

Department of Port Control

Ord. No.: 1187-18

Division of Business Development and Management

EXECUTIVE SUMMARY

The Department of Port Control is requesting authority to authorize the Commissioner of Purchases and Supplies to sell City-owned property no longer needed for public use located on Brookpark Road near NASA Glenn Research Center to 21000 Brookpark Landlord, LLC, for purposes of providing parking for a redevelopment to be located in Fairview Park; and to enter into a purchase and sale agreement.

Background/Purpose:

The subject property, located on Brookpark Road near NASA Glenn Research Center, is comprised of approximately 576 surface parking spaces that are currently not utilized by the traveling public. Immediately adjacent to the property, in the City of Fairview Park, is a 9 acre former NASA Engineering complex, which is owned by the Purchaser. There are an estimated \$40 million in improvements planned for the complex, including 96 apartments, a 59 suite hotel, 5,000 square feet of office space, a 450 seat entertainment facility and two potential restaurants totaling 18,000 square feet. The Purchaser needs to acquire the above described Airport owned property to ensure there is sufficient parking to support this development vision.

The proposed legislation will provide the Director of Port Control with the authority to: 1) apply to the Airport's Bond Trustee to release the subject property from the pledge of all Airport System property to repay Airport bond indebtedness, 2) apply to the FAA for a land release of the property, and 3) enter into and execute a Purchase and Sale Agreement and such other documents and agreements as necessary to convey ownership of the property to the Purchaser and 4) to pay all closing and other costs, as negotiated or required by law.

Justification/Urgency:

The justification for the sale of the subject property to the Purchaser is as follows:

- 1) The subject property is not necessary for the present or future operation of Cleveland Hopkins International Airport (CLE);
- 2) The Airport's continued ownership of the subject property prevents the City of Fairview Park and the Purchaser from maximizing the economic development potential of the adjacent parcel;
- 3) The proceeds from the sale of the property will help defray the cost to airlines that operate at CLE;
- 4) The Purchaser has agreed to purchase the property for its appraised fair market value of \$1.1 dollars; and

- 5) Deed restrictions will be placed on the property that will ensure future uses will not conflict with CLE's airspace or any adjacent FAA equipment.
- 6) Pursuant to the Joint Economic Development agreement with Fairview Park, the City of Cleveland will share 50% of the income tax revenue resulting from the development of new facilities or the expansion of existing facilities.

Anticipated Cost:

While not anticipated, it is possible that the Airport may be responsible for covering some nominal seller costs or fees resulting from the transaction.

Schedule or Term of Contract:

The sale of the subject property shall be final upon approval of both the FAA and the Airport's Bond Trustee and satisfaction of all closing requirements as identified in the final Purchase and Sale Agreement.

JASA Parking Lot



Exhibit A

