

**RESOLUTION NO. 2007-36**

**AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO ENTER INTO A TAX-EXEMPT LEASE AGREEMENT (CONTRACT NO. 2007-005) WITH KEY GOVERNMENT FINANCE, INC. FOR THE PURPOSE OF FINANCING THE PURCHASE OF THE NEW AUTOMATED FARE COLLECTION SYSTEM IN AN AMOUNT NOT TO EXCEED \$25,000,000**

**WHEREAS, the Authority has identified the need to replace the current Fare Collection System; and**

**WHEREAS, the Board of Trustees authorized contract 2006-039 with GFI Genfare, Inc. and contract 2006-040 with ACS Transport Solutions, Inc. pursuant to Resolutions 2007-17 and 2007-18 respectively for the furnishing of the New Automated Fare Collection System; and**

**WHEREAS, the Authority desires to finance an amount not to exceed \$25,000,000.00 to pay for the cost of the New Automated Fare Collection System and other costs necessary for completion of the installation of said system; and**

**WHEREAS, the offer of Key Government Finance, Inc. located at 127 Public Square, 17th Floor Cleveland, Ohio 44114 to provide this financing in an amount not to exceed \$25,000,000 was received on January 26, 2007; and**

**WHEREAS, the General Manager/Secretary-Treasurer has determined that it is in the best interest of the Authority to finance these costs with a tax-exempt lease agreement; and**

**WHEREAS, the General Manager/Secretary-Treasurer deems the offer of Key Government Finance, Inc. to be most advantageous to the Authority and recommends acceptance thereof by 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 of Key Government Finance, Inc. for a tax-exempt lease agreement is hereby accepted as being in the best interest of the Authority.**

**Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a tax-exempt lease agreement with Key Government Finance, Inc.**

**Section 3. That the proceeds from the lease will be used to finance the New Automated Fare Collection System.**

Section 4. That the tax-exempt lease will be repaid with 1% sales tax revenue, federal capital grants and local dollars.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: February 20, 2007

  
\_\_\_\_\_  
President

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



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

<b>TITLE/DESCRIPTION:</b> AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO ENTER INTO A TAX-EXEMPT LEASE AGREEMENT (CONTRACT NO. 2007-005) WITH KEY GOVERNMENT FINANCE, INC. FOR THE PURPOSE OF FINANCING THE PURCHASE OF THE NEW AUTOMATED FARE COLLECTION SYSTEM IN AN AMOUNT NOT TO EXCEED \$25,000,000	<b>Resolution No.:</b> 2007-36
	<b>Date:</b> February 15, 2007
	<b>Initiator:</b> Finance & Administration
<b>ACTION REQUEST:</b> <input type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will authorize the Authority to enter into a tax-exempt lease not to exceed \$25,000,000 for the purpose of paying the costs of the New Automated Fare Collection System.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The tax-exempt lease will be used for the purpose of paying the costs of the New Automated Fare Collection System.
- 3.0 **PROCUREMENT BACKGROUND:** This Request For Proposal was posted on the GCRTA web site and advertised in the local newspapers. Twenty-eight (28) potential service providers downloaded the solicitation and twelve (12) proposals were received on January 26, 2007. The proposal was evaluation by a panel of Authority employees in accordance with established Procurement Policies and Procedures. The offer of Key Government Finance, Inc., a company of KeyCorp, was determined to be the most advantageous to the Authority to provide the financing for the purchase of the New Automated Fare Collection System in an amount not to exceed \$25,000,000.00. Key Government Finance, Inc. is based in Cleveland, Ohio and specializes in tax-exempt lease purchasing.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** Does not apply.
- 5.0 **POLICY IMPACT:** The financing of this project is consistent with the Greater Cleveland Regional Transit Authority's Financial Policies.
- 6.0 **ECONOMIC IMPACT:** That the tax-exempt lease will be re-paid with 1% sales tax revenue, federal capital grants and local dollars.
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this resolution will prevent the Authority from meeting its budgeted capital improvement goals.
- 8.0 **RECOMMENDATION:** It is recommended that the offer of Key Government Finance, Inc. be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer 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.

A handwritten signature in black ink, appearing to be 'M. L. ...', written over a horizontal line.

CEO, General Manager/Secretary-Treasurer