

County Council of Cuyahoga County, Ohio

Resolution No. R2015-0200

Sponsored by: County Executive Budish/Department of Public Works	A Resolution authorizing a revenue generating agreement with FirstMerit Corporation in the amount of \$10,321,344.00 for the sale of naming rights for the Cleveland Convention Center for the period 11/1/2015 - 10/31/2035; authorizing the County Executive or his authorized designee to execute the agreement and all other documents consistent with this Resolution; and declaring the necessity that this Resolution become immediately effective.
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WHEREAS, the County and the City of Cleveland (the "City") entered into a Consulting Services Agreement ("Consulting Agreement") with The Superlative Group ("Superlative") pursuant to which Superlative serves as their consultant to research, market and assist in selling the naming rights and related sponsorships ("Naming Rights") for the Cleveland Convention Center ("Convention Center"), the Global Center for Health Innovation ("GCHI"), and Malls B & C; and,

WHEREAS, the County and its counsel, Thompson Hine LLP, worked with Superlative to negotiate the sale of the Naming Rights for the Convention Center to FirstMerit Corporation ("FirstMerit"); and,

WHEREAS, the proposed agreement is to sell the Naming Rights to FirstMerit for \$10,321,344.00 over twenty (20) years ("Naming Rights Fee"), as more particularly set forth in **Exhibit A** attached hereto and made a part hereof; and,

WHEREAS, pursuant to the Consulting Agreement, the County shall, after deducting the commission paid to Superlative, any out-of-pocket expenses and other costs incurred by the County in connection with procuring the sale of the Naming Rights, pay the City an amount equal to 50% of such net funds actually received minus the City's Share of Consultant Payments (as defined in the Consulting Agreement), as more particularly set forth on **Exhibit B** attached hereto and made a part hereof; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue and to provide for the usual, daily operation of a County entity.

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

SECTION 1. That the Cuyahoga County Council hereby authorizes a revenue generating agreement with FirstMerit Corporation in the amount of \$10,321,344.00 for the sale of naming rights for the Cleveland Convention Center for the period 11/1/2015 - 10/31/2035 and authorizes the County Executive to enter into a Naming Rights Agreement with FirstMerit Corporation (or one of its affiliated entities).

SECTION 2. That the County Executive or his authorized designee is authorized to (a) take all actions, and to execute, acknowledge, deliver and/or file for record (as and where appropriate) (i) all documents and instruments necessary or desirable to facilitate and/or consummate the transactions contemplated hereby, including, but not limited to, a Naming Rights Agreement, and all documents to be executed by the County thereunder, and all financing-related documents (including but not limited to subordination, non-disturbance and attornment agreements, pledges, and security agreements), (ii) all other and further documents, instruments, certificates, agreements, amendments, assignments, subleases, consents, affidavits, certifications, administrative fees, disbursement authorizations, settlement statements, closing statements, proration statements, escrow agreements, escrow instructions, and notices, and (iii) amendments, modifications and supplements to any of the foregoing, that the County Executive may deem necessary or advisable in connection with the consummation of the transactions contemplated hereby, in all cases containing such terms and conditions as may be approved by the County's Director of Law or his designee, (b) agree to such payments, prorations, credits, deposits, holdbacks, escrows and other arrangements as may be necessary or advisable in connection therewith to facilitate and/or consummate such transactions, and (c) prosecute and/or defend any actions or proceedings that may be necessary or advisable relative to any of the foregoing matters.

SECTION 3. That all documents to be executed in connection with the transactions contemplated herein be subject to the Law Director or his designee's approval as to legal form and correctness.

SECTION 4. To the extent an exemption for anything contemplated herein is required, it is hereby granted.

SECTION 5. 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 Ordinance 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: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its

passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

SECTION 6. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the 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.

On a motion by Mr. Brady, seconded by Ms. Conwell, the foregoing Resolution was duly adopted.

Yeas: Conwell, Jones, Brown, Hairston, Simon, Greenspan, Miller, Germana, Gallagher and Brady

Nays: None

County Council President

Date

County Executive

Date

Clerk of Council

Date

In accordance with Rule 6B of the Rules of Council, legislation was added to the agenda by parliamentary motion: September 22, 2015

