

CUYAHOGA COUNTY CONVENTION FACILITIES DEVELOPMENT CORPORATION
SPECIAL MEETING OF THE BOARD OF DIRECTORS
April 27, 2018
CLEVELAND, OHIO

Attendees at the Meeting:

Directors: Matt Carroll, Trevor McAleer, Bradley Sellers, Michael Siegal, Terry Stewart and Joe Roman.

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

Guests of the Board: David O'Neal of Conventional Wisdom Corp., Steve Wells and Mike Campo of SMG, Craig Thompson, National Sales Manager of the Huntington Convention Center, Dave Johnson, Director of Public Relations and Communication, Aram Nerpouni of BioEnterprise Corp. ("BioEnterprise"), Ron King, General Manager of the Huntington Convention Center and Global Center for Health Innovation, Dan Gibel of Card, Palmer, Sibbison & Co., Craig Liston, Regional Vice President of SMG, Earl Leiken, Cuyahoga County Chief of Staff, Eric Musser, Executive Vice President, Corning Technologies & International, Larry Trabulsi of CHMWarnick, and Jeff Appelbaum, Patrick Sweeney and Emily Farinacci of Thompson Hine LLP.

Special Meeting of the Board of Directors. At 8:04 a.m. on Friday, April 27, 2018, a Special Meeting of the Board of Directors (the "Special Meeting") commenced. Mr. Carroll presided as President of the Board.

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

Review and Approval of Minutes.

Mr. Carroll made a motion to approve the minutes from the Special Meeting of the Board on January 26, 2018, which were distributed to the Directors prior to the Special Meeting. The Directors unanimously voted to approve the January 26, 2018 Special Meeting minutes.

Executive Session.

At 8:05 a.m., a motion was made to move the Board into an executive session to discuss certain real estate matters and a legal matter, which motion was approved by a vote of a majority of the Directors present. At 8:52 a.m., the Board voted to move out of the executive session.

Executive Director's Report.

Mr. Hillow led a discussion of the financial performance 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") for the 2018 fiscal year to date through March 31, 2018. Mr. Hillow reported that actual net income for the Facility was \$264,709 over budget (reporting a loss of \$1,075,216 versus a budgeted loss of \$1,339,925). Mr. Hillow provided an overview of funding sources for the Facility, including historical operating and non-operating revenues.

Mr. Roman asked if any other facilities in the U.S. place reserves in non-savings vehicles. Mr. Appelbaum deferred to Cuyahoga County's investment policy. Mr. O'Neal also commented that only approximately 20% of other convention center facilities in the U.S. have reserves available for investment.

Mr. Hillow then reviewed the 2018 budget for capital repairs (equal to \$1.7 million) and capital improvements (equal to \$1.1 million).

Thompson Hine LLP Report.

Mr. Appelbaum provided a report on the transfer of oversight of the Hilton hotel from Cuyahoga County to the CCCFDC pursuant to a hotel management agreement and operating agreement. Mr. Appelbaum also commented on the naming rights for the Convention Center, stating that Cuyahoga County may want to consider transferring the duty to collect related funds and reinvest them back into the Facility and surrounding area.

SMG Report.

Mr. King led a discussion regarding Facility operations and reflected on SMG's fifth year as manager of the Facility. Mr. King acknowledged the work of Steve Wells to recapture expenses in an amount of \$1 million spent by the prior Facility manager. A few highlights of recent projects include continuing to strengthen the Facility's relationship with Experient, the Twinsburg-based meeting planner company, and the distribution of a new antennae system throughout the Convention Center.

Mr. Johnson commented that the Facility would soon be featuring an artwork gallery on the second floor of the Global Center in conjunction with Eileen Roth.

Mr. King then reviewed the numbers of events booked, stating that 1,000 events have been added to the booking calendar in the past four years, leading to 700,000 hotel room nights booked and \$90 million of direct and indirect economic impact for the City of Cleveland. Mr. King also introduced Matt DelRegno, former executive chef for the Facility, Brad Gambrell and Britt Culey, who oversee catering services at the Facility.

Finally, Mr. King noted that an employee recognition program was implemented in January 2018, pursuant to which the following employees were recognized for their service: Quineesha Carlton, Angela DiBlasi, Tammy Shockley, Phyllis Johnson and Lauren Harris.

BioEnterprise Report.

Mr. Nerpouni provided an update on the leasing of the Global Center, which now includes BioEnterprise, JumpStart, The Ohio State University and HIMSS, and reviewed the current leases scheduled to expire in 2018.

Hilton Hotel Report.

Mr. Trabulsi gave a performance update for the Hilton hotel, stating that total revenue for the hotel was 6% above budget, with food and beverage revenue 8% above budget and 98% of 2018 budgeted group room nights booked.

Conventional Wisdom Report.

Mr. O'Neal provided a review of capital improvements in the Global Center and also discussed the use of Cleveland Public Auditorium (the "Auditorium") in conjunction with the Facility, stating that a proposal to the City has been made to lease the Auditorium from the County for \$1 and, in exchange, the CCCFDC would provide furniture, fixtures and equipment and SMG would control the booking of meeting space in the Auditorium. Mr. Siegal asked Mr. O'Neal to schedule a walk-through of the Auditorium at the next regularly scheduled Board meeting. The Board then discussed the use of the Auditorium generally, including the current state of capital improvements.

Adjournment.

There being no other items of business, a motion was made to adjourn the Special Meeting, which was seconded. At 9:48 a.m., the meeting was adjourned.

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