

1 ORDINANCE NO. 2012-246

2
3 SPONSOR Mr. Pry

4
5 DATE June 4, 2012

COMMITTEE: Finance

6
7 **An Ordinance amending Section 703.035 of the Codified Ordinances of the County of**
8 **Summit, entitled "Tax Increase for Invention Center," to clarify that the pledge of the**
9 **County's bed tax to Development Finance Authority of Summit County Bonds for the Akron**
10 **Civic Theater includes refunding bonds, for the Executive, and declaring an emergency.**

11
12 BE IT ORDAINED by the Council of the County of Summit, State of Ohio, that:

13
14 SECTION 1

15
16 This Council makes the following findings and determinations:

- 17
18 (a) This Council has previously enacted Ordinance No. 2001-243, extending an
19 additional 1-1/2% bed tax through 2033, and pledged that extended bed tax to pay
20 debt service on revenue bonds issued by the Summit County Port Authority (now
21 known as the Development Finance Authority of Summit County ("Development
22 Finance Authority") for improvements to the Akron Civic Theatre.
23
24 (b) The Development Finance Authority issued revenue bonds in 2001 and is now
25 proposing to issue its Development Finance Authority refunding bonds to refund
26 all or a portion of those Series 2001 Bonds to achieve interest cost savings. The
27 Board of the Development Finance Authority has adopted its resolutions
28 authorizing those refunding bonds.
29
30 (c) This Council hereby finds and determines, after reviewing all pertinent
31 information, that it is necessary and in the best interest of the County to amend the
32 Codified Ordinances of the County of Summit to clarify that the aforementioned
33 pledge includes refunding bonds.
34

35 SECTION 2

36
37 Section 703.035 of the Codified Ordinances of the County, entitled "Tax Increase for
38 Invention Center," is hereby amended to read as follows:

39
40 **"703.035 TAX INCREASE FOR INVENTION CENTER.**

41
42 Pursuant to Sections 307.672, 307.674, 5739.024(E) and 5739.024(F) of the Ohio
43 Revised Code as enacted by Am. Sub. H.B. 207 of the 120th General Assembly and by
44 Am. S.B. No. 310 of the 123rd General Assembly, this Council hereby levies an
45 additional excise tax of 1-1/2% on transactions by which lodging is furnished to transient
46 guests for the period ending December 31, 2008. The proceeds generated from the levy of
47 the original Bed Tax shall be paid to the City and used exclusively to pay debt service
48 charges on the City's Series B Bonds, Series C Bonds and Series D Bonds pursuant to the
49 original Cooperative Agreement. Upon signing and delivery of the Amended Cooperative
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4 SECTION 2 (Cont.)

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6 Agreement by the parties thereto, the proceeds of that original Bed Tax shall be used in
7 the manner provided in the Amended Cooperative Agreement as follows:

8
9 (a) In calendar years 2001, 2002 and 2003, the original Bed Tax Revenue
10 received by the County shall continue to be paid to the City and used by
11 the City:

12
13 (1) To pay debt service charges on the Series B Bonds, the Series C
14 Bonds and the Series D Bonds and provide a sinking fund for the
15 final retirement of those bonds;

16
17 (2) To the extent available, to pay (or to reimburse the City for the
18 payment of) debt service charges on the Series A Bonds whenever
19 paid; and

20
21 (3) To pay certain costs of issuance with respect to the Port Authority
22 Bonds; and

23
24 (b) In calendar years 2004 through 2008, the original Bed Tax Revenue
25 received by the County shall be paid quarterly to the Port Authority
26 Trustee on behalf of Civic and shall be used by the Port Authority Trustee
27 first to pay debt service charge on the Port Authority Bonds and any other
28 requirements under the Port Authority Trust Agreement and second to pay
29 the City under the City Guaranty and to pay any other credit enhancers for
30 the satisfaction by the Port Authority of any of its obligations under or
31 arising from any guaranty agreements, reimbursement agreements or other
32 credit enhancement agreements entered into in accordance with the Port
33 Authority Trust Agreement.

34
35 In addition and upon signing and delivery of the Amended Cooperative Agreement by the
36 parties thereto, the levy of that tax is hereby extended for an additional twenty-five years
37 (*i.e.* through December 31, 2033) to be used first to pay debt service charges on the Port
38 Authority Bonds and any other requirements under the Port Authority Trust Agreement
39 and second to pay the City under the City Guaranty and to pay any other credit enhancers
40 for the satisfaction by the Port Authority of any of its obligations under or arising from
41 any guaranty agreements, reimbursement agreements or other credit enhancement
42 agreements entered into in accordance with the Port Authority Trust Agreement.

