

**Department of Port Control
Request for Legislation**

Ordinance No.: 1062-2022

Airport Development

EXECUTIVE SUMMARY

Authorizing the Director of Port Control to ground lease certain property located at Cleveland Hopkins Airport on West Hangar Road to The Sherwin-Williams Company, for a term not less than thirty-years, to design, construct and operate a corporate hangar facility.

Background/Purpose:

The Sherwin-Williams Company is proposing to ground lease approximately 5.8 acres of land located within West Campus-Corporate Aviation Area of the Cleveland Hopkins International Airport (“CLE”) on West Hangar Road to construct and operate a 50,000 square foot corporate hangar facility (the “Leased Premises”).

The Department of Port Control (“DPC”) is requesting legislative authority to enter into a thirty-year ground lease and to execute any other documents and certificates, and take any other actions that may be necessary or appropriate to effect the agreement.

Scope:

The following are the material provisions to be contained in the agreement:

- (A) The Director of Port Control is authorized to enter into a ground lease for the development use and occupancy of the Leased Premises