

Department of Port Control

Ordinance No.: 541-2019

Business Development & Management

Executive Summary

The Department of Port Control is requesting authority to enter into a Lease Agreement with United Airlines, Inc. for the lease of certain space located in the South Cargo Facility Building at Cleveland Hopkins International Airport, Department of Port Control, for a period of two years with three one-year options to renew, the first of which requires additional legislative authority.

Background/Purpose:

United has requested to lease approximately 5,461 square feet of space, located at the South Cargo building on Cargo Road at CLE to support its cabin cleaning operation and other support services.

The Department is requesting a term of two years with three one-year options to renew, the first of which requires additional legislative authority.

Scope:

The following are the material 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 5,461 square feet of space (“Leased Premises”) in the South Cargo Building at CLE for use as office and warehouse space.
- (B) The Leased Premises shall be used to support Lessee’s cabin cleaning operation and other support services.
- (C) United shall pay the City an annual rental rate of \$38,227.00 at a per square foot rate of \$7.00 as determined by an independent third party appraisal. The rental amount will be adjusted annually on the effective date by CPI calculation, but never less than initial rate. The rent is payable in twelve (12) equal monthly installments.
- (D) The term of the lease shall be for a period of two (2) years with three (3) one-year options to renew, the first option subject to additional legislative approval.

Justification/Urgency:

The space is needed by United to support its cabin cleaning operation and other support services.

Anticipated Cost:

None.

Schedule or Term of Contract:

The Department is requesting a term of two (2) years with three (3) one-year options to renew, the first option subject to additional legislative authority.

Total number of employees – 1050

Number of employees that are minorities – 237

Number of employees that are women – 474

Number of employees that are City of Cleveland residents – 187