

RESOLUTION NO. 2004 -155

AUTHORIZING THE GENERAL MANAGER/SECRETARY-TREASURER TO EXTEND THE LEASE WITH 3705 CARNEGIE COMPANY, INC. FOR SIGN AND SHELTER SHOP OPERATIONS FOR A PERIOD OF ONE-YEAR AT A COST OF \$139,103.63, (RTA GENERAL FUND- PROGRAMMING & PLANNING BUDGET)

WHEREAS, the Authority has been leasing 50,095 square feet of space at 3705 Carnegie Avenue since 1994 for the operations of the sign and shelter shop; and

WHEREAS, the current contract expires December 31, 2004; and

WHEREAS, the Authority requires the continued use of this facility until the completion of the new Triskett Garage; and

WHEREAS, 3705 Carnegie Company, Inc. has offered to extend the lease at a price of One Hundred Thirty-Nine Thousand One Hundred Three Dollars and Sixty-Three Cents (\$139,103.63) for one year.

NOW, THEREFORE BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the extension of the lease with 3705 Carnegie Company, Inc. for the lease of 50,095 square feet of space at 3705 Carnegie for the operations of the Sign and Shelter Shop for a period of one-year beginning January 1, 2005 and ending December 31, 2005, with an option for an additional year be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer be and he is hereby authorized to enter into a lease extension agreement contract with 3705 Carnegie Company, Inc. for the lease of 3705 Carnegie for the Sign and Shelter Shop operations.

Section 3. That the rents and charges under said contract shall be payable from the General Fund, Programming & Planning Department budget payable with 2005 funds (contingent upon Board Approval of the 2005 Operating Budget) at a price of One Hundred Thirty-Nine Thousand One Hundred Three Dollars and Sixty-Three Cents (\$139,103.63) for one year.

Section 4. That this resolution shall become effective immediately upon its adoption.

Attachment: Lease Agreement

Adopted: December 21, 2004



President

Attest: 

CEO/General Manager/Secretary-Treasurer

LEASE EXTENSION AGREEMENT

This Lease Extension Agreement is entered into between the Greater Cleveland Regional Transit Authority, a political subdivision of the State of Ohio, having its principal place of business at 1240 West 6th Street, Cleveland, Ohio 44113 ("Lessee") and 3705 Company, Inc., having its principal place of business at 3705 Carnegie Avenue, Cleveland, Ohio 44115 ("Lessor").

WITNESSETH:

Whereas, the Lessor owns the realty located at 3705 Carnegie Avenue, Cleveland, Ohio 44115, and

Whereas, the Lessee is currently leasing a part of the Lessor's property located at 3705 Carnegie Avenue, Cleveland, Ohio 44115, and

Whereas, the Lessee and the Lessor previously entered into a certain lease agreement executed and dated August 4, 1994 for the leasing of said portion of the Lessor's property, which agreement expires by its terms on December 31, 2004, and

Whereas, the Lessee and the Lessor now wish to enter into an agreement whereby the term of the lease agreement would be extended for a period of one year with a one-year option.

NOW, THEREFORE, the Lessee and the Lessor agree as follows:

1. Term

This Lease Extension Agreement shall be effective as of January 1, 2005 and shall continue to December 31, 2005 and upon written notice to the Lessor by the Lessee, will extend for an optional term of one year from January 1, 2006 and shall continue until December 31, 2006.

Lessee shall notify Lessor, in writing, by October 31, 2005 of its intent to exercise its option for the optional year term which will commence on January 1, 2006 and extend to December 31, 2006.

2. Consideration

The Lessee will pay the Lessor the sum of one hundred thirty-nine thousand one hundred three and 64/100 Dollars (\$139,103.64) for the initial one-year term paid in twelve (12) equal monthly installments of eleven thousand five hundred ninety-one and 97/100 Dollars (\$11,591.97) and the sum of one hundred thirty-nine thousand one hundred three and 64/100 Dollars (\$139,103.64) for the one-year option term paid in twelve (12) equal monthly installments of eleven thousand five hundred ninety-one and 97/100 Dollars (\$11,591.97).

3. Lessee's Cancellation Rights

So long as the Lessee is not in default in the performance of any terms, provisions, covenants or conditions and has paid all amounts to be paid by it hereunder, the Lessee shall have the right to cancel the then remaining terms of the lease with a sixty (60) day written notice from Lessee to the Lessor and/or its agent. Said cancellation rights shall be for the initial one-year extension and for the one-year option.

