

CUYAHOGA COUNTY CONVENTION FACILITIES DEVELOPMENT CORPORATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 22, 2021
CLEVELAND, OHIO

Attendees at the Meeting:

Directors: Matt Carroll, Diane Downing, Majeed Makhlof, Trevor McAleer, Michael Obi, Timothy Offtermatt, and Mayor Bradley Sellers. David Gilbert and Joe Roman were not in attendance.

Staff: George A. Hillow, Executive Director, and Julie Valyn, Financial Analyst.

Guests of the Board: David O'Neal of Conventional Wisdom Corp., Ron King, General Manager of the Huntington Convention Center (the "Convention Center") and the Global Center for Health Innovation (the "Global Center" and, together with the Convention Center, collectively, the "Facility"), Mike Campo, Assistant General Manager of the Facility, Dave Johnson, Director of PR & Marketing of the Facility, Travis Poppell, Director of Sales for the Facility, Teri Agosta, General Manager of the Hilton® Downtown Cleveland Hotel (the "Hilton Hotel"), Larry Trabulsi of CHMWarnick, Steve Wells, Director of Finance for ASM Global, the Facility's management firm ("ASM"), Craig Liston, Regional Vice President of ASM, and Jeff Appelbaum and Emily Farinacci of Thompson Hine LLP.

Regular Meeting of the Board of Directors. At 8:02 a.m. on Friday, January 22, 2021, a Regular Meeting (the "January Regular Meeting") of the Board of Directors (the "Board") of the Cuyahoga County Convention Facilities Development Corporation (the "CCCFDC") commenced. Mayor Sellers presided as President of the Board.

Mayor Sellers called the meeting to order and declared a quorum of the Board present.

Officer Elections

Mayor Sellers introduced the topic of nominations for the officer positions of Treasury and Secretary of the CCCFDC. A motion was made to nominate Trevor McAleer as Treasurer, which motion was seconded and unanimously approved by the Board. A motion was then made to nominate Tim Offtermatt as Secretary, which was seconded and unanimously approved by the Board.

Review and Approval of Minutes.

Mayor Sellers made a motion to approve the minutes from the Regular Meeting of the Board on October 23, 2020, which were distributed to the Board prior to the January Regular Meeting. The Board unanimously voted to approve the October 23, 2020 minutes.

Executive Director Report.

Mr. Hillow discussed feedback received with respect to the Facility's role in housing certain operations of the Cuyahoga County court system (the "Courts") in 2020, which has been generally positive. Mr. Hillow also mentioned ASM's \$2.3M budget funded by the CARES Act, which funds were used for purposes of disinfecting the Facility in 2020.

Huntington Bank Naming Rights Agreement.

Mr. Carroll introduced the topic of the Naming Rights Agreement between the County and Huntington Bank ("Huntington"). Huntington recently approached the CCCFDC with a request that a concession be made with respect to fees charged or length of term of the agreement. Mr. Carroll asked for the Board's views on the potential of permitting a concession in terms of either a reduction in fee

payments or alternatively adding an additional year to the current agreement term, which expires in 2025, at no charge. The Board engaged in a general discussion regarding the naming rights and potential concessions considered in light of the COVID-19 pandemic.

Convention Center Financial Update / CARES Act/CapEx Project Update.

Mr. King then provided the Board with a financial report through year-end 2020. He reported that, out of the 250 events (269,000 attendees) initially budgeted, the Facility was able to host 29 events (76,000 attendees) in 2020. The Facility was able to save money on operations, resulting in a deficit of \$1.4M (overall \$4M for year). Looking at 2021, the Courts have asked for an extension of housing until June 2021. Mr. King also commented that the Facility can add other business with the Courts, while continuing to hold bench trials mainly in the atrium of the Global Center.

Additionally, he noted that if the Facility does not rebound with large business in 2021, the Facility has the ability to negotiate with the County. A \$4.7M loss is currently estimated for 2021, which ASM feels is manageable without going to other parties for supplemental funding. The Board discussed potential outcomes if events do not return by July 2021.

Mr. King then introduced the topic of the CARES Act funding (\$2.3M) and how it was utilized by ASM. Mr. Campo commented that 23 capital repair projects were completed in 2020, including replacement of carpet, loading dock repairs, and replacement of furniture, with a few projects still in process including a wireless upgrade throughout the Facility. The current forecast is \$1.1M below budget in capital projects for 2020. With respect to the CARES Act funding, it is estimated that a total of \$2.2M was utilized in 2020 to complete meaningful upgrades to the Facility (including bipolar ionization units in HVAC system, elevator air cleaning technology, UV and antimicrobial escalator handrails, touchless restroom door openers, powered sliding door, NanoSeptic® Self Cleaning Surface Film, temperature scanning equipment, cleaning equipment, signage and an expanded employee breakroom). He also noted building health and hygiene certifications that were received as the result of these efforts.

Convention Center Sales/Operation Update.

Mr. King then provided an operations update, reporting that ASM held the rent rate for Convention Center clients as a result of the pandemic. He commented that the pandemic also presents an opportunity to appeal to larger clients who may not have considered the Facility prior to the pandemic due to size / capacity concerns. Finally, Mr. King then discussed his outlook for 2021.

Hilton Hotel Update.

Mr. Trabusi and Ms. Agosta, each of the Hilton Hotel, provided a report of overall trends in 2020 with respect to hotel housing in the Cleveland market compared to the US, and their outlook for 2021.

Global Center Adaptive Reuse Project Status.

Mr. Appelbaum reported on the adaptive reuse project underway for the Global Center, reporting that eight design firms responded to the Facility's RFQ process for Criteria Architect. Three were selected for interviews held by an interview committee on December 22, 2020, which were then ranked by the committee. As the highest-ranked, Tvsdesign has received a proposed form of contract, and has been asked to provide comments by January 29, 2021. The committee will make a recommendation to the Board after review of Tvsdesign's comments and negotiation of the contract and financial proposal.

Mr. McAleer asked about FBE / MBE goals within the RFQ process. Mr. Appelbaum responded that the approach was the same with respect to the County's program.

The Board then discussed the RFQ process for the adaptive reuse project generally.

Adjournment.

There being no other items of business, a motion was made to adjourn the January Regular Meeting, which was seconded. At 9:27 a.m., the January Regular Meeting was adjourned.

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