

RESOLUTION 2012-26

AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO ENTER INTO A PURCHASE AND SALE AGREEMENT IN THE AMOUNT OF ONE HUNDRED FORTY SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$147,500.00) WITH WXZ ACQUISITION COMPANY, LLC TO SELL CUYAHOGA COUNTY AUDITOR'S PERMANENT PARCEL NUMBER 120-24-013 WHICH IS LOCATED AT 1641 E. 118TH STREET IN CLEVELAND, OHIO ("PROPERTY")

WHEREAS, the Greater Cleveland Regional Transit Authority ("GCRTA") is the Owner of record for land located at 1641 E. 118th Street in the City of Cleveland, Ohio, which has a Permanent Parcel Number of 120-24-013 ("the Property"); and

WHEREAS, the Property was transferred to GCRTA under the Mass Transfer Agreement with the City of Cleveland in 1975; and

WHEREAS, the Property was formerly used as a bus turn-around location but is no longer in use by GCRTA; and

WHEREAS, the Greater Cleveland Regional Transit Authority 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 January 2011; and

WHEREAS, University Circle, Inc. approached GCRTA about making an offer to purchase the Property in November 2010 but no formal offer was made; and

WHEREAS, on September 16, 2011, GCRTA received an Offer from University Park Townhomes for one hundred thousand & 00/100 dollars (\$100,000.00) for the Property, but the Offer was never accepted by GCRTA; and

WHEREAS, on November 21, 2011, GCRTA received an Offer from WXZ Acquisition Company, LLC ("WXZ Acquisition") for one hundred forty seven thousand five hundred & 00/100 dollars (\$147,500.00) for the Property; and

WHEREAS, WXZ Acquisition has successfully constructed the Hazelwood Townhomes near this site and intends to construct 18 similar townhomes on the Property; and

WHEREAS, the Greater Cleveland Regional Transit Authority will decrease its annual holding costs associated with this project, which include but are not limited to insurance, maintenance, mowing, and security expenses.

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

Section 1. The Property is hereby declared excess property.

Section 2. 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 3. That the purchase price of One Hundred Forty-Seven Thousand Five Hundred & 00/100 Dollars (\$147,500.00) is more than the fair market value of the Property as determined by the property appraisal report and approved by a review appraiser.


Section 4. That the GCRTA received concurrence for the sale of the Property from the Federal Transit Administration ("FTA") by letter dated March 8, 2012.

Section 5. That the purchase price less closing and brokerage fees shall be deposited in the Greater Cleveland Regional Transit Authority Development Fund.

Section 6. 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 and entered into between **WXZ Acquisition Co., LLC**, an Ohio limited liability company ("Purchaser"), located at 22720 Fairview Center Drive, Suite 150, Fairview Park, Ohio 44126, and the **Greater Cleveland Regional Transit Authority**, a political subdivision of the State of Ohio ("Seller"), located at 1240 W. 6th St., Cleveland, Ohio 44113, entered into under the authority of Seller's Resolution No. _____ adopted _____, 2012 a copy of which is attached to and incorporated into this Agreement as Exhibit A. The date of this Agreement ("Effective Date") shall be the last date of execution by either of the parties.

ARTICLE 1 – PROPERTY

Seller agrees to sell and Purchaser agrees to buy the parcel of real property ("Property") located at 1641 East 118th Street, Cleveland, OH known as parcel number 120-24-013 as outlined on Exhibit B attached hereto and incorporated herein, together with the buildings and improvements located thereon and all of the appurtenances, rights, privileges, licenses, and easements belonging thereunto. A legal description of the Property is attached hereto as Exhibit C.

Purchaser is purchasing:

- a. All of Seller's right, title, and interest in the Property described in Exhibit B, which is attached to and incorporated into this Agreement;
- b. All of Seller's right, title, and interest in any improvements affixed to the Property; and
- 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.

Purchaser acknowledges the sale of Property is subject to approval by the Federal Transit Administration ("FTA") and Seller's Board of Trustees. Purchaser also acknowledges that this sale is for the purpose of Transit-Oriented Development (TOD) and hereby agrees that it shall develop the Property in compliance with federal laws and regulations regarding TOD.

ARTICLE 2 – PURCHASE PRICE AND EARNEST MONEY

A. The total purchase price for the Property ("Purchase Price") shall be One Hundred Forty-Seven Thousand Five Hundred & 00/100 Dollars (\$147,500.00) payable in cash on the closing date ("Closing Date"). On or before the Closing Date, Purchaser shall deposit the Purchase Price in escrow with Chicago Title Insurance Company ("Escrow Agent" and "Title Company"), Attention: Timothy Warren, 1360 East 9th Street, Suite 500, Cleveland, Ohio 44114.