4. Other Terms and Conditions

All other terms and conditions contained in the original lease agreement between the Lessee and the Lessor will remain in full force and effect, unless modified in writing and approved by both Lessee and Lessor.

5. Notice

Notice shall be give by mailing a certified or registered mail and shall be deemed to have been given on the date the certified or registered mail receipt is stamped by the U.S. Postal Service. Notice shall be addressed as follows:

If to the Greater Cleveland Regional Transit Authority:

Joseph A. Calabrese, CEO
General Manager/Secretary-Treasurer
Greater Cleveland Regional Transit Authority
1240 West 6th Street
Cleveland, Ohio 44113

If to 3705 Company, Inc.:

Terry L. Poltorek
HP Manufacturing
3705 Carnegie Avenue
Cleveland, Ohio 44115

Either party may from time to time change the address to which notices are to be sent by giving written notice of such change to the other party.

IN WITNESS THEREOF, the parties as the duly authorized officers have

executed this Agreement under seal this ____ day of October 2004.

**Greater Cleveland Regional
Transit Authority**

3705 Company, Inc.

By: _____
Joseph A. Calabrese, CEO
General Manager/Secretary-Treasurer

By: _____
Title: _____

The legal form and correctness of the
Within instrument are hereby approved.

Sheryl King Benford, General Counsel
Deputy General Manager for Legal Affairs

This instrument prepared by:

Juan E. Adorno, Esq.
Greater Cleveland Regional Transit Authority
1240 West 6th Street
Cleveland, Ohio 44113 .
(216) 566-5086



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

F-5

TITLE/DESCRIPTION: AUTHORIZING THE GENERAL MANAGER/SECRETARY-TREASURER TO EXTEND THE LEASE WITH 3705 CARNEGIE COMPANY, INC. FOR THE SIGN AND SHELTER SHOP OPERATIONS FOR A ONE-YEAR PERIOD AT A COST OF \$139,103.63, (RTA GENERAL FUND-PROGRAMMING & PLANNING DEPARTMENT BUDGET)	Resolution No.: 2004- 155
	Date: December 16, 2004
	Initiator: Programming & Planning
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 PURPOSE/SCOPE: This action will allow the Authority to extend the lease at 3705 Carnegie Avenue for 50,095 square feet housing the shelter and sign shop operations for a period of one year.
- 2.0 DESCRIPTION/JUSTIFICATION: The Authority has been leasing this facility for the sign and shelter shop since 1994. The Sign and Shelter Shop will be permanently moved to the Woodhill District Garage after the Triskett Garage is completed and their operations have been removed from their temporary quarters at Woodhill Garage. The new Triskett Garage will not be ready for occupancy until late summer 2005. It will take additional time to move and ready the space at Woodhill for the Sign and Shelter Shop. With the lease at 3705 Carnegie expiring on December 31, 2004, it is necessary to extend the lease at 3705 Carnegie for another year to assure the continuous operations of the Sign and Shelter shop operations while construction and moving activities are completed. RTA has no other space available at any other operating districts to house their functions.
- 3.0 PROCUREMENT BACKGROUND: The acquisition of real property through purchase, lease or eminent domain is exempt by Ohio Revised Code 306.43 and the Authority's Procurement Policies and Procedures. RTA has leased this space since 1994 and requires it to continue operations of the Sign and Shelter Shop. A comprehensive search for lease space was completed and this location is economically superior. It is cost effective for the Authority to extend this lease for one year and then to permanently move the Sign and Shelter Shop once to a permanent location at the Woodhill District Garage.
- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: This lease of property will be funded through the General Fund, Programming & Planning Department budget at a price of One Hundred Thirty-Nine Thousand One Hundred Three Dollars and Sixty-Three Cents (\$139,103.63) for the one year period. It has been raised by the same percentage each year of the lease. The lease rate last year was One Hundred Thirty-Eight Thousand Dollars (\$138,000.00).
- 7.0 ALTERNATIVES: Reject this offer. Rejection of the lease extension would jeopardize the Authority's ability to fabricate RTA target and other signs as well as its bus shelter installation, repair, and replacement operations.

- 8.0 RECOMMENDATION: It is recommended that the extension of the lease at 3705 Carnegie for the Sign and Shelter Shop be accepted and the resolution passed authorizing the General Manager to enter into a contract.
- 9.0 ATTACHMENTS: None

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer