

RESOLUTION 2012-25

AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO ENTER INTO A PURCHASE AND SALE AGREEMENT IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) WITH DUNHAM TAVERN MUSEUM TO SELL CUYAHOGA COUNTY AUDITOR'S PERMANENT PARCEL NUMBERS 118-06-025, 118-06-026, 118-06-027, AND 118-06-050 WHICH IS LOCATED AT 6611 EUCLID AVENUE IN CLEVELAND, OHIO ("PROPERTY")

WHEREAS, the Board of Trustees of the Greater Cleveland Regional Transit Authority approved the purchase of the Property (ECTP Parcel 179) under Resolution 2005-130 on September 20, 2005 as amended by Resolution 2005-144 on October 18, 2005 for the Euclid Corridor Transportation Project now called the HealthLine; and

WHEREAS, title to the Property transferred to the Greater Cleveland Regional Transit Authority on February 17, 2006; and

WHEREAS, the Greater Cleveland Regional Transit Authority is the owner of record of the Property; and

WHEREAS, the Property was used as a construction staging area during the Euclid Corridor Transportation Project and a portion of the Property is now improved with roadway, sidewalk, and tree lawn and encumbered by a permanent roadway easement; and

WHEREAS, the Property is no longer required for the construction of the HealthLine and is excess to the Authority; and

WHEREAS, the Greater Cleveland Regional Transit Authority has posted a for sale sign on the Property and has advertised and marketed the Property through a fair and open process with Ostendorf-Morris Company since October 28, 2008; and

WHEREAS, Dunham Tavern Museum wishes to purchase the Property; and

WHEREAS, the Greater Cleveland Regional Transit Authority has had the Property appraised and the current appraised value of the Property is Seven Hundred Fifty-Five Thousand Dollars (\$755,000.00); and

WHEREAS, Dunham Tavern Museum has offered to purchase the Property for Five Hundred Thousand Dollars (\$500,000.00) and plans to demolish the existing structure and create an open air public park to help preserve green space; and

WHEREAS, the Greater Cleveland Regional Transit Authority will decrease its yearly asset maintenance costs associated with the Property and will avoid future demolition costs by selling the Property now.

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 execute a Purchase and Sale Agreement and all other documents required to sell and transfer the Property.

Section 2. That the purchase price of Five Hundred Thousand Dollars (\$500,000.00) is less than the fair market value of the Property as determined by the property appraisal report and approved by a review appraiser.

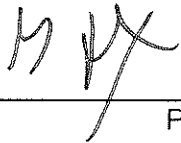
Section 3. That the Federal Transit Administration has concurred in the sale of the property and agreed that the entirety of the sale proceeds may be used for a similar capital project in accordance with Federal Transit Administration guidelines and direction.

Section 4. That the purchase price less closing and brokerage fees shall be deposited in the Greater Cleveland Regional Transit Authority Development Fund.

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

Attachment: Purchase and Sale Agreement

Adopted: March 20, 2012



President

Attest: 

CEO, General Manager/Secretary-Treasurer

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of this _____ day of March, 2012, by and between Dunham Tavern Museum, 6709 Euclid Avenue, Cleveland, Ohio 44103, an Ohio non-profit tax-exempt corporation, or its approved nominee ("Purchaser"), and the GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY, ("Seller"), 1240 West 6th Street, Cleveland, Ohio 44113, a political subdivision of the State of Ohio, entered into under the authority of Seller's Resolution No. _____ adopted March ____, 2012 a copy of which is attached to and incorporated into this Agreement as Exhibit A.

RECITALS

In consideration of the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the receipt of which is acknowledged by this Agreement, the parties to this Agreement agree as follows:

1. AGREEMENT OF PURCHASE AND SALE

Seller agrees to sell to Purchaser and Purchaser agrees to purchase the following described property ("Property") from Seller in accordance with the terms contained in this Agreement:

- a. All of Seller's right, title, and interest in the Property described in Exhibit B, attached to and incorporated into this Agreement;
- b. All of Seller's right, title, and interest in any improvements affixed to the Property;
- c. All rights, privileges, entitlements, easements, and appurtenances pertaining to the Property and Improvements, including any right, title, and interest of Seller in and to adjacent streets, alleys, or rights-of-ways;

For the purposes of this Agreement the "Effective Date" shall mean the date this Agreement is signed by Seller or the date this Agreement is signed by Purchaser, whichever is later.

2. CONSIDERATION

The purchase price for the Property (the "Purchase Price") shall be Five Hundred Thousand Dollars (\$500,000.00). Earnest money in the amount of fifty thousand dollars (\$50,000.00) (the "Earnest Money"), to apply on the Purchase Price, the receipt of which is hereby acknowledged, is to be held deposited with the Escrow Agent until the transaction is complete. Said Earnest Money must be deposited within forty-eight (48) hours of execution of this Contract by Purchaser and shall be held in an interest bearing account with the Escrow Agent. The balance of the Purchase Price shall be paid by Purchaser to Seller at Closing (as defined in Section 6 of this Agreement). Said earnest money shall be returned to the Purchaser if the Seller is unable to attain approval from

Seller's Board of Trustees, as such approval is required, and such earnest money shall be returned to Seller if Seller terminates this Agreement on or prior to the expiration of the Contingency Period. Seller has received a preliminary approval of this sale from the Federal Transit Administration, but additional approvals may be required by Seller. If this transaction is not consummated for any other reason (other than during the Contingency Period as described in 5(c) below) the Earnest Money shall not be returned to the Purchaser.

3. TITLE INSURANCE

Within five days after the Effective Date, Purchaser shall, in its own name, request that **Surety Title Agency, Inc., 526 Superior Avenue East, Suite 1010, Cleveland, Ohio 44114 Attn.: Douglas F. Currie (Phone: 216-589-8399)** (in such capacity referred to as the "Title Company") provide to Purchaser a current commitment for an Owner's Policy of ALTA Title Insurance in a form commonly accepted in Ohio (the "Commitment"). The Commitment shall be in an amount equal to the fair market value of the Property (but in no event less than Five Hundred Thousand Dollars (\$500,000.00) showing marketable fee simple title to the Property to be in Seller's name free and clear of all liens and encumbrances except: (i) those created by or to be assumed by Purchaser; (ii) those specifically set forth in this Agreement; (iii) zoning ordinances; (iv) general and special real estate taxes and assessments that are a lien on the date of Closing (as defined in Section 6 of this Agreement), but are not yet due and payable; (v) legal highways; and (vi) all exceptions, if any, to title and all items on the public record. Purchaser shall have until the expiration of the Contingency Period ("Review Period") to review the Commitment and notify Seller in writing of its objections to the Commitment. If Purchaser fails to provide to Seller its written objections to the Commitment within said Review Period, Purchaser shall be deemed to have approved the Commitment, and any exceptions to title to the Purchaser shall be deemed to be "Permitted Exceptions". If Purchaser timely objects to any matters shown on the Commitment, then Seller shall have the right to correct said matters objected to by Purchaser. If Seller fails, unless the cure only involves the payment of money (e.g., payment of judgment lien, etc.) which Seller shall be required to do, or is unable to correct said title matters and if Purchaser and Seller are unable to resolve all title matters objected to by Purchaser on or before the expiration of the Contingency Period (as defined in Section 5), then Purchaser shall have the right to (i) terminate this Agreement, in which event, except as may otherwise expressly be provided in this Agreement, the parties shall be relieved of all further liability under this Agreement, or (ii) accept title to the Property, whereupon such unresolved title matters shall be included as Permitted Exceptions, or (iii) accept such title as Seller is able to convey, with a reduction in the Purchase Price equal to the amount necessary to cure a defect in title which may be cured by the payment of money as described above. The Purchaser shall pay the cost of the Commitment.

4. DOCUMENTS TO BE PROVIDED

All documents relevant to the sale of the Property have been turned over to Mr. Dick Pace and are available to Purchaser through Mr. Pace. Seller agrees to reasonably cooperate with Purchaser in delivering any items in Seller's possession that Purchaser cannot timely obtain from Mr. Pace.

