

LEGISLATIVE SUMMARY
Mayor's Office of Capital Projects
Division of Real Estate

PURCHASE AND LEASEBACK AGREEMENT FOR SOUTH HIGH SCHOOL

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| Ordinance No: | XXX-2021 |
| Legislative Purpose: | To authorize the Director of the Department of Public Safety to enter into a purchase and leaseback agreement with Cleveland Metropolitan School District ("CMSD") for South High School located at 7415 Broadway Ave. and to enter into contracts for make improvements to facilitate a Public Safety Training Academy facility. |
| Project Summary: | <p>South High School is approximately 251,384 square feet in size. This two story facility was built in 1968 and includes underground and outside parking, a large auditorium, inside track, gymnasium, library, and football field. City's Stella Walsh Recreation Center adjoins South High School and is located on CMSD property pursuant to a ground lease. The entire property, including Stella Walsh, is approximately 11.52 acres.</p> <p>Since the closing of South High School in 2010, CMSD has used a portion of the building but does not need the entire building. CMSD has explored adaptive reuses of the building. Discussion with the City of Cleveland has been ongoing because of the importance of the building in the neighborhood and because the school is attached to City's Stella Walsh Recreation Center.</p> <p>City has determined that it wishes to redevelop South High School into an expanded Public Safety Training Academy for its Safety Divisions (Police, Fire and EMS). The vision is to hold Public Safety Academy classes at South High School as well as to accommodate a cadet program and youth vocational program in partnership with CMSD.</p> |

Police and EMS academy classes have traditionally been conducted in just a few classrooms at their respective headquarters, while Fire holds its classes at the Fire Training Academy. It has been the goal of the Public Safety to expand into a space where divisions would have enough classrooms and parking to schedule both cadet and recruit basic training, in-service training, and specialized training. South High School has sufficient space to allow for a Public Safety Training Academy for Police, Fire and EMS.

South High School also features a complete gymnasium facility with several different areas that could be adapted to our Physical Training and Subject Control courses. The facility includes a weight room, sizeable locker rooms, an indoor running track, full size basketball court and outdoor athletic field. Our Gymnasium Unit staff are dedicated to providing the most current training to basic Safety recruits and cadets, as well as offering re-certification training and advanced training to our veteran first responders. South High School would allow them to conduct several different training courses simultaneously, which is not possible at current division training facilities.

The Department of Public Safety will coordinate shared use of the gymnasium and football field with the Department of Public Works for use by Stella Walsh Recreation Center when not needed by Public Safety. Likewise the Department of Public Works will coordinate shared use of the pool and other facilities at Stella Walsh by the Department of Public Safety when not needed by Public Works.

In addition, South High School has a large underground secured parking garage which can be used to conduct training during bad weather. Training activities such as vehicle stops and approaches, citizen encounters, agility test and scenario based training could be safely conducted here as well.

Like other big city safety departments across the United States, Cleveland's Department of Public Safety is struggling to recruit and retain qualified candidates. Being located in Slavic Village and forming partnerships with CMSD and community stakeholders like Third Federal Foundation would allow the Department of Public Safety the opportunity to promote career opportunities in public safety and draw potential candidates from our own neighborhoods. CMSD and City will work collaboratively to develop various programs and curriculum designed for students to have a career pathway into Public Safety. These students will be instructed by CMSD teachers for a certain number of hours or days per week at South High School in conjunction with division academy staff.

Type of Transaction: Purchase and Leaseback -- CMSD is permitted under the Ohio Revised Code to convey a building owned by the political subdivision to a purchaser who is obligated, immediately upon closing, to lease all or portions of the building back to CMSD. The purchase and leaseback agreement must obligate the lessor to make public improvements to all or portions of the building subject to the lease, including renovations, energy conservation measures, and other measures that are necessary to improve the functionality and reduce the operating costs of the portions of the building that are subject to the lease.

Purchase Price: South High School was appraised in September 2020 at \$435,000. Under the proposed purchase and leaseback transaction, CMSD would transfer South High School building and grounds to the City for the purchase price of \$435,000 payable on or before June 30, 2023. In order to meet Ohio revised Code requirements, City agrees that its scope of work will include "renovations, energy conservation measures or other measures that are necessary to improve functionality and reduce operating costs of the leased premises." CMSD will give City a credit against the purchase price for any improvements that are made at South High School that benefit CMSD students and the area that is subject to the

lease, including mechanical systems, roof, parking lot and common area improvements. In other words, if the City spends more than \$435,000 on renovation improvements in the building, then the entire purchase price would be offset.

Leaseback Provisions: CMSD would lease back six classrooms on the second floor and some ancillary spaces to support those classrooms. Leased areas may be modified in the future with Director's approval.

Lease Term: Twenty (20) years

Rent: For the first year, CMSD would pay 100% of all operating and maintenance costs as CMSD needs the time to remove its operations from the building. Thereafter, CMSD would pay a proportional share (less than 5%) of operating costs of South High School to the City as rent.

Public Improvements: City is seeking authorization to make the public improvement of constructing, rehabilitating, renovating, replacing, or otherwise improving South High School and to enter into one or more public improvement contracts for making of the improvement and to enter into one or more professional services and other contracts needed to implement the improvement and to apply for and accept grants or gifts and to authorize the direct employment of the necessary labor for Office of Capital Projects and to procure furniture, fixtures, equipment, information technology business systems, movers, tenant relocation, consulting services, owner's representative services, and other related expenditures needed for the new Public Safety Training Academy.

Permanent Parcel Nos: PPN 133-08-023 to 133-08-031; 133-08-033 to 133-08-036; 133-08-038 to 133-08-047; 133-08-064 to 133-08-080; 133-08-093 to 133-08-103; 133-08-113; and 133-09-041

Ward: Ward 12 (Councilmember Anthony Brancatelli)
Attachments: Location Map