RESOLUTION NO. 2014-309

SPONSOR Mr. Pry

DATE June 30, 2014 COMMITTEE Finance

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

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

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

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

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

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

WHEREAS, as a condition of Fifth Third providing the Credit Facilities to the Urban League, Fifth Third is requiring that each of the County and the City guaranty
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payment from its non-tax revenues of one-half the principal and interest when
due on the Term Loan and the Credit Line; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 4. Guaranty Agreement. Subject to the conditions set forth in
Section 3 of this Resolution, this Council authorizes the County Executive to execute
and deliver the Guaranty Agreement, with those changes that are not inconsistent
with this resolution and not substantially adverse to the County and approved by the
County Executive. The approval of those changes by the County Executive, and that
those changes are not substantially adverse to the County, will be conclusively
evidenced by his execution of those instruments. Furthermore, the County Executive
is further authorized to execute any other documents, including, but not limited to, the
aforementioned reimbursement agreement, necessary to consummate the transaction
contemplated herein.
SECTION 5

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

SECTION 6

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.

SECTION 7

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 June 16, 2014

ADOPTED June 30, 2014

CLERK OF COUNCIL

APPROVED July 1, 2014

EXECUTIVE

ENACTED July 1, 2014

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

ABSENT: Prentice