

President Kevin Hardman called the special Council meeting of March 16, 2010 to order at 5:40 p.m. Kevin Hardman let Council in prayer. The Pledge of Allegiance led by Mayor Lovitt followed the prayer.

ROLL CALL

In attendance for Roll Call were Council Members: Kerry Rabe, Paul Schmidt, Greg Pugh, Rob Tankersley, Vicki Hoppe and Ed Cunningham. Janey Kattelman was absent with notice.

OLD BUSINESS

Reconsideration of Ordinance 2010-16-E as to the attached Cooperative Agreement

- Mayor Lovitt expressed appreciation to everyone for their attendance at this special Council meeting. He noted that Council had been made aware when Ordinance 2010-16-E was passed at the last Council meeting that Hamilton County was not happy with some of the issues on the Cooperative Agreement. Mayor Lovitt received an e-mail from Todd Portune late Friday. Mayor Lovitt and Margaret Comey met with the County on Monday morning and hammered every issue. What they found out was that Sharonville cared about issues for different reasons than the County's reasons.
- Hamilton County wants this to be on the Commission's agenda for tomorrow morning because the Convention Facilities Authority (CFA) meets on Thursday morning for the final vote on the agreement.
- Margaret Comey reviewed the following three major areas discussed that resulted in changes:
- The County wanted the right to substitute the revenue stream from which Sharonville is getting the \$1.3 million annual payments. While unlikely that the State of Ohio would eliminate the hotel tax, the County had provided that they could consult with a bond insurer of Sharonville's revenue bonds to get their consent to substitute another source of payment. Sharonville had included that the County would also need to have the City of Sharonville's consent but the County was opposed. The County agreed to include the City but Sharonville has to agree that the City would not contract away its right to give that consent. The County was concerned that the City would contract away its right to give consent to its bond holders. This change in section 4.3 is not adverse to the City.
- The next change is in section 7.7. This section essentially says that if the County does not make its \$1.3 million annual payment, because there is a deficiency in the residual Transient Occupancy Tax (TOT) funds, that it is not a breach of the agreement. This was in there before and Sharonville did not have a problem with it because provisions had been included for the County to share in any deficit. However, the County had added that likewise a failure to make the deficit payment would not constitute a breach of the agreement. This was not included in the agreement Sharonville approved last week. The compromise was that failure to make the deficit payment would not be a breach of the agreement provided that the County is compliance with section 4.11. This section requires the County to make a good faith effort to appropriate funds and to look for all lawfully available funds for Sharonville's benefit. Again, this is not adverse to the City as this is making the County demonstrate best effort. This is the language that was obtained from the current agreement that the County has with the City of Cincinnati.
- The last change is a new concept that was introduced. The County was concerned about funding any deficit from the General Fund as the City of Sharonville would be. Some new language was included in section 4.11 which provides the City more security for repayment if there would be a deficit in the next three years and if the County had trouble paying their

share of it. Under this new scenario, the County would be able to pay Sharonville in full from excess TOT funds beginning in 2014. In four years, the County has to negotiate another agreement with the City of Cincinnati. This agreement with Sharonville identifies that they cannot negotiate another agreement with Cincinnati without putting Sharonville's money first. It has already been confirmed that the \$1.3 million is available to be paid to Sharonville in 2010. This puts the City in a better position than in the previous agreement.

- Mayor Lovitt clarified that the County will provide the entire excess TOT to Sharonville up to \$1.3 million per year. But if there is less than \$1.3 million, there is a provision to share the deficit. The question was where the County would obtain the funding for their portion of the deficit. In the next three years, it would have had to come from their General Fund because the County cannot access any additional hotel taxes. The County has pledged any hotel taxes through 2013 above Sharonville's to marketing the City of Cincinnati. The reserve fund that is part of this project would be able to cover any deficit in those three years until the County would be able to make the payment in 2014 when the obligation through the current agreement with the City of Cincinnati ends. Margaret Comey clarified that the major portion of the reserve fund is coming from the payments that Sharonville has already received from the County for the project. To the extent that those funds have been spent, on a cash flow basis previously for land acquisition and site improvements, they will be reimbursed from bond proceeds when the bonds are issued to build up that reserve fund again to \$3 million. The reserve fund is designed to be healthy in the early years so that if there is a shortfall, the reserve fund will be used and not the City's General Fund. The reserve fund is part of the project so by the end of the thirty years it will go be zero.

The motion to reconsider Ordinance 2010-16-E by Mr. Pugh was seconded. Roll Call Vote. Motion approved unanimously.

The motion by Mr. Cunningham was seconded to amend Ordinance 2010-16-E by amending the attached Exhibit B as follows: "As to Ordinance 2010-16-E, the attached Fourth Supplement to the Cooperative Agreement, marked Exhibit A, and the attached Cooperative Agreement, marked as Exhibit B, are hereby approved as they have been amended and restated. The Mayor is authorized to execute the acknowledgement of the restated Fourth Supplement and the Cooperative Agreement on behalf of the City." Roll Call Vote. Motion approved unanimously.

ADJOURNMENT

The motion to adjourn the meeting by Mr. Tankersley was seconded. President Hardman adjourned the meeting at 6:20 p.m.

ATTEST

Martha Cross Funk, Clerk of Council

Kevin Hardman, President of Council

Date

Date