

ORDINANCE NO. 2007-531

**First Reading Passage Requested
S. Davis**

SPONSOR Mr. Pry and Mrs. Shapiro

DATE October 15, 2007

COMMITTEE: Finance

An Ordinance amending Chapter 181 of the Codified Ordinances of the County of Summit, entitled "Linked Deposit Program," to make the County Fiscal Officer's Linked Deposit Program more effective and efficient for County of Summit businesses and homeowners, and declaring an emergency.

WHEREAS, Chapter 181 of the Codified Ordinances of the County of Summit, entitled "Linked Deposit Program" was enacted to authorize the Fiscal Officer to issue lower interest loans to approved small businesses; and

WHEREAS, County Council previously approved Ordinance 2002-763, authorizing the creation of a residential linked deposit program; and

WHEREAS, the County Fiscal Officer desires to amend Chapter 181 to make the Linked Deposit Program more effective and efficient for County of Summit businesses and homeowners as follows:

- (1) Increase the dollar amount available for local businesses from \$150,000 to \$250,000 to make the Program more attractive to businesses;
- (2) Increase the term of residential loans from a maximum of 24 months to 60 months to make the loans more feasible for homeowners;
- (3) Include outstanding tax certificates as a reason for businesses and residential homeowners to be ineligible to participate in the Program because sales of tax certificates is a relatively new program; and
- (4) Streamline the approval process by eliminating the application fee and authorizing the Fiscal Officer to approve applications;

WHEREAS, this Council has determined by reviewing all pertinent information that is necessary and in the best interest of the County of Summit to amend Chapter 181 to make the County Fiscal Officer's Linked Deposit Program more effective and efficient for County of Summit businesses and homeowners;

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

SECTION 1

Chapter 181 of the Codified Ordinances of the County of Summit, entitled "Linked Deposit Program", is hereby amended as follows:

"CHAPTER 181 Linked Deposit Program

181.01 Lower interest rate funding; loan terms.

181.02 Borrower eligibility and procedures for business and residential linked deposit loans.

181.03 Approval process.

181.04 Monitoring and reporting.

SECTION 1 (Cont.)

181.05 Nonliability.

181.01 LOWER INTEREST RATE FUNDING; LOAN TERMS.

(a) A linked deposit program is hereby established to provide incentives to eligible local lending institutions to issue lower interest loans to approved small businesses and residential homeowners. The linked deposit program shall be administered by the County Fiscal Officer.

(b) The County Fiscal Officer, as the County's investing authority, may place certificates of deposit at up to three percent (3%) below market rates with any approved depository lending institution agreeing to lend the value of such deposit to eligible borrowers at up to three percent (3%) below the then present borrowing rate applicable to such borrower.

(c) The total amount of funds the County Fiscal Officer may place at such lower interest rate with all depository lenders for the residential and business linked programs shall be not more than five million dollars (\$5,000,000.00).

(d) All loans made under the business linked deposit program shall be term loans for ~~one (1) or two (2) year terms~~ not be less than a 24 month term, with the option for a 24 month renewal, and no such loan shall be for less than twenty-five thousand dollars (\$25,000) or more than ~~one two hundred fifty thousand dollars (\$150,000) (\$250,000)~~. A 24 month waiting period will be required for businesses that wish to reapply for a new link loan.

(e) All loans made under the residential linked deposit program shall be term loans for not more than a ~~two (2) year~~ 60 month term, and no such loan shall be for less than one thousand five hundred dollars (\$1,500) or more than fifty thousand dollars (\$50,000).

181.02 BORROWER ELIGIBILITY AND PROCEDURES FOR BUSINESS AND RESIDENTIAL LINKED DEPOSIT LOANS.

(a) Borrowers participating in the business linked deposit program shall be determined eligible upon the following criteria:

- (1) Credit approval from a depository lending institution participating in the linked deposit program;
- (2) Operation of a business organized for profit;
- (3) Employment fewer than one hundred fifty (150) persons;
- (4) Having net annual sales of not more than five million dollars (\$5,000,000); and
- (5) Headquartered within the State of Ohio, with the project being located within the County of Summit.

(b) The County shall give priority to the following businesses eligible for the business linked deposit program:

- (1) Businesses involved in the manufacturing, research and development and service industries;
- (2) Businesses owned, ~~owned~~ and operated by minority, female and persons who have a disability as defined in Section 4112.01 of the Ohio Revised Code.

All businesses participating in the business linked deposit program must have express policies prohibiting discrimination in hiring and retaining of employees based upon race, creed, sex or disability as defined in Section 4112.01 of the Ohio Revised Code.

SECTION 1 (Cont.)

Projects currently participating in this program or substantially similar linked deposit programs shall not be eligible for participation, although loans for expansion of currently participating project activities can be approved by the County Fiscal Officer.

(c) Business activities not eligible for the business linked deposit program shall be those engaged in real estate or housing development, housing or building operation or maintenance where the primary benefit is to the landlord, construction companies creating temporary jobs and the acquisition of franchises.

