodney McMullen – Kroger; CEO
- Kathryn E. Merchant – The Greater Cincinnati Foundation; president & CEO
- Keith A. Oliver – Kroger; vice president facility engineering
- Mario San Marco – Eagle Realty Group LLC; president
- Robert Sheeran – Xavier University; vice president for facilities

- John I. Silverman – Midland Atlantic Development, Managing Principal; representative from the Tax Levy Review Committee
- Murray Sinclaire, Jr. – Ross, Sinclaire & Associates, LLC; president & CEO
- Liza Smitherman – Jostin Construction, vice president professional development
- Shiloh Turner – The Greater Cincinnati Foundation, vice president for community investment
- Kathy Wade – Learning Through Art; CEO

Committees and Chairperson

- Project Funding Committee – Murray Sinclaire, Jr.
- Value Engineering Committee – J. Wickliffe Ach
- Fundraising Committee - Timothy J. Maloney
- Marketing & Outreach Committee – Maria Beatriz "Mabe" Rodriguez

b. Professionals and Industry Experts

Construction, Engineering, and Design

- Cincinnati Center City Development Corporation (3CDC)
- GBBN Architects
- Heapy Engineering
- Langan Engineering
- Messer Construction Company
- Perfido Weiskopf Wagstaff + Goettel (PWWG)
- Project & Construction Services, Inc. (PCS)
- THP Limited
- Turner Construction Company
- Venue Consulting

Finance, Economics, Fundraising, and Legal

- Ross, Sinclaire & Associates, LLC (RSA)
- Government Strategies Group, LLC
- provancher+associates
- Dinsmore & Shohl LLP
- Nixon Peabody LLP
- Economics Center at the University of Cincinnati

II. USES OF FUNDS

In formulating total capital needs, the Project Funding Committee relied on architectural, engineering, and construction experts, who collaborated to determine the overall cost for the renovations and improvements at Union Terminal and Music Hall. The cost estimates that resulted from these experts reflect the hard and soft costs associated with construction.

In conjunction with 3CDC, the Project Funding Committee reviewed the overall plan of finance to ensure that project budgets were sufficient to cover elements not included in construction line items. As an example, the effort to produce non-public sources of capital for the projects results in additional project expenses. Two key elements of this reality are 1) transaction costs (for example, legal fees, accounting costs, and investor requirements) and 2) timing associated with when certain sources of capital are contributed (City of Cincinnati commitments, historic tax credit investment, and philanthropic contributions are expected to be funded over time, meaning that additional borrowing and interest expense will be incurred).

The total uses of funds listed below include construction costs, transaction and interest costs for non-public debt sources of capital, pre-operating expenses, and contingency amounts for non-construction expenses.

a. Union Terminal

The Task Force assembled a team comprised of Langan Engineering and GBBN to determine scope and design for Union Terminal. Heapy Engineering and THP Limited also provided engineering services. Messer Construction and Turner Construction provided cost estimates for the Union Terminal renovations.

b. Music Hall

3CDC began working with the Music Hall Revitalization Corporation in April 2013 to produce renovation plans for Music Hall. GBBN and PWWG worked with 3CDC to review drawings and designs. Messer Construction, Venue Consulting, and PCS provided cost estimates for the project.

c. Uses of Funds Summary

	Union Terminal	Music Hall	Total
Construction Costs			
Construction	$159,340,000	$86,000,000	$245,340,000
FF&E	3,500,000	1,750,000	5,250,000
Construction Contingency	11,360,000	8,300,000	19,660,000
Professional Services (design, engineering, etc.)	13,500,000	13,500,000	27,000,000
Total Construction	187,700,000	109,550,000	297,250,000
Other Costs			
Transaction Fees (legal, accounting, etc.)	1,200,000	1,250,000	2,450,000
Historic Tax Credit & Philanthropic Interest and Reserves	5,250,000	6,100,000	11,350,000
Soft Costs (communications, pre-operating, contingency, etc.)	14,062,000	6,600,000	20,662,000
Total Other Costs	20,512,000	13,950,000	34,462,000
Total	$208,212,000	$123,500,000	$331,712,000

