

THE DULY ELECTED MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS OF CLERMONT COUNTY, OHIO, MET IN SPECIAL SESSION ON AUGUST 14, 2018, WITH THE FOLLOWING MEMBERS PRESENT: EDWIN H. HUMPHREY, PRESIDENT, DAVID L. PAINTER, VICE PRESIDENT AND, DAVID H. UIBLE MEMBER. THE MEETING WAS CALLED TO ORDER SHORTLY AFTER 7:00 P.M. BY THE PRESIDENT OF THE BOARD WITH THE PLEDGE OF ALLEGIANCE TO OUR FLAG.

LET THE RECORD SHOW THAT THE AUGUST 14, 2018 SPECIAL SESSION WAS VIDEO RECORDED AND IS AVAILABLE FOR PUBLIC INSPECTION MONDAY THROUGH FRIDAY BETWEEN THE HOURS OF 8:00 A.M. TO 4:30 P.M. LOCAL TIME. IN ADDITION, THE SPECIAL SESSION IS AVAILABLE FOR PUBLIC VIEWING THROUGH THE COUNTY GOVERNMENT WEBSITE AT <https://www.youtube.com/user/clermontcounty/playlists>

LET THE RECORD SHOW: Commissioner Humphrey welcomed those in attendance and addressed the purpose of today's Special Session. He indicated that there will be four separate presentations regarding the proposed Professional Sports Facility Development Agreement, the proposed Cooperative Agreement and the proposed Clermont County Port Authority Agreements. Public participation will be permitted upon the completion of the presentations. Commissioner Humphrey indicated that in accordance with the Board of County Commissioners' Rules of Procedure the comments are limited to 5 minutes.

LET THE RECORD SHOW: Jim Comodeca, Chairman, Clermont County Convention and Visitors Bureau (CVB), highlighted the mission of the CVB and the significance of an opportunity like this. He highlighted the economic impact that this could have on Clermont County based on research conducted by Sports Facility Advisory (SFA) located in Clearwater, Florida. He believes that this is a wonderful opportunity for hoteliers and business owners. He indicated that sports events are one of the biggest drivers of hotel nights, overnight stays and visitor spending. He discussed the potential economic impact for both tournaments and the academy. Mr. Comodeca stated that the economic impact from direct spending in the overall area is estimated at \$6.7 million dollars of which \$1.6 million dollars would be generated by the practice facility. He provided a list of local hoteliers that have provided the Convention and Visitors Bureau with letters of support for the FC Cincinnati Training Facility. Mr. Comodeca asked the County Commissioners to pass a resolution allowing a 1% increase to the hotel/lodging tax.

LET THE RECORD SHOW: Michael Doss, Milford City Manager, addressed the Board for and on behalf of the City of Milford. Mr. Doss reviewed with those in attendance the Professional Sports Facility Development Agreement that has been executed by the City of Milford. He read into the record a summation of the Agreement.

LET THE RECORD SHOW: Chris Franzmann, Squire, Patton, Boggs, Bond Counsel for the City of Milford, addressed those in attendance regarding the statutory requirements and bond obligations in and as it relates to the proposed Cooperative Agreement. Mr. Franzmann provided those in attendance with a brief explanation of the Cooperative Agreement and how the monies are to be used.

Commissioner Painter inquired as to what happens to those monies when the debt service is paid off or expired.

Mr. Franzmann indicated that the City of Milford's bonds would be issued for 20 years. The tax would terminate at that time. If any funds remain they would be remitted back to the CVB.

Thomas Eigel, County Administrator, inquired as to how the funds from the CVB to the City of Milford would be accounted for.

Mr. Franzmann indicated that a special account would be set up specifically to contain the lodging tax and the Cooperative Agreement makes clear what can be paid out of those funds.

LET THE RECORD SHOW: Andrew Spoor, Keating, Muething and Klekamp, Attorney for FC Cincinnati, addressed those in attendance. Mr. Spoor presented the Clermont County Port Authority Term Sheet. He discussed the two primary incentives that are being arranged through the Clermont County Port Authority including the use of the Clermont County Port Authority to

gain Sales Tax Exemptions for building materials and real property tax exemptions. The Clermont County Port Authority lease revenue bonds will be purchased by FC Cincinnati and the Clermont County Port Authority would not be responsible for any debt service on these bonds. The Clermont County Port Authority would lease the property to FC Cincinnati for nominal consideration. Mr. Spoor addressed the fees to be paid to the Clermont County Port Authority by FC Cincinnati and the lease renewal agreement. Mr. Spoor indicated that FC Cincinnati would be building the facility on behalf of the Clermont County Port Authority for legal purposes as detailed in the Construction Manager At Risk Agreement.