43
44 The County Executive is hereby authorized to revise the regulations previously
45 adopted by the County for the administration, collection and allocation of the original Bed
46 Tax to be consistent with this provision and Sections 307.672, 307.674, 5739.024(E) and

3
4 SECTION 2 (Cont.)

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6 5739.024(F) of the Ohio Revised Code and to execute any other documents necessary to
7 effectuate this provision.

8
9 The terms used herein shall have the meanings set forth below:

10
11 “Amended Cooperative Agreement” means the Amendment and Restatement of
12 Cooperative Agreement by and among the County, the City, the Summit County Port
13 Authority, The Community Hall Foundation, Inc., d.b.a. Akron Civic Theatre and
14 Inventure Place, Inc. (formerly known as National Invention Center, Inc.) to provide for,
15 among other things, the construction, renovation, improving and equipping of Akron
16 Civic Theatre.

17
18 “City” means the City of Akron, Ohio.

19
20 “City Guaranty” means the guaranty of the payment of debt service charges on the Port
21 Authority Bonds in accordance with the Amended Cooperative Agreement.

22
23 “Civic” means The Community Hall Foundation, Inc. d.b.a. Akron Civic Theatre.

24
25 “County” means the County of Summit, Ohio.

26
27 “Original Bed Tax” means the additional excise tax of one and one-half percent (1-1/2 %)
28 on transactions by which lodging is furnished to transient guests within the County levied
29 by the County pursuant to Section 5739.024(E) of the Ohio Revised Code and Section
30 703.035 of the Codified Ordinances (as enacted by Resolution No. 93-516 adopted on
31 September 7, 1993, as amended by Resolution No. 95-279 adopted on May 8, 1995 and by
32 Resolution No. 95-748, adopted on December 18, 1995.

33
34 “Original Bed Tax Revenue” means the revenue from the levy of the original Bed Tax.

35
36 “Original Cooperative Agreement” means the Cooperative Agreement dated as of
37 September 27, 1993 by and among the County, the City and Inventure Place, Inc.
38 (formerly known as National Invention Center, Inc.) to provide for the construction and
39 operation of Inventure Place.

40
41 “Port Authority Bonds” means revenue bonds to be issued by the Summit County Port
42 Authority to provide for the construction, renovation, improving and equipping of Akron
43 Civic Theatre, and any revenue bonds issued to refund those bonds or to refund any
44 refunding bonds.

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4 SECTION 2 (Cont.)

5 "Port Authority Trust Agreement" means the trust agreement or indenture securing the
6 Port Authority Bonds.

7
8 "Port Authority Trustee" means the bank or trust company serving as trustee under the
9 trust agreement securing the Port Authority Bonds.

10
11 "Series A Bonds" means the general obligation bonds of the City in the original principal
12 amount of \$7,000,000 dated as of October 15,1993 to pay costs of constructing Inventure
13 Place.

14
15 "Series B Bonds" means the general obligation bonds of the City in the original principal
16 amount of \$2,000,000 dated as of October 15,1993 to pay costs of constructing Inventure
17 Place.

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19 "Series C Bonds" means the general obligation bonds of the City in the original principal
20 amount of \$2,000,000 dated as of August 1, 1995 to pay costs of constructing Inventure
21 Place.

22
23 "Series D Bonds" means the general obligation bonds of the City in the original principal
24 amount of \$700,000 dated as of August 15, 1996, to pay costs of constructing Inventure
25 Place."

26
27 SECTION 3

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29 This Ordinance is hereby declared an emergency measure necessary for the immediate
30 preservation of the public peace, health, and safety of the County, and for the further reason that the
31 prompt issuance of the refunding bonds is necessary to take advantage of present favorable market
32 conditions to achieve maximum interest cost savings.

33
34 SECTION 4

35
36 Provided this Ordinance receives the affirmative vote of eight members, it shall take effect
37 immediately upon its passage and approval by the County Executive; otherwise it shall take effect
38 and be in force at the earliest time provided by law.

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40 SECTION 5

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42 This Council finds and determines that all formal actions of this Council concerning the
43 enactment of this Ordinance were taken in an open meeting of this Council, and all deliberations of
44 this Council and any of its committees that resulted in those formal actions, were in meetings open
45 to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio
46 Revised Code.
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INTRODUCED: June 4, 2012

ADOPTED: June 4, 2012



CLERK OF COUNCIL



PRESIDENT OF COUNCIL

APPROVED June 5, 2012



EXECUTIVE

ENACTED EFFECTIVE: June 5, 2012

Voice Vote: 11-0. YES: Comunale, Crawford, Feeman, Kostandaras
Kurt, Lee, Prentice, Rodgers, Roemer, Schmidt, Shapiro