B. Upon execution of this Agreement by Seller, Purchaser shall deposit Five Thousand & 00/100 Dollars (\$5,000.00) into an escrow account with the Escrow Agent as earnest money ("Earnest Money"), to be credited against the Purchase Price at Closing. The Earnest Money shall be deposited into a federally insured interest bearing account, with all interest accruing to Purchaser unless otherwise provided herein. Said earnest money shall only

be returned to the Purchaser if the Seller is unable to attain approvals from Federal Transit Administration and/or Seller's Board of Trustees. Purchaser understands that said approvals are needed to sell the Property. If this transaction is not consummated for any other reason the earnest money shall not be returned to the Purchaser.

ARTICLE 3 – PURCHASER'S INSPECTIONS/INDEMNIFICATION/SELLER'S DELIVERIES

- A. Seller shall arrange access, at mutually agreeable dates and times, to all areas of the Property to enable Purchaser and its agents to enter the Property and to conduct inspections, tests, borings, or surveys. In the event that this transaction does not close, then the Purchaser shall repair any damage to the Property caused by the Purchaser's investigation, tests and/or studies.
- B. The Purchaser hereby indemnifies and holds 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.
- C. Purchaser shall require its contractors, 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.
- D. The foregoing indemnification provision shall survive the termination of this Agreement.
- E. Within five (5) days of the Effective Date, Seller shall deliver to Purchaser the following documents that are within Seller's possession or control ("Seller's Deliveries"):
 - 1. Seller's current title policy;
 - 2. Any environmental or geotechnical reports, wetlands study, tree studies and/or surveys, wetlands documentation, flood plain, drainage, road improvement, utility construction or other documents pertaining to the condition of the Property in the custody and control of the Seller; and
 - 3. Any existing survey of the Property.

Seller shall use commercially reasonable efforts to secure the foregoing Seller's Deliveries from all vendors who have prepared them. In the event it is determined during the Study Period (as defined in Article 5) that Seller has not timely furnished any of the above Seller's Deliveries, the Study Period shall be extended by the number of days such delivery was delayed.

ARTICLE 4 – TITLE TO PREMISES

A. Seller shall convey insurable (with all standard exceptions deleted provided Purchaser obtains an acceptable Survey as defined herein) and marketable title to the Property to Purchaser by Quitclaim Deed.

B. Within ten (10) days after the Effective Date, Purchaser shall obtain a commitment ("Commitment") issued by Escrow Agent for an ALTA Owner's Title Insurance Policy Form 2006 ("Title Policy") in an amount equal to the Purchase Price showing title to the Property in Seller and naming Purchaser as the proposed insured. The Commitment shall be accompanied by copies of all documents listed as exceptions to title or otherwise affecting title to the Seller's Parcel. Purchaser may obtain an ALTA survey ("Survey") prior to the expiration of the initial Study Period, which shows the location of the Property and all easements, rights of way and other matters contained in the Schedule B exceptions to the Commitment that are capable of being shown on the Survey (the Survey and all documents evidencing exceptions to title are hereinafter referred to as the "Related Documents").

C. Purchaser shall have thirty (30) days after receipt of the Commitment and Related Documents to review title to the Property. If Purchaser notifies Seller that it does not approve of any title exceptions within said thirty (30) day period, Seller shall then have thirty (30) days in which to resolve such objections and shall undertake to do so in good faith, but shall not be required to do so except for the discharge at Closing of liens as defined below. If Seller does not satisfactorily resolve such objections, then Purchaser, at its option, may either (i) terminate this Agreement within fifteen (15) days from receipt of Seller's notice such that such objection has not been resolved, in which event the Earnest Money and all interest shall be paid to Purchaser, Seller shall pay escrow and title charges incurred to date, and thereupon the parties shall be relieved of all further obligations hereunder, or (ii) waive the objection and accept title at Closing with such objection, without any reduction in the Purchase Price and such objections then being deemed additional Permitted Exceptions. Purchaser's review shall be limited to assuring that title exceptions will not materially and adversely affect Purchaser's intended use of the Property and will not be objectionable to Purchaser's lender or tenant. Notwithstanding any other provision in this Agreement to the contrary, Purchaser shall not be required to give Seller notice to cure or remove any mortgage lien, security interest, judgment, personal property tax, mechanics or other lien capable of cure by payment of a liquidated sum (a "Lien"), as Purchaser shall be deemed to have objected to such Liens and Seller shall be unconditionally obligated, at its expense, to cause such Liens to be released of record on or before the Closing date. Although Buyer is given additional days for the Study Period and Approval Period (see Section 5 below), Buyer may not seek to resolve title exceptions more than thirty (30) days after receipt of the Commitment and Related Documents.

D. If there are oil or gas leases affecting the Property ("Oil/Gas Leases"), and Purchaser objects to them, Seller covenants and agrees, without cost to Purchaser, to use its best efforts to either: (i) cause the Oil/Gas Leases to be released of record insofar as they pertain to the Property; or (ii) cause the Oil/Gas Leases to be modified of record such that no entry upon the surface of the Property is permissible by the lessees thereunder and no slant drilling from lands adjacent to the Property will be permissible; provided, however, that the lessees under the Oil/Gas Leases may include the land for purposes of unitization. In the event such best efforts on the part of Seller are not successful within ninety (90) days after receipt of

Purchaser's notice objecting to them, then, unless Purchaser waives any objections to the status of the Oil/Gas Leases or the parties otherwise agree, Purchaser may terminate this Agreement and (i) all Earnest Money and Extension Payments, if any, shall be returned to Purchaser; (ii) Purchaser shall pay all Escrow costs incurred to date; and (iii) neither party shall have any other obligation with respect to this Agreement.

- E. From and after the date of execution of this Agreement by Seller, Seller shall not:
1. Permit any third party to adversely affect Seller's title to the Property and will not permit any new or additional exceptions to title to be created except those that will be removed at or prior to the Closing Date; or
 2. Enter into any contracts or agreements pertaining to the Property that are not cancelable upon thirty (30) days notice.

ARTICLE 5 – CLOSING DATE/STUDY PERIOD/CONDITIONS

A. The Closing Date shall be thirty (30) days after expiration of Purchaser's Approval Period as defined in this Article 5, Section C below. Seller shall deliver the Property to Purchaser at Closing free and clear of all tenancies.

B. Purchaser shall have a sixty (60) day study period ("Study Period") beginning on the Effective Date, during which Purchaser may investigate and evaluate the potential of the Property for a residential development, including but not limited to zoning, municipal approvals, environmental issues, geotechnical issues and engineering studies. Purchaser shall diligently and in good faith pursue such investigation and evaluation during the Study Period. If during the Study Period Purchaser determines that, if for any reason, the Property is not suitable for Purchaser's purpose, Purchaser may in its sole discretion, terminate this transaction and (i) thereupon this Agreement shall be null and void and neither party shall have any further rights or obligations hereunder, except for those rights and obligations that, by their terms, expressly survive any such termination, and (iii) Purchaser shall pay all escrow and title charges incurred to date. In the event Purchaser does not elect to terminate this transaction at the end of the Study Period, Purchaser shall be deemed to have waived its right to terminate based on environmental issues, geotechnical issues and engineering studies, title and survey. Upon expiration of the Study Period, Purchaser shall have the right to post a development sign on the Property.

C. Purchaser shall have a sixty (60) day approval period ("Approval Period") beginning on the expiration of the Study Period if Purchaser has not terminated this Agreement in which to further obtain all necessary governmental approvals for Purchaser's proposed residential development.

ARTICLE 6 – TAXES AND ASSESSMENTS

As of the date of Closing, the Escrow Agent shall prorate between Seller and Purchaser all real estate taxes ("Taxes") levied against the Property according to the most recent tax bill for the Property. Seller shall be responsible for any general and special assessments levied against the Property prior to Closing.

ARTICLE 7 – REPRESENTATIONS, WARRANTIES AND COVENANTS

A. As a material inducement for Purchaser to enter into this Agreement, Seller represents, warrants and covenants as follows:

1. Fee simple ownership of the Property is vested solely in Seller and no other party has an interest in the Property, the Property shall be delivered at Closing free and clear of all tenancies;
2. No legal actions or administrative proceedings of any type (including condemnation or similar proceedings) are pending or (to the best of Seller's actual knowledge) contemplated against the Property;
3. Subject to the limitations set forth in Article 2 above, Seller has all necessary power and authority to execute this Agreement, perform all of its obligations hereunder and convey the Property;
4. Seller has no knowledge and has not received notice of any violations of any law, statute, ordinance, or other governmental regulation by or affecting the Property; and
5. On the Closing Date there will be no outstanding contracts made by Seller for any improvements to the Property that have not been fully paid for and Seller shall cause to be discharged all mechanics or materialmens liens arising from any labor or materials furnished to the Property prior to the Closing Date.

