

RESOLUTION 2020-23

AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO EXECUTE A DEVELOPMENT AND USE AGREEMENT WITH CARNEGIE MANAGEMENT AND DEVELOPMENT CORPORATION, AN OHIO CORPORATION, TO ADVANCE THE COLUMBUS ROAD TRANSIT-ORIENTED DEVELOPMENT PROJECT

WHEREAS, on March 26, 2019, the Board of Trustees adopted Resolution 2019-33 authorizing GCRTA to enter into a non-binding Letter of Intent with Carnegie Management and Development Corporation, an Ohio Corporation ("CMD"), for the transit-oriented development ("TOD") of GCRTA property located at Columbus Road and Abbey Avenue ("Property"), adjacent to the West 25th Street Rapid Transit Station; and

WHEREAS, on October 25, 2019, GCRTA and CMD executed a non-binding Letter of Intent, outlining terms and conditions for the TOD project; and

WHEREAS, the GCRTA has determined it is in GCRTA's best interest to enter into a Development and Use Agreement ("DUA") with CMD for the purpose of developing the TOD project on the Property; and

WHEREAS, CMD has successfully developed and managed high quality mixed-use commercial real estate projects throughout the United States and intends to do so on this Property; and

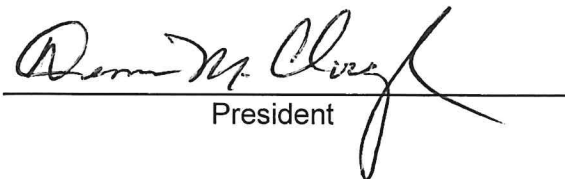
WHEREAS, entering into a DUA with CMD is in full compliance with the stated real estate goals and objectives of the GCRTA and the FTA.

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 General Manager, Chief Executive Officer is hereby authorized to execute a Development and Use Agreement with Carnegie Management and Development Corporation to advance the planning, design, construction and operation process of the transit-oriented development project located at Columbus Road and Abbey Avenue, in Cleveland, Ohio, adjacent to the West 25th Street Rapid Transit Station.

Section 2. That this resolution shall become effective immediately upon its adoption.

Adopted: March 24, 2020



President

Attest: 

Interim Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: A DEVELOPMENT AND USE AGREEMENT WITH CARNEGIE MANAGEMENT AND DEVELOPMENT CORPORATION TO ADVANCE THE COLUMBUS ROAD TRANSIT-ORIENTED DEVELOPMENT ("TOD") PROJECT DEVELOPER: CARNEGIE MANAGEMENT AND DEVELOPMENT CORPORATION, AN OHIO CORPORATION VALUABLE CONSIDERATION: PURCHASE OF THE DEVELOPMENT SITE, DEVELOPMENT OF A MULTI-USE TOD AND LONG-TERM REVENUE FROM THE TOD PROJECT	Resolution No.: 2020-23
	Date: March 19, 2020
	Initiator: Programming & 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 resolution seeks GCRTA Board of Trustees' approval for the General Manager, Chief Executive Officer to execute a Development and Use Agreement ("DUA") with Carnegie Management and Development Corporation ("CMD") to plan, finance, develop and operate a mixed-use transit-oriented development ("TOD") project on property owned by GCRTA after purchasing the property. The property is located at the intersection of Abbey Avenue and Columbus Road in Cleveland, Ohio, known as part of Cuyahoga County Permanent Parcel Nos. 007-11-021, 007-11-022 and 007-11-025, in addition to certain development air rights ("Property").

2.0 **DESCRIPTION/JUSTIFICATION:** CMD was selected by a "Request for Qualifications" process to develop the Property and is now prepared to perform due diligence, design, finance, construct and operate the TOD project (the "Project"). On March 26, 2019, the Board of Trustees adopted Resolution 2019-33 authorizing GCRTA to enter into a non-binding Letter of Intent with CMD for the Project. GCRTA and CMD executed a non-binding Letter of Intent for the TOD on October 25, 2019. This TOD will enhance the West 25th Street Rail Station and promote increased use of the Red Line.

A mixed-use TOD was determined to be the highest and best use for this excess Property, as it will promote the TOD, economic development and real estate goals of the GCRTA. CMD is a highly respected national developer, owner and manager of quality mixed-use real estate projects. GCRTA will retain an ownership position in the single-asset entity that will own the TOD along with CMD. After the sale of the Property, the non-recourse, non-dilutable ownership position will provide GCRTA with long-term revenue for the life of the TOD. This joint development strategy is in compliance with the public-private partnership goals established by the FTA and described in FTA Circular 7050.1A.

3.0 **PROCUREMENT BACKGROUND:** Does not apply.

4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Does not apply.

- 5.0 POLICY IMPACT: The DUA and Project are in compliance with the TOD guidelines established by the GCRTA and FTA and fully comply with the Real Estate Guidelines of the GCRTA.
- 6.0 ECONOMIC IMPACT: The Project will provide GCRTA with significant revenue including the fair market, appraised value of the Property and at least a three percent (3%) non-recourse, non-dilutable ownership position in the legal entity that owns the Project for the life of the Project.
- 7.0 ALTERNATIVES: The GCRTA can refuse to execute the DUA and terminate the TOD process.
- 8.0 RECOMMENDATION: On March 3, 2020, this Project was reviewed by the Board Committee of the Whole. Staff recommends that the Board of Trustees authorize the execution of the Development and Use Agreement with Carnegie Management and Development Corporation to advance the Project through design, construction and operation.
- 9.0 ATTACHMENT: A. Location Map

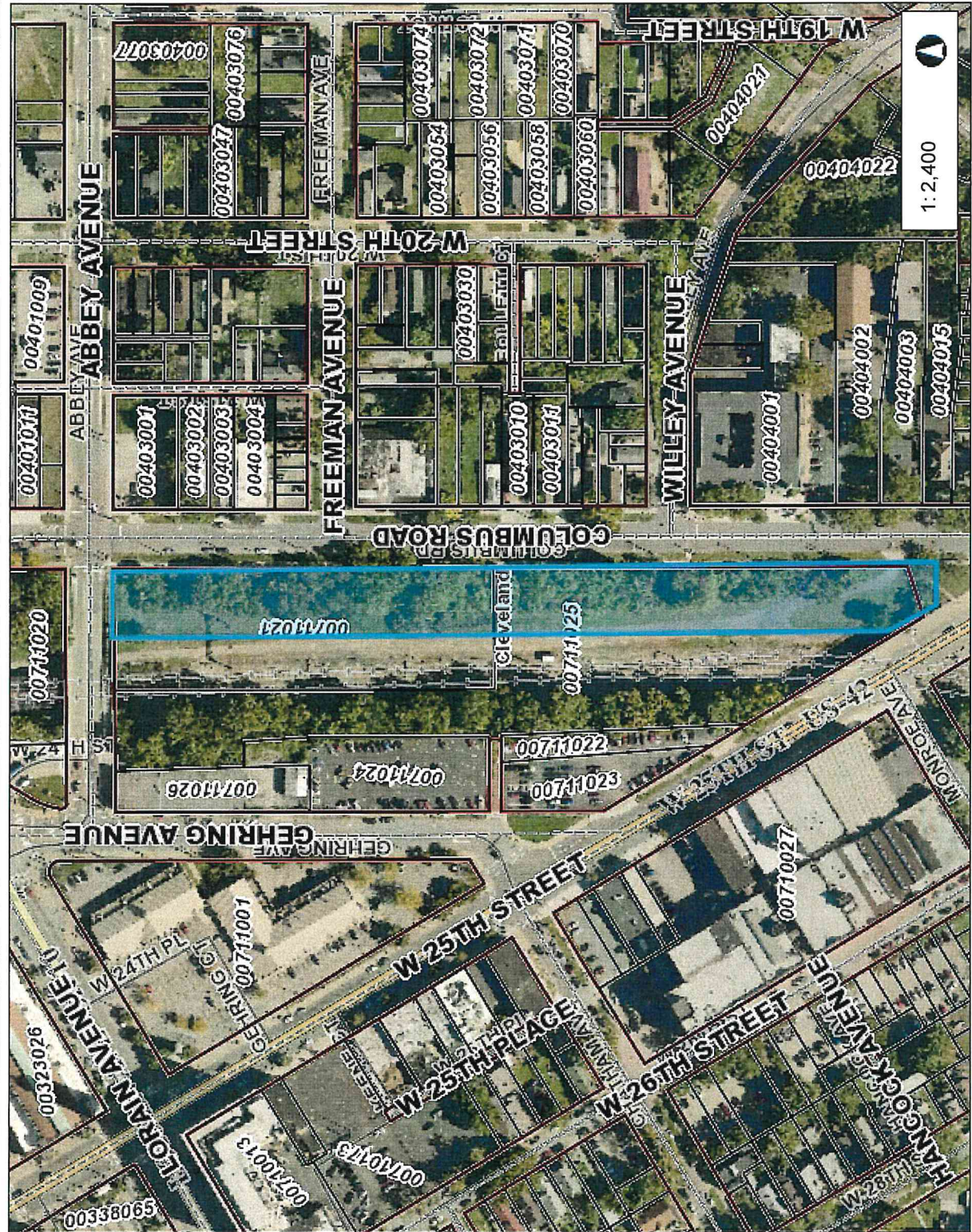
Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



General Manager, Chief Executive Officer



ATTACHMENT A Columbus Road Development Site



Projection:
WGS_1984_Web_Mercator_Auxiliary_Sphere

1:2,400

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



Date Created: 3/1/2018

- Legend
- Municipalities
 - Point Parcels
 - Right Of Way
 - Platted Centerlines
 - Parcels

