

RESOLUTION NO. 2006-189

AUTHORIZING THE GENERAL MANAGER/SECRETARY-TREASURER TO ENTER INTO A LEASE AGREEMENT WITH WARREN LEDSKY, DBA LEDSKY INSURANCE AGENCY, TO LEASE THE RETAIL SPACE AT THE COVENTRY GREEN LINE STATION FOR A PERIOD OF FIVE (5) YEARS

WHEREAS, the Greater Cleveland Regional Transit Authority owns property at the Coventry Green Line Station, 14000 Shaker Blvd., Shaker Heights, and that interest has been expressed to lease the space; and

WHEREAS, the Greater Cleveland Regional Transit Authority wishes to maximize the use of this property to expand the amenities available to its riders; and

WHEREAS, the Greater Cleveland Regional Transit Authority works to maximize the revenue earning potential by leasing its property's for use where tenants have expressed a commitment to do so; and

WHEREAS, this leasing activity is exempt from Procurement Regulations under ORC 306.43. This lease did result from a competitive process.

WHEREAS, the offer of Warren Ledsky, DBA Ledsky Insurance Agency, 13725 Caves Road, Novelty, OH 44072 to enter into Lease Agreement to lease the property is in the Authority's best interest and is recommended to the Board of Trustees.

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

Section 1. That the offer submitted by Warren Ledsky is acceptable and increases the revenue-generating potential for the Authority.

Section 2. That the General Manager/Secretary-Treasurer is hereby authorized to enter into the Lease Agreement for a term of five (5) years. The term of this Lease shall be from November 1, 2006 to October 31, 2011. Either party can cancel all or any part of the Lease Agreement at the end of the first term year with a 90-day written advance notice.

Section 3. That the revenue generated shall be specified in the Lease Agreement and deposited into the General Fund.

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

Adopted: October 17, 2006

\_\_\_\_\_  
President

Attest: \_\_\_\_\_  
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority  
**STAFF SUMMARY AND COMMENTS**

<b>TITLE/DESCRIPTION:</b> AUTHORIZING THE GENERAL MANAGER/SECRETARY-TREASURER TO ENTER INTO A LEASE AGREEMENT WITH WARREN LEDSKY, DBA LEDSKY INSURANCE AGENCY, TO LEASE THE RETAIL SPACE AT THE COVENTRY GREEN LINE STATION FOR A PERIOD OF FIVE (5) YEARS	<b>Resolution No.:</b> 2006-189
	<b>Date:</b> October 12, 2006
	<b>Initiator:</b> Programming & Planning
<b>ACTION REQUEST:</b> <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** By entering into Lease Agreement GCRTA will have the ability to capture revenue from the use of retail space at the Coventry Green Line Station. This action also insures the station will have activity during times when no rail transit vehicles or passengers are in the station. Finally, it enhances the amenities available to transit riders.
  
- 2.0 **DESCRIPTION/JUSTIFICATION:** The GCRTA, as its predecessors the Cleveland Transit System and Shaker Heights Rapid Transit, has leased retail spaces in rail rapid transit stations for many years. The lease generates operating revenue, makes use of space in a passenger facility and increases the number of amenities available to the riders.  
  
 The term of the Lease is for five (5) years with the term beginning on November 1, 2006 and ending October 31, 2011. Both parties have the right to cancel the Lease with a 90-day written advance notice.
  
- 3.0 **PROCUREMENT BACKGROUND:** Under ORC 306.43, leases are exempt from Procurement regulations. However, a competitive process was followed which included publication in 2 newspapers, posting on RTA's website and we sent out 25 RFP packages. Only one response was received for this lease site.
  
- 4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Does Not Apply
  
- 5.0 **POLICY IMPACT:** This is in compliance with the Board of Trustees' Real Estate Policy passed on May 21, 2002 under Resolution No. 2002-098. Board action is required because the term of the Leases of GCRTA's Real property are for more than one year.
  
- 6.0 **ECONOMIC IMPACT:** The estimated revenue generated by the lease increases revenue the Authority has been receiving to date and generally reflects the current market rate. The monthly rent for years 1 and 2 will be \$425. It will increase by 6% each subsequent year until the end of the term. The Lessee will be responsible for paying utility costs and property taxes. The rent collected from this agreement will be deposited into the GCRTA General Fund.
  
- 7.0 **ALTERNATIVES:** Do not approve the Lease Agreement thereby not maximizing the revenue potential of this important asset.

- 8.0 RECOMMENDATION: This item was reviewed by the Finance Committee at their October 3, 2006 meeting and recommended for approval by the Board of Trustees. It is recommended that the lease offer be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into an agreement.

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

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CEO, General Manager/Secretary-Treasurer