B. The representations and warranties set forth in Article 7(A) are true and correct on the Effective Date, shall be true and correct on the Closing Date, and shall survive the Closing.

C. As a material inducement for Seller to enter into this Agreement, Purchaser represents and warrants that Purchaser has all necessary power and authority and no consent of any third party is required for Purchaser to execute this Agreement, perform all of its obligations hereunder and purchase the Property.

D. Except as otherwise expressly set forth herein, the Purchaser acknowledges that:

1. the Seller has made no representation or warranty of any kind with respect to the Property, including, without limitation, the use to which it may be put or the condition, environmental or otherwise, of the Property; and
2. It is relying upon its own investigations, tests and studies with respect to the condition, environmental or otherwise of the Property and agrees to accept the Property in its "as is, where is, with all faults" condition on the Closing Date, in accordance with Article 3.

ARTICLE 8 – CLOSING AND ESCROW CHARGES

A. At such time as the Escrow Agent has in its possession all funds representing the Purchase Price and all documents required from Purchaser and Seller, Escrow Agent shall file the Deed for record. The escrow shall be subject to the Escrow Agent's standard conditions of acceptance, except that if there is any conflict or inconsistency between the Escrow Agent's standard conditions and the terms and provisions of this Agreement, the terms and provisions of this Agreement shall govern.

B. The Escrow Agent shall deliver to Purchaser the Deed, Purchaser's title insurance policy, other documents due Purchaser, and all funds remaining to the credit of Purchaser after charging Purchaser with:

1. The cost of recording the Deed;
2. All costs associated with any mortgage loan obtained by Purchaser;
3. One-half (1/2) of the escrow fee;
4. Amounts due Seller by reason of prorations hereunder; and
5. One-half (1/2) premium cost to obtain an Owner's Policy in the amount of the Purchase Price.

C. The Escrow Agent shall deliver to Seller the balance of the funds in its possession to the credit of Seller after charging Seller and deducting from such funds:

1. The cost of the Transfer Tax and any other transfer or conveyance fee;
2. Any amounts that are required to satisfy any outstanding Liens;
3. One-half (1/2) of the escrow fee;
4. Amounts due Purchaser by reason of prorations hereunder; and
5. The cost of title examination and issuance of the Commitment and one-half (1/2) the premium cost to obtain an Owner's Policy in the amount of the Purchaser Price.

ARTICLE 9 – BROKER

Purchaser and Seller warrant and represent each to the other that neither has dealt with any real estate broker or finder in connection with this transaction except Michael J. Occhionero of Ostendorf Morris, who shall be paid a sales commission by Seller at Closing pursuant to a separate agreement. Purchaser and Seller agree to hold each other harmless against all claims for brokerage commissions or fees and/or finder's fees made by a person or firm, other than as disclosed herein, claiming (i) to have been retained by the indemnifying party, or (ii) to be the procuring cause of this transaction due to any act or authorization of the indemnifying party. This hold harmless shall survive the Closing of this transaction or the termination of this Agreement.

ARTICLE 10 – REMEDIES

A. If Seller breaches any of its covenants, agreements, representations, or warranties, then provided such breach has not been cured within thirty (30) days after written notice thereof, Purchaser may:

1. Declare this Agreement terminated and all Extension Payments shall be returned to Purchaser and thereafter the parties shall be released of all further liability hereunder; or
2. Enforce specific performance of Seller's obligations, including monetary damages in an amount not to exceed Purchaser's actual out-of-pocket expenses exclusive of Purchaser's Earnest Money and Extension Payments that shall be returned to Purchaser; or

The Purchaser specifically waiving any other legal or equitable remedy.

B. In the event Purchaser defaults in its obligations and provided such default has not been cured within thirty (30) days after written notice thereof, then this Agreement shall terminate and Purchaser shall pay all title and escrow charges incurred, the Earnest Money and all Extension Payments, if any, shall be paid to Seller as final and liquidated damages, the Seller specifically waiving any other legal or equitable remedy and all other rights and obligations of the parties hereunder shall automatically be terminated.

ARTICLE 11 – MISCELLANEOUS

A. This instrument constitutes the entire agreement between the parties hereto with respect to the transaction herein contemplated and shall not be modified unless in writing and signed by all parties hereto.

