

1 RESOLUTION NO. 2017-479

Late Filing

2 SPONSOR Ms. Shapiro

3 DATE November 13, 2017

COMMITTEE Finance

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

11 WHEREAS, in 2006 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 and a revolving credit line
20 issued by Fifth Third in the amount of \$100,000.00 to support the operations of the Urban
21 League; and

22 WHEREAS, pursuant to Resolution No. 2015-364, this Council authorized the County
23 Executive to execute an Amended and Restated Guaranty Agreement whereby the City and
24 County each agreed to guaranty one-half of the Urban League's obligation to repay the
25 aforementioned term loan, an additional term loan of \$200,000.00, and the aforementioned credit
26 line, (collectively the "2015 Credit Facilities" and the "2015 Reimbursement Obligations"); and

27 WHEREAS, the Urban League desires to combine the outstanding amounts under the
28 original term loan, additional term loan and credit line into a new term loan in the amount not to
29 exceed of \$2,020,000.00 ("New Revolving Credit Facility") and a credit line in the amount of
30 \$25,000.00 ("Reduced Credit Line"); and

31 WHEREAS, Fifth Third has agreed to provide to the Urban League (a) the New
32 Revolving Credit Facility and (b) the Reduced Credit Line (collectively the "2017 Credit
33 Facilities"); and

34 WHEREAS, as a condition of Fifth Third providing the 2017 Credit Facilities to the
35 Urban League, Fifth Third is requiring that each of the County and the City guaranty payment
36 from its non-tax revenues of one-half the principal and interest when due on the 2017 Credit
37 Facilities that are not paid by the Urban League; and

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

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

8 SECTION 1. Determinations of Council. This Council makes the following
9 determinations:

10 (a) The County is currently obligated under a guaranty issued to Fifth Third to pay
11 from its Non-Tax Revenues one-half of the 2015 Reimbursement Obligations due Fifth Third
12 that are not paid by the Urban League when due.

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

17 (c) The guaranty to be provided by the County is a public purpose in that it will
18 induce Fifth Third to provide the 2017 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 "Guaranty Agreement"),
25 guaranteeing, from the County's Non-Tax Revenues, one-half of the payment of principal and
26 interest to be made by the Urban League to Fifth Third pursuant to the terms of the 2017 Credit
27 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 Guaranty Agreement,
30 including, but not limited to the following: (a) grants from the United States of America and the
31 State, (b) payments in lieu of taxes now or hereafter authorized by State statute; (c) fines and
32 forfeitures that are deposited in the County's General Fund; (d) fees deposited in the County's
33 General Fund from properly imposed licenses and permits; (e) investment earnings on the
34 County's General Fund and that are credited or transferred to the County's General Fund; (f)
35 investment earnings of other funds of the County that are credited to the County's General Fund;
36 (g) proceeds from the sale of assets that are deposited in the County's General Fund; (h) rental
37 income that is deposited in the County's General Fund; (i) gifts and donations that are received
38 and deposited in the County's General Fund; and (j) charges for services and payments received
39 in reimbursement for services that are deposited in the County's General Fund.

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

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

12 (a) Fifth Third and the Urban League shall enter into appropriate and commercially
13 reasonable credit facility agreements pursuant to which Fifth Third shall provide the 2017 Credit
14 Facilities to the Urban League.

15 (b) The City shall approve and enter into the Amended and Restated Guaranty
16 Agreement.

17 (c) The proceeds of the 2017 Credit Facilities shall be used to repay the outstanding
18 balance on the 2015 Credit Facilities on the earliest possible date.

19 (d) The Urban League will enter into an agreement in form acceptable to the County
20 pursuant to which the Urban League agrees to reimburse the County for any amounts paid by the
21 County under the Amended and Restated Guaranty Agreement.

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

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

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

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1 RESOLUTION NO.: 2017-479

2 PAGE FOUR

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

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

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14 INTRODUCED October 30, 2017

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16 ADOPTED November 13, 2017

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20 CLERK OF COUNCIL

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27 PRESIDENT OF COUNCIL

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29 APPROVED November 14, 2017

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Voice Vote: 11-0 YES: Crawford, Dickinson, Donofrio, Feeman, Hamilton, Koehler, Prentice, Rodgers, Schmidt, Walters, Wilhite