

RESOLUTION

DETERMINING TO SUBMIT TO THE ELECTORS THE QUESTION OF LEVYING A TAX OF ONE-FOURTH OF ONE PERCENT ON EVERY RETAIL SALE IN THE COUNTY, EXCEPT SALES OF WATERCRAFT AND OUTBOARD MOTORS REQUIRED TO BE TITLED PURSUANT TO CHAPTER 1548 OF THE OHIO REVISED CODE AND SALES OF MOTOR VEHICLES, TO PAY THE EXPENSES OF ADMINISTERING THE TAX AND FOR THE PURPOSES OF: (1) PROVIDING ADDITIONAL REVENUES FOR THE PAYMENT OF BONDS OR NOTES IN ANTICIPATION OF BONDS ISSUED BY A CONVENTION FACILITIES AUTHORITY ESTABLISHED BY THIS BOARD OF COUNTY COMMISSIONERS UNDER CHAPTER 351 OF THE OHIO REVISED CODE AND PROVIDING OPERATING REVENUES TO THE CONVENTION FACILITIES AUTHORITY; AND, (2) PROVIDING ADDITIONAL REVENUES FOR THE COUNTY'S GENERAL FUND.

WHEREAS, currently there are levied in Cuyahoga County taxes on retail sales pursuant to authorization of the Ohio Revised Code and the Board of County Commissioners of Cuyahoga County.

WHEREAS, the General Assembly of the State, in Senate Bill 143 amending Ohio Revised Code Section 5739.026 (the "Statute"), effective July 1, 2003, authorized this Board to levy certain additional county sales taxes for an additional period of years, for the purposes specified in the Statute, pursuant to a resolution adopted by a majority of the members of this Board and subject to the approval of a majority of the electors of the County voting on the question at the November 4, 2003 general election.

WHEREAS, this Board has determined to submit to the electors in the County the question of levying those sales taxes at the rate of one quarter of one percent for a period of 35 years for purposes authorized in the Statute as set forth herein.

WHEREAS, the purposes for submitting the question of levying those sales taxes to electors of the County is to construct and operate a new convention center and to provide additional monies to the County's general fund for the purpose of providing support for economic and community development in the City of Cleveland, economic and community development initiatives in the County's suburban communities, activities associated with arts and culture, and stimulating economic growth and job creation countywide.

WHEREAS, this Board has determined that the levy of those sales taxes shall be used for the purposes set forth in Sections (A)(1) and (A)(3) of the Statute and that the method to determine the amount or proportion of tax revenue to be distributed for each purpose is to be established hereby.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Cuyahoga County, Ohio, that:

Section 1. Pursuant to the Statute, there shall be submitted to the electors of this County at the general election to be held on November 4, 2003, the question of levying a tax of one fourth of one percent on every retail sale of the County, except sales of watercraft and outboard motors required to be titled pursuant to Chapter 1548 of the Ohio Revised Code and Sales of Motor Vehicles, for 35 years, beginning April 1, 2004 as required by Ohio Revised Code Section 5739.026(D)(1) and for purposes of Ohio Revised Code Sections 5739(A)(1) and (3);

Section 2. The Clerk of this Board is authorized and directed to deliver immediately to the Cuyahoga County Board of Elections a certified copy of this resolution and also to deliver immediately to the Tax Commissioner of the State of Ohio certified copies of this resolution. This Board requests the Board of Elections to prepare the ballots and to make the necessary arrangements for the submission of the question of levying those taxes, as a single question, to the electors of this County, and further requests that the Board of Elections give notice of the results of that election, as soon as the same shall have been determined to the Tax Commissioner.

Section 3. The form of ballot to be used at that election shall be as follows:
For the purposes of (a) paying the expenses of administering the tax, for providing additional revenues for the payment of bonds or notes issued in anticipation of bonds issued by a convention facilities authority established by the Board of County Commissioners under Chapter 351 of the Ohio Revised Code and providing additional operating revenues for the convention facilities authority and; (b) providing additional revenues for the County's general fund, shall additional retail sales taxes be levied by the County of Cuyahoga on retail sales in the County, except sales of watercraft and outboard motors required to be titled pursuant to Chapter 1548 of the Ohio Revised Code and Sales of Motor Vehicles, at the rate of one fourth of one percent for thirty-five years beginning April 1, 2004?

A majority affirmative vote is necessary for passage.

	YES
	NO

Section 4. For purposes of Ohio Revised Code §5739.026(C)(1), the Board hereby establishes the following method to determine the amount or proportion of the tax revenue received by the County during each year that will be distributed for each of the purposes for which the tax is to be levied:

No later than April 1st of each year, commencing in 2004, the Budget Office of the County shall first determine, subject to the approval of the Board of Cuyahoga County Commissioners, (the "Initial Determination") the amount of the tax revenue from the levy and similar levy for such calendar year which shall be utilized for the purposes of providing additional revenue for the payment of bonds or notes issued in anticipation of bonds (the "Bonds") issued by the convention facilities authority (the "Authority") established by the Board and the amount needed, if any, for the additional operating revenues of such Authority (together the "Authority Purposes"). The County has determined that \$30 million shall be the maximum amount of annual revenues from County taxes contributed for Authority Purposes.

The Initial Determination shall be made by subtracting the amount of all hotel lodging taxes available and to be utilized for Authority Purposes (“Available Bed Taxes”) from the amount of \$30 million, (the “Authority Revenues”). The Authority Revenues shall be distributed to the Authority for Authority Purposes, and for so long as Bonds of the Authority are outstanding shall be pledged for the payment of principal, interest, and premium, if any on the Bonds, and replenishment or creation of reserve funds, credit enhancement or other purposes authorized in any indenture for the Bonds. After the Bonds are no longer outstanding, the Authority Revenues may be used for operating revenues of the Authority to the extent determined by the Budget Office and approved by the Board of Cuyahoga County Commissioners, but in the amount not to exceed \$30 million.

Any amounts remaining from the tax revenues after the Initial Determination of the Authority Revenues in any year shall be used to provide additional revenues for the County’s general fund for purposes set forth by the Board.

If the Authority is dissolved, all monies not otherwise pledged for payment of Bonds or other Authority obligations shall be used to provide additional revenues to the County’s general fund.

Section 5. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

BE IT FURTHER RESOLVED that the Clerk of the Board be and she is hereby instructed to transmit a copy of this resolution to Jane L. Campbell, Mayor of the City of Cleveland, Frank G. Jackson, President of Cleveland City Council, Cleveland City Council members, Bruce H. Akers, Chairman of the Mayors and Managers Association, and Mayors and Managers Association members, Frank Russo, County Auditor and Sandy Turk, Director, Office of Budget & Management.

**On Motion of Commissioner McCormack, seconded by Commissioner Jones,
the foregoing resolution was duly adopted.**

Ayes: McCormack, Jones, Dimora.

Nays: None.

Resolution Adopted.

**Penelope M. Hughes,
Clerk of the Board**

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The undersigned, Clerk of the Board of County Commissioners of Cuyahoga County, certifies that the foregoing is a true and correct excerpt from the minutes of the meeting of August 11, 2003, of the Board of County Commissioners of Cuyahoga County, showing the adoption of the Resolution above set forth.

**Clerk of the Board of County
Commissioners of Cuyahoga County, Ohio**