

County Council of Cuyahoga County, Ohio

Resolution No. R2014-0251

<p>Sponsored by: County Executive FitzGerald/Department of Public Works</p> <p>Co-sponsored by: Councilmember Connally</p>	<p>A Resolution making an award on RQ24534 to East 22 Redevelopment LLC for lease with an option to purchase County-owned property commonly known as the former Juvenile Court Complex, located at 2210 Cedar Road, Cleveland, for the period 1/1/2015 - 12/31/2059; authorizing the County Executive to take all necessary actions and to execute all documents necessary to consummate the contemplated transactions; authorizing the Director of Public Works to administer the project; and declaring the necessity that this Resolution become immediately effective.</p>
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WHEREAS, Cuyahoga County engaged the services of Allegro Realty Advisors (“Allegro”) to conduct an audit of the County’s real-estate needs and come forth with a set of recommendations for the County; and

WHEREAS, Allegro recommended that the County place 13 properties then owned by the County for sale, including the former Juvenile Court Complex located at 2210 Cedar Road, Cleveland, Ohio; and

WHEREAS, the County engaged the services of CBRE, Inc. (“CBRE”), a commercial real estate services firm, to serve as the real estate portfolio program manager, provide brokerage services, and represent the County in connection with the real estate portfolio program; and

WHEREAS, CBRE worked with the County to prepare and issue a request for proposals, RFP # 24534, (the “RFP”) for the real property consolidation project in accordance with the County’s Contracting and Purchasing Procedures Ordinance; and

WHEREAS, the County received the original herein approved proposal from Liberty Development Company in contemplation of developing the former Juvenile Court Complex (the “Property”) as a public college preparatory boarding school in collaboration with Campus District, Inc., a non-profit corporation that provides community development services to connect Cleveland’s downtown campuses;

WHEREAS, during the process of negotiations, Campus District, Inc. took the lead and formed East 22 Redevelopment LLC to lease with an option to purchase the Property from the County in order to apply for and obtain state and federal historic tax credits to develop the Property as a public college preparatory boarding school; and

WHEREAS, the proposal is to lease the Property from the County for forty-five (45) years at \$1.00 per twelve months for rent (exclusive of maintenance and utilities) for the first twenty-four months of the lease term, then the rent shall increase to One Million Dollars per twelve months if East 22 Redevelopment LLC, has not exercised its purchase option by the end of the twenty-fourth month of the lease term.

WHEREAS, if East 22 Redevelopment LLC exercises its purchase option by the end of the twelfth month of the Lease term, the purchase price for the Property shall be \$350,000.00; if East 22 Redevelopment LLC exercises its option after the expiration of the first twelve months of the lease term, the purchase price shall increase \$10,000.00 on the first day of each following month until the closing on the sale of the Property; and

WHEREAS, the County will provide the labor for such ordinary and necessary maintenance and repairs during the term; and,

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue and to provide for the usual, daily operation of a County entity.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. That the Cuyahoga County Council hereby awards the lease with an option to purchase the former Juvenile Court Complex to East 22 Redevelopment LLC and authorizes the County Executive to enter into a lease agreement with an option to purchase with East 22 Redevelopment LLC for same.

SECTION 2. That the County Executive or his authorized designee is authorized to (a) take all actions, and to execute, acknowledge, deliver and/or file for record (as and where appropriate) (i) all documents and instruments necessary or desirable to facilitate and/or consummate the transactions contemplated hereby, including, but not limited to, a Lease Agreement, Purchase and Sale Agreement, and all documents to be executed by the County thereunder, and all financing-related documents (including but not limited to subordination, non-disturbance and attornment agreements, pledges, and security agreements), (ii) all other and further documents, instruments, certificates, agreements, amendments, assignments, subleases, consents, affidavits, certifications, disbursement authorizations, settlement statements, closing statements, proration statements, escrow agreements, escrow instructions, and notices, and (iii) amendments, modifications and supplements to any of the foregoing, that the County Executive may deem necessary or advisable in

connection with the consummation of the transactions contemplated hereby, in all cases containing such terms and conditions as may be approved by the County's Director of Law, (b) agree to such payments, prorations, credits, deposits, holdbacks, escrows and other arrangements as may be necessary or advisable in connection therewith to facilitate and/or consummate such transactions, and (c) prosecute and/or defend any actions or proceedings that may be necessary or advisable relative to any of the foregoing matters.

SECTION 3. That the Director of Public Works is authorized to administer the project through its milestones and be responsible for any ongoing approval rights under the Lease.

SECTION 4. That all documents to be executed in connection with the transactions contemplated herein be subject to the Law Director's approval as to legal form and correctness.

SECTION 5. It is necessary that this Resolution become immediately effective for the usual daily operation of the County, the preservation of public peace, health, or safety in the County, and any additional reasons set forth in the preamble. Provided that this Ordinance receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

SECTION 6. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by Mr. Jones, seconded by Mr. Germana, the foregoing Resolution was duly adopted.

Yeas: Gallagher, Schron, Conwell, Jones, Hairston, Simon, Greenspan, Miller, Brady, Germana and Connally

Nays: None

County Council President

Date

County Executive

Date

Clerk of Council

Date

First Reading/Referred to Committee: October 28, 2014

Committee(s) Assigned: Public Works, Procurement & Contracting

Additional Sponsorship Requested on the Floor: November 12, 2014

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