

1 RESOLUTION NO. 2014-309

2 SPONSOR Mr. Pry

3 DATE June 30, 2014 COMMITTEE Finance

4 **A Resolution authorizing the County Executive to execute and deliver a**
5 **Guaranty Agreement in connection with certain credit facilities to be extended**
6 **by Fifth Third Bank to Akron Community Service Center and Urban League,**
7 **Inc. (the “Urban League”) to provide for refinancing of Summit County Port**
8 **Authority Development Revenue Bonds, Series 2006 (Akron Community Service**
9 **Center and Urban League, Inc. Project) issued to finance the Urban League’s**
10 **community service center in the County, and to support operations of the Urban**
11 **League, by the County guarantying from its non-tax revenues one-half of the**
12 **payment obligations of the Urban League on such credit facilities, for the**
13 **Executive’s Department of Finance and Budget, and declaring an emergency.**

14 WHEREAS, the Development Finance Authority of Summit County, formerly
15 the Summit County Port Authority (the “Authority”), issued its revenue bonds in the
16 original principal amount of \$3,600,000 (the “Bonds”) to assist with the financing of
17 the acquisition, construction, improvement and equipping of a new community
18 service center (the “Project”) located on Vernon Odom Boulevard in the County
19 which is owned and used by the Urban League; and

20 WHEREAS, Fifth Third Bank (“Fifth Third”) furnished for the account of the
21 Urban League a letter of credit (the “Letter of Credit”) to support the Bonds, and the
22 Urban League agreed to reimburse Fifth Third for each draw on the Letter of Credit
23 used to pay the principal of and interest on the Bonds when due (the “Reimbursement
24 Obligations”); and

25 WHEREAS, to induce Fifth Third to issue the Letter of Credit, the County
26 and the City of Akron (the “City”) previously entered into a Guaranty Agreement
27 pursuant to which the County and the City each agreed to guaranty payment of one-
28 half of the Reimbursement Obligations to be made by the Urban League to Fifth
29 Third; and

30 WHEREAS, the Urban League has determined it would save interest costs
31 and letter of credit fees by causing the redemption of the Bonds with the proceeds of a
32 term loan to be provided by Fifth Third; and

33 WHEREAS, Fifth Third has agreed to provide to the Urban League (a) a term
34 loan in the amount of \$2,000,000 to be used to redeem the outstanding Bonds (the
35 “Term Loan”) and (b) a credit line facility in the amount of \$100,000 to support the
36 operations of the Urban League (the “Credit Line,” and together with the Term Loan,
37 collectively the “Credit Facilities”); and

38 WHEREAS, as a condition of Fifth Third providing the Credit Facilities to the
39 Urban League, Fifth Third is requiring that each of the County and the City guaranty

1 RESOLUTION NO. 2014-309

2 PAGE TWO

3
4 payment from its non-tax revenues of one-half the principal and interest when
5 due on the Term Loan and the Credit Line; and

6 WHEREAS, this Council has determined by reviewing all pertinent
7 information that the guaranty is necessary and in the best interest of the County.

8 NOW, THEREFORE, BE IT RESOLVED by the County Council of the
9 County of Summit, in the State of Ohio:

10 SECTION 1. Determinations of Council. This Council makes the following
11 determinations:

12 (a) The County is currently obligated under a guaranty issued to Fifth
13 Third Bank to pay from its Non-Tax Revenues one-half of the Reimbursement
14 Obligations due Fifth Third that are not paid by the Urban League when due.

15 (b) The Urban League is a nonprofit corporation and an organization
16 recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of
17 1986, as amended, and the Project has been utilized by the Urban League to provide
18 for education, recreation, employment and other economic development services for
19 residents of the County.

20 (c) The guarantee to be provided by the County is a public purpose in that
21 it will induce Fifth Third to provide the Credit Facilities to the Urban League to
22 permit redemption of all of the outstanding Bonds and to support operations of the
23 Urban League and it will improve the welfare of the citizens of the County and
24 provide for education, recreation, employment and economic development services
25 for said citizens at the earliest possible time.

26 SECTION 2. Guaranty from Non-Tax Revenues. This Council agrees to
27 deliver to Fifth Third, for the benefit of the Urban League, a Guaranty Agreement in
28 substantially the form attached as Exhibit A to this Resolution (the "Guaranty
29 Agreement"), guaranteeing, from the County's Non-Tax Revenues, one-half of the
30 payment of principal and interest to be made by the Urban League to Fifth Third
31 pursuant to the terms of the Term Loan and the Credit Line.