(d) No business having delinquent real estate taxes, not otherwise participating in the County Fiscal Officer's delinquent real estate tax payment plan, ~~or~~ delinquent personal property taxes, or outstanding tax certificates, and no business which has previously defaulted upon any linked deposit program loan, or any similar loan made through the State of Ohio or any of its political subdivisions, shall be eligible for participation in this program.

(e) Borrowers participating in the residential linked deposit program shall be determined eligible upon the following criteria:

(1) Credit approval from a depository lending institution participating in the linked deposit program;

(2) Property must qualify as owner-occupied;

(3) Applicant must occupy the property for the term of the loan or as required by the lending institution;

(4) Applicant must meet an annual household income level of \$150,000.00 or less;

(5) Property must be located within the County of Summit; and

(6) Type of home improvement must qualify under the program guidelines;

(f) No residential homeowner having delinquent real estate taxes, not otherwise participating in the County Fiscal Officer's delinquent real estate tax payment, ~~or~~ delinquent personal property taxes, or outstanding tax certificates and no residential homeowner who has previously defaulted upon any linked deposit program loan, or any similar loan made through the State of Ohio or any of its political subdivisions, shall be eligible for participation in this program.

(g) The interest rate on each eligible loan under the linked deposit program shall be set by the lending institution and shall be reduced by up to three percentage points (3%) below the rate that would otherwise apply to the borrower, including promotions and special rates offered by the lending institution. The reduced interest rate set by the lending institution shall apply for the ~~first two (2) years of the loan~~ maximum term as set forth in Sections 181.01(d) and (e).

~~(h) — Applicants approved for participation in the residential linked deposit program shall be subject to a one time program fee of twenty five dollars (\$25.00). The program fee shall be collected by the County Fiscal Officer and shall be used solely for the purpose of administering the residential linked deposit program.~~

(i) (h) Application for participation in the linked deposit program shall be made through the participating lending institutions upon such forms as the County Fiscal Officer shall provide.

181.03 APPROVAL PROCESS.

(a) Applications for participation in the business and residential linked deposit program shall be forwarded by participating lending institutions to the County Fiscal Officer.

SECTION 1 (Cont.)

~~(b) At a meeting to be held monthly, or at such times as necessary, the Investment Advisory Board shall review all applications set forth in Section 181.01(a) through (d) for participation in the business-linked deposit program and advise the County Fiscal Officer as to those applications that should be approved or disapproved.~~

181.04 MONITORING AND REPORTING.

(a) The County Fiscal Officer shall require each business participating in the linked deposit program to annually supply to the County, upon such forms as the County Fiscal Officer directs, at least the following information:

- (1) Name of lending institution;
- (2) Name of business;
- (3) Date of loan;
- (4) Amount of loan;
- (5) Number of jobs created or retained within the County; and
- (6) Description of use of loan.

(b) The County Fiscal Officer shall provide for an annual review of each business and residential property participating in the linked deposit program, and annually report these findings to the Investment Advisory Board and County Council.

(c) Lenders participating in the linked deposit program shall be those lenders with deposit and loan services located within County of Summit, having depository agreements with the County. Applications shall be made upon such forms as the County Fiscal Officer shall provide.

(d) The County Executive, upon recommendation of the County Fiscal Officer, shall execute depository agreements with eligible lending institutions to carry out the purposes of the linked deposit program.

181.05 NONLIABILITY.

The County of Summit, County Fiscal Officer, County Executive and any member of the Investment Advisory Board, County Council, and any agent and employee of any of them, shall not be liable to any eligible lending institution or program applicant for the payment of the principal or interest on any reduced rate loan made under the program, and any delay in payment or default on the part of any borrower shall not in any manner affect the deposit agreement between the eligible lending institution and the County of Summit and the County Fiscal Officer."

SECTION 2

This Ordinance is hereby declared an emergency in the interest of the health, safety and welfare of the citizens of the County of Summit, and for the further reason of amending various sections of Part 13 of the Codified Ordinances in order to conform to the OBC, as amended and the RCO, as amended, and for purposes of clarity and consistency

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SECTION 3

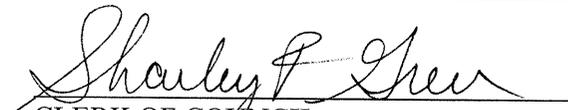
Provided this Ordinance receives the affirmative vote of eight members, it shall take effect immediately upon its adoption and approval by the Executive; otherwise, it shall take effect and be in force at the earliest time provided by law.

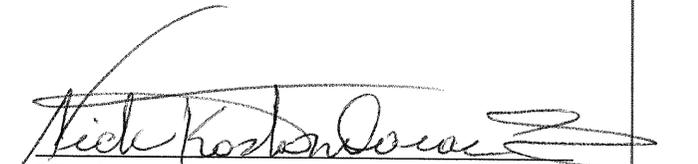
SECTION 4

It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance 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 October 15, 2007

ADOPTED October 15, 2007


CLERK OF COUNCIL


PRESIDENT OF COUNCIL

APPROVED October 16, 2007


EXECUTIVE

ENACTED EFFECTIVE October 16, 2007

Voice Vote: 11-0 YES: Comunale, Congrove, Crawford, Crossland, Heydorn, Kostandaras, Poda, Prentice, Schmidt, Shapiro, Smith

11-0