5. **PURCHASER'S CONTINGENCIES**

- a. This Agreement is expressly contingent upon Purchaser's satisfaction, in Purchaser's sole discretion, with the results of Purchaser's review and investigation of the Property including its own assessment of the Environmental Condition of the Property, the Commitment and the Survey.
- b. Purchaser shall have twenty-five (25) days from the Effective Date of this Agreement ("Contingency Period") to review all of the foregoing and to perform any investigations it desires to make as to the matters contained in this Agreement and to conduct any other due diligence related to Purchaser's intended use of the Property, including the inspections and tests of the Property contemplated in Section 15. Purchaser shall have the right to cause an earlier expiration of the Contingency Period by written notice to Seller.
- c. In the event Purchaser is satisfied with all documents and the results of said investigations and other matters, the above contingencies shall be deemed waived by Purchaser. In the event Purchaser is not satisfied with any document or any portion of the results of said investigation or other matters, it shall deliver to Seller written notice of such dissatisfaction on or before expiration of the Contingency Period and this Agreement shall be null and void and of no further effect on both parties and the Earnest Money shall be returned to the Purchaser.

6. **CLOSING**

The consummation of the transactions contemplated in this Agreement ("Closing") shall be accomplished through an escrow established with Surety Title Agency, Inc. (in such capacity referred to as the "Escrow Agent"). This Agreement shall constitute the escrow instructions, subject only to the Escrow Agent's Standard Conditions of Acceptance of Escrow; provided, however, that the provisions of this Agreement shall govern in the event of any conflicts with Escrow Agent's Standard Conditions. All of the documents referred to in this Agreement shall be executed and delivered into Escrow at **Surety Title Agency, Inc., 526 Superior Avenue East, Suite 1010, Cleveland, Ohio 44114 Attn: Douglas F. Currie (PH: 216-589-8399)**. If Purchaser wishes to have the purchase made by a nominee in its stead, the nominee must be approved in writing in advance by Seller. The Closing shall be completed when the parties have deposited with the Escrow Agent all documents and funds required in this Agreement to be deposited with the Escrow Agent, and all conditions precedent set forth in this Agreement have been satisfied (the "Closing Date"), but in no event later than April 30, 2012, unless extended by the mutual agreement of the parties.

7. **INSTRUMENTS OF CONVEYANCE**

Seller shall deposit with the Escrow Agent, on or prior to the Closing Date, the following fully executed documents:

- a. A limited warranty deed conveying marketable fee simple title to the Property, subject only to Permitted Exceptions ("Deed"); and
- b. Counterpart closing statements; and

- c. Such other documents as are reasonably necessary for the Title Company to insure in Purchaser fee simple title to the Property; and
- d. Agency Disclosure Document.

Purchaser shall deposit or cause to be deposited with the Escrow Agent, on or prior to the Closing Date, the following fully executed documents and funds:

- a. The Purchase Price, subject to the closing adjustments contemplated in this Agreement; and
- b. Counterpart closing statements; and
- c. Such other documents as are reasonably necessary for the Title Company to insure in Purchaser fee simple title to the Property.

8. **PRORATIONS AND CLOSING ADJUSTMENTS**

The following items pertaining to the Property shall be credited as follows:

- a. N/A - There are no utilities at the Property to be prorated.
- b. Real estate taxes and assessments, both general and special, against or encumbering the Property ("Taxes") shall be prorated as of the Closing Date on the basis of the most recent ascertainable amounts of each such item.
- c. Seller shall pay or be charged with the following costs and expenses in connection with this transaction: (i) all conveyance fees on the sale and transfer of the Property; (ii) one-half (1/2) of the escrow fee; and (iii) one-half (1/2) of the cost of Purchaser's ALTA Owner's Fee Policy of Title Insurance. Seller is exempt from real property transfer taxes.
- d. Purchaser shall pay or be charged with the following costs and expenses in connection with this transaction: (i) the cost of examining title to the Property, issuing the Commitment and the one-half (1/2) the premium for the ALTA Owner's Fee Policy of Title Insurance in the amount of the Purchase Price ("Policy"); (ii) the premium for any endorsements requested by Purchaser to the ALTA Owner's Fee Policy of Title Insurance; and (iii) the cost of recording the Deed.

9. **DELIVERY AND PAYMENT**

Upon Closing, the Escrow Agent shall deliver to Seller the following:

- a. The Purchase Price; and
- b. Counterpart closing statements executed by Purchaser, Seller and Escrow Agent; and
- c. Time-stamped copy of the Deed.

Upon Closing, the Escrow Agent shall deliver to Purchaser the following:

- a. The original Deed (after recordation); and
- b. Counterpart closing statements executed by Purchaser, Seller and Escrow Agent; and
- c. The Title Policy.

