

Minutes

RTA Audit, Safety Compliance & Real Estate Committee Meeting

8:51 a.m., March 5, 2019

Committee: Moss (Chair), Lucas (Vice-Chair), Joyce, McCall, Welo

Other Board members: Bibb, Byrne, Clough, Serrano

Not present: None

Also Present: Anderson, Benford, Bober, Burney, Caver, Ciesla, Coppock, Cottrell, Cranford, Czeck, Dangelo, Davis (C), Davis (J), Fields, Garofoli, Gautam, Gibbons, Gillan-Shafron, Hambro, Jackson, Jaszczak, Johnson, Jones, Keshtkaran, Kirkland, Laule, Lendel, Lewis, Ilg, Loh, Moser, Muti, Pasha, Penning, Prendergast, Rusnov, Schipper, Schultz, Shaffer, Shariff, Sims, Smith, Snell, Sohrabian, Stocking, Tarka, Togher, Vukmanic, Wilson, Young, Zeller

Ms. Moss called the meeting to order at 8:51 a.m. The secretary called the roll and reported that four (4) board members were present. Rev. Lucas arrived after the roll call. Chief McCall reused herself from the discussion.

Real Estate Update on Columbus Road TOD project

Jim Rusnov, real estate manager, gave the presentation. This will be an update on the RFQ process for the Columbus TOD project. The committee will be asked to forward this to the full board to authorize a letter of intent with the preferred development partner. The site is an ideal bridge location between the Ohio City Market District and the Duck Island neighborhoods. The site is immediately surrounded by the W. 25th Rapid Station to the north, St. Gwendolyn Catholic Parish to the south and southeast, the Duck Island neighborhood to the east and RTA's Red Line rapid transit tracks and the new proposed RLGW to the west.

The process began with the stated intent to qualify a development partner capable of producing a TOD project consistent with both RTA and FTA TOD guidelines and to negotiate a deal structure that would produce long term sustainable revenue for RTA. It would be catalytic for the surrounding neighborhoods, increase ridership for RTA and use the leverage of the private investment for improvements to the W. 25th Rail Station. More than a year ago, a comprehensive RFP process began that mirrors the State of Ohio's process for qualifying, selecting and contracting for professional services. A RFQ based selection process was preferred over a RFP based process, allowing RTA the maximum flexibility to qualify and select a development partner. It also creates the opportunity to negotiate the most advantageous deal structure.

The RFQ was issued on August 27, 2018. Forty-seven (47) development teams received the statement and 12 more downloaded the RFQ from RTA's website. The 59 recipients were local, regional and national development firms. Thirteen (13) development teams attended a pre-submittal meeting at RTA, September 13. Five formal responses were received by the October 11 deadline. The RTA selection committee reviewed each submittal and ranked the responses. Two development teams were shortlisted and invited to make formal presentations to the selection committee on November 12. After completion of a second review and ranking, the highest ranked development team was notified November 20, 2018. He began negotiations with the highest ranked development team with the intent of reaching an agreement on basic terms and conditions for a potential transaction. The letter of intent is the tangible product of the negotiations.

The selected firm is Carnegie Management and Development Corporation of Westlake, Ohio. Carnegie along with their six team consultants (with specialties in site and building construction, residential and commercial design, TOD design, landscape design, community relations and finance) met or exceeded the evaluation criteria. Staff request this committee and the full board to enter into a non-binding letter of intent with this development team. Upon executing a letter of intent, the parties will initiate and complete a due diligence process over the next 9 months. A determination will be made during that period to both proceed and enter into a binding development and use agreement or to terminate the process. RTA retains the option to terminate the process and to offer the opportunity to the next highest ranked developer in the RFQ process, if an agreement cannot be reached with Carnegie.

The binding development and use agreement would require approval by the board and concurrence from the FTA. The parties have agreed to the major components in the letter of intent, which includes developing and managing an extensive community engagement process, define all project components defined by market analysis, input from stakeholders and will result in a site plan and concept plan that satisfies RTA's TOD goals. The parties will clearly define their economic relationship and agree to quantify that relationship with input and verification from an independent 3rd party real estate consultant. The project schedule and timeline will be finalized as the project moves through design, permitting construction and completion. DBE goals will be established by RTA after the project receives clear definition.

The development team will engage with RTA, Metroparks and the Rotary Club to ensure the RLGW is an essential design element in the TOD plan. Innovative site design and improvements will produce improved connectivity between the project, Greenway, rail station, bus lines, neighborhoods and other existing and planned transit options in the area. With responsive and innovative planning, the final project design will create an active, livable, walkable environment to reach the stated goal of increased transit ridership. The TOD project, RLGW and other transit options can and will provide key components for advancing of the Reconnecting Cleveland Plan. One of the primary goals of this project is to create connectivity and improved access between the existing transportation links and the new transportation modes planned for this area. This TOD site is ideal for connecting the existing seven bus lines, Red Line Rapid and the well-defined street grid with the planned RLGW and new BRT service on W. 25th Street, as well as making a direct connection to the Metroparks trail system. This TOD project provides a key link to the Metroparks Reconnecting Cleveland Plan.

Staff recommends this committee's approval of authorization to execute a letter of intent with Carnegie Management and Development Corporation and referral to the full board for action.

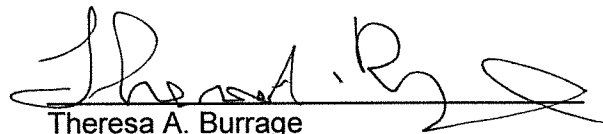
Ms. Moss said the board has been following this for a while having received several presentations on this item. They also hired a firm to evaluate the proposal. The firm suggested there be some provision in the letter of intent so that RTA's 3% interest in the property would not be diluted. Ms. Moss asked if the provision could be added. Jim said he would include it. Mayor Clough said this took a lot of work and believes a lot of issues were addressed with preserving greenspace and provides an opportunity for an example of a good future development of this type of project.

It was moved by Mayor Welo, seconded by Mr. Joyce and approved by unanimous vote.

Ms. Moss adjourned the meeting at 9:08 a.m.



Floun'say R. Caver, Ph.D., Interim CEO
General Manager/Secretary/Treasurer



Theresa A. Burrage
Executive Secretary