

Minutes

RTA Audit, Safety Compliance & Real Estate Committee Meeting

9:37 a.m., Wednesday, April 2, 2024

Committee Members: Koomar (Chair), Welch (Vice Chair), Mersmann, Sleasman, Weiss

Other Board Members: Biasiotta, Love, Lucas, Pacetti

Not present: McPherson

Staff: Birdsong Terry, Brooks Williams, Burney, Caver, Dangelo, Davidson, Fesler, Fields, Fleig, Ford, Freilich, Garofoli, Gautam, Gibson, Grubb, Haradem, Jupina, Laule, Marquit Renwald, McGervey, Mothes, Prebish, Reed, Rosenlieb, Rusnov, Schipper, Talley, Tarka, Thompson, Togher, Walker-Minor

Public: DCI consultants (virtual), Gibbons, Hagar, Loh, Russell

The meeting was called to order at 9:37 a.m. There were five (5) committee members present.

Lease Agreement – 2 Birds Shuttle and Detail LLC adjacent to Puritas West 150th Street Station

James Rusnov, Senior Real Estate Manager gave the presentation. This is for a lease renewal for an existing tenant 2 Birds Shuttle and Detail LLC. Anthony Russell is the owner of 2 Birds. In late 2018 Mr. Russell approached RTA with his business concept to provide a new level and a variety of customer service amenities at the Puritas Station. Amenities included secure overnight parking, limited shuttle service to and from the airport, auto detailing services and a small retail convenient center. Staff determined the concept to have merit and to fit into the parameters of RTA's real estate goals and objectives. The concept also presented a unique and welcome amenity package to Puritas Rail Station customers on underutilized adjacent property.

In Feb. 2020, administration offered a short-term two-year lease with a possible extension to Mr. Russell and to test the validity of our analysis and observe Mr. Russell's operation and business practices. Unfortunately, the pandemic affected the startup of his business. Despite the unprecedented challenge of launching the business during this time, Mr. Russell persevered. He was found to be diligent, professional and honorable in complying with all the terms and condition of the original lease. This lease will afford him the opportunity to realize his original business plan.

Tenant Performance:

- Initial term commenced April 2020
- Business plan delayed due to Pandemic
- Tenant complied with terms of lease
- Renewal will initiate opportunity to achieve original business goals

Renewal Terms:

- Ten-year term to facilitate leasehold improvements by tenant
- Annual rent increases
- GCRTA reserves the right to cancel
- Improvements require prior approval
- Premises maintained in good condition

Benefits:

- Proactive effort to promote GCRTA Real Estate Program goals and objectives
- Promotes ridership at Puritas Station
- Provides customer amenity
- Reduces maintenance costs

Staff requests that the Audit, Safety Compliance and Real Estate Committee recommend this renewal lease with 2 Birds Shuttle and Detail, LLC to the Board of Trustees for approval.

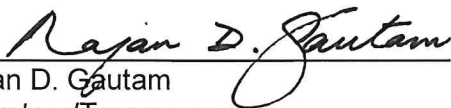
Mr. Sleasman asked about the building usage and the terms of the original lease. Mr. Rusnov said it has two service bays, an administrative office and small convenience store. Ms. Birdsong Terry supports the lease renewal. The original lease was for two years with a one-year option. The rent was \$1,000/mo. with CPI adjustments. The new lease will be a ten-year program allowing him to finance significant lease hold improvements. Each year the rent will increase from its existing level through CPI adjustments to a peak of \$15,500 per year.

When the station was designed, the concept was to have many parking spaces to access the station. As service adjustments were made, the lease area was primarily vacant. Currently Mr. Russell's customers are using the property. The station parking area is lightly used. Staff hopes to create new activity at this station and additional use of all properties. Several properties are underutilized. The general approach with TOD is to reactivate those for economic usage for customer convenience and allow RTA to adapt its system to customer preferences.

Mr. Love asked if there is a DBE goal strategy for property use. Ms. Birdsong Terry said staff will host a DBE participation informational with NAMC and the CUBE Symposium for Greater Cleveland Partnership. This is more of a diversity project by a minority owned business. This lease unintentionally meets a DBE requirements. Mr. Russell thanked the RTA for their support. A major portion of his business prospects was generated from the initial lease. The detail shop will serve large vehicles and commercial vehicles.

It was moved by Mayor Weiss, seconded by Ms. Welch and approved to move to the full Board.

The meeting was adjourned at 9:45 a.m.



Rajan D. Gautam
Secretary/Treasurer



Theresa A. Burrage
Executive Assistant