

RESOLUTION 2017-93

AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO (1) ENTER INTO AN AGREEMENT WITH THE COUNTY OF CUYAHOGA FOR THE SALE OF THE HARVARD GARAGE LOCATED AT 2501 HARVARD AVENUE, NEWBURGH HEIGHTS, OHIO FOR \$3,800,000.00, AND (2) ENTER INTO AN AGREEMENT WITH THE COUNTY OF CUYAHOGA, DEPARTMENT OF PUBLIC WORKS FOR MAINTENANCE SERVICES VALUED AT \$200,000.00

WHEREAS, the Greater Cleveland Regional Transit Authority ("GCRTA") is the owner of record of the building and land located at 2501 Harvard Avenue, Newburgh Heights, Ohio, 44105 and further known as Permanent Parcel Numbers of 521-03-006 and 511-01-001 (the "Property"); and

WHEREAS, the Property was constructed by GCRTA in 1992; and

WHEREAS, the Property is vacant and is not currently used to support GCRTA operations; and

WHEREAS, the GCRTA has advertised and marketed the Property for sale through a fair and open process since 2008; and

WHEREAS, the Property has been on the GCRTA's list of excess properties with the Federal Transit Administration ("FTA") since 2008; and

WHEREAS, on August 11, 2017, the County of Cuyahoga ("County") submitted a Letter of Intent to purchase the Property for \$3,800,000.00; and

WHEREAS, the fair market value for the Property was determined to be \$4,000,000.00 by the property appraisal report and the value was verified by a review appraiser; and

WHEREAS, the County has proposed to combine with the purchase price certain services to GCRTA valued at \$200,000.00 under a Maintenance Services Agreement between GCRTA and the County, thus representing the full fair market value for the Property; and

WHEREAS, pursuant to Ohio Revised Code Section 306.43(H)(4) and GCRTA's procurement policies and procedures, competitive procedures are not required when the goods or services are procured from another political subdivision, public agency, public transit system, the state or the federal government; and

WHEREAS, the sale of the Property to the County was determined to be the highest and best use for the Property in accordance with GCRTA's real estate goals and objectives; and

WHEREAS, by selling the Property, GCRTA will decrease its annual holding costs associated with this Property which include, but are not limited to, insurance, maintenance, security, landscape expenses, utilities and storm water management fees; and

WHEREAS, the transaction is subject to final approval and concurrence by the FTA; and

WHEREAS, the proceeds from the sale of the Property will be used for qualified capital projects in compliance with FTA rules and regulations.

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

Section 1. That the land and building known as the Harvard Garage, located at 2501 Harvard Avenue, Newburgh Heights, Ohio, 44105 and further known as Permanent Parcel Numbers of 521-03-006 and 511-01-001 (the "Property") are hereby declared excess property.

Section 2. That the CEO, General Manager/Secretary-Treasurer is hereby authorized to execute a Purchase and Sale Agreement with the County of Cuyahoga and to execute all other documents required to sell and transfer the Property to the County of Cuyahoga ("County").

Section 3. That the CEO, General Manager/Secretary-Treasurer is hereby authorized to execute a Maintenance Services Agreement with the County.

Section 4. That the Board of Trustees determines that the purchase price of \$3,800,000.00 combined with certain services under a Maintenance Services Agreement valued at \$200,000.00 constitutes the fair market value of the Property, as determined by the property appraisal report and approved by a review appraiser.

Section 5. That this transaction with the County is subject to final approval and concurrence of the Federal Transit Administration.

Section 6. That the funds received from the sale of Property to the County will be deposited in the GCRTA Capital Development Fund and used for qualified capital projects, in accordance with FTA rules and regulations. Any expenditures that may be required for the Maintenance Services Agreement shall be payable through general operating accounts.

Section 7. That this resolution shall become effective immediately upon its adoption.

