

1 RESOLUTION NO. 2015-364

2 SPONSOR Mr. Pry

3 DATE August 31, 2015

COMMITTEE Finance

4 **A Resolution authorizing the County Executive to execute and deliver an amended and**
5 **restated Guaranty Agreement in connection with an increase in and extension of maturity**
6 **of certain credit facilities provided by Fifth Third Bank to Akron Community Service**
7 **Center and Urban League, Inc. to continue to support operations of the Urban League, by**
8 **the County guarantying from its non-tax revenues one-half of the payment obligations of**
9 **the Urban League on such credit facilities, for the Executive's Department of Finance and**
10 **Budget, and declaring an emergency.**

11 WHEREAS, in 2007 the County and City of Akron ("City") entered into a Guaranty
12 Agreement whereby each agreed to guaranty one-half of certain credit obligations extended by
13 Fifth Third Bank ("Fifth Third") to the Akron Community Service Center and Urban League,
14 Inc. ("Urban League") to construct the Urban League's community service center located on
15 Vernon Odom Boulevard in the City (the "Project"); and

16 WHEREAS, pursuant to Resolution No. 2014-309, this Council authorized the Executive
17 to execute a Guaranty Agreement whereby the City and County each agreed to guaranty one-half
18 of the Urban League's obligation to repay a term loan issued by Fifth Third in the amount of
19 \$2,000,000.00 to refinance the initial credit obligations from 2006 ("Term Loan") and a
20 revolving credit line issued by Fifth Third in the amount of \$100,000.00 to support the
21 operations of the Urban League ("Credit Line" and collectively with the Term Loan, the "2014
22 Reimbursement Obligations"), which Guaranty Agreement was executed and delivered (the
23 "Existing Guaranty"); and

24 WHEREAS, the Urban League desires to extend the maturity of the Credit Line and to
25 borrow an additional term loan in the amount of \$200,000.00 to support the operation of the
26 Urban League ("Additional Term Loan"); and

27 WHEREAS, Fifth Third has agreed to extend the maturity of the Credit Line and provide
28 additional credit to the Urban League pursuant to the Additional Term Loan (the Term Loan, the
29 Credit Line with extended maturity and the Additional Term Loan being collectively referred to
30 as the "Credit Facilities"); and

31 WHEREAS, as a condition of Fifth Third providing the Credit Facilities to the Urban
32 League, Fifth Third is requiring that each of the County and the City amend and restate the
33 Existing Guaranty to also guaranty payment, from its non-tax revenues, of one-half of any
34 principal and interest accruing on all of the Credit Facilities, including the Term Loan, Credit
35 Line and Additional Term Loan, which are not paid by the Urban League when due; and

36 WHEREAS, this Council has determined by reviewing all pertinent information that
37 amendment and restatement of the Existing Guaranty is necessary and in the best interest of the
38 County.

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4 NOW, THEREFORE, BE IT RESOLVED by the Council of the County of Summit, in
5 the State of Ohio, that:

6 SECTION 1. Determinations of Council. This Council makes the following
7 determinations:

8 (a) The County is currently obligated under the Existing Guaranty issued to Fifth
9 Third to pay from its Non-Tax Revenues one-half of the 2014 Reimbursement Obligations due to
10 Fifth Third that are not paid by the Urban League when due.

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

15 (c) The amendment and restatement of the Existing Guaranty to also include
16 obligations under the Additional Term Loan and the extension of maturity of the Credit Line,
17 which amended and restated Guaranty is to be provided by the County, is a public purpose in that
18 it will induce Fifth Third to provide the Credit Facilities to the Urban League to support
19 operations of the Urban League and it will improve the welfare of the citizens of the County and
20 provide for education, recreation, employment and economic development services for said
21 citizens at the earliest possible time.

22 SECTION 2. Guaranty from Non-Tax Revenues. This Council agrees to deliver to Fifth
23 Third, for the benefit of the Urban League, an Amended and Restated Guaranty Agreement in
24 substantially the form attached as Exhibit A to this Resolution (the "Amended and Restated
25 Guaranty Agreement"), guaranteeing, from the County's Non-Tax Revenues, one-half of the
26 payment of principal and interest to be made by the Urban League to Fifth Third pursuant to the
27 terms of the Credit Facilities.

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

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

12 SECTION 3. Conditions to Delivery of Amendment to Existing Guaranty. The County
13 will be required to deliver the Amended and Restated Guaranty Agreement authorized under this
14 Resolution only if the following conditions are met:

15 (a) Fifth Third and the Urban League shall enter into appropriate and commercially
16 reasonable credit facility agreements pursuant to which Fifth Third shall extend the maturity of
17 the Credit Line and provide the Additional Term Loan to the Urban League.

18 (b) The City shall approve and enter into the Amended and Restated Guaranty
19 Agreement substantially in the form attached hereto as Exhibit A.

20 (c) The Urban League will execute a reaffirmation, in form acceptable to the County,
21 of a certain reimbursement agreement dated August 1, 2014, pursuant to which the Urban
22 League will agree to reimburse the County for any amounts paid by the County under the
23 Amended and Restated Guaranty Agreement

24 (d) The Urban League will execute a reaffirmation of the existing second mortgage
25 lien on the Project in favor of the County and City securing certain of the Urban League's
26 obligations to reimburse the County and the City.

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

37 SECTION 5. Emergency Measure. This resolution is hereby declared to be an
38 emergency in the interest of the citizens of the County and for the further reason that it is
39 necessary in order to improve the welfare of the citizens of the County and to provide for
40 education, recreation, employment and economic development services for said citizens at the
41 earliest possible time.

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SECTION 6. Effective Date. Provided this resolution receives the affirmative votes of at least eight members, it shall be in effect immediately upon its adoption and approval by the County Executive; otherwise it shall take effect and be in force at the earliest time provided by law.

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SECTION 7. Formal Action. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

13 INTRODUCED August 17, 2015

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15 ADOPTED August 31, 2015

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CLERK OF COUNCIL


PRESIDENT OF COUNCIL

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22 APPROVED September 1, 2015

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COUNTY EXECUTIVE

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28 ENACTMENT EFFECTIVE September 1, 2015

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