

# Department of Port Control

Ordinance No.: 587-2023

## Executive Summary

The Department of Port Control (“Department”) is requesting authority to enter into one or more absolute triple net Lease Agreements between the City of Cleveland and the Aero Mag 2000 CLE, LLC (“Aero Mag”). The lease is city owned property generally located at 6010 S. Cargo Road, Cleveland, OH 44135, for the operation of an aircraft deicing support and vehicle maintenance facility at Cleveland Hopkins International Airport (“CLE”) operation.

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### **Background/Purpose:**

Pursuant to the authority of ordinance No. 18-18 passed by Cleveland City Council on March 19, 2018, the Department entered into a lease agreement No. 3001- 2018\*018 for the use of approximately 21,271 square feet at the North Cargo Building located at 6010 Cargo Road, Cleveland OH 44135 for activities necessary for the operation of an aircraft deicing support and maintenance facility.

Aero Mag has requested that the Department obtain legislative authority to enter into a new lease. With a term of one (1) year with two (2) 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 for the use and occupancy of approximately 21,271 square feet of space located in the North Cargo Building, #217, which has been determined to be not needed for public use for the term of the Lease. The leased premises will consist of 20,620 square feet of warehouse and 651 square feet of office space.
- B) The lease term shall be for one (1) year with two (2) one-year options to renew, exercisable by the Director of Port Control.
- C) The Leasehold Premises shall be used for the operation of an aircraft deicing support and vehicle maintenance facility.
- D) 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 tenant.

- E) An independent third party, fair market value appraisal, shall set the initial term rental rate for the leasehold area of 20,620 square feet of warehouse space and for 651 square feet of office space.
- F) 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.

**Justification/Urgency:**

This facility is needed by Aero Mag in order to support its’ aircraft deicing support and vehicle maintenance operations at CLE.

**Anticipated Cost:**

None

**Schedule or Term of Contract:**

The Department is requesting a Lease term of one (1) year with two (2) one-year options to renew, exercisable by the Director of Port Control.

**Current Contract:**

Name	Term	Contract No.	Annual Amount
AeroMag 2000 CLE, LLC.	Two (2) years with (3) three one year options to renew.	CT 3001 2018*018	\$49,000.00/annum

**Employee Demographics:**

Total number of employees - 84  
 Number of employees that are minorities – 22  
 Number that are women – 3  
 Number that are City of Cleveland residents – 31