10. **WARRANTIES AND REPRESENTATIONS OF SELLER**

With reference to the Property, Seller represents and warrants that each of the following is true and correct on the Effective Date and as of the Closing Date.

- a. **Authority**. Seller is the sole owner of the Property and possesses all right, authority, and power to execute this Agreement. This Agreement has been duly executed by Seller and is enforceable against Seller in accordance with its terms. Seller represents and warrants that no consents or waivers are required to permit consummation of the transactions contemplated by this Agreement except the approval of the Seller's Board of Trustees and the approval of the Federal Transit Administration.
- b. **Documents Relating to the Condition of the Property**. To Seller's actual knowledge, the Seller has made available to Purchaser for inspection all documents and reports of which it is aware either appraising the Property or identifying the condition of the Property relating to hazardous waste or materials, industrial hygiene or the environmental conditions on, under or about the Property. Seller shall be under no obligation to obtain for the Purchaser any document or report relating to the Property which is not in the Seller's possession, but if Seller is aware of any, will disclose same to Purchaser in writing and will work with Purchaser to obtain copies of the same.
- c. **No Undisclosed Claims or Liabilities**. To Seller's actual knowledge, there are no suits, judgments, litigation, or claims against, with respect to, or affecting the Property or the zoning or use, pending, other than those that are a matter of record or disclosed by Seller to Purchaser in writing. Seller has made Purchaser aware of condemnation proceedings by the City of Cleveland which affect the Property.
- d. **Taxes/Assessments**. Seller has paid in full all taxes and assessments on the Property that have become due through the date hereof, the Property is not subject to any lien for payment of taxes other than general property taxes and assessments constituting a lien but not yet payable.
- e. **Environmental Conditions**
 - (i) The term "Environmental Claim" shall mean any claim, demand, suit, order, complaint, summons, citation, notice, directive, consent agreement, litigation, judgment, or other legal or administrative action or proceeding from any governmental agency, department, bureau, office or other

authority, or any third party, involving violations of Environmental Laws or Releases of Hazardous Substances.

- (ii) The term "Loss" shall mean any loss, cost or expenses for environmental site assessments, remedial investigation and feasibility studies, natural resources damages, property damage, bodily injury), damage or liability (including strict liability).
- (iii) Notification of Environmental Claims or Conditions. If Seller shall become aware of or receive notice or other communication concerning any Environmental Claim or Environmental Condition prior to Closing then Seller shall deliver to the Purchaser, within ten days of the receipt of such notice or communication by Seller, a written description of said Environmental Claim or Environmental Condition, together with copies of any documents evidencing same to the Seller.

11. **WARRANTIES AND REPRESENTATIONS OF PURCHASER**

Purchaser possesses all right, authority, and power to execute and perform this Agreement, which has been duly executed by Purchaser and is enforceable against Purchaser in accordance with its terms. Purchaser shall not interfere with the operation of the Property, as it conducts the inspections and tests authorized under this Agreement. Purchaser covenants and agrees that each representation and warranty contained in this Agreement by or on behalf of Purchaser shall survive the execution and delivery of this/ Agreement, the recordation of the Deed and transfer of title. Purchaser covenants and agrees that its purchase is to be with knowledge of the fact that (a) Seller does not warrant the accuracy and/or completeness of documents and information provided by Seller under this Agreement regarding the condition of the Property; and (b) Purchaser's shall base its assessment of such condition solely upon its appraisal of such documents and information and the results of Purchaser's review and investigation of the Property including its own assessment of the Environmental Condition of the Property, the Commitment and the Survey and; (c) Purchaser shall purchase the Property "As Is" and shall and hereby does release Seller and hold it harmless regarding any Environmental Claims.