III. SOURCES OF FUNDS

a. Sources of Funds Summary

	Union Terminal	Music Hall	Total
Grants			
City of Cincinnati	$0	$10,000,000	$10,000,000
State of Ohio	5,000,000	5,000,000	$10,000,000
Total Grants	5,000,000	15,000,000	20,000,000
Historic Tax Credits (HTC)			
Federal	21,250,000	18,500,000	39,750,000
State of Ohio	3,250,000	3,250,000	6,500,000
Total HTC	24,500,000	21,750,000	46,250,000
Philanthropy	15,500,000	24,500,000	40,000,000
Net Public Funds	163,212,000	62,250,000	225,462,000
Total	$208,212,000	$123,500,000	$331,712,000

b. Capital Grants

i. *State of Ohio*

Union Terminal and Music Hall each received $5 million in the State of Ohio's biennial capital budget that was implemented for fiscal years 2015 and 2016. These monies must be used by June 30, 2016, which is the end of the State's 2016 fiscal year. If not used by this time, these capital grants will only be possible through re-appropriation. Efforts to secure additional capital grant monies from the State will be made in the subsequent capital budget cycle, which will occur before project renovations are completed.

ii. *City of Cincinnati*

In 2012, the City of Cincinnati committed $10 million towards the renovation of Music Hall. The Task Force has asked the City for an additional $10 million for the renovation of Union Terminal.

c. Historic Tax Credits

Both Union Terminal and Music Hall are listed on the National Register of Historic Places. As such, both buildings are eligible for historic tax credit programs administered by the federal government and the State of Ohio. The tax credits are earned only on qualified rehabilitation expenditures made on projects that meet eligibility requirements.

- Federal Historic Rehabilitation Tax Credit
  - Tax credit equals 20% of qualified rehabilitation expenditures (amount unlimited)

  - Administered by the National Parks Service in partnership with State Historic Preservation Offices
- Ohio Historic Preservation Tax Credit Program
  - Tax credit equals 25% of qualified rehabilitation expenditures
  - Award of credits is subject to competitive application process
  - Credit capped at $5 million per project

Because project sponsors cannot typically use the tax credits generated by historic rehabilitation projects, third-party investors deliver capital to projects in exchange for the credits. Entities with large tax liabilities find historic tax credits attractive and are willing to provide capital to projects in exchange for the credits. Such investors (banks, insurance companies, corporations, etc.) have a higher utility for the credits compared to a typical project sponsor. In addition, capital from tax credit investors can be a significant component to the overall funding sources of a project.

It is estimated that Music Hall can attract a total of $21.75 million from historic tax credit investment ($18.5 million for the federal credits and $3.25 million for the State of Ohio credits). Similarly, it is estimated that Union Terminal can attract a total of $24.5 million from historic tax credit investment ($21.25 million for the federal credits and $3.25 million for the State of Ohio credits). The aggregate tax credit investment of $46.25 million represents approximately 14% of the overall capital required to complete the projects.

Structuring for Historic Tax Credits

The transaction structure must accommodate the legal and statutory requirements for both historic tax credit programs and public bond financing. Legal analysis was provided by and coordinated between Dinsmore & Shohl (Ohio public finance expertise) and Nixon Peabody (federal and state historic tax credit expertise). The optimal structure calls for the public to retain fee simple ownership of the buildings and for the sponsor entities to enter into long-term leases, which has the impact of transferring tax ownership to a non-governmental entity (a requirement for historic tax credits).

d. Philanthropy

The Fundraising Committee's efforts are being led by Tim Maloney and Scott Provancher. As of the time of this report, $36 million in pledges have been made from foundations, corporations, and individual donors. These are conditional commitments that will materialize only if voters approve the proposed ballot measure.

For the purposes of analysis, it was assumed that a total of $40 million will be delivered to the projects from philanthropic sources. Fundraising efforts will continue, and additional amounts raised will reduce the burden to taxpayers and/or establish an endowment or capital maintenance reserve for the future.

e. Public Funds

As was stated previously, the goal of the Task Force, and specifically the Project Funding Committee, is to limit the public's financial exposure and contribution to the projects by utilizing other available sources of funds in the capital stack (referenced previously in this section). Once all other potential fund sources have been developed and secured, the public's funding source will be sized to fill the remaining project costs (up to the amount supported by an approved financing mechanism) for Union Terminal and Music Hall, respectively.

To that end, we have analyzed multiple potential sources of revenue from public funds that could be pledged to finance a debt offering, the proceeds of which would be used solely for the projects at Union Terminal and Music Hall.

i. *Security and Issuer Analysis*

The security pledge for a debt offering is important because it establishes the ability of the issuing authority to pay debt service to the holder of its bonds. In effect, the strength of a bond's security pledge goes hand-in-hand with a buyer's willingness to own the obligation. In addition, a bond's security is tied directly to the levied obligor, i.e. who does the burden of payment fall on, at what rate / percent, and for how long. We have concluded that there are two viable security options from which the public funding for the projects at Union Terminal and Music Hall could be derived and obtained: a Property Tax levy on the residents and businesses of Hamilton County or a Sales Tax levy on economic activity in Hamilton County.