B. Any notice required hereunder shall be deemed duly given upon receipt or refusal if delivered personally, sent by national overnight courier, mailed by registered or certified United States Mail, return receipt requested, postage prepaid or sent by facsimile transmission (with confirmed transmission receipt) and addressed or transmitted as follows:

if to Seller:

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

if to Purchaser:

WXZ Acquisition Co., LLC
c/o WXZ Development, Inc.
22720 Fairview Center Drive, Suite 150
Fairview Park, Ohio 44126
Attn: James R. Wymer
Fax No. 440.801.1689

with a copy to:

The Greater Cleveland Regional
Transit Authority
1240 West 6th Street
Cleveland, Ohio 44113
Attn: Senior Counsel-Contracts
and Real Estate

with copy to:

CARY J. ZABELL CO., L.P.A.
25700 Science Park Drive, Suite 250
Beachwood, Ohio 44122-7317
Attn: Cary J. Zabell, Esq.
Phone: 216.831.1111
Fax No. 216.831.8868

and a copy to:

Ostendorf-Morris Company
1100 Superior Ave., Ste 800
Cleveland, Ohio 44114
Attn: David O'Neill
Fax No. _____

C. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Purchaser may assign its rights and obligations hereunder to any third party, provided that Purchaser shall remain fully liable for all of its obligations hereunder.

D. Each term, covenant, and condition contained herein shall remain in full force and effect until the same has been fully performed.

E. Seller and Purchaser agree to cooperate in furtherance of this transaction and to execute any and all documents reasonably required to consummate this transaction. In the event of a dispute between the parties, the prevailing party shall be entitled to reimbursement for its costs, incurred as a result of such dispute. Seller hereby authorizes Purchaser to apply for any necessary governmental approval(s) required for Purchaser's intended use of the Property as a residential development, including zoning, provided any re-zoning shall only be effective after Closing.

F. This Agreement shall be construed in accordance with the laws of the State of Ohio. In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect for any reason, that such invalidity, illegality or unenforceability shall not affect any other provisions of this agreement.

G. Risk of loss to any improvements located on the Property or to the Property shall remain with the Seller until transfer of possession to the Purchaser which shall be on the Closing Date. In the event of an insured loss prior to Closing, Purchaser shall have the option of: (i) accepting the Property in its damaged condition as the result of such insured loss and receive the Seller's insurance proceeds together with Seller's insurance deductible at Closing; or (ii) terminating this Agreement.

H. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which any period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday.

I. This Agreement may be executed in two or more counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

J. Seller hereby agrees that it shall develop the Property in compliance with federal laws and regulations regarding Transit Oriented Development (TOD) If Purchaser does not commence construction of the planned development of multi-family townhouse units within two (2) years from the date the Deed is recorded and, within eighteen (18) months thereafter, open the development for occupancy, Seller may, in its sole discretion, cause title to revert back to Seller, its Successors or Assigns. Said reversion will be at the Purchase Price as stated in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

SELLER:
GREATER CLEVELAND REGIONAL
TRANSIT AUTHORITY

By: _____

Date: _____

PURCHASER:
WXZ ACQUISITION CO., LLC

By: _____
James R. Wymer, President

Date: 02/23/12

STATE OF _____)
) SS:
COUNTY OF _____)

BEFORE ME, a Notary Public in and for said County and State, did personally appear the above-named **Greater Cleveland Regional Transit Authority**, a political subdivision of the State of Ohio, by _____, its _____, who acknowledged to me that he/she did sign the foregoing instrument as such officer of said _____ and that the same is his free act and deed, and that of said _____.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at _____, _____, this _____ day of _____, 2012.

NOTARY PUBLIC

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

BEFORE ME, a Notary Public in and for said County and State, did personally appear the above-named **WXZ Acquisition Co., LLC**, an Ohio limited liability company, by **James R. Wymer**, its **President**, who acknowledged to me that he did sign the foregoing instrument as such officer of said limited liability company and that the same is his free act and deed, and that of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Cleveland, Ohio, this 23rd day of February, 2012.

NOTARY PUBLIC

CARY J. ZABELL, Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date.
Section 147.09 R.C.

EXHIBIT A

COPY OF RESOLUTION 2012-_____

EXHIBIT B

OUTLINE OF THE PROPERTY

[to be attached upon receipt of survey]

EXHIBIT C

LEGAL DESCRIPTION

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio and known as being all of Sublots Nos. 51, 52, and 53 of F.W. Smith's subdivision of a part of East Cleveland Township Lot No. 396, as the same as recorded in Volume 5 of Maps, Page 62 of Cuyahoga County Records. This parcel has a frontage of 120 feet on the Easterly side of East 118th Street near Euclid Avenue.

