

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

Cleveland Police Division Headquarters

Ordinance No:	54-2023
Legislative Purpose:	<p>To authorize the Commissioner of Purchases and Supplies to purchase PPNs 102-26-005, 102-26-006, 102-26-043 and 102-26-042 from TurnDev or its designee ("Developer") and authorizing the Directors of the Mayor's Office of Capital Projects, Department of Public Safety, and Department of Public Works, as appropriate, (collectively the "Directors") to enter into a design-build contract and other agreements necessary in direct support of the Project with Developer, and for the Mayor's Office of Capital Projects and the Department of Public Safety to make expenditures for new Cleveland Police Division headquarters at 2530-2570 Superior Avenue, and to amend existing Owner's Agent contract with PCS to apply to Project.</p>
Project Summary:	<p>In October 2022, the City of Cleveland issued an RFP to solicit proposals from property owners and developers and/or their broker/agent representatives to provide a new, permanent location for Cleveland Police Division headquarters within a 2.5-mile radius of Cleveland City Hall.</p> <p>The City selected Developer's proposal pursuant to the RFP, in which Developer of the historic ArtCraft Building, located at 2530-2570 Superior Avenue, ("Property"), proposes to fully restore and transform the Property into a code-compliant, world-class police headquarters with state-of-the-art technology and immediate access to the City's entire freeway network via the adjacent Innerbelt system, and to construct a new parking garage and supporting spaces on the site. Code compliance shall include provisions for any Ohio Building Code Category IV "Essential" building elements.</p>

City assembled a selection team to review all proposals received pursuant to the RPF. After exhaustive review and scoring of available options and fine-tuning of budget, design, and project scope, the selection team determined that purchasing 2530-2570 Superior Avenue would best meet the City's needs as the new police headquarters. The ArtCraft Building is a 7-story concrete frame structure, consisting of 254,863 square feet.

The Property satisfies the City's program requirements by providing up to 200,000 square feet of open floor space to be built-out as office space for Cleveland Division of Police Operations, 60,000 square feet of storage, and 500 parking spaces in a garage/storage building to be constructed at the rear of the existing Property. The Property consists of 2.9366 acres, the existing ArtCraft Building, and space for the garage/storage building to be constructed. The Property also offers sufficient area for added consolidation of existing Division of Police facilities, which are related to the Headquarters but are not currently collocated. Training for Department of Public Safety will be housed in the Public Safety Training Facility at the former South High School.

The Property is conveniently located in the central business district immediately to the east of the downtown core and offers the following benefits:

1. Frontage on Superior Avenue (265') and I-90 (525') providing excellent visibility, vehicular access, public transit access, and opportunities for linkages between the courts and emergency operations;
2. Existing infrastructure to satisfy City telecommunications, power and other utility preferences;

3. Opportunity for attainment of lowest life-cycle cost goals and significant carbon savings through the re-use of the ArtCraft Building;
4. Addition of critical mass in the Superior Arts District necessary to generate sustained community and economic benefits beyond the footprint of the Property, including direct access to the Superior Midway bikeway, to be constructed starting in 2025.

City is seeking authorization to purchase 2530-2570 Superior from Developer and enter into a design-build agreement with Developer with an estimated total budget of \$90,000,000, which includes real estate and other agreements and contracts as needed to procure furniture, fixtures, equipment, information technology business systems, movers, consulting services, and other related expenditures needed for the new police headquarters. City is also seeking authorization to amend its existing owner's representative services contract with PCS to apply to the Project, and to accept gifts and grants towards the Project.

Developer will serve as design-build project manager for the Project, under which Developer will provide all improvements to the Property. Developer's responsibilities will be set forth in a design-build development agreement between Developer and City for the Project ("Development Agreement"), as authorized by Section 167 of the City of Cleveland Charter. Developer and City will negotiate in good faith to finalize necessary agreements and a final pre-bid development budget, as may be modified from time to time in accordance with the terms and conditions of the Development Agreement.