1. <u>Property Tax</u>

One of the potential sources of revenue to securitize a bond issue for the projects at Union Terminal and Music Hall is an additional property tax. We analyzed the tax levels that would be necessary to pay for these developments and what the financial cost / impact for Hamilton County property owners and residents would be. Annual property tax levy amounts would be sized to meet debt service obligations on bonds that are sold to fund the projects. Debt service obligations are determined by the size of the bond issue, the rate of interest, maturity structure, and the term of the bonds.

A property tax can be levied by either Hamilton County or the Port of Greater Cincinnati Development Authority. Though both the County and the Port Authority have the ability to levy a property tax, the Port Authority can do so only within the parameters established under state statute. Most restrictive is that the Port Authority can only levy up to 1.0 mill ($1.00 per $1,000 of assessed value). For comparison purposes, we assumed any property tax levy adhered to the 1.0 mill limitation. Utilizing this restrictive factor, our analysis yielded the following results:

- Port Authority Available Millage: 1.0 (i.e. $1.00 per $1,000 of assessed value)
- 1 Mill Rate generates approximately $15,900,000 of annual property tax revenues[1]
- Average Annual Bond Debt Service for Net Project Costs: $14,290,000[2]
- Effective millage requirement to pay debt service: 0.90
- Annual cost per $100,000 of property value is approximately $31.50

Based on these financial projections, several points are worth mentioning:

[1] Source: Hamilton County

[2] Assumes: 30 year property tax levy; level structure for bond debt service through final maturity (30 years); costs of issuance for any bond issue at 1.0% of bond par; taxable interest rates assume 'Aa' rating as of June 9, 2014 (preliminary; subject to change)

- Given the millage constraint for available revenue from the property tax levy, the term of the bonds necessary to secure the projects' funding requires that the financing would incur thirty years of interest expense on the debt.
- While the property tax revenues should be sufficient to pay debt service on the bonds, the necessary millage would consume 90% of the Port Authority's capacity to levy revenue for projects, substantially impairing its ability to fund other economic development initiatives during the 30-year term of a debt obligation.
- Property owners in Hamilton County would be solely responsible for supporting the public fund's portion of project costs for Union Terminal and Music Hall.
- Alternatively, the County could levy a property tax that exceeds 1.0 mill by shortening the term of the debt. Doing so would increase the amount of annual debt service obligations, increase the annual property tax levy, and reduce the overall interest obligations to bondholders due to a shorter term.

2. Sales Tax

Another potential source of revenue to securitize a bond issue for the projects at Union Terminal and Music Hall is an additional sales tax to be placed on economic activity in Hamilton County. The County has the ability to increase its sales tax rate in quarter cent (0.25%) increments. Given that methodology, we analyzed what level of sales tax would be necessary to pay for these projects and what the financial cost / impact for Hamilton County residents would be. Our analysis yielded the following results:

- Hamilton County's annual economic activity subject to sales tax: $14,100,000,000[3]
- 0.25% additional sales tax (quarter cent)
- Generates new annual sales tax receipts of $35,250,000

Given that annual revenue stream to securitize bond debt service, our analysis concluded that a 0.25% sales tax for the projects at Union Terminal and Music Hall would be feasible under a 14 year bonding scenario[4], with the potential to defease all remaining debt service after 9 years[5] of the sales tax levy receipts.

Similarly, we analyzed the impact of a 0.50% sales tax levy, which would produce twice as much revenue on an annual basis compared to a 0.25% sales tax levy. The increased amount of funds enables an accelerated financing term. Our analysis concluded that a 0.50% sales tax for the projects would be feasible under a 7 year bonding scenario[4], with potential to defease all

[3] 2014 estimate (Source: Hamilton County); 42.4% of Hamilton County resident expenditures in 2013 were taxable (Source: University of Cincinnati Economics Center)

[4] Assumes: voters pass levy on November 2014 ballot; sales tax receipts begin in July 2015; debt issuance in June 2015; level structure for bond debt service through final maturity (14 years and 7 years for 0.25% and 0.50% scenarios, respectively); annual growth rate of economic activity is 0%; debt service coverage ratio (sales tax receipts divided by bond debt service) is 1.50x per annum (rating agency requirement to achieve 'A' rating for debt); net sales tax receipts (sales tax receipts less bond debt service) are available to be pledged to project costs and/or future debt service on the bonds; taxable interest rates assume 'A' rating as of June 9, 2014 (preliminary; subject to change)

[5] The projected "payoff" of future debt service is the estimated time after the bond issuance when the aggregate accumulated net sales tax receipts will exceed future debt service obligations, and therefore the sales tax would no longer be necessary to support ongoing debt obligations

remaining debt service after 4 years[5] of sales tax levy receipts. A 0.50% sales tax levy would use all of the remaining capacity of the County as it relates to sales tax levy authority.