First Reading/Referred to Committee: September 22, 2015

Committee(s) Assigned: Committee of the Whole

Committee Report/Second Reading: October 13, 2015

Journal CC020
October 27, 2015

Exhibit A

**Annual Payment to the County from FirstMerit for the
Naming Rights to the Convention Center**

	Contract Year	Calculation	Total
1	Nov. 1, 2015 – Oct. 31, 2016	\$400,000	\$400,000
2	Nov. 1, 2016 – Oct. 31, 2017	\$400,000 X 1.026	\$410,400
3	Nov. 1, 2017 – Oct. 31, 2018	\$410,400 X 1.026	\$421,070
4	Nov. 1, 2018 – Oct. 31, 2019	\$421,070 X 1.026	\$432,018
5	Nov. 1, 2019 – Oct. 31, 2020	\$432,018 X 1.026	\$443,251
6	Nov. 1, 2020 – Oct. 31, 2021	\$443,251 X 1.026	\$454,775
7	Nov. 1, 2021 – Oct. 31, 2022	\$454,775 X 1.026	\$466,599
8	Nov. 1, 2022 – Oct. 31, 2023	\$466,599 X 1.026	\$478,731
9	Nov. 1, 2023 – Oct. 31, 2024	\$478,731 X 1.026	\$491,178
10	Nov. 1, 2024 – Oct. 31, 2025	\$491,178 X 1.026	\$503,949
11	Nov. 1, 2025 – Oct. 31, 2026	\$503,949 X 1.026	\$517,051
12	Nov. 1, 2026 – Oct. 31, 2027	\$517,051 X 1.026	\$530,495
13	Nov. 1, 2027 – Oct. 31, 2028	\$530,495 X 1.026	\$544,287
14	Nov. 1, 2028 – Oct. 31, 2029	\$544,287 X 1.026	\$558,439
15	Nov. 1, 2029– Oct. 31, 2030	\$558,439 X 1.026	\$572,958
16	Nov. 1, 2030 – Oct. 31, 2031	\$572,958 X 1.026	\$587,855
17	Nov. 1, 2031 – Oct. 31, 2032	\$587,855 X 1.026	\$603,139
18	Nov. 1, 2032 – Oct. 31, 2033	\$603,139 X 1.026	\$618,821
19	Nov. 1, 2033 – Oct. 31, 2034	\$618,821 X 1.026	\$634,910
20	Nov. 1, 2034 – Oct. 31, 2035	\$634,910 X 1.026	\$651,418

Exhibit B

Payment to the City of Cleveland from Cuyahoga County for the City's Portion of the Naming Rights Fee

<i>Year</i>	<i>Naming Rights Fee</i>	<i>Closing Costs</i>	<i>Available NR Fee</i>	<i>TSG 15% Commission</i>	<i>Commission Payment</i>	<i>Commission Balance</i>	<i>Available Fee Less Commission Payment</i>	<i>Payment to City before Deduction</i>	<i>Deduction of \$240,000 Obligation from City</i>	<i>Net Payment to City</i>	<i>Residual to County</i>	<i>Special SG Payment from County</i>	<i>Final Payment to County</i>	<i>SG Draw Balance or Payment Due</i>
					\$240,000									\$240,000
2015	\$400,000	\$45,000	\$355,000	\$60,000	\$0	\$180,000	\$355,000	\$177,500	\$177,500	\$0	\$355,000	\$220,000	\$135,000	\$180,000
2016	\$410,400		\$410,400	\$61,560	\$0	\$118,440	\$410,400	\$205,200	\$62,500	\$142,700	\$267,700		\$267,700	\$118,440
2017	\$421,070		\$421,070	\$63,161	\$0	\$55,279	\$421,070	\$210,535		\$210,535	\$210,535		\$210,535	\$55,279
2018	\$432,018		\$432,018	\$64,803	\$9,523	\$0	\$422,495	\$211,247		\$211,247	\$211,247		\$211,247	\$9,523
2019	\$443,251		\$443,251	\$66,488	\$66,488	\$66,488	\$376,763	\$188,382		\$188,382	\$188,382		\$188,382	\$66,488
2020	\$454,775		\$454,775	\$68,216	\$68,216	\$68,216	\$386,559	\$193,279		\$193,279	\$193,279		\$193,279	\$68,216
2021	\$466,599		\$466,599	\$69,990	\$69,990	\$69,990	\$396,609	\$198,305		\$198,305	\$198,305		\$198,305	\$69,990
2022	\$478,731		\$478,731	\$71,810	\$71,810	\$71,810	\$406,921	\$203,461		\$203,461	\$203,461		\$203,461	\$71,810
2023	\$491,178		\$491,178	\$73,677	\$73,677	\$73,677	\$417,501	\$208,751		\$208,751	\$208,751		\$208,751	\$73,677
2024	\$503,949		\$503,949	\$75,592	\$75,592	\$75,592	\$428,356	\$214,178		\$214,178	\$214,178		\$214,178	\$75,592
2025	\$517,051		\$517,051	\$77,558	\$77,558	\$77,558	\$439,494	\$219,747		\$219,747	\$219,747		\$219,747	\$77,558
2026	\$530,495		\$530,495	\$79,574	\$79,574	\$79,574	\$450,920	\$225,460		\$225,460	\$225,460		\$225,460	\$79,574
2027	\$544,287		\$544,287	\$81,643	\$81,643	\$81,643	\$462,644	\$231,322		\$231,322	\$231,322		\$231,322	\$81,643
2028	\$558,439		\$558,439	\$83,766	\$83,766	\$83,766	\$474,673	\$237,337		\$237,337	\$237,337		\$237,337	\$83,766
2029	\$572,958		\$572,958	\$85,944	\$85,944	\$85,944	\$487,015	\$243,507		\$243,507	\$243,507		\$243,507	\$85,944
2030	\$587,855		\$587,855	\$88,178	\$88,178	\$88,178	\$499,677	\$249,838		\$249,838	\$249,838		\$249,838	\$88,178
2031	\$603,139		\$603,139	\$90,471	\$90,471	\$90,471	\$512,669	\$256,334		\$256,334	\$256,334		\$256,334	\$90,471
2032	\$618,821		\$618,821	\$92,823	\$92,823	\$92,823	\$525,998	\$262,999		\$262,999	\$262,999		\$262,999	\$92,823
2033	\$634,910		\$634,910	\$95,237	\$95,237	\$95,237	\$539,674	\$269,837		\$269,837	\$269,837		\$269,837	\$95,237
2034	\$651,418		\$651,418	\$97,713	\$97,713	\$97,713	\$553,705	\$276,853		\$276,853	\$276,853		\$276,853	\$97,713