

Department of Port Control

Ordinance No.: 681-2023

Executive Summary

Authorizing the Director of Port Control (Department) to enter into a Lease Agreement with South Shore Cable Construction Inc. (South Shore) for the use and occupancy of certain city owned property for the purpose of light industrial manufacturing and general office space; located at 6400 Kolthoff Road, Brook Park, OH 44142 near Cleveland Hopkins International Airport, for a period of two years, with three one-year options to renew, exercisable by the Director of Port Control.

Background/Purpose:

Pursuant to the authority of Ordinance No. 588-09 passed by the Cleveland City Council on June 9, 2009, the Department and South Shore entered into a Lease Agreement, City Contract No. 69429 for approximately 2.05 acres, with approximately 29,540 square feet for the use of certain city owned property generally located at Cleveland Hopkins International Airport, 6400 Kolthoff Road, Brook Park, OH 44142 for the purpose a light industrial manufacturing facility and general office space (“Premises”).

South Shore Cable Construction, Inc. has requested that the Department obtain legislative authority to enter into a new lease. The term shall be two (2) years with three (3) one-year options to renew, exercisable by the Director of Port Control.

Scope:

The following are provisions to be contained in the Lease:

- (A) The Director of Port Control is authorized to enter into a Lease Agreement for a term of two (2) years with three (3) one-year options, for the use and occupancy of approximately 3.542 acres, on which is located a building with approximately 29,540 square feet for the purpose of a light industrial manufacturing facility and general office space.
- (B) The initial rental rate is based on an independent third-party appraisal.
- (C) 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 will not have liability for any such maintenance and upkeep of the building portion leased by the tenant.
- (D) No Warranty of Condition or Suitability. The City does not make any warranty, either express or implied, as to the condition, workmanship, merchantability or capacity of the Licensed Property.

(E) For each year after the initial term, the rental rate shall be adjusted annually on the effective date of the lease; based on an independent third-party appraisal and the United States Department of Labor, Consumer Price Index: "All Urban Consumers" Midwest; however, never lower than the rate during the initial term.

Justification/Urgency:

The Premises is needed by South Shore Cable Construction, Inc. to continue the operation of a light industrial manufacturing facility and general office space.

Anticipated Cost:

None.

Term:

The Department is requesting a two (2) year term, with three (3) one-year options to renew, exercisable by the Director of Port Control.

Current Contracts:

Name	Term	Contract No.	Annual Amount
South Shore Cable Construction, Inc.	Two (2) years w/ (3) three one-year options to renew.	69429	\$71,450/annum

Employee Demographics: (as of 4/20/2023)

Total number of employees - 65

Number of employees that are minorities - 13

Number that are women - 5

Number that are City of Cleveland residents - 22