

RESOLUTION NO. 2006-129

AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO ENTER INTO A LEASE AGREEMENT WITH NEW WORLD COMMUNICATIONS OF OHIO INCORPORATED ON BEHALF OF ITS TELEVISION STATION WJW-FOX 8 FOR USE OF ITS RADIO COMMUNICATIONS TOWER AND 150 SQUARE FEET OF THEIR FACILITY FOR THE GROUND EQUIPMENT REQUIRED FOR GCRTA COMMUNICATIONS SYSTEM SERVING RAIL, BUS AND TRANSIT POLICE RADIO OPERATIONS FOR 16 MONTHS IN THE AMOUNT NOT TO EXCEED \$119,600 WITH (1) SIX MONTH OPTION IN AN AMOUNT NOT TO EXCEED \$35,280 AND AN ADDITIONAL SIX MONTH OPTION IN AN AMOUNT NOT TO EXCEED \$37,044 AND A SIX MONTH HOLD-OVER PROVISION IN AN AMOUNT NOT TO EXCEED \$40,748.40 FOR A TOTAL OF \$242,672.40 (GENERAL FUND, PROGRAMMING & PLANNING DEPARTMENT BUDGET)

WHEREAS, the Authority uses a 450 MHz radio communications system for Rail, Bus and Transit Police radio communications system. In 1999, it installed radio communications equipment on a radio tower and in a facility owned by New World Communications, Incorporated in Parma, Ohio at a cost to the Authority of \$60,841.00; and

WHEREAS, the Authority is in the process of updating its radio communications equipment to 950 MHz, which will eliminate the need for this tower by the end of 2007; and

WHEREAS, the Authority requires the use of the radio communications tower for the radio communications system required by Rail, Bus and Transit Police Operations until the new radio system is completely operational; and

WHEREAS, the former agreement with New World Communications, Incorporated expired on August 31, 2005 and the holdover rights expired on March 1, 2006. This lease covers the term from March 1, 2006 through December 31, 2007 or 16 months in an amount not to exceed \$119,600 with the first six month option extending from January 1, 2008 – June 30, 2008, in an amount not to exceed \$35,280, and a second six month option from July 1, 2008-December 31, 2008 in an amount not to exceed \$37,044. It also includes a six month hold over provision from January 1, 2009-June 30, 2009 in an amount not to exceed \$40,748.40 for a grand total of \$232,672.40 if all options and the hold-over provision are exercised; and

WHEREAS, it is the intent of the Authority to enter into a lease agreement with New World Communications, Incorporated for the use of its radio tower and equipment room for the operations of the Authority's Rail, Bus and Transit Police radio communications systems; and

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

Section 1: That the General Manager/Secretary Treasurer deems it necessary, critical and in the best interest of the Authority under Resolution No. 2002-98, Section 5, Real Estate Policy, to approve the lease agreement for the use of New World Communications, Incorporated's radio tower for the Authority's operational tower and 150 square feet of their facility for ground equipment for the continuation of the Rail, Bus and Transit Police radio communications systems.

Section 2: That it is the intent of the Authority to enter a lease agreement with New World Communications, Incorporated for the use of its radio communications tower and equipment room for the operations of the Authority's Rail, Bus and Transit Police radio communications systems for a term beginning on March 1, 2006 through December 31, 2007 at a cost of \$119,600 with (two) 6 months options from January 1, 2008 to June 20, 2008 at a cost not to exceed \$35,280 and July 1, 2008 to December 31, 2008 at a cost not to exceed \$37,044 and an additional 6-month hold-over provision of \$40,748.40 a month for a grand total of \$232,672.40 if all options and the hold-over provision are exercised, payable from the RTA General Fund Programming & Planning Department Budget.

Section 3: That the General Manager/Secretary-Treasurer is hereby authorized to execute, on behalf of the Authority, the agreement with New World Communications, Incorporated for its television station WJW-Fox 8 for the use of the communications tower and equipment room space for the Authority's Rail, Bus and Transit Police radio communications system.

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

Attachment: Lease Agreement

Adopted: July 18, 2006

President

Attest: _____
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

<p>TITLE/DESCRIPTION: AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO ENTER INTO A LEASE AGREEMENT WITH NEW WORLD COMMUNICATIONS OF OHIO INCORPORATED ON BEHALF OF ITS TELEVISION STATION WJW-FOX 8 FOR USE OF ITS RADIO COMMUNICATIONS TOWER AND 150 SQUARE FEET OF THEIR FACILITY FOR THE GROUND EQUIPMENT REQUIRED FOR GCRTA COMMUNICATIONS SYSTEM SERVING RAIL, BUS AND TRANSIT POLICE RADIO OPERATIONS FOR 16 MONTHS IN THE AMOUNT NOT TO EXCEED \$119,600. WITH (1) SIX MONTH OPTION IN AN AMOUNT NOT TO EXCEED \$35,280 AND AN ADDITIONAL SIX MONTH OPTION IN AN AMOUNT NOT TO EXCEED \$37,044 AND A SIX MONTH HOLD-OVER PROVISION IN AN AMOUNT NOT TO EXCEED \$40,748.40 FOR A TOTAL OF not to exceed \$232,672.40 (GENERAL FUND, PROGRAMMING & PLANNING DEPARTMENT BUDGET).</p>	<p>Resolution No.: 2006-129</p>
	<p>Date: July 13, 2006</p>
	<p>Initiator: Programming & Planning</p>
<p>ACTION REQUEST:</p> <p><input type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____</p>	

- 1.0 PURPOSE/SCOPE: The Greater Cleveland Regional Transit Authority has been leasing space on this radio tower since 1999. The tower is needed to provide adequate radio signal coverage for the GCRTA radio system serving the bus, rail, and Transit Police operations.
- 2.0 DESCRIPTION/JUSTIFICATION: The Authority still uses its 450 MHz radio system, and this system requires the use of this tower. GCRTA is in the process of upgrading its radio equipment to 950 MHz. Once this new system is in place and operational, the use of the Fox 8 Tower will no longer be necessary. It is estimated the new radio system will be operational in 2007. The Lease Agreement, Option periods, and Hold-over provision are structured to allow GCRTA to terminate the lease with 6 months written notice.
- 3.0 PROCUREMENT BACKGROUND: Does not apply.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: This lease is in conformance with the GCRTA Real Estate Policies and Procedures.
- 6.0 ECONOMIC IMPACT: The present lease rate is \$5,000/month. The new term of the lease is from March 1, 2006 through December 31, 2007. The present rate of \$5,000/month will be paid from March 1, 2006 through August 1, 2006. The new lease amount increases to \$5,600/month on September 1, 2006 through December 31, 2007. The option periods are escalated to \$5,880/month, \$6,174/month. The Hold-over provision amount is \$6,791.40 a month. The initial term of the lease is \$119,600, the grant total of this lease is \$232,672.40 if all options and the Hold-Over provisions are executed, payable from the RTA General Fund, Programming & Planning Department Budget. These increases are consistent with the local real estate market.

- 7.0 ALTERNATIVES: The use of this radio tower is necessary to meet the radio communication needs of the Authority. If this Resolution is not approved, the radio communications of the bus, rail, and transit police functions will be seriously jeopardized.
- 8.0 RECOMMENDATION: It is recommended that the Board of Trustees approve the Lease Agreement.
- 9.0 ATTACHMENTS: None

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

General Manager/Secretary-Treasurer