The Project is comprised of two phases: design-build construction and sale of completed structure to the City. Developer will complete the design-build phase in accordance with the terms of the Development Agreement. The sale to the City will occur within 120 days of receipt of Certificate of

Occupancy or substantial completion of the Project, whichever is later, under the terms of a purchase and sale agreement ("Purchase Agreement").

The Development Agreement and Purchase Agreement will include the following deal points:

1. Developer will contract with registered and licensed architectural and general contracting firms to provide the design and construction contracting services for the Project, satisfying the design-build criteria.
2. Developer will negotiate one or more guaranteed maximum price agreements ("GMP Agreement") with Turner Construction ("General Contractor") for the Project.
3. Developer will negotiate an architectural services agreement with Vocon ("Vocon Agreement") for the Project.
4. Developer will comply with terms, conditions and requirements imposed on contractors as defined in Chapter 187, Cleveland Area Business Code of the Cleveland Codified Ordinances. Developer and City will negotiate in good faith to finalize a community benefits agreement satisfactory to both parties ("Community Benefits Agreement").
5. Developer will ensure that prevailing wages are paid on the project, and that City of Cleveland employment guidelines under Fannie Lewis legislation and the other applicable City ordinances are followed. Developer will not follow public bidding or public procurement rules since this will be a design-build contract authorized by Section 167 of the City of Cleveland Charter.
6. Developer will be paid not more than a guaranteed maximum price of \$90,000,000, less costs incurred directly by the City, for the Project which will include real estate and all costs and

improvements agreed upon between Developer and City, with the scope of the improvements to be contained in agreed upon detail and attached to the Development Agreement signed by the parties.

7. The Purchase Agreement will provide that the Property will be transferred within 120 days of receipt of Certificate of Occupancy or Substantial Completion of the Project, whichever is later, by deed from the Developer or its designee to the City such that the City will own the Property and Project in fee simple free of all liens and encumbrances after the deed is recorded.
8. Design and change orders on the Project will be handled in accordance with the Vocon Agreement and the GMP Agreement. Developer and City agree to review and approve design changes and change orders in an expedited manner. City shall designate a representative with authority to review and approve design changes and change orders.
9. The Purchase Agreement and/or Development Agreement and other necessary agreements will allow for modifications to include multiple Guaranteed Maximum Prices for multiple phases of construction.

The City will finance the Project by approved draw request secured by senior mortgages on the Property pursuant to a construction loan agreement with integrated Port of Cleveland financing to achieve sales tax exemption (the "Construction Loan Agreement"). Developer and City shall jointly select a servicing agent for the benefit of the City pursuant to a loan servicing agreement ("Servicing Agreement").

Pending City Council approval, construction will commence no later than March 31, 2023 and is anticipated to be completed within 24 months from the later of the execution of the Development

Agreement or the GMP Agreement, or by March 31, 2025.

