

MEMORANDUM OF UNDERSTANDING:  
TICKET SURCHARGE SUPPORTING THE CAPITAL COST AND LONG-TERM MAINTENANCE  
OF UNION TERMINAL AND MUSIC HALL

The Cincinnati Museum Center, resident companies of Music Hall and the Cincinnati Arts Association agree to play a meaningful role in the capital financing and long-term maintenance of Union Terminal and Music Hall.

Specifically, we pledge to implement a ticket surcharge program for all ticketed events at Union Terminal and Music Hall that will initially generate annually an estimated \$1 million for a period of no less than 25 years.

The ticket surcharge will be implemented for Music Hall upon voter approval of the ballot measure in November 2014. For Union Terminal, the ticket surcharge will begin once the renovation is complete.

Due to attendance fluctuations, there may be years that the surcharge generates less than \$1 million and years when the surcharge generates more than \$1 million. In either case, the total amount collected will be segregated in an account within the respective entities.

Of the amount collected annually, the first \$400,000 will be directed to a long-term capital maintenance account. The proceeds of this account will augment the City of Cincinnati's commitment to provide \$400,000 annually for the period of 25 years for capital maintenance of Union Terminal and Music Hall. In total, this \$800,000 will generate \$20 million for capital maintenance over 25 years.

Any amounts collected above \$400,000 annually will be directed to the cost of debt service while the County's sales tax bonds issued for the purpose of the preservation, rehabilitation and renovation of Union Terminal and Music Hall are outstanding. Current projections, including interest earnings, indicate that this will generate up to \$10 million in capital contributions toward the project cost.

We pledge to provide, on an annual basis, an accounting of ticket surcharge revenue collected.

This MOU includes broad principles concerning a significant financial role in the preservation, rehabilitation and renovation of Union Terminal and Music Hall. Until the legal counsel for all the entities involved have had an opportunity to review these terms, this MOU is non-binding and should be considered our best effort to develop a proposal to assist in the financing of this important project for the community.

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Francie S. Hiltz  
Board Chair  
Cincinnati Museum Center

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Otto Budig, Jr.  
Board Chair  
Music Hall Vitalization Company

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Stephen A. Loftin  
President & Executive Director  
Cincinnati Arts Association

Date: August 6, 2014