12. **RIGHT OF ENTRY**

By execution of this Agreement, Seller grants to Purchaser for the duration of the Contingency Period a license on, under, through, over, across, and to the Property for the purposes of surface and subsurface investigation, environmental testing, and inspection of the Property's suitability for the Purchaser's intended uses. Any testing, inspections or other investigation performed by Purchaser pursuant to this Section 12. shall be at Purchaser's sole cost and expense, and Purchaser agrees to be liable for any damage or claim regarding damage to the property loss of life or damage or injury to any person or property or any person, including, without limitation, the agents, employees, invitees and licensees of either of the parties as a result of Purchaser's investigation, testing or inspection of the Property pursuant to this Section 12. The license granted pursuant to this Section 12. includes any easements that Seller may have that are necessary to access the Property, along with the following rights and limitations:

- a. Purchaser may enter upon all portions of the Property provided reasonable notice is given to the party in possession.
- b. Purchaser may conduct tests of air, water, soil, and wastes.
- c. Purchaser may conduct soil borings, including the right to enter upon the Property with all personnel, drilling rigs and associated equipment, and electronic and mechanical testing equipment necessary to complete Purchaser's inspection.
- d. Purchaser may remove reasonable samples of air, water, soil, and liquid or solid wastes as are necessary to complete Purchaser's inspection, provided that such removal does not damage to the Property or any other property.
- e. Unless otherwise agreed in writing, Purchaser's inspection will be carried out during normal business hours and will be completed during the Contingency Period.
- f. The right of entry shall be assignable to the Purchaser's contractor, subcontractors and agents so long as the same agree to be bound by Purchaser's covenants contained in this Agreement.
- g. Purchaser shall require its contractor, subcontractors and agents to defend, indemnify and hold harmless the Seller, Seller's officers, agents, employees, successors and assigns from any and all claims, loss, cost, damages, expense and liability, including attorneys' fees, for or from loss of life or damage or injury to any person or property of any person, including, without limitation, the agents, employees, invitees and licensees of either of the parties arising out of, connected with or incidental to, either directly or indirectly, with Purchaser's entry, investigation, testing or assessment of the Property during this right of entry. This indemnification requirement shall survive the expiration or termination of this Agreement.

13. **NOTICES AND COMMUNICATIONS**

All notices, consents, requests, demands and other communications required by this Agreement shall be in writing and shall be deemed to have been duly given to a party if mailed by certified mail.

If to the Seller, to:

The Greater Cleveland Regional Transit Authority
1240 West 6th Street
Cleveland, Ohio 44113
Attn: CEO, General Manager/Secretary-Treasurer

With a copy to:

The Greater Cleveland Regional Transit Authority
1240 West 6th Street
Cleveland, Ohio 44113

Attn: Senior Counsel-Contracts and Real Estate

And a copy to:

Ostendorf-Morris Company
1100 Superior Ave., Ste 800
Cleveland, Ohio 44114
Attn: David O'Neill

If to the Purchaser, to:

Dunham Tavern Museum
6709 Euclid Avenue
Cleveland, Ohio 44103
Attn: WILLIAM F. RUPER

With a copy to:

Porter, Wright, Morris & Arthur LLP
925 Euclid Avenue, Suite 1700
Cleveland, Ohio 44115
Attn.: William R. Weir, Esq.

14. **BROKERAGE COMMISSION**

Seller has retained OM Partners LLC, dba Ostendorf-Morris Company, as real estate broker. Seller shall be exclusively responsible for all fees and commissions owed to said broker and Seller shall hold Purchaser harmless from any claim for a broker's fee or commission.

15. **GOVERNING LAW**

This Agreement was negotiated in the State of Ohio and shall be governed and construed in accordance with the internal laws of the State of Ohio.

16. **INTEGRATION; MODIFICATION; WAIVER**

This Agreement constitutes the complete and final expression of the agreement of the parties relating to the Property and supersedes all previous contracts, agreements and understandings of the parties, either oral or written, relating to the Property. This Agreement cannot be modified, or any of the terms waived, except by an instrument in writing (referring specifically to this Agreement) executed by the party against whom enforcement of the modification or waiver is sought.

17. **COUNTERPART EXECUTION**

This Agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

18. **INVALID PROVISIONS**

If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid enforceable, and the validity and enforceability of all other provisions of this Agreement and all other application of any such provision shall not be affected by it.

19. **BINDING EFFECT**

This Agreement shall be binding upon and inure to the benefit of Seller and Purchaser and their respective successors and assigns. Notwithstanding the above, (a) any assignment by Purchaser of its rights under this Agreement shall require the prior written approval of Seller and include an assumption by such assignee of all Purchaser's obligations under this Agreement, (b) no such assignment shall be effective unless an executed copy of same is delivered to Seller at least five days prior to the Closing Date, and (c) no such assignment shall relieve Purchaser of any obligations under this Agreement.