Adopted: October 24, 2017

  
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President

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



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

<p><b>TITLE/DESCRIPTION:</b>  <b>CONTRACTS:</b> SALE OF PROPERTY AT 2501 HARVARD AVENUE, NEWBURGH HEIGHTS, OH 44105 TO THE COUNTY OF CUYAHOGA, AND MAINTENANCE SERVICES AGREEMENT WITH THE COUNTY OF CUYAHOGA.</p> <p><b>PURCHASER:</b> THE COUNTY OF CUYAHOGA, A POLITICAL SUBDIVISION OF THE STATE OF OHIO.</p> <p><b>CONTRACT SERVICE PROVIDER:</b> THE COUNTY OF CUYAHOGA</p> <p><b>AMOUNT:</b> PROPERTY SALE: \$3,800,000.00          MAINTENANCE SERVICES AGREEMENT: VALUED AT \$200,000.00</p>	<p><b>Resolution No.:</b> 2017-93</p> <p><b>Date:</b> October 24, 2017</p> <p><b>Initiator:</b> Programming and Planning</p>
<p><b>Action Request:</b>  <input checked="" type="checkbox"/> Approval                  <input type="checkbox"/> Review/Comment                  <input type="checkbox"/> Information Only                  <input type="checkbox"/> Other _____</p>	

1.0 **PURPOSE/SCOPE:** The resolution seeks Board approval for the sale of the property known as the Harvard Garage located at 2501 Harvard Avenue and for the authority to enter into a Maintenance Services Agreement with the County of Cuyahoga for various maintenance services utilized throughout the GCRTA system. This sale will remove excess real property from GCRTA's real property inventory, as required by applicable federal regulations, and is consistent with the real estate goals and objectives of the GCRTA. The value of the Maintenance Services Agreement combined with the purchase price for the property will compensate GCRTA for the full fair market value of the property

2.0 **DESCRIPTION/JUSTIFICATION:** The property was constructed by GCRTA in 1992. The property was used to manage and support bus operations until 2008. The building and land have been listed on GCRTA's excess property listing with the FTA since 2008. Sale of this property will not adversely affect GCRTA bus operations and will transfer property ownership to the appropriate government entity for continued use as a garage and maintenance facility.

The sale to Cuyahoga County was determined to be the highest and best use for this excess property. The sale will significantly reduce the annual operating expenses required to maintain this excess property.

Cuyahoga County intends to consolidate four of its existing garages and relocate those operations to this property resulting in significant savings to County residents.

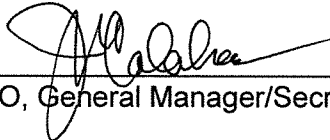
On August 11, 2017, the County offered \$3,800,000.00 for the property and capped their cash offer at that price. The fair market value of the property was determined to be \$4,000,000.00 by appraisal. To secure fair market value for the property, GCRTA will enter into a Maintenance Services Agreement with the County to provide GCRTA with sewer inspection, sewer cleaning, sewer maintenance, street and parking area cleaning, concrete work and select additional services. The term of the Maintenance Services Agreement will be for a minimum of six (6) years. The savings realized by contracting with the County will exceed the \$200,000.00 in additional value to secure fair market value for the Harvard Garage property.

The proposed sale of the property will not inhibit GCRTA's bus operations and will promote the real estate goals and objectives of GCRTA.

The transaction is subject to final approval and concurrence by the FTA.

- 3.0 PROCUREMENT BACKGROUND: Does not apply.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: The proposed sale of this property is consistent with the Real Estate Policies of the GCRTA.
- 6.0 ECONOMIC IMPACT: The purchase price of \$3,800,000.00 is less than fair market value for this property, as documented by appraisal report and review appraisal report. Over the term of the Maintenance Services Agreement, the value of the savings realized by contracting with the County for these maintenance services will exceed the \$200,000.00 difference between appraised value and purchase price offered. The combination of the purchase price and the savings resulting from the agreement with the County represents compensation at fair market value for the property.
- 7.0 ALTERNATIVES: The GCRTA can refuse to sell the Harvard Garage to the County and would have to continue to maintain the property and market it for sale.
- 8.0 RECOMMENDATION: Staff recommends the sale of the Harvard Garage and entering into a Maintenance Services Agreement with Cuyahoga County for at least six years to secure fair market value for the property.
- 9.0 ATTACHMENT: Location Map.

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

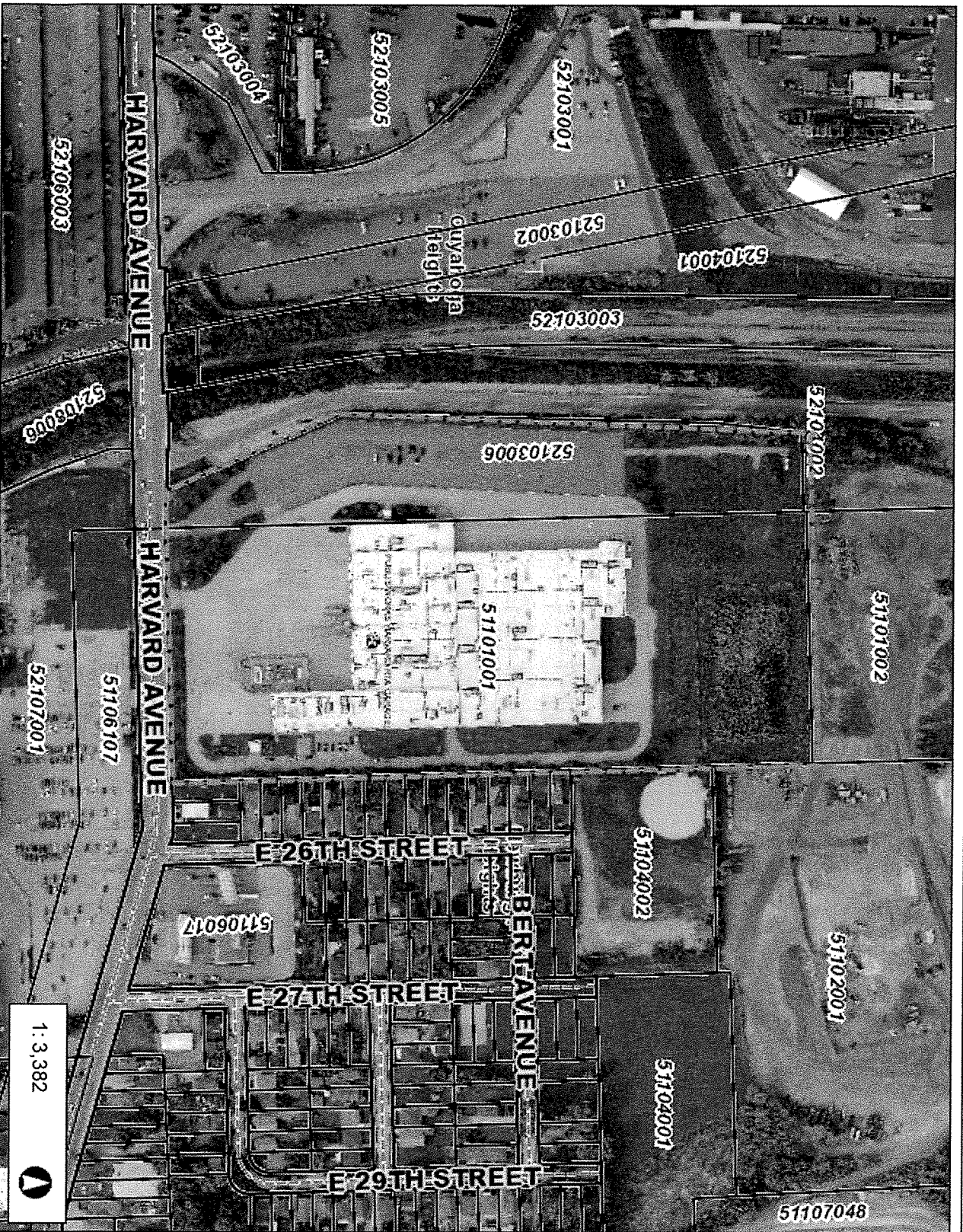


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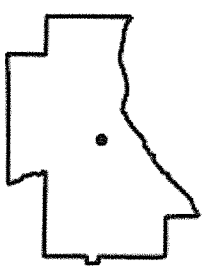
CEO, General Manager/Secretary-Treasurer



# HARVARD GARAGE - 2501 Harvard Ave, Newburgh Heights, OH 44105



1: 3,382



Date Created: 10/23/2017

### Legend

- Cuyahoga County Facility
- Point Parcels
- Right Of Way
- Platted Centerlines
- Parcels
- Municipalities

564  
0  
282  
564 Feet

Projection:  
MGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.  
THIS MAP IS NOT TO BE USED FOR NAVIGATION