

CLEVELAND PUBLIC LIBRARY

Special Board Meeting

August 29, 2016

RESOLUTION AUTHORIZING AGREEMENT WITH UC CITY CENTER LLC FOR THE DEVELOPMENT AND RELOCATION OF THE MARTIN LUTHER KING, JR. BRANCH

WHEREAS, On September 15, 2015, this Board authorized the Executive Director, CEO or his designee and the Chief Legal Officer to negotiate a development agreement and sales agreement with UC City Center LLC (“UC3”) for the construction of a new Martin Luther King, Jr. (“MLK”) branch in exchange for the Library’s existing MLK branch; and

WHEREAS, The Cleveland Public Library and UC3 have negotiated a Development Agreement (the “Agreement”) which an authorized member of UC3 has signed, and which is on file with the Secretary of this Board; and

WHEREAS, The Agreement contains the following pertinent terms:

- 1) UC3 will contribute Five Million Two Hundred Thousand Dollars (\$5,200,000) to the Library toward the cost of a new MLK Library branch, guaranteed by an irrevocable, unconditional, automatically renewable, and clean standby letter of credit naming the Library as beneficiary, and from which the first \$5.2 Million of the Library’s hard and soft costs shall be paid; and
- 2) The Library will be obligated to fund any and all amounts in excess of the Five Million Two Hundred Thousand Dollars (\$5,200,000); and
- 3) As soon as practicable after January 1, 2017, the Library will select an architect to design the new MLK branch according to the Library’s specifications and subject to UC3’s limited approval; and
- 4) The Library, with UC3’s input, will select a construction manager at risk, and UC3 will act as the Library’s agent during construction; and
- 5) UC3 will handle construction of the new MLK branch on land that UC3 will acquire on Euclid Avenue in the same block as the current MLK branch, and the new MLK branch will be at least 15,000 square feet; and
- 6) UC3 will provide 50 free parking spaces in a garage connected by a walkway to the Library, to be completed by UC3 within 16 months after

completion of the new MLK branch, and until the garage is complete, will provide 50 free, parking spaces that are accessible to patrons without crossing streets; and

- 7) UC3 will allow the Library to operate the current MLK branch without interruption until construction of the new MLK branch is complete and the Library has completely relocated its operations to the new MLK branch; and
- 8) After the relocation to the new MLK branch, the Library will transfer the current MLK branch and underlying land parcel to UC3 in exchange for the new MLK branch, the underlying land parcel, and an easement for the 50 garage parking spaces; and
- 9) UC3 will retain the air rights above the new MLK branch in which UC3 may, with input from the Library, construct a building that preserves the iconic nature of the new MLK branch; and
- 10) The Library may terminate the Agreement if any of the following events occur:
 - a) UC3 either fails to enter into an agreement with the City of Cleveland or for the purchase of the land for the new MLK branch by December 31, 2016; or
 - b) UC3 fails to complete the conditions to commencement of construction within UC3's control as outlined in the Agreement, within 18 months following the effective date of the agreement; or
 - c) UC3 terminates its agreement with the City of Cleveland prior to commencement of construction on the new MLK branch; and
- 11) UC3 will reimburse the Library for expenses incurred in connection with the new MLK branch, up to a maximum of Five Hundred Thousand Dollars (\$500,000) if the Library terminates the Agreement prior to construction; now therefore be it

RESOLVED, The Board of Trustees hereby approves the Development Agreement, and authorizes the Executive Director, CEO or his designee to execute the Development Agreement with UC City Center LLC for the construction of a new MLK branch as described in the Development Agreement and this Resolution, and to enter into and execute and deliver such other documents, agreements, deeds, and instruments as may be necessary or appropriate in order to effectuate the purpose of this Resolution and the requirements of the Development Agreement, subject to the approval of the Chief Legal Officer; be it further

RESOLVED, The Development Agreement will become effective upon acceptance by and delivery to UC3.