20. **EXCLUSIVITY**

Seller shall not, during the term of this Agreement, enter into any agreement or understanding with respect to the sale of the Property with any party other than Purchaser and Seller agrees it will not solicit or entertain any other offer to purchase the Property.

21. **DEFAULT AND REMEDIES.**

(a) Purchaser Default. If, after expiration of the Contingency Period, Purchaser shall fail or refuse to purchase the Property in violation of Purchaser's obligations hereunder for any reason or shall otherwise be in default in its obligations under this Agreement and does not cure said default within five (5) days after notice from Seller, Seller shall have as its sole remedy the right to terminate this Agreement and retain the full amount of the Earnest Money. Seller and Purchaser acknowledge and agree that (a) it would be difficult to accurately determine the amount of damages suffered by Seller as a result of Purchaser's default hereunder; (b) the Earnest Money constitutes a fair and reasonable amount to be received by Seller as agreed and liquidated damages for Purchaser's default under this Agreement, and (c) receipt by Seller of the Earnest Money upon Purchaser's default hereunder shall not constitute a penalty or a forfeiture.

(b) Seller Default. If Seller is in default of Seller's obligations under this Agreement, then Seller shall have five (5) days after receiving notice within which to cure the default. If Seller fails to cure the default within the applicable period, then Purchaser's remedies shall be either (i) a specific performance or (ii) the right, exercisable only by giving written notice to Seller (with a copy to Escrow Agent) within five (5) days after the applicable period, to terminate this Agreement and receive a return of the Earnest Money and reimbursement for Purchaser's out-of-pocket costs and expenses incurred in investigating the Property in an amount not to exceed \$25,000.00 ("Purchaser's Reimbursement"). Purchaser shall provide invoices and/or other documentation reasonably acceptable to Seller to evidence the amount of Purchaser's Reimbursement. Notwithstanding the foregoing, if Seller's default is due to circumstances beyond Seller's reasonable control and the cost to Seller to cure the

default would exceed \$25,000, Purchaser shall not have the remedy of specific performance and its sole remedy shall be as set forth in subsection (ii).

22. **FURTHER ACTS**

In addition to the acts recited in this Agreement to be performed by Seller and Purchaser, Seller and Purchaser agree to perform or cause to be performed at the Closing or after the Closing any and all such further acts as may be reasonably necessary to consummate the transactions contemplated by this Agreement.

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THE PARTIES have executed this Agreement as of the Effective Date.

SELLER: THE GREATER CLEVELAND REGIONAL
TRANSIT AUTHORITY

By:

Name: Joseph A. Calabrese
Title: CEO, General Manager/
Secretary-Treasurer

Date: _____, 2012

The legal form and correctness
of this instrument is approved:

Name: Sheryl King Benford
Title: General Counsel, Deputy
General Manager for Legal Affairs

PURCHASER: DUNHAM TAVERN MUSEUM

By:

Name: William F. Ruper
Title: PRESIDENT

Date MARCH 14, 2012

Exhibit A

[Copy of The Greater Cleveland Regional Transit Authority Resolution]

Exhibit B

[Legal Description of Property]

To be provided



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: CONTRACT: SALE OF 6611 EUCLID AVENUE VENDOR: DUNHAM TAVERN MUSEUM AMOUNT: \$500,000.00	Resolution No.: 2012-25
	Date: March 15, 2012
	Initiator: Programming and 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:** The purpose of selling the property at 6611 Euclid Avenue is to remove excess real estate from RTA's real property inventory as required by applicable federal regulations and to increase ridership on the HealthLine by facilitating an economic development project in the Midtown neighborhood of the City of Cleveland.

2.0 **DESCRIPTION/JUSTIFICATION:** RTA purchased this property from 6611 Properties LLC for \$1,122,100 in August 2005 for the construction of the Euclid Corridor Transportation Project. This property was known as ECTP Parcel 179 during the project. Federal funds were used for the acquisition and the Uniform Act was followed. The site was acquired for roadway purposes and construction staging. The acquisition price included three former manufacturing buildings totaling 212,000 square feet. The roadway was realigned and a portion of this land is now covered with roadway, sidewalk, and tree lawn and encumbered by a permanent roadway easement. During construction, the remaining land was used as a construction staging area.

