

RESOLUTION NO. 2009-323

SPONSOR Mr. Pry

DATE September 14, 2009

COMMITTEE Planning

A Resolution designating Summit County, Ohio as a recovery zone under Section 1400U-1 of the Internal Revenue Code for the purpose of issuing recovery zone economic development bonds or recovery zone facility bonds, designating the Summit County Port Authority as the agent of the County for issuing said bonds, and allocating a portion of Summit County's recovery zone economic development bonds volume cap limitation to finance a portion of the costs of constructing a new Technical Center and parking deck facilities for Bridgestone Firestone North America Tire, LLC, for the Executive's Department of Community and Economic Development, and declaring an emergency.

WHEREAS, the American Recovery and Reinvestment Act of 2009 revised the Internal Revenue Code to create Recovery Zone Bonds which must be issued for projects in a Recovery Zone; and

WHEREAS, the issuance of Recovery Zone Bonds instead of traditional tax-exempt bonds can potentially promote job creation and economic recovery in areas particularly affected by employment decline, significant poverty, increased home foreclosures, or general economic distress; and

WHEREAS, under Code Section 1400U-1(a)(3)(A), the State of Ohio has allocated \$32,709,000.00 of its Recovery Zone Bond volume cap limitation to Summit County, with \$13,084,000.00 of that allocation being allocated for the issuance of Recovery Zone Economic Development Bonds and \$19,625,000.00 being allocated for the issuance of Recovery Zone Facility Bonds; and

WHEREAS, before the County issues any Recovery Zone Bonds, this Council must designate the area in which a capital project is financed by Recovery Zone Bonds as a Recovery Zone; and

WHEREAS, Summit County, as a whole, is currently economically distressed as a result of the recent economic conditions and (i) the unemployment rate has risen from 6.2% in June 2008 to 10.5% in June 2009, (ii) home foreclosures have increased 7.7% for the first half of 2009, and have more than doubled in the last decade, and (iii) sales tax revenue has decreased 8.12% for the first eight months of 2009 compared to the first eight months of 2008, thereby demonstrating a deterioration in the retail sales market; and

WHEREAS, this Council desires to designate the Summit County Port Authority as the issuer of all Recovery Zone Bonds for projects located within the County of Summit; and

WHEREAS, this Council desires to allocate a portion of its RZ Economic Development Volume Cap to finance its commitment to fund a portion of the construction of the new Bridgestone Firestone North American Tire, LLC Technical Center to house the research and development headquarters of Bridgestone and certain Bridgestone affiliates, construction of a multi-level parking facility located across from the Technical Center, and/or construction of a pedestrian skywalk between the two facilities; and

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

SECTION 1.

This Council finds and determines the following matters (unless otherwise defined herein, capitalized terms are defined in Section 6):

- (a) The ARRA revised the Code to create Recovery Zone Bonds, which must be issued for projects in a Recovery Zone.
- (b) The issuance of Recovery Zone Bonds instead of traditional tax-exempt bonds can potentially provide cost savings to the County to promote job creation and economic recovery in areas particularly affected by employment decline, significant poverty, increased home foreclosures, or general economic distress.
- (c) Before issuing Recovery Zone Bonds, this Council must designate the area in which a capital project is financed by Recovery Zone Bonds as a Recovery Zone.
- (d) This Council finds that the following economic indicators of economic distress are present in Summit County:
 - (1) The current unemployment rate has risen from 6.2% in June 2008 to 10.5% in June 2009.
 - (2) Home foreclosures have increased 7.7% for the first half of 2009, and have more than doubled in the last decade.
 - (3) Sales tax revenue has decreased 8.12% for the first eight months of 2009 compared to the first eight months of 2008, thereby demonstrating a deterioration in the retail sales market.
- (e) Under Code Section 1400U-1(a)(3)(A), \$32,709,000.00 of the State of Ohio's Recovery Zone Bond volume cap limitation has been allocated to Summit County, with \$13,084,000.00 of that allocation being allocated for the issuance of Recovery Zone Economic Development Bonds and \$19,625,000.00 being allocated for the issuance of Recovery Zone Facility Bonds, to finance certain projects within Summit County.

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- (f) This Council finds that the Summit County Port Authority is an eligible issuer of Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds for projects located within Summit County.
- (g) This Council has now determined to allocate a portion of its RZ Economic Development Volume Cap to Bridgestone, as the ultimate beneficiary, to use the proceeds of an issue of Recovery Zone Economic Development Bonds for "qualified economic development purposes" under Code Section 1400U-2.