Permanent Parcel Nos.: PPNs 102-26-005, 102-26-006, 102-26-043 and 102-26-042

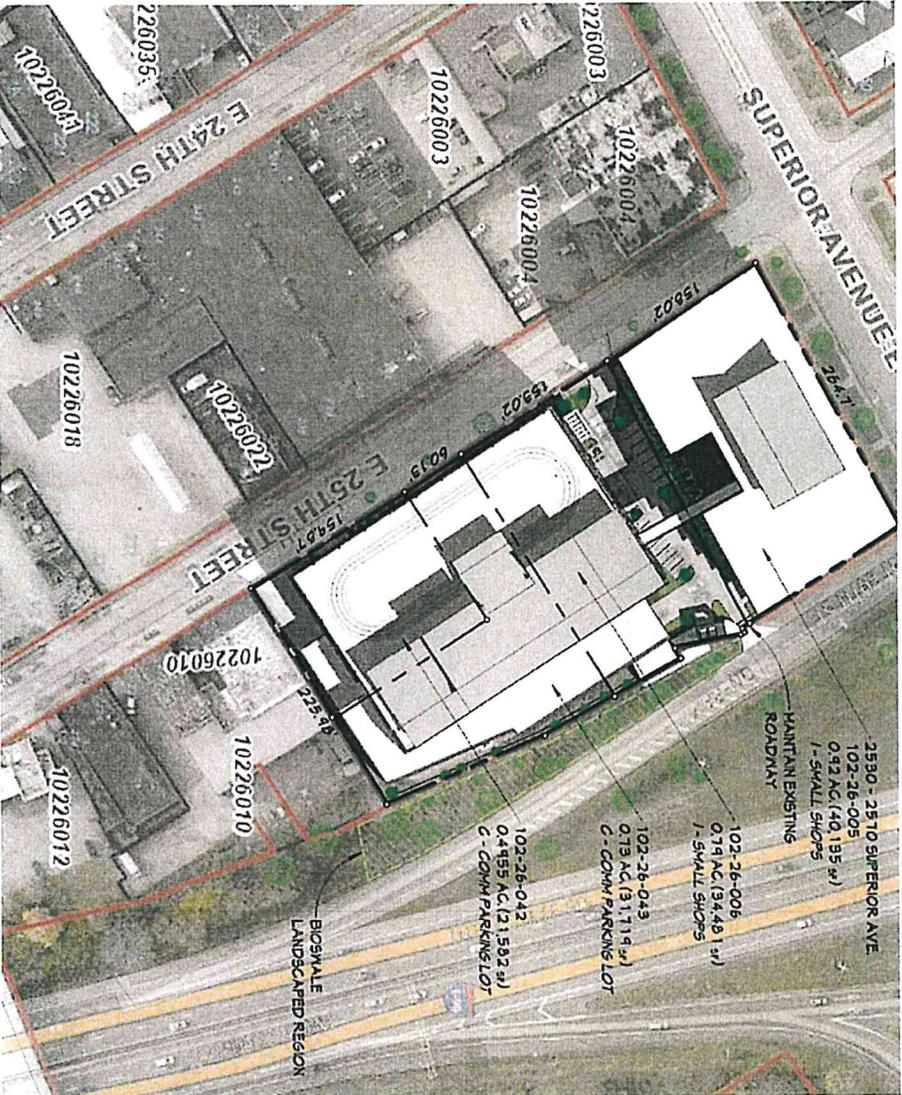
Total Project Costs: \$90,000,000

Ward: 7, Councilmember Stephanie D. Howse

Attachments: Location Map



Location Map of Proposed New Cleveland Police HQ (2530-2570 Superior Avenue)





City of Cleveland Memorandum
Justin M. Bibb, Mayor

Date: December 27, 2022

To: Mark Griffin, Director
Department of Law

From: James DeRosa, Director *James DeRosa*
Mayor's Office of Capital Projects

Karrie Howard, Director *KH*
Department of Public Safety

Frank Williams, Director *F*
Department of Public Works

Subject: Legislation for real estate acquisition from TurnDev or its designee ("Developer"), and design-build and other contracts with Developer, and to make expenditures for new Cleveland Police Division headquarters at 2530-2570 Superior Avenue ("Project"); and to amend existing Owner's Agent contract with PCS to apply to Project.

Please prepare legislation authorizing the Commissioner of Purchases and Supplies to purchase PPNs 102-26-005, 102-26-006, 102-26-043 and 102-26-042 from TurnDev or its designee ("Developer") and authorizing the Directors of the Mayor's Office of Capital Projects, Department of Public Safety, and Department of Public Works, as appropriate, (collectively the "Directors") to enter into a design-build contract and other agreements necessary in direct support of the Project with Developer, and for the Mayor's Office of Capital Projects and the Department of Public Safety to make expenditures for new Cleveland Police Division headquarters at 2530-2570 Superior Avenue, and to amend existing Owner's Agent contract with PCS to apply to Project.

A copy of the approved legal description is attached.

Thank you.

JD/sd
Encl.

cc: Bradford Davy, Chief of Staff
Ryan Puente, Deputy Chief of Staff
Bonita G. Teeuwen, Chief Operating Officer
James DeRosa, Director of MOCAP
Karrie Howard, Director of Public Safety
Frank Williams, Director of Public Works
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