

**REQUEST FOR LETTERS OF INTEREST  
COVENTRY ELEMENTARY SCHOOL LEASE AND ADAPTIVE RE-USE**

The Board of Education of the Cleveland Heights-University Heights City School District (the “District”) is seeking letters from interested entities (“Letters of Interest”) for the lease and adaptive re-use of the former Coventry Elementary School Property (the “Property”).

The District anticipates that the lease of the Property will not include an area adjacent to the Property and defined as the portion of the Property beginning with the east edge of the playground structure running to the west Property lines (the “Adjacent Area”) and that the District will continue with the maintenance and repair of the Adjacent Area. However, entities may include, and the District is willing to consider the incorporation of the said area as part of the proposal contained within the Letter of Interest.

The District also does not currently intend to consider proposals for the sale of the Property, it being understood that the District is required by law to follow certain procedures for the sale of District property. Entities submitting a Letter of Interest, however, are requested to indicate their interest in and willingness to purchase the Property at a later date. The Property’s location adjacent to the Coventry commercial district and within a few miles of University Circle makes it highly attractive for a wide variety of innovative uses.

**A. COVENTRY ELEMENTARY SCHOOL - BACKGROUND**

The Cleveland Heights-University Heights City School District is located in an inner-ring suburb about 8 miles east of the City of Cleveland. The District serves the adjoining cities of Cleveland Heights and University Heights, and a portion of South Euclid. The community is proud of its rich diversity and heritage, demonstrates a significant commitment to excellence in education, and has an above average tax effort on behalf of the schools.

The Coventry Elementary School facility is a 61,200 square foot “open plan” school building located at 2843 Washington Boulevard, Cleveland Heights, Ohio, in eastern Cuyahoga County. It was built in 1974, includes 30 open classrooms, and sits on 5.88 acres of land with 42 parking spaces. (The 5.88 acres of land includes the Adjacent Area). Current zoning is single-family residential. Any change from this zoning classification to accommodate a new use would require the approval of the City of Cleveland Heights.

In June 2007, the Property was closed due to declining student enrollment. The Property is currently used for storage, and the District has determined that it has no immediate plans for using the Property for academic or administrative purposes because of operating and staffing costs. The building has been unoccupied since that time.

In February 2008, the District convened a Study Committee to research and analyze other possible program and building usage options for the Property. On June 3, 2008, the District accepted the Committee’s recommendation to initiate a public process to elicit Letters of Interest for adaptive re-use of the Property. The District also endorsed the Study Committee’s strong

desire to see the Property re-used in a way that supports and includes the neighborhood and the community.

The District presently has other additional information and materials relating to the Property. Such information is available for inspection and copying at the Board offices, and entities interested in submitting a Letter of Interest are invited to inspect such information and materials by contacting Mr. Stephen A. Shergalis, Director of Business Services, at the telephone number indicated below. Additional information regarding the Property can also be accessed by visiting the District's Web Site at [www.chuh.org](http://www.chuh.org) and clicking on the Coventry Committee link. The District makes no representation regarding the accuracy or completeness of any reports or of any other information and materials relating to the Property.

## **B. LETTERS OF INTEREST**

Entities submitting a Letter of Interest for the lease and adaptive re-use of the Property must at a minimum provide within the Letter all of the following:

- 1) The name, address, telephone number, and contact person for the entity submitting the Letter of Interest. This must be the entity that will enter into the actual lease. In the event the entity proposes a joint venture with other entities, the Letter of Interest should provide the same information with respect to the proposed joint venturer and its qualifications as the entity provides with respect to itself and its qualifications.
- 2) A clear delineation of the proposed development and use of the Property.
- 3) A minimum of two (2) years audited financial statements, indicating all of the entity's assets and liabilities.
- 4) A financial plan for the term of the lease for the proposed use or uses which shall include all expenses including, but not limited to, building maintenance, upkeep, ongoing capital needs, and operations for the entire building and site.
- 5) Revenue including but not limited to, tenant rents, business sales, loans, grants, subsidies or other government support.
- 6) A financial plan to meet current existing building capital needs including, but not limited to, replacement of the existing roof. This plan may be executed over a period not to exceed five (5) years.
- 7) Ability to secure a bond or letter of credit to ensure the completion of the proposed improvements.

- 8) A preliminary budget estimate for all proposed building modifications to accommodate the entity's proposed use and proof of either the availability of funds or of donor and/or lender commitments to provide funds to accomplish same.
- 9) A proposed schedule for the redevelopment of the Property and for achieving an active and productive use for the Property, which schedule must include, at a minimum, a timeline for completion of drawings and specifications, securing all necessary permits and approvals, and commencement and completion of the construction of the improvements.
- 10) Evidence of the ability to obtain property and liability insurances as required by the District, as well as builders risk insurance for when any work is in process in connection with any improvements.
- 11) Biographies of the entity's proposed team members and the relevant experience on similar projects of those individuals.

Tours of the Property can be scheduled by contacting Mr. Stephen A. Shergalis, Director of Business Services, at the telephone number indicated below.