SECTION 2

After consideration of the economic indicators in Summit County, including the unemployment rate, rate of home foreclosures, loss of retail sales county-wide and declining tax revenues as described above, this Council determines that Summit County as a whole has experienced economic distress and hereby designates the entire geographical territory of Summit County as a Recovery Zone under Code Section 1400U-1.

SECTION 3

This Council hereby designates the Summit County Port Authority as its agent to issue Recovery Zone Bonds in Summit County. Such Recovery Zone Bonds may be issued by the Summit County Port Authority pursuant to a resolution of this Council authorizing the issuance of the Recovery Zone Bonds.

SECTION 4

This Council hereby authorizes and directs the allocation of a portion of its RZ Economic Development Volume Cap to Bridgestone for the issuance of the Bridgestone Bonds to finance the Bridgestone Project. This Council designates the Summit County Port Authority as its agent to issue the Bridgestone Bonds. This Council authorizes the County Executive to specify the amount of that allocation to be used for the Bridgestone Project. This allocation is contingent on bond counsel delivering an opinion that the issuance and use of proceeds of the Bridgestone Bonds are in compliance with the requirements of the Code, including Code Section 1400U-2. This allocation will terminate on June 30, 2010 unless the Bridgestone Bonds are issued on or before June 30, 2010.

SECTION 5

This Council authorizes and directs the County Executive to sign, deliver, or file any documents, agreements, or certificates in connection with the designation of the Recovery Zone and the designation of the Summit County Port Authority as issuer of the Recovery Zone Bonds, including the Bridgestone Bonds, as may be required by ARRA, the Code, the Treasury Regulations promulgated under the Code, and any other applicable statute or regulation, as the County Executive deems necessary and appropriate.

SECTION 6

Words and terms are used in this resolution with the following meanings:

“ARRA” means the American Recovery and Reinvestment Act of 2009.

“Bridgestone” means Bridgestone Firestone North American Tire, LLC.

“Bridgestone Bonds” means Recovery Zone Economic Development Bonds issued by the Summit County Port Authority for the benefit of Bridgestone to finance the Bridgestone Project.

“Bridgestone Project” means constructing a new Technical Center to house the research and development headquarters of Bridgestone and certain Bridgestone affiliates, constructing a multi-level parking facility located across from the Technical Center, and/or constructing a pedestrian skywalk between the two facilities, which meets the criteria of a “qualified economic development project” under Code Section 1400U-2 and is located within Summit County.

“Code” means the Internal Revenue Code of 1986, as amended.

“Recovery Zone Economic Development Bonds” means Recovery Zone Economic Development Bonds, authorized under Code Section 1400U-2.

“Recovery Zone Facility Bonds” means Recovery Zone Facility Bonds, authorized under Code Section 1400U-3.

“Recovery Zone” means the area designated by this Council in Section 2 as a recovery zone, under Code Section 1400U-1.

“Recovery Zone Bonds” means the Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds.

“RZ Economic Development Volume Cap” means the portion of the recovery zone bond volume cap limitation allocated for the issuance of Economic Development Bonds in Summit County, as described in Section 1(e) of this resolution.

SECTION 7

This Resolution is hereby declared an emergency measure necessary for the health, safety, and welfare of the citizens of Summit County and for the further reason that this resolution must be immediately effective to preserve the County’s ability to issue the Bridgestone Bonds and other Recovery Zone Bonds to promote job creation and economic recovery within the County at the earliest possible time.

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SECTION 8

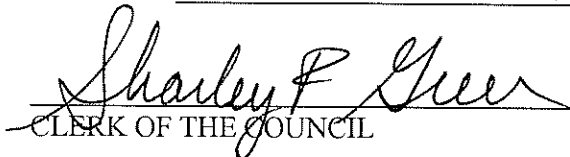
Provided this Resolution receives the affirmative vote of eight members of this Council, it shall take effect immediately upon its adoption and approval by the County Executive; otherwise, it shall take effect and be in force at the earliest time provided by law.

SECTION 9

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.

INTRODUCED August 24, 2009

ADOPTED September 14, 2009


CLERK OF THE COUNCIL


PRESIDENT OF COUNCIL

APPROVED September 15, 2009


EXECUTIVE

ENACTED EFFECTIVE September 15, 2009

Voice Vote: 10-0 YES: Comunale, Crawford, Crossland, Feeman, Kostandaras Poda, Prentice, Rodgers, Schmidt, Smith ABSENT: Shapiro