

**Hamilton County
Convention Facilities Authority (CFA)
Meeting Minutes**

To: CFA Board Members
From: Roger Friedmann, CFA Secretary
Subject: Meeting Minutes: November 8, 2019

CFA Members Present: Gwen McFarlin, Paul Brehm, Kevin Hardman, Rahiel Michel, Pete Witte, Lawrence Hawkins, Brendon Cull, Adam Gelter, Dan Unger, Lee Czerwonka

Others Present: Jeff Aluotto, Lisa Anderson, Karen Alder, Roger Friedmann, Holly Christmann, Cindy Fazio, Nicole Lee, Bethany Pugh, Brad Ruwe, Laura Brunner, Jim Downton, Scott McKeegan

1. Call to Order

Chair McFarlin called the meeting of the Hamilton County Convention Facilities Authority to order at approximately 12:05 P.M. Chair McFarlin indicated that there was a quorum.

2. Headquarter Hotel Discussion

Jeff Aluotto provided a summary of the headquarter hotel. The Port was assigned the purchase sale agreement. As part of the purchase sale agreement there are two earnest money payments of \$1.3 million. The first payment was made on October 4 from the County's residual occupancy tax; the second was paid in early November. The Port continues to conduct due diligence to determine if acquisition, demolition, and development of a new hotel can be financed through hotel revenue bonds.

Jeff then described alternative strategies if more time is needed prior to the February closing date or if the due diligence finds the hotel strategy is not viable. He reviewed the strategy that includes the use of the County's residual occupancy tax to support a debt issuance to acquire or acquire and demolish the hotel. The residual transient occupancy tax would serve as a bridge between completion of due diligence and the coordination of hotel and/or convention center expansion redevelopment financing. Or, it could be converted into a longer-term instrument in the event the due diligence concludes that the preferred project is not viable.

Laura Brunner reviewed The Port's due diligence strategy that includes costs and revenues of five options: 600 and 800 room stand-alone hotel; 600, 800, 1,000 room hotel on top of a convention center expansion.

Board members discussed the timing of financing including discussion that most likely the use of the residual occupancy tax as a short-term financing will be needed given the February closing deadline. The County is still analyzing whether we can finance acquisition or acquisition and demolition (~\$38 million and \$50 million, respectively). Another question was raised that if the project isn't viable, do we walk away? Jeff Aluotto stated the importance of getting the property under control and out of the market as the Millennium Hotel is one of the most significant issues in the local convention market.

The Board requested to review the impact on the County's residual occupancy tax. Jeff Aluotto agreed that the Board will receive additional information on financing prior to the next meeting.

It is envisioned that there will most likely be a meeting in January to vote on use of residual occupancy tax.

3. Sharonville Convention Center Expansion Discussion

Holly Christmann summarized the Sharonville Convention Center Expansion plans and financing that the Board has been discussing for a few years. The City of Sharonville will issue bonds for the expansion, with the County contributing an upfront payment of \$3 million from the Transient Occupancy Tax Residual and extending the existing annual contribution of \$1.3 million for an additional six years, ending in 2044. This will require a supplement to the Cooperative Agreement between CFA, Hamilton County, and City of Sharonville. The CFA will meet in December to vote on the supplement.

Bethany Pugh with PFM reviewed the financing options provided by Sharonville and answered questions related to the financing. Bethany clarified that this is Sharonville debt, not CFA debt. There was a request for additional financial information to determine if the occupancy tax can manage the funding, and, moving forward on future projects, provide more detailed financing information to the Board members. Jim Downton, Executive Director of Sharonville Convention Center, further detailed the expansion plans and needs.

The Committee discussed and confirmed a December 6 meeting at 3:00.

4. Review of Third Quarter Financial Report

Karen Alder introduced Nicole Lee, Interim Assistant Finance Director who will be replacing Karen. Karen reported on the current status of City and County collections. Hotel taxes continue to grow. 3rd quarter for County collection was \$3.1 million.

Next Karen discussed the CFA Expense Status Report in 2019; year to date actual expenses of \$26,848. These expenses cover the cost of the annual audit, liability insurance, and fees remitted to the trustee for maintaining our accounts. One outstanding expense is for the arbitrage calculation that will be performed by Dinsmore.

Audit comes after the end of the year.

5. Next Meeting Date

December 6, 2019 at 3pm at the Hamilton County Administration Building

6. Adjournment

Meeting adjourned at approximately 1:20 P.M.

The foregoing is a summary of the activity taking place at the November 8, 2019 meeting of the Convention Facilities Authority. The foregoing is not an exact transcription of all conversations or discussions taking place during the meeting.