**QUESTIONS** are to be FAXED to Mr. Stephen A. Shergalis, Director of Business Services, at the fax number indicated below. All questions must be submitted on or before October 8, 2008 at 9:00 AM Eastern Standard Time and will be answered via FAX on or before October 10, 2008 3:00 PM Eastern Standard Time.

*Inquiries should only be addressed to Mr. Shergalis and under no circumstances shall any interested party or their designees contact any other employee or official of the District during the process in an attempt to lobby or influence the selection process. Any interpretation or clarification made in any manner other than a written fax from Mr. Shergalis shall not be binding and shall not be relied upon.*

Letters of Interest must be received no later than 12:00 noon on October 15, 2008, Eastern Standard Time. Letters received after this deadline will not be considered.

Letters of Interest should be addressed to:

Mr. Stephen A. Shergalis  
Director of Business Services  
Cleveland Heights-University Heights City School district  
2155 Miramar Boulevard  
University Heights, Ohio 44118  
Phone: 216-371-7171 x 2004  
Fax: 216-397-3685

The District will review all Letters of Interest. The District may hold discussions with entities to further explore their Letters of Interest. The District will select the entity proposing a re-use of the Property that the District deems to be in the District's best interest. In making its selection, the District may consider any other information, including information not requested in this Request for Letters of Interest or not included in the Letters of Interest received. This Request for Letters of Interest is not and shall not be construed as an offer of a lease for the Property by the District. Any contractual arrangement will be evidenced solely by a lease authorized by the District. It is the intention of the District to make a selection no later than December 31, 2008. It is anticipated that lease negotiations will commence in January 2009.

### **C. THE LEASE AND CERTAIN TERMS**

The lease between the District and the selected entity as the tenant will be submitted to the Board of Education for its approval and will not be binding or effective until it is approved by the Board and all other legal requirements are met. The lease will contain the following minimum requirements:

1. Term. The initial term of the lease will be for a minimum of five (5) years; any renewal terms shall be as agreed upon by the parties.
2. Rental Rate. The rental rate to be paid to the District will be negotiated and be based upon the amount of capital improvement monies expended and the cost borne by the District to maintain any portion of the Property, including the Adjacent Area.
3. Improvements to Property. The tenant shall perform all improvement to the Property in accordance with plans and specifications approved by the District. Any amendments to the approved plans and specifications shall be subject to the prior approval of the District. Although the District shall not unreasonably disapprove of the plans and specifications and any amendments thereto, reasonableness shall take into account, among other things, the impact upon the potential future use of the Property by the District for public education. All improvements are to be prosecuted to completion, without cost to the District. Improvements shall be made lien free and in a good and workmanlike manner, and in compliance with all permits and authorizations of all departments and governmental subdivisions having jurisdiction.
4. Indemnification. The tenant shall indemnify and hold harmless the Board, the District, and its and their officers and employees from and against all claims and liabilities incurred in or arising out of the lease.
5. Insurance. The tenant shall maintain during the term of the lease for protection of the District and the tenant such insurance of the types and in the amounts as recommended by the District's insurance carrier. The policies of insurance shall be issued by companies authorized by the Ohio Department of Insurance to transact business in the State of Ohio as evidenced by a Certificate of Compliance issued by the Ohio Department of Insurance

and must have an A.M. Best Company Policyholders Rating of “A” or better. The tenant shall provide District with a certificate evidencing such policies. The insurance policies shall name the District as an additional insured and shall contain covenants by the issuing company that the policies shall not be canceled, materially changed or non-renewed without thirty (30) days prior written notice of cancellation to District. The tenant may provide the required insurance coverages through one or more policies currently held by the tenant without the need for procuring new and separate insurance policies.

6. Condition of the Property. The District makes no representation or warranty whatsoever regarding the Property, including, without limitation, any information or reports provided by the District related to the Property, the applicable zoning requirements, the propriety of any proposed uses or the continuation of uses thereof, former or present, the title thereto, or the physical or sub-surface condition thereof. The tenant acknowledges that it is leasing the Property “as is”, and that the District shall not be responsible for any injury or damage arising from the physical or sub-surface condition of the Property.
7. Risk of Damage/Loss. All risk of damage to or loss of any buildings or improvements on the Property, other than damage or losses resulting from the negligent acts of the District’s agents or employees shall be borne solely by the tenant from and after the date of execution of the lease agreement.
8. Triple-net Lease. The lease shall be deemed and construed to be “triple-net”, and under no circumstances or conditions shall the District be expected or required to make any payments of any kind whatsoever (including payment of taxes, insurance, utilities). Additionally, the tenant shall perform at tenant’s sole cost and expense all maintenance, repairs, replacements, renovations or improvement to or in respect of the Property. District shall not be responsible for performing any maintenance or repairs nor shall District be responsible for any costs thereof.
9. Mortgage of the Property. The Tenant shall not be entitled to mortgage or otherwise place a lien on Property.
10. Assignment of the Lease. The Tenant shall not assign the lease without the District’s prior consent.
11. Termination of Lease. In order to preserve the availability of the Property for school purposes in the future, as required by law, the District will reserve the right to terminate the lease prior to the expiration of the term, without any penalty or further liability whatsoever, in the event District makes a determination that the Property is needed for school purposes. In such event, District shall give to the tenant one-hundred eighty (180) days prior written notice of said termination.