Based on these financial projections, several points are worth mentioning:

- Since the annual revenues from the 0.25% sales tax increments are significant in nature based on the substantial amount of economic activity taking place in Hamilton County, the interest expense associated with carrying the debt over time can be dramatically reduced due to a shorter bond term.
- With a tax based on economic activity and not property ownership, the burden of payment has a much wider distribution. 53% of the Hamilton County sales tax is paid by County residents. The remaining 47% of Hamilton County sales taxes are paid by other consumers.[6]
- Our analysis assumes that sales tax revenues remain constant over the term of the bonds (0% growth assumption). Positive growth in sales tax revenues would accelerate the accumulation of net tax receipts, enabling bonds be defeased sooner than the base cases discussed above.
    - Historically, annual growth in taxable economic activity in Hamilton County has been 1.30% over the past 5 years, 1.47% over the past 10 years, and 1.36% over the past 15 years.[7]

ii. *Comparison of Tax Levy and Bond Terms*

	Property Tax	Sales Tax (0.25%)	Sales Tax (0.50%)
Annual Tax Revenue	$14,290,000	$35,250,000	$70,500,000
Bond Term	30 years	14 years	7 years
Projected Payoff	30 years	9 years	4 years
Total Interest Cost	$200,900,000	$79,850,000	$20,840,000
Average Annual Debt Service	$14,290,000	$22,850,000	$42,180,000
Millage Equivalent	0.90	N/A	N/A

[6] Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September 2013, and University of Cincinnati Economics Center analysis
[7] Source: Hamilton County

IV. SENSITIVITY AND RISK ANALYSIS

a. Timing of the Bond Issue Under Sales Tax Scenarios

Unlike a property tax levy, which would be implemented only to pay debt service on bonds, a sales tax levy would produce an annual revenue stream for the projects. Sales tax receipts could either be used to pay debt service on a bond issue or to directly pay project costs.

As discussed above, we assumed that sales tax revenues would be used to securitize bonds that are issued just prior to the realization of sales tax revenues (July 2015). This scenario is conservative because bond proceeds would not be needed at that time, and other sources of capital could be used to pay for pre-construction expenses. Assuming a stable interest rate environment, the net impact of issuing debt sooner is higher overall interest expense to finance the projects.

Because construction activities are not expected to commence until mid-2016, we analyzed the impact of delaying bond issuance until a date at which such capital would be needed for the projects. By using sales tax receipts from the first year of the sales tax levy to directly pay for project costs, the net amount of borrowing can be reduced, thereby lowering the total amount of interest cost for the bond financing.

- 0.25% sales tax with delayed bond issuance of June 2016 (1 year later than above)
  - Given all of the other assumptions listed above for the base case except for the change in date of bond issuance, our analysis concluded that a 0.25% sales tax for the projects at Union Terminal and Music Hall would be feasible under a 13 year bonding scenario, with the potential to defease all remaining debt service after 8 years of the sales tax levy receipts.

- 0.50% sales tax with delayed bond issuance of June 2016 (1 year later than above)
  - Given all of the other assumptions listed above for the base case except for the change in date of bond issuance, our analysis concluded that a 0.50% sales tax for the projects at Union Terminal and Music Hall would be feasible under a 6 year bonding scenario, with the potential to defease all remaining debt service after 3.5 years of the sales tax levy receipts.

Delaying bond issuance would result in higher interest rate risk (discussed below). Interest rate risk is the risk that rising interest rates will make the cost of financing more expensive. Ultimately, the decision on when to issue debt should take into account actual market conditions. The benefits of savings from lower bond issuance amounts should be weighed against the risk of rising interest rates.

b. Interest Rate Risk

Interest rate risk is the risk that interest rates will increase between now and time of a bond issuance. Higher interest rates would result in more interest expense during the term of a bond issue. We examined the impact of 0.50% and 1.00% increases in the overall cost of financing for the property tax and 0.25% sales tax scenario. The following tables apply the interest rate increases uniformly.