LET THE RECORD SHOW: Patrick Woodside, Frost Brown Todd, LLC., attorney on behalf of the Clermont County Port Authority provided those in attendance with information regarding the obligations of the Community Improvement Corporation of Milford (Milford CIC) to the Clermont County Port Authority in connection with the Clermont County Port Authority's participation in attracting the project to the City of Milford. This obligation would expire once the project site is subject to real property taxation. Mr. Woodside reviewed with the Board the proposed fee scale. Mr. Eigel, asked Mr. Woodside to clarify that the amounts listed in the table to be paid by the Milford CIC to the Clermont County Port Authority is in addition to the \$9,000 from FC Cincinnati to the Clermont County Port Authority. Mr. Eigel asked Mr. Spoor to clarify his understanding that the City of Milford Schools would receive \$50,000 annually in PILOT payments. Mr. Spoor indicated that that was correct. In addition, Mr. Eigel inquired if the Clermont County Port Authority could use some of the fees they would be receiving to offset the reduction to Clermont County levy funds that will be impacted by the loss of property taxes. Mr. Woodside stated that they can be used for that purpose and that they would need to discuss further with the County the best use of those monies.

PUBLIC PARTICIPATION: COMMISSIONER HUMPHREY STATED THAT WE HAVE REACHED THE PUBLIC PARTICIPATION PORTION OF THE AGENDA AND INQUIRED IF ANYONE WOULD LIKE TO ADDRESS THE BOARD.

LET THE RECORD SHOW:

Dale Rowe, resident of Milford, provided the Board with a brief history of his family's history in Milford and the overall growth of that community. He highlighted the TIFS, Enterprise Zone Agreements and the activities of the Clermont County Port Authority to increase growth in Clermont County. He credits the CIC with attracting more jobs and families moving into Clermont County. Mr. Rowe stated that his family will be spending \$12 million dollars in new development in Miami Township due to the FC Cincinnati project.

Chip Hart, Hart Productions, expressed his support for this development in Clermont County. He believes this is a wonderful opportunity for Clermont County and he is hopeful we will be able to bring FC Cincinnati to Milford. He indicated that he has been around tourism all his life and he believes the 1% hotel/motel tax is the best way to create infrastructure for this project. Mr. Hart hopes to see additional hotels built in the future to facilitate this endeavor.

George Lucas, President of the Milford Exempted Village School District Board of Education, indicated that they believe the agreement reached is both fair and equitable. He indicated that the Board of Education believes in the vision of the City of Milford and fully supports this project.

Nick Baker, General Manager- Holiday Inn & Suites Cincinnati- Eastgate, resident of Milford and member of the Clermont County Convention and Visitors Bureau, expressed his support for this project and stressed the importance of the revenue for local hoteliers.

James Rhodes, resident of Miami Township, stated that he is not against the facility, he is against government handouts. He expressed to the Board his frustration with the taxing efforts of Hamilton County and his concerns with the tax cuts being offered to FC Cincinnati, a for-profit corporation. He expressed concerns about the government subsidizing this project.

Chris Hicks, addressed the Board and those in attendance regarding the FC Cincinnati Project. Mr. Hicks stated that we don't subsidize with corporate welfare and he does not believe we should give tax incentives. He addressed the financial impact study conducted by the Convention and Visitors Bureau. He highlighted a 2015 Clermont Sun article regarding the anticipated hotel bed nights and revenues from the Red Barn and inquired as to how many businesses have opened

due to the Red Barn. Mr. Hicks stated that this deal is being made for FC Cincinnati. He expressed his concern that this deal is not possible due to compliance issues with the Ohio Revised Code and that it does not comply with the articles of the CVB. Mr. Hicks indicated that he believes the deal should be renegotiated and asked if any other alternatives were considered. Mr. Hicks inquired as to how elected officials in the County feel about this deal.

