

RESOLUTION NO. 2009-20

AUTHORIZING THE GENERAL MANAGER/SECRETARY-TREASURER TO ENTER INTO AN OPTION AGREEMENT WITH DUNHAM PARK, LLC FOR THE EXCLUSIVE RIGHT AND OPTION TO PURCHASE REAL PROPERTY LOCATED AT 6611 EUCLID AVENUE IN CLEVELAND, OHIO

WHEREAS, the Greater Cleveland Regional Transit Authority ("Authority") owns certain real property located at 6611 Euclid Avenue, Cleveland, Ohio 44103; and

WHEREAS, Dunham Park, LLC wishes to enter into an option agreement for the exclusive right and option to purchase said land from the Authority and the Authority wishes to enter into an option agreement for the exclusive right and option to sell said land to Dunham Park, LLC.

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 is hereby authorized to enter into an option agreement with Dunham Park, LLC for the exclusive right and option to purchase 6611 Euclid Avenue, Cleveland, Ohio and to accept monies paid for the option and extension period.

Section 2. That the option period is granted from the date that this resolution is adopted and expiring six (6) months thereafter. Dunham Park, LLC shall have the right to extend the option period for three (3) additional periods of sixty (60) days each.

Section 3. That the price for the six (6) month option is Ten Thousand Dollars (\$10,000). The first option period extension is an additional Ten Thousand Dollars (\$10,000); the second option period extension is an additional Fifteen Thousand Dollars (\$15,000); the third option period extension is an additional Twenty Thousand Dollars (\$20,000). If Dunham Park, LLC exercises the purchase option, the option price and the extension fees shall be applied towards the purchase price. If Dunham Park, LLC does not exercise the option, the option price and extension fees shall be non-refundable.

Section 4. That Dunham Park LLC shall pay One Million Dollars (\$1,000,000) to the Authority for the purchase of said land if it exercises the purchase option. The Authority requires approval from the Authority's Board of Trustees and the Federal Transit Administration authorizing the General Manager/Secretary-Treasurer to enter the Purchase Agreement for sale of said land to Dunham Park, LLC. If the Authority's Board of Trustees or the Federal Transit Administration does not approve the Purchase Agreement, the option price and extension fees shall be refunded to Dunham Park, LLC.

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

Adopted: March 24, 2009

  
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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 AN OPTION AGREEMENT WITH DUNHAM PARK, LLC FOR THE EXCLUSIVE RIGHT AND OPTION TO PURCHASE REAL PROPERTY LOCATED AT 6611 EUCLID AVENUE IN CLEVELAND, OHIO.	<b>Resolution No.:</b> 2009-20
	<b>Date:</b> March 19, 2009
	<b>Initiator:</b> Programming and 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:** GCRTA wishes to sell excess land located at 6611 Euclid Avenue, Cleveland, Ohio that it purchased for the Euclid Corridor Transportation Project and was utilized during project construction as a construction staging area. The property is 2.3 acres in size and includes two buildings with a combined total area of 170,562 square feet. The Authority's real estate broker, Colliers Ostendorf-Morris, has had this property advertised for sale for the past twelve (12) months. Several parties have been interested in purchasing this property but only Dunham Park, LLC has offered a fair price for the property. The property is listed for sale at \$1.1 million dollars (\$1,100,000); Dunham Park, LLC has offered the Authority \$1 million dollars (\$1,000,000) for the property. In order to give Dunham Park, LLC time to conduct due diligence of the property and to secure financing for the acquisition, the buyer has requested that the Authority enter into an option agreement for the exclusive right and option to purchase the property for a six (6) month period with three (3) extension periods of sixty (60) days each. All funds paid for the option or the extension periods are non-refundable unless the Authority's Board of Trustees or the Federal Transit Administration does not approve the sale of the property to Dunham Park, LLC. The Authority will return to the Board of Trustees for approval of the sale of property when the buyer wishes to exercise its option to purchase the property.
- 2.0 **DESCRIPTION/JUSTIFICATION:** Dunham Park, LLC has executed an option agreement for the exclusive, irrevocable right and option to purchase the real property, together with the buildings, structures and improvements located thereon. Action by the Board of Trustees is sought to allow the General Manager / Secretary-Treasurer to enter into the option agreement and to accept monies paid for the option and extension period.
- 3.0 **PROCUREMENT BACKGROUND:** Not Applicable
- 4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Not Applicable
- 5.0 **POLICY IMPACT:** This action is compliant with the Board of Trustees Real Estate Policy that specifies the Board of Trustees must approve all property dispositions.
- 6.0 **ECONOMIC IMPACT:** Option payments shall be deposited into the Authority's General Fund after payment of appraisal fees and 6% commission to the Authority's real estate broker, Colliers Ostendorf-Morris.
- 7.0 **ALTERNATIVES:** Reject the terms of the option agreement and/or wait until a buyer has financing secured for the purchase of the property before seeking Board of Trustees approval.

- 8.0 RECOMMENDATION: Staff recommends that the Board of Trustees approve the resolution to authorize the General Manager/Secretary-Treasurer to enter into the option agreement with Dunham Park, LLC.

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