

County Council of Cuyahoga County, Ohio

Resolution No. R2014-0064

Sponsored by: **County Executive FitzGerald/Department of Public Works**

A Resolution declaring official intent under U.S. Treasury Regulations with respect to reimbursements from bond proceeds of temporary advances, made for payments in connection with the development of the County's Convention Center Hotel, prior to issuance of bonds, and related matters; and declaring the necessity that this Resolution become immediately effective.

WHEREAS, United States Treasury Regulations §1.150-2 (the "Reimbursement Regulations") prescribe conditions under which proceeds of bonds, notes or other obligations ("Bonds") used to reimburse advances made for capital and certain other expenditures ("Original Expenditures") paid before the issuance of such Bonds will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Code"), upon such reimbursement so that the proceeds so used will no longer be subject to requirements or restrictions under those sections of the Code; and

WHEREAS, certain provisions of the Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the Original Expenditures expected to be reimbursed from proceeds of Bonds, and that the reimbursement occur within certain prescribed time periods after an Original Expenditure is paid or after the property resulting from that Original Expenditure is placed in service; and

WHEREAS, this Council wishes to take steps to comply with the Reimbursement Regulations in connection with the financing, construction and operation of a convention center hotel adjacent to and supportive of the County's Global Center for Health Innovation and Convention Center (the "Hotel Project") and to take other preliminary actions in connection with the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. Intent to Issue Bonds. This Council declares that it reasonably expects that capital and other expenditures for the Hotel Project will be reimbursed with the proceeds of Bonds and this Council hereby agrees to exercise its reasonable efforts to authorize and issue Bonds of the County, in one or more series, in an aggregate

principal amount not to exceed \$260,000,000.00, the present estimated cost of the Hotel Project, or such other amount as is necessary to pay actual costs of the Hotel Project.

SECTION 2. Reimbursement Declaration. This Resolution constitutes a Declaration of Official Intent under the Reimbursement Regulations. This Council declares that it reasonably expects that the expenditures to be incurred by the County will be reimbursed with proceeds of the Bonds described in Section 1.

SECTION 3. Further Action. That the County Executive or his authorized designee is authorized to take all actions, and to execute, acknowledge, deliver and/or file for record (as and where appropriate) all documents and instruments necessary or desirable to facilitate and/or consummate the transactions contemplated hereby.

SECTION 4. Open Meeting. This Council finds and determines that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of Council, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements, including Ohio Revised Code Section 121.22.

SECTION 5. Effective Date. It is necessary that this Resolution become immediately effective for the usual daily operation of the County; the preservation of public peace, health, or safety in the County; and any additional reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (i) its approval by the County Executive through signature, (ii) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Charter, or (iii) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

On a motion by Mr. Gallagher, seconded by Mr. Germana, the foregoing Resolution was duly adopted.

Yeas: Hairston, Simon, Miller, Brady, Germana, Gallagher, Schron, Jones and Connally

Nays: Greenspan


County Council President

3-25-14
Date


County Executive

2/21/14
Date


Clerk of Council

3/25/2014
Date

First Reading/Referred to Committee: March 11, 2014
Committee(s) Assigned: Finance & Budgeting

Legislation Withdrawn from Finance & Budgeting Committee and Referred to
Committee of the Whole at Request of the Council President: March 12, 2014

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