32 As used in this Resolution, "Non-Tax Revenues" means all money of the
33 County that is not money raised by taxation, to the extent available for payment under
34 the Guaranty Agreement, including, but not limited to the following: (a) grants from
35 the United States of America and the State, (b) payments in lieu of taxes now or
36 hereafter authorized by State statute; (c) fines and forfeitures that are deposited in the
37 County's General Fund; (d) fees deposited in the County's General Fund from
38 properly imposed licenses and permits; (e) investment earnings on the County's
39 General Fund and that are credited or transferred to the County's General Fund; (f)
40 investment earnings of other funds of the County that are credited to the County's

1 RESOLUTION NO. 2014-309

2 PAGE THREE

3
4 General Fund; (g) proceeds from the sale of assets that are deposited in the
5 County's General Fund; (h) rental income that is deposited in the County's General
6 Fund; (i) gifts and donations that are received and deposited in the County's General
7 Fund; and (j) charges for services and payments received in reimbursement for
8 services that are deposited in the County's General Fund.

9 Notwithstanding anything in this Resolution or the Guaranty Agreement to the
10 contrary, the Guaranty Agreement will not represent or constitute a general obligation
11 debt or pledge of the taxing power of the County. The Guaranty Agreement and any
12 payments to be made by the County under the Guaranty Agreement shall be made
13 solely from the Non-Tax Revenues. The beneficiaries of the Guaranty Agreement will
14 have no right to have taxes levied by the County for the payment of any amounts due
15 under the Guaranty Agreement.

16 SECTION 3. Conditions to Delivery of Guaranty. The County will be
17 required to deliver the Guaranty only if the following conditions are met:

18 (a) Fifth Third and the Urban League shall enter into appropriate and
19 commercially reasonable credit facility agreements pursuant to which Fifth Third
20 shall provide the Credit Facilities to the Urban League.

21 (b) The City shall approve and enter into the Guaranty Agreement.

22 (c) The proceeds of the Term Loan shall be used to redeem all of the
23 outstanding Bonds on the earliest possible date.

24 (d) The Urban League will enter into an agreement in form acceptable to
25 the County pursuant to which the Urban League agrees to reimburse the Count for
26 any amounts paid by the County under the Guaranty Agreement.

27 (e) The Urban League will deliver to, or for the benefit of, the County and
28 the City a second mortgage lien on the Project to secure the Urban League's
29 obligations to reimburse the County.

30 SECTION 4. Guaranty Agreement. Subject to the conditions set forth in
31 Section 3 of this Resolution, this Council authorizes the County Executive to execute
32 and deliver the Guaranty Agreement, with those changes that are not inconsistent
33 with this resolution and not substantially adverse to the County and approved by the
34 County Executive. The approval of those changes by the County Executive, and that
35 those changes are not substantially adverse to the County, will be conclusively
36 evidenced by his execution of those instruments. Furthermore, the County Executive
37 is further authorized to execute any other documents, including, but not limited to, the
38 aforementioned reimbursement agreement, necessary to consummate the transaction
39 contemplated herein.

1 RESOLUTION NO. 2014-309

2 PAGE FOUR

3

4 SECTION 5

5 This Resolution is hereby declared to be an emergency in the interest of the citizens
6 of the County and for the further reason that it is necessary in order to improve the
7 welfare of the citizens of the County and to provide for education, recreation,
8 employment and economic development services for said citizens at the earliest
9 possible time.

10 SECTION 6

11 Provided this resolution receives the affirmative votes of at least eight members, it
12 shall be in effect immediately upon its adoption and approval by the County
13 Executive; otherwise it shall take effect and be in force at the earliest time provided
14 by law.

15 SECTION 7

16 It is found and determined that all formal actions of this Council concerning and
17 relating to the adoption of this resolution were adopted in an open meeting of this
18 Council, and that all deliberations of this Council and of any of its committees that
19 resulted in such formal action, were in meetings open to the public, in compliance
20 with all legal requirements, including Section 121.22 of the Ohio Revised Code.

21
22 INTRODUCED June 16, 2014

23
24 ADOPTED June 30, 2014

25
26 
27 _____
28 CLERK OF COUNCIL



PRESIDENT OF COUNCIL

30
31 APPROVED July 1, 2014

32
33 
34 _____
35 EXECUTIVE

36
37 ENACTED July 1, 2014

39

Voice Vote: 10-0 YES: Comunale, Crawford, Feeman, Kostandaras,
Kurt, Lee, Rodgers, Roemer, Schmidt, Shapiro
ABSENT: Prentice