

CUYAHOGA COUNTY CONVENTION FACILITIES DEVELOPMENT CORPORATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
July 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, Teri Agosta, General Manager of the Hilton® Downtown Cleveland Hotel (the "Hilton Hotel"), Steve Wells, Director of Finance for ASM Global (formerly SMG), the Facility's management firm ("ASM"), Chad Crandell of CHMWarnick, Alexa Beeler of the Cuyahoga County Law Department, and Jeff Appelbaum and Emily Farinacci of Thompson Hine LLP.

**Regular Meeting of the Board of Directors.** At 8:02 a.m. on Friday, July 24, 2020, 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. 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 April 24, 2020, which were distributed to the Board prior to the April Regular Meeting. The Board unanimously voted to approve the April 24, 2020 minutes.

**Executive Director Report – Financial Update.**

Mr. Hillow provided an update on the financial status of the Facility, noting that the CCCFDC is taking a conservative approach with respect to finances and assuming that there will be no events held for the rest of the year. The Facility is continuing to partner with ASM.

A deficit of \$150,000 is anticipated for fiscal year 2020. However, because the CCCFDC did not commingle deposits with operating funds, it was able to return deposits to clients for events that have been cancelled in 2020.

**Re-Opening Plan and Financials.**

Mr. King provided an overview of the Facility's goal of a smooth and safe reopening, discussing environmental hygiene, food service, workforce, technology and equipment and public awareness. Mr. King also noted that the Facility has partnered with Destination Cleveland to coordinate a new cleaning program.

The Board discussed the Facility's re-opening plan generally. Mr. Roman asked if anyone is currently constructing a convention center that is implementing new technology that the CCCFDC could use as a learning tool.

Ms. Agosta commented that several hotels nationwide are focusing on technology for flexibility in meetings, such as conducting hybrid meetings and the ability to have virtual "meeting rooms".

Mr. O'Neal also remarked that the Facility is making several operational adjustments to accommodate for virtual meetings (for example, implementing adjusted lighting as well as methods to reduce background noise in meeting rooms). The Facility is also looking into advanced technology for UV lighting and filters in HVAC systems to enhance air quality.

Mr. King finally reviewed the financial impact on the Facility of the governor's stay-at-home orders, noting that, through June 30, 2020, 75 events had been cancelled, 42 of which were rescheduled for a future date.

#### Capital Update.

Mr. Campo provided a brief summary of capital updates, reporting the completion of eight capital projects at the Facility, including improvements to the Facility's loading dock. Mr. Campo also highlighted several ongoing capital projects, including WiFi improvements (covering access points and infrastructure) and the addition of physical security to the outside of the Facility's building and increasing capacity to employee breakout rooms.

Mr. O'Neal noted that return to business for convention centers across the U.S. will look different depending on particular the region of the country.

#### Hilton Hotel Update.

Ms. Agosta introduced Mr. Crandell, who gave an overview of national lodging trends and commenting on the decline in Hilton Hotel occupancy between June 2019 and June 2020. Mr. Crandell noted that Cleveland was trending below national performance, having a 48% decline in occupancy in metropolitan numbers between 2019 and 2020. RevPAR declined significantly for May and June. However, several downtown hotels that had closed in April are now reopened, and the encouraging news is that RevPAR is improving.

Mr. Crandell highlighted a baseline forecast prepared by CBRE Hotels Research, providing an outlook of RevPAR for the national market, anticipating that recovery is going to begin in 2021 and that a full recovery will not occur until 2023 or 2024. Mr. Crandell also provided data reflecting group cancellation in 2020, reporting 58,000 room nights cancelled through July 2020. Mr. Crandell noted that they are hopeful to observe a recovery in the second half of 2020.

Ms. Agosta provided a description of the adjustments that have been made at the Hilton Hotel for events that have occurred to observe social distancing and cleanliness for guests.

#### CS&L Report.

Mr. Appelbaum reported on the status of the CCCFDC's engagement of CS&L to provide recommendations for the highest and best used for the Facility and the necessary physical improvements to make this occur. Mr. Appelbaum noted that once the report is provided in the next few weeks, the Board will hold an informational meeting where Board members will have the opportunity to ask questions about the CS&L report and provide feedback. Mr. Appelbaum noted that there are opportunities for investment even given the current situation.

Mr. McAleer asked if CS&L anticipates making changes to their recommendations because of the ongoing COVID-19 pandemic. Mr. Appelbaum answered that CS&L has made adjustments and reconsidered what has happened in light of the pandemic. Mr. Makhoulf requested that a summary of these modifications be reflected in the CS&L report.

Adjournment.

There being no other items of business, a motion was made to adjourn the July Regular Meeting, which was seconded. At 9:11 a.m., the July Regular Meeting was adjourned.

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