RTA has demolished all but one building. The remaining former manufacturing building is 107,902 square feet. The Board of Trustees declared the property "excess" property in Resolution 2011-115.

The property was condemned by the City of Cleveland in May 2010. RTA appealed the condemnation proceeding and consequently received a stay on the demolition until early 2012, at which time RTA will need to return to the City's Board of Building Standards and Building Appeals. It would save RTA money to sell the property now so that it will not have to demolish the building. The difference in the value of the property and the sale price is approximately the cost to demolish the building. Selling the property also reduces RTA capital maintenance costs for the property since repairs are required to keep the building safe and secure.

Since October 28, 2008, RTA has had the property listed for sale with a real estate broker. With approval of the Board of Trustees, RTA entered into a Purchase and Sale Agreement with Cumberland Development, LLC on December 27, 2011. Said Agreement was rescinded by Cumberland Development on January 31, 2012.

On February 6, 2012, RTA received a Letter of Intent from Dunham Tavern Museum to purchase the property for \$500,000.00. Dunham Tavern Museum plans to demolish the existing structure and create an open air public park to help preserve green space. This use fits with MidTown Cleveland and the City of Cleveland's master plan for the area as well as RTA's goals for economic development along the corridor.

- 3.0 PROCUREMENT BACKGROUND: Does Not Apply.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Does Not Apply.
- 5.0 POLICY IMPACT: Does Not Apply.
- 6.0 ECONOMIC IMPACT: The purchase price is below the fair market value of the property of Seven Hundred Fifty-Five Thousand Dollars and 00/100 (\$755,000.00) as determined by an appraisal and concurred with by a review appraisal report. The Federal Transit Administration has approved the disposition of the property and the use of the proceeds of the sale to be reinvested in the capital program of the Agency in a "like" activity.
- 7.0 ALTERNATIVES: The Authority can refuse to sell the property to Dunham Tavern Museum. RTA would have to make repairs to the building to satisfy the City of Cleveland Board of Building Standard's findings and continue maintaining this vacant property until another purchaser is found or until the City requires that the building be demolished by RTA.
- 8.0 RECOMMENDATION: The proposed sale of 6611 Euclid Avenue to Dunham Tavern Museum was discussed at the March 6, 2012 Planning & Development Committee meeting and recommended for approval to the Board of Trustees. It is recommended that the Board of Trustees approve the resolution to authorize the sale of this property to Dunham Tavern Museum.
- 9.0 ATTACHMENTS: Letter of support from Midtown Cleveland.

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



CEO, General Manager/Secretary-Treasurer



MIDTOWN
CLEVELAND

March 8, 2012

Mr. Joseph A. Calabrese
CEO / General Manager
Greater Cleveland Regional Transit Authority
1240 W. 6th Street
Cleveland, OH 44113

Re: 6611 Euclid Avenue

Dear Mr. Calabrese,

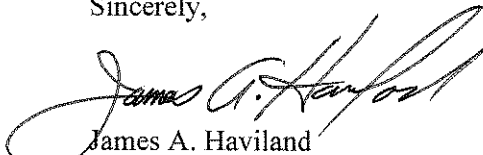
MidTown Cleveland, Inc. would like to offer its full support to the proposed sale of 6611 Euclid Avenue from GCRTA to the Dunham Tavern Museum for the Dunham Tavern Museum Expansion & Preservation Project. This project is consistent with MidTown Cleveland's Master Plan by revitalizing an underutilized urban property while enhancing a historic site in Cleveland's urban core.

We believe that this project will:

- Act as a catalyst for additional neighborhood investment
- Encourage development of adjacent mixed-use buildings
- Contribute to increased ridership on the HealthLine
- Provide a truly unique neighborhood amenity
- Enable the expansion of community gardening and outreach programming provided by the Dunham Tavern Museum and Cleveland Botanical Gardens

MidTown Cleveland, Inc. is excited to facilitate this transaction in any way possible. If you require additional information regarding my organization's support for this transaction, please do not hesitate to contact me at 216-391-5080 ext. 104 or jhaviland@midtowncleveland.org.

Sincerely,



James A. Haviland
Executive Director

3634 Euclid Avenue, #215
Cleveland, Ohio 44115

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