[to be verified upon receipt of title commitment]



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: CONTRACT: SALE OF 1641 E. 118 TH STREET VENDOR: WXZ ACQUISITION COMPANY, LLC AMOUNT: \$147,500.00	Resolution No.: 2012-26
	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 1641 E. 118th Street in the City of Cleveland is to remove excess real estate from RTA's real property inventory as required by applicable federal regulations. The sale of this parcel will turn valuable vacant land in growing University Circle into a viable development of 18 townhouses thereby generating population growth, investment, and additional revenue. Its development follows the principals of Transit Oriented Development (TOD) supporting higher density living nearby transit.

2.0 **DESCRIPTION/JUSTIFICATION:** RTA obtained ownership of 1641 E. 118th Street from the City of Cleveland pursuant to the 1975 Mass Transfer Agreement. The property was formerly used as a bus turn-around location. It is no longer used by GCRTA for any purpose.

After fielding inquiries regarding sale of the property, GCRTA listed the property for sale with a real estate broker in January 2011. GCRTA received an Offer of \$100,000 from University Park Townhomes, but that Offer was not accepted.

On November 21, 2011, GCRTA received an Offer from WXZ Acquisition Company, LLC for \$147,500.00 which is greater than the fair market value of the Property. WXZ Acquisition Company, LLC intends to construct residential townhomes on the property and has agreed to a reversion clause in the Purchase and Sale Agreement if development does not commence within two (2) years from the date of closing. The proposed residential fits with other residential development taking place adjacent to CWRU's campus and supports the GCRTA's goals for economic development.

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:** An appraisal determined the fair market value of the property to be One Hundred Forty Five Thousand Two Hundred Dollars and 00/100 (\$145,200.00). By letter dated March 8, 2012, GCRTA received concurrence for this sale from the Federal Transit Administration.

7.0 **ALTERNATIVES:** GCRTA can refuse to sell the property to WXZ Acquisition Company, LLC. GCRTA would have to continue to maintain the property.

8.0 RECOMMENDATION: The proposed sale of 1641 East 118th Street to WXZ Acquisition Company, LLC 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 WXZ Acquisition Company, LLC.

9.0 ATTACHMENTS: A. Location maps

B. Letters of support

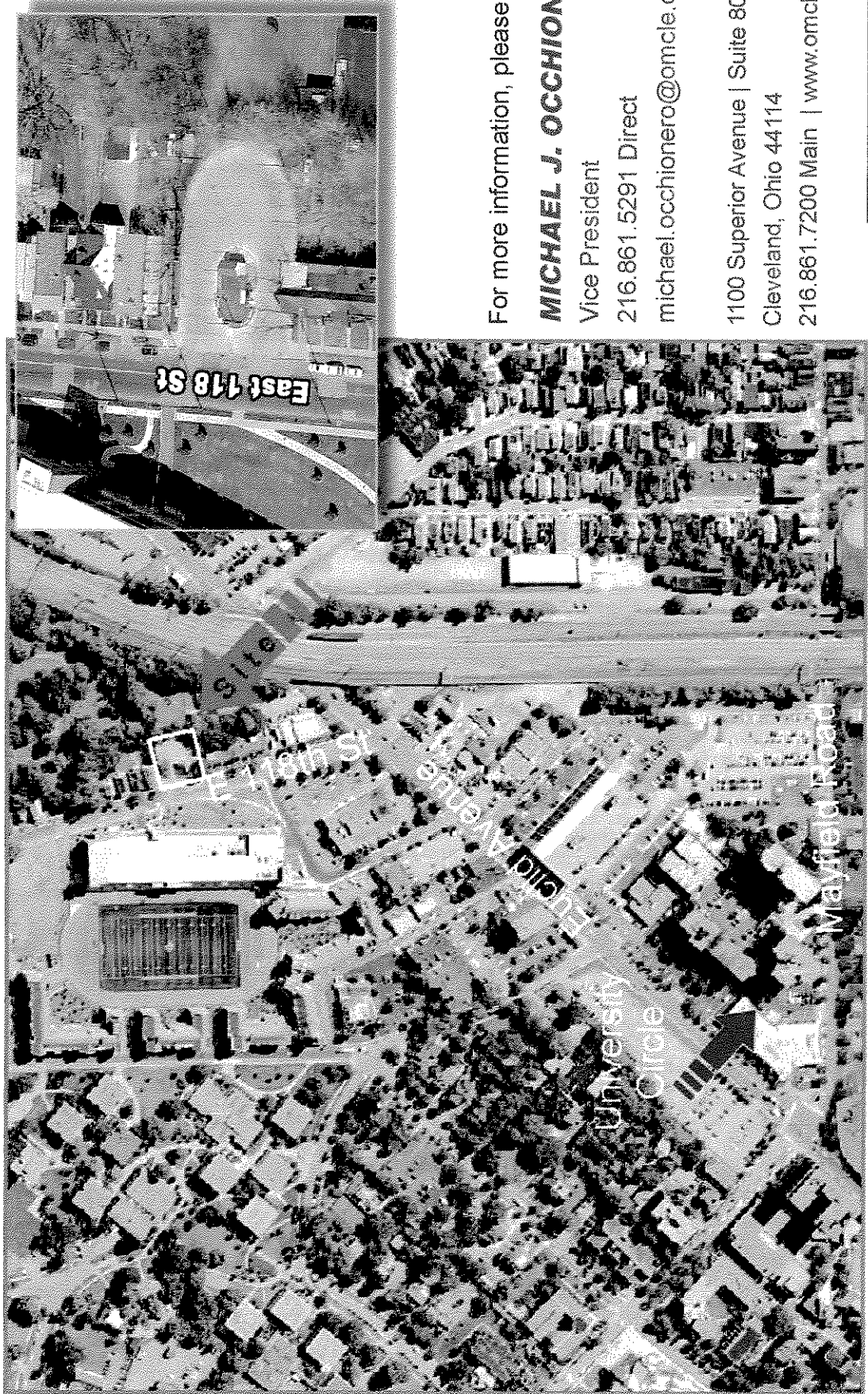
Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer

1641 EAST 118 STREET CLEVELAND, OHIO 44106

.37 ACRES FOR SALE



For more information, please contact:

MICHAEL J. OCCHIONERO

Vice President

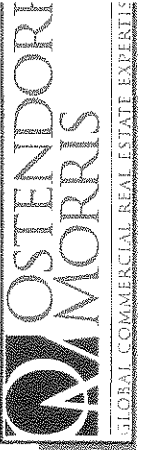
216.861.5291 Direct

michael.occhionero@omcle.com

1100 Superior Avenue | Suite 800

Cleveland, Ohio 44114

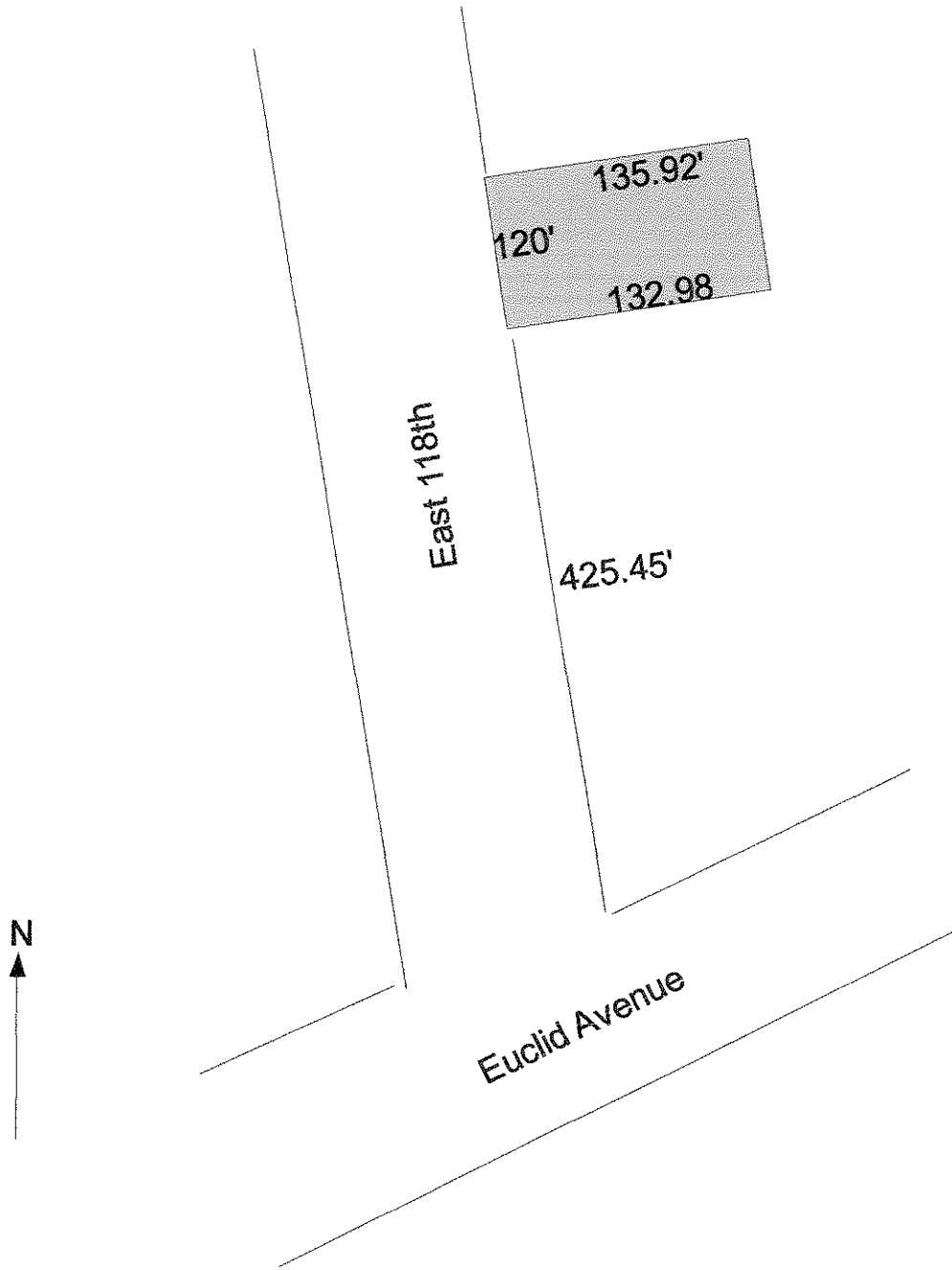
216.861.7200 Main | www.omcle.com



The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to make its accuracy as accurate as possible, we cannot guarantee its accuracy. Readers are encouraged to consult their professional advisors prior to relying on any of the materials contained in this report.

Subject Site:

ATTACHMENT A





March 14, 2012

Mr. Joseph Calabrese
Greater Cleveland Regional Transit Authority
1240 West 6th Street
Cleveland, OH 44113

Dear Joe:

With nearly \$3 billion of investment recently completed or underway, the University Circle neighborhood is truly beginning to reach its potential as a premier urban district. That distinction would certainly not be possible without all of the investment that RTA has made in the Healthline and continues to make in the two Red Line stations at Cedar-University and Mayfield Road. We thank you, your Board, and your staff for being such amazing partners on a myriad of projects.

As the community service corporation for the area, one of University Circle Inc.'s (UCI) goals is to increase density by building 1,000 new homes within the district. We are well on our way with improvements to the Commodore Place apartments and new residential construction at Uptown and Circle118, all of which sit right on the Euclid Avenue main transit spine. We see additional opportunities to partner with RTA and developers like WXZ Development to create more housing options that will generate even more transit riders.

UCI is in full support of WXZ Development's plans to construct a new multi-family residential development on the former bus turn around site located on East 118th Street in the Circle. This use comports with all of our plans for this highly residential street.

If you have any questions at all, please do not hesitate to call me at 216-791-3905. We thank you for your willingness to assist us in positively addressing these vacant and underutilized parcels by creating the ability for productive neighborhood development.

