

CUYAHOGA COUNTY CONVENTION FACILITIES DEVELOPMENT CORPORATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
July 23, 2021
CLEVELAND, OHIO

Attendees at the Meeting:

Directors: Matt Carroll, Majeed Makhoulf, Trevor McAleer, Timothy Offermatt, Joe Roman, Mayor Bradley Sellers and Roshonda Smith.

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; 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; Ana Volsko, Director of Operations of the Facility Michael Chambers, Fiscal Officer of Cuyahoga County; Jerad Zibritosky, Assistant Law Director for Cuyahoga County; Ellis Katz, Director of Owner Representation Services at Project Management Consultants, LLC ("PMC"); and Jeff Appelbaum and Stephanie Schmalz of Thompson Hine LLP.

Regular Meeting of the Board of Directors. At 8:04 a.m. on Friday, July 23, 2021, a Regular Meeting (the "July 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.

Review and Approval of Minutes.

Mayor Sellers made a motion to approve the minutes from the Regular Meeting of the Board on April 23, 2021, which were distributed to the Board prior to the July Regular Meeting. The Board unanimously voted to approve the minutes.

Record Retention Policy.

Mr. Appelbaum proposed the implementation of a document retention and destruction policy. Mr. Appelbaum presented a draft of such policy to the Board (the "Document Retention and Destruction Policy"), which had been distributed to the Board prior to the July Regular Meeting. Mr. Appelbaum explained the purpose of the policy, that the Document Retention and Destruction Policy is in line with applicable statutes of limitations and that the implementation of such policy would be best practice and in best interests of the Board. Mr. Appelbaum further explained that such policy applies to both electronic and hard copy documents and records.

Mayor Sellers made a motion to approve and adopt the Document Retention and Destruction Policy as presented by Mr. Appelbaum, which was seconded and unanimously approved by the Board.

Executive Director Report.

Mr. Hillow discussed the financial outlook for the remainder of 2021, including the status of remaining funds provided by the CARES Act. Mr. Hillow further discussed upcoming events and general outlook for 2021.

Convention Center Update.

Mr. King provided the Board with a general update and financial report through year-end 2021, the report included the following:

Upcoming Events.

Mr. King discussed upcoming events taking place at the Convention Center, including the PMTS Show, Snow & Ice Symposium, Ceramics Expo and the TMC show.

Financial Report and Outlook.

Mr. King reported an operating loss of \$2,200,000 versus a budgeted operating loss of \$2,800,000 for the first six months of the 2021 fiscal year, which is a \$600,000 surplus compared to budget.

Mr. King then discussed the outlook for future events to be held at the Convention Center, noting that as of June 30th, the Sales Department has booked 39 events into 2021 and beyond, representing \$3,394,609 in license fees, 42,971 hotel room nights, 265,767 attendees, and \$1,521,501 in food and beverage commitments.

Staffing Update.

Mr. King updated the Board regarding Convention Center staffing. Mr. King reported that on March 1, 2020, the Convention Center employed 144 individuals and that the Convention Center currently employs 59 individuals. The Board generally discussed staffing, noting that the amount of staff is sufficient for upcoming events.

Mr. Makhoul inquired about the status of vaccinations among the Convention Center staff and whether any incentive programs are currently in place. Mr. McAleer responded that, upon proof of vaccination, staff are not required to wear a mask on the property, but confirmed there is no financial incentive for employees in place. Mayor Sellers then proposed the idea of implementing a financial incentive for the Convention Center staff to encourage the remainder of the unvaccinated staff to receive the vaccination (if able). The Board generally discussed the implementation and funding of this incentive program.

Concrete Loading Dock Repair.

Mr. King reported that the concrete and structural repairs are now underway in the loading dock, noting that the repairs were necessary due to a piece of concrete falling from a column in the loading dock. The Board generally discussed the repairs, noting that the repairs are nonstructural and are expected to be completed by August 1st, 2021. Mr. King further reported that repairs will likely cost a total of \$30,000.

Virtual Tours.

Mr. Johnson discussed the use of virtual tours as a way to showcase the Convention Center. Mr. Johnson reported that ASM is currently working with Mills James on two video projects: **Way-finding** (Virtual Sales Tour) and **Safety** (showcasing the \$2,200,000 in CARES Act safety improvements at the Convention Center). The Board then viewed a portion of the **Safety** video.

Hilton Hotel Report.

Mr. Trabusi provided a report of overall trends in the lodging industry from June 2020 to June 2021, discussing the COVID-19 pandemic's impact on metropolitan hotel space in the City of Cleveland, compared to national averages, noting that the trend line is getting better. He also noted that hotels in the

downtown Cleveland area are lagging behind their suburban counterparts, which is in line with national trends.

Mr. Trabusi further discussed local market trends and the average occupancy of the Hilton Hotel, as well as the outlook for the remainder of 2021.

Mayoral Debate.

Mr. Johnson reported that the Convention Center was set to host an event in August where three large groups were going to meet the Cleveland mayoral candidates, but now, due to the COVID-19 Delta variant, the groups no longer feel comfortable gathering in one space, so the event is now being held virtually. Mr. Johnson reported that because the event will be held virtually, the Convention Center will no longer be involved with that specific event, but may be involved in the hosting of similar events in September.

Convention Center Campus Study.

Mr. Kaatz presented “Visions for Cleveland Convention District – Observations and Recommendations”, a presentation that discussed near, mid-term and long-term recommendations and strategies for downtown Cleveland’s convention district. Such recommendations included wayfinding strategies (the addition of monumental art, pedestrian lighting and kiosk investment), pedestrian placemaking (the utilization of pocket parks, street performers and scooter docks), signage, the use of outdoor space and Public Hall.

Mr. Offermatt stated he liked the ideas and proposed the development of a committee to prioritize these recommendations and consider public funding sources.

Mr. Roman responded that he agrees and stated that the implementation of these projects should be an issue addressed by the Cleveland mayoral candidates prior to November.

The Board discussed the recommendations generally.

A discussion about utilization of Malls B and C ensued. Mr. Appelbaum stated that in the initial planning for the Malls, there was a portion of the plans that did not go forward and that such plans included projects for activating the Malls. Mr. Appelbaum suggested reviewing the original plans and considering modifications as appropriate.

Mayor Sellers noted that all stakeholders must agree that these projects must be completed, prioritize certain projects and then consider potential funding sources.

Executive Session.

At 9:16 a.m., the Board voted to enter into an executive session for purposes of discussing certain real estate and litigation matters affecting the CCCFDC. A motion was made to move into executive session, which was seconded. A roll call vote was taken to enter into executive session. At 10:04 a.m., Mr. Makhoulf exited the executive session. The executive session ended at 10:13 a.m.

Adjournment.

There being no other items of business, a motion was made to adjourn the July Regular Meeting, which was seconded. At 10:15 a.m., the July Regular Meeting was adjourned.