	Property Tax		
	Current Market	Rates +0.50%	Rates +1.00%
Bond Term	30 years	30 years	30 years
Total Interest Cost	$200,900,000	$226,880,000	$253,550,000
Average Annual Debt Service	$14,290,000	$15,150,000	$16,040,000
Millage Equivalent	0.90	0.95	1.01

In the property tax table above, the bond term is held at 30 years for all interest rate scenarios. The increased costs of financing are assumed to be absorbed through higher annual debt service payments, which would result in higher annual property tax levies.

	0.25% Sales Tax		
	Current Market	Rates +0.50%	Rates +1.00%
Bond Term	14 years	15 years	16 years
Total Interest Cost	$79,850,000	$98,450,000	$120,575,000
Average Annual Debt Service	$22,850,000	$22,580,000	$22,550,000

In the 0.25% sales tax table above, the bond assumptions from the base case scenario described in the previous section apply (annual sales tax revenue of $35.25 million, 0% sales tax revenue growth, 1.50x debt service coverage). Under these conditions, higher interest costs can be absorbed only through longer bond terms.

While the tables above illustrate the impacts of categorical increases in interest rates, the degree of interest rate risk is not equal among the scenarios. Generally, interest rate risk is more prominent for bond issues that have longer maturities. As such, the property tax scenario's 30-year bond maturity would be more susceptible to interest rate risk. By comparison, both sales tax scenarios would be less susceptible to interest rate risk, with the relatively short term of the 0.50% bond scenario being least susceptible to interest rate risk.

c. Economic Risk

Economic risks apply to each of the public bond scenarios discussed above. For the property tax levy, a decline in the economy may result in decreased property values. With decreased property values, the effective millage required to meet debt service obligations would increase.

For the sales tax scenarios, a decline in economic activity would result in lower sales tax receipts. Because of the short term nature of bonds secured by sales tax revenues, the probability of sales tax revenues being insufficient to meet debt service obligations is extremely low due to the inherent 1.50x debt service coverage of the structure. However, reduced economic activity would prolong the time required to accumulate net sales tax receipts to defease remaining debt service.

d. Delay Risks

The primary basis for this analysis is the overall cost of the project renovations. Construction estimates were established under the assumption that the projects would move forward following voter approval of public funding in the November 2014 election. Delays in this schedule will have two direct impacts on the overall cost of the renovations: 1) the scope of the renovations will expand due to the continual deterioration of the buildings, especially at Union Terminal, and 2) construction material costs are likely to increase. In addition, delays will subject the projects to a longer period of interest rate risk.

V. CONCLUSION AND RECOMMENDATION

The taxpayers of Hamilton County have a long history with sales tax levies. As most citizens are keenly aware, sales tax revenues levied for the stadia have not met initial expectations. While underperforming sales tax revenue collections have not jeopardized the County's ability to make debt service payments, the situation has stressed the County's ability to meet other obligations, including funding lease requirements with stadia tenants and providing property taxpayers the relief pledged during the stadia sales tax campaign. The primary contributor to this stress is that sales tax revenue collections have lagged original projections. Stadia models utilized a 3% compound growth rate to establish revenue projections over the 30-year term of the bond financings, with annual debt obligations increasing over the term of the bonds. Most detrimental were recessions in 2001 and 2008-2009 that resulted in negative sales tax growth, putting collections far behind estimates, with little hope of recovery to levels projected by the 3% compound growth assumption.

The Project Funding Committee conducted its analysis in a manner intended to deliberately avoid the pitfalls experienced by the stadia sales tax. Most notably, we have utilized a 0% growth assumption in all of the scenarios presented above. In the same respect, all of the debt projections utilize a level structure (annual debt service obligations are the same amount each year).

With respect to the stadia sales tax levy, the Project Funding Committee believes that it is good to learn from the shortcomings of the past, but that new tax revenues should not be used to address such shortcomings. As such, new tax revenues should be restricted to Union Terminal and Music Hall, and not be used as a backdoor mechanism to provide capital to stadia or other County purposes.

The Project Funding Committee makes the following recommendations:

- For the November 2014 ballot, pursue a 14-year, Hamilton County Sales Tax Levy in the amount of 0.25% with the restriction that sales tax revenues may only be used for Union Terminal and Music Hall
- Structure a 14-year bond issue based on a 0% growth assumption
- Utilize net sales tax receipts to defease bond debt service in a period of approximately 9 years, at which point the sales tax levy could be discontinued
- Pursue additional capital grant monies from the State of Ohio during the next biennial budget period
- Pursue a commitment from the Cincinnati for improvements at Union Terminal
- Structure the project financings to utilize historic tax credit investment
- Continue fundraising efforts to minimize the public funds required to complete the projects