Sincerely,

Chris Ronayne
President

UNIVERSITY CIRCLE INC

Development Service Advocacy

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City of Cleveland

Office of the Council

Kevin Conwell

March 14, 2012 Councilman, Ward 9

Committees: City Planning • Employment, Affirmative Action & Training • Finance •

Mr. Joseph Calabrese Health & Human Services • Public Safety, Chair

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

Dear Joe:

As the Councilman representing the City of Cleveland's Ward 9, I am very excited about the significant infrastructure investment that RTA has committed to the Healthline and the two Red Line stations at Cedar-University and Mayfield Road. These transit investments provide invaluable transportation alternatives for our residents to get to and from employment opportunities in the region and also support the continued growth and development occurring in the Greater University Circle neighborhood.

In order to further support those public investments, I am working with a number of non-profits, institutional and private partners to enhance the residential opportunities within the neighborhood. Newly constructed residential projects including Circle118, Uptown, and Coltman27 provide a front door right on Euclid Avenue, which brings new riders to the Healthline.

One street that has a high potential to form an even stronger link between residential development and transit ridership is East 118th Street. Already a walkable residential street, I fully support the construction of a new multi-family residential development on the vacant parcel that formerly served as a bus turnaround site for the RTA. Building on this parcel will fill a void, while at the same time increasing safety and improving the character of the roadway by putting more residents' eyes on the street.

I am in support of RTA selling this unused parcel to allow for the construction of a multi-family development that supports the neighborhood's plans to create a premier urban district.

Sincerely,

Councilman Kevin J. Conwell
Ward 9

Cc: Chris Ronayne, President, UCI