

CUYAHOGA COUNTY CONVENTION FACILITIES DEVELOPMENT CORPORATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
April 24, 2020  
CLEVELAND, OHIO

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**Attendees at the Meeting:**

Directors: Matt Carroll, Diane Downing, Majeed Makhoul, Trevor McAleer, Timothy Offtermatt, Joe Roman and Mayor Bradley Sellers.

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 (formerly SMG), the Facility's management firm ("ASM"), Jerad Zibritosky, Assistant Law Director for Cuyahoga County, and Jeff Appelbaum and Emily Farinacci of Thompson Hine LLP.

**Regular Meeting of the Board of Directors.** At 8:02 a.m. on Friday, April 24, 2020, a Regular Meeting (the "April Regular Meeting") of the Board of Directors (the "Board") of the Cuyahoga County Convention Facilities Development Corporation (the "CCCFDC") commenced. Mr. Carroll presided as President of the Board.

Mr. Carroll called the meeting to order and declared a quorum of the Board present.

**Review and Approval of Minutes.**

Mr. Carroll made a motion to approve the minutes from the Special Meeting of the Board on January 24, 2020, which were distributed to the Board prior to the April Regular Meeting. The Board unanimously voted to approve the January 24, 2020 minutes.

**Executive Director Report – Financial Update.**

Mr. Hillow provided an update on the financial status of the Facility, noting that the Facility closed operations in mid-March in response to the Ohio gathering order going into effect. Mr. Hillow reported that the Facility has furloughed approximately 60% of staff to date. In addition, the Facility received an inquiry from the Army Corps of Engineers requesting an evaluation of the Facility to potentially serve as a secondary hospital during the COVID-19 pandemic, however discussions did not continue past the initial inquiry. The Facility is in the process of evaluating the cancellation of events taking place in May, June and July, however it is currently anticipated that the CCCFDC will be able to end the fiscal year without additional cash needs from Cuyahoga County. Mr. Hillow also stated that the CCCFDC is currently engaging in meetings to discuss other uses of the Facility, however discussions are preliminary at this time.

Mr. Carroll requested updated 2020 financials reflecting projected a year-end forecast for the Facility. Mr. Hillow responded that revised projected financials are available for the Board's review, however the financials are preliminary. Mr. McAleer asked whether the financials have changed significantly in light of COVID-19. Mr. King responded that several financial scenarios have been run as

a result of COVID-19, each of which indicated that a break-even status for the Facility would be reached without additional assistance from Cuyahoga County.

#### Pandemic Impact on Cleveland.

Mr. Gilbert provided the Board with an update on the general industry impact of COVID-19. Mr. Gilbert noted that, as Destination Cleveland is funded largely through hotel occupancy tax, because there is currently no hotel occupancy, there is no tax income being generated. Destination Cleveland is currently projecting a slow economic recovery, which will affect both hotel occupancy rates and room pricing. Safety is now the number one concern of individuals who are deciding where to travel and hold events. Finally, Mr. Gilbert noted that Destination Cleveland would be using its cash reserves for the remainder of 2020 and into 2021.

Mr. Offermatt asked about the general health of hotels in the City of Cleveland. Mr. Gilbert responded that there are no discussions about hotels staying closed in the long-term. Mr. Gilbert also mentioned the recent establishment of a state-wide task force to assist the State of Ohio on emerging from COVID-19 financially. Mr. Roman also mentioned a similar, city-wide task force in the City of Cleveland that is divided into eight sectors, which was established to help local groups understand protocols for re-opening.

Mr. Makhlof asked whether there were any resources to invest in the Facility to allow for social distancing until a vaccine is available. Mr. Hillow responded that the upcoming CS&L report will address this topic, and it is also being evaluated by ASM.

#### Board Member Nominations & New Members.

Mr. Appelbaum then presented the Board with the proposed resolutions for the Board's adoption, which contemplate (i) the approval of the Amended and Restated Code of Regulations and the Policy Governing Expenditures and Check Signing Authority, (ii) the election of two County Executive-nominated Directors and two County Council-nominated Directors, and (iii) the appointment of CCCFDC officers. Mr. Appelbaum noted that the Board has only received one nomination for the open Director seats, and that the CCCFDC officers will not take place until all nine Directors are in place on the Board. Mr. Makhlof asked about the provisions added to the Amended and Restated Code of Regulations to discuss continuation of the Board function in the event of the expiration of a Director's term. Mr. Appelbaum responded that, per the Amended and Restated Code of Regulations, once a Director's term comes to a conclusion, the existing Director continues in his or her Board seat until there is a nomination and a new Director is placed into that role.

Mr. Appelbaum then reviewed the Policy Governing Expenditures and Check Signing Authority, which sets forth limitations on expenditures made by the Executive Director and ASM, as well as the ability of each of them to sign checks. The Board subsequently discussed the policy generally.

After a general discussion, a motion was made to approve the Policy Governing Expenditures and Check Signing Authority, which was seconded. The Board unanimously voted to approve the Policy Governing Expenditures and Check Signing Authority.

A second motion was made to approve the Amended and Restated Code of Regulations, which was seconded. The Board unanimously voted to approve the Amended and Restated Code of Regulations.

The Board agreed that the proposed resolutions circulated to the Board prior to the April Regular Meeting would be completed once the CCCFDC was in receipt of the names of the four Director nominees and the four officer nominees.

### ASM Update.

Mr. King provided an update on ASM, stating that he is aware of 53 events to date as of April that have been impacted from COVID-19. Although ASM was able to re-book some of these events, the overall impact from cancelled events is currently estimated to be just over \$1,000,000, in terms of event revenue and catering revenue lost.

### Hilton Hotel Update.

Ms. Agosta then provided an update on the Hilton Hotel, noting that although the hotel currently has guests, the hotel industry in general is dependent on the airlines to generate a general resurgence of the hotel business. Ms. Agosta discussed general hotel operations, including hotel customers currently being served, the health and welfare of hotel employees, and suspended operations. Ms. Agosta commented that she remains optimistic for operations in latter part of year, although projections are uncertain.

### Adjournment.

There being no other items of business, a motion was made to adjourn the April Regular Meeting, which was seconded. At 9:07 a.m., the April Regular Meeting was adjourned.

4822-7116-8955