

Department of Port Control

Ordinance No.: 768 - 2023

EXECUTIVE SUMMARY

The Department of Port Control (“Department”) is requesting authority to enter into a Lease Agreement with Alvest Equipment Services (USA) Inc. (“AES”) to lease certain city-owned property in Building # 217, located at 6010 South Cargo Road, Cleveland, OH 44135 at Cleveland Hopkins International Airport (“CLE”) for airline support service operations for Aer Lingus.

Background/Purpose:

AES offers a full range of services for the ground support equipment (GSE) services within the airport environment. These services include:

- Ramp and passenger handling
- Cabin and cargo services
- Operations and load control
- Aircraft and ground support equipment maintenance

Aer Lingus, an international carrier with transatlantic flights, are new to the Cleveland market and have contracted with Alvest as the ground handler of record at Cleveland Hopkins International Airport (“CLE”). Alvest will provide below the wing services for the carrier.

Alvest is desirous to enter into a lease agreement for approximately 2,000 square feet of warehouse space, located at Building # 217 of the CLE campus. The use will be for light maintenance, unloading and loading containers of cargo while also utilizing ramp space to service the Aer Lingus aircraft upon arrivals and departures.

The Department is requesting authority for a term of one (1) year with four (4) one-year options to renew, exercisable by the Director of the Department of Port Control.

Scope:

The following are the material provisions:

- (A) The Director of Port Control is authorized to enter into a new lease for the use and occupancy of approximately 2,000 square feet of space (Leased Premises) located in Building # 217 at CLE.
- (B) The Leased Premises shall be used to support the ground handling/cargo services and other ancillary duties for the international carrier – Aer Lingus.

- (C) The lease term shall be for one (1) year with four (4) one-year options to renew, exercisable by the Director of Port Control.
- (D) The initial term rental rate shall be determined by third party independent appraisal rate based on Fair Market Value per square foot for 2,000 square feet of warehouse space. For each option term, the rental rate shall be adjusted, based on the United States Department of Labor, Consumer Price Index: “All Urban Consumers”- Midwest, however, never lower than the rate during the initial term.
- (E) This lease will be absolute triple net whereby the tenant agrees to pay the property expenses such as real estate taxes, building insurance and maintenance, in addition to rent and utilities. The City does not make any warranty, either express or implied, as to the condition, workmanship, merchantability or capacity of the Leased Property.

Justification/Urgency:

This space is needed by Alvest in order to provide ground handling/cargo services to the new entrant, international carrier, Aer Lingus.

Anticipated Cost:

N/A

Schedule or Term of Contract:

The Department is requesting a one (1) year term with four (4) one-year options to renew, exercisable by the Director of the Department of Port Control.

Current Contract:

Entity Name	Contract Number	Expiration/Term	Annual Amount
N/A			

Employee Information:

Total number of employees – 3

Total number of employees that are minorities - 2

Total number of employees that are women - 0

Total number of employees that are City of Cleveland Residents - 2