Pamela Gross, former resident of Hamilton County, addressed the Board regarding the failed efforts of Hamilton County and expressed her concerns about tax payer dollars being used to finance a FC Cincinnati Training Facility. As a former Loveland City Council Member and accountant, she believes that tax payer monies should not be expended on private endeavors. Ms. Gross stated that these deals never deliver what they promise.

Gail Clemons, resident of Clermont County, expressed her concerns that Clermont County is still behind the times. She believes surrounding counties have taken advantages of opportunities like this in the past and she does not want to lose this project to one of our neighboring counties. She expressed support for the FC Cincinnati Training Facility and believes economically this will be a win win for Clermont County.

Matt Van Sant, President of the Clermont County Chamber of Commerce, addressed the Board regarding the Chamber of Commerce's support for this project and the 1% hotel/lodging tax increase. He recognizes there are risks and uncertainties with a project like this but he believes that communities who share prosperity must also be willing to share risk. He is hopeful the needed resources will be made available to support this project.

Tom Niehaus, resident of New Richmond, believes this is an opportunity to deliver on the promise of Clermont County. He stated that he was involved in getting the legislation passed at the State level to create the opportunity for the Commissioners to implement this 1% Lodging Tax. He has faith in the staff of FC Cincinnati, the Commissioners and the Milford School Board to help the community make a difficult decision. He would like to see the Lodging Tax implemented as soon as possible.

Christopher Meyers, Miami Township resident, expressed his support for the professional sport team. He is encouraged to know that this facility will be open to the public for people to come and experience this popular sport. He believes this soccer team is an investment in public health for the youth in our community.

LET THE RECORD SHOW: Commissioner Humphrey concluded the public participation portion of the agenda at this time.

LET THE RECORD SHOW: Commissioner Painter indicated that he received the documents and has reviewed them carefully. He inquired of Mr. Spoor as to who the "developer" is for this project, the nature of the construction loan, who is responsible for cost overruns and changes orders and what incentives are being considered for things such as early completion.

Mr. Spoor stated that FCC Training Facility, LLC., a subsidiary of FC Cincinnati, would be the developer and that the lease revenue bonds would make this function like a normal construction process. He indicated that the team would handle the construction loans and that overruns would be the responsibility of the developer. Mr. Spoor advised that incentives built into the construction project would resemble a "normal private construction project" with incentives for early completion and under cost.

Commissioner Painter asked for clarification regarding the equipping and maintenance of the project. Mr. Spoor indicated that all of those costs are bore by the team.

Commissioner Painter inquired about the right of the team to rent and sublease the property and to retain all of those revenues. He asked if there have been any negotiations allowing the tax payers of Clermont County access to use the facility. Mr. Spoor clarified the monies funneled through the CVB would be used for land acquisition only, the construction cost would be privately bore and that usage of the facility would be determined by FC Cincinnati to maintain the integrity of a major league facility. Commissioner Painter indicated that usage is a concern to him and he would like to see that issue revisited.

Commissioner Uible introduced Jeff Berding, General Manager of FC Cincinnati. Mr. Berding stated that FC Cincinnati has just celebrated their third anniversary and are experiencing a record setting season. The FC Cincinnati owners are investing \$430 million dollars and does not believe people should lose site of this. He stated that many other surrounding counties were interested in partnering with FC Cincinnati for purposes of this Training Center and were offering similar or greater incentives. He reiterated the support of the local hoteliers in this endeavor despite being the ones to implement the lodging tax. He stated that these incentives are allowed by law and approved by the General Assembly for this purpose. Lastly, Mr. Berding wanted to make sure the Milford schools came out ahead and be given the opportunity for use of the facility. He is looking forward to a long tenure here in Clermont County.

LET THE RECORD SHOW: Commissioner Humphrey adjourned the Special Session at 8:20P.M.

(17-0712-002)

**BOARD OF COUNTY COMMISSIONERS
CLERMONT COUNTY, OHIO**

EDWIN H. HUMPHREY, PRESIDENT

DAVID L. PAINTER, VICE PRESIDENT

DAVID H. UIBLE, MEMBER

JUDITH KOCICA, CLERK OF THE BOARD

08/22/18
DATE APPROVED