

RESOLUTION 2020-24

TO AMEND RESOLUTION NO. 2019-92, AUTHORIZING THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY TO ENTER INTO A PURCHASE AND SALE AGREEMENT, INCLUDING AN ADDITIONAL CONTRIBUTION FOR TRANSIT-ORIENTED-DEVELOPMENT, WITH CIVIC PROPERTY DEVELOPMENT, LLC, FOR PROPERTY LOCATED AT 5508-5810 EUCLID AVENUE, CLEVELAND, OH 44113

WHEREAS, the Greater Cleveland Regional Transit Authority ("GCRTA") is the Owner of record of the land located at 5508-5810 Euclid Avenue in the City of Cleveland, Ohio 44113, which has Permanent Parcel Numbers of 118-11-001, 118-11-005, 118-11-007, 118-11-008, 118-11-009 118-11-010 and 118-11-011 (the "Property"); and

WHEREAS, the Board of Trustees adopted Resolution No. 2019-92 on August 20, 2019, authorizing the sale of said Property to Civic Property Development, LLC for an amount of \$550,000.00 with an additional \$50,000.00 contribution; and

WHEREAS, during the due diligence period contemplated by the purchase agreement, Civic Property Development, LLC performed site investigations and due diligence activities that resulted in the discovery of unforeseen site conditions on the Property; and

WHEREAS, GCRTA and Civic Property Development, LLC entered into negotiations to compensate for the additional site development costs that would result from the unforeseen site conditions; and

WHEREAS, GCRTA and Civic Property Development, LLC agreed that the sale price would remain unchanged and that the additional contribution originally agreed to would be reduced from \$50,000.00 to \$20,000.00 to mitigate the additional site development costs resulting from the unforeseen site conditions.

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

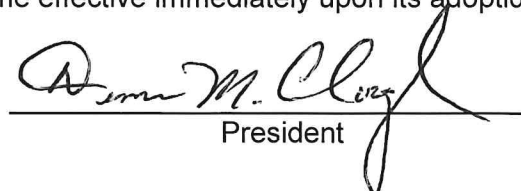
Section 1. That Section 4 of Resolution No. 2019-92 be amended to read as follows:

That conditioned upon the closing of the transaction, the General Manager, CEO is hereby authorized to accept a contribution from Civic Property Development, LLC in the amount of Twenty Thousand Dollars (\$20,000.00) for planning future transit-oriented development projects in the City of Cleveland.

Section 2. That all other provisions set forth in Resolution No. 2019-92 shall remain in effect.

Section 3. That this resolution shall become effective immediately upon its adoption.

Adopted: March 24, 2020



President

Attest: 

Interim Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: TO AMEND RESOLUTION NO. 2019-92 PURCHASER: CIVIC PROPERTY DEVELOPMENT, LLC, AN OHIO NON-PROFIT LIMITED LIABILITY COMPANY AMOUNT: REDUCE CONTRIBUTION FROM \$50,000 TO \$20,000	Resolution No.: 2020-24
	Date: March 19, 2020
	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:** This amendment is to reduce the amount of the approved contribution to mitigate for unforeseen site conditions that Civic Property Development, LLC discovered during the due diligence period agreed upon by the parties in the transaction authorized by the Board by Resolution No. 2019-92 on August 20, 2019. The sale of property located at 5508-5810 Euclid Avenue, Cleveland, OH 44113 will remove excess real property from GCRTA's property inventory, as required by applicable federal regulations, and promote transit oriented development ("TOD") on vacant land no longer needed for its original purpose.

- 2.0 **DESCRIPTION/JUSTIFICATION:** After the Board adopted Resolution No. 2019-92 Civic Property Development, LLC. performed additional site investigations and due diligence activities that resulted in the discovery of unforeseen site conditions. Those unforeseen site conditions would result in additional site development costs to Civic Property Development, LLC.

 After negotiation, GCRTA and Civic Property Development, LLC agreed that the sale price would remain unchanged and that the additional contribution originally agreed to would be reduced from \$50,000.00 to \$20,000.00 to partially mitigate the additional site development costs resulting from the unforeseen site conditions. Therefore, Resolution No. 2019-92 needs to be amended.

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

- 4.0 **AFFIRMATIVE ACTION/DBE 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 Five Hundred Fifty Thousand Dollars (\$550,000.00) approved in Resolution No. 2019-92 will remain unchanged. However, the additional contribution in Resolution No. 2019-92 will be reduced from Fifty Thousand Dollars (\$50,000.00) to Twenty Thousand Dollars (\$20,000.00) to mitigate the cost of the unforeseen site conditions.

- 7.0 **ALTERNATIVES:** GCRTA can refuse to amend Resolution 2019-92 and address the unforeseen site conditions prior to closing the transaction, or cancel the sale of the property to Civic Property Development, LLC and continue to maintain the property and market the property for sale.

- 8.0 RECOMMENDATION: Staff recommends amending Resolution No. 2019-92 regarding the proposed sale of 5508-5810 Euclid Avenue, Cleveland, OH 44113 to Civic Property Development, LLC, with the reduction to the additional contribution amount.
- 9.0 ATTACHMENTS: None

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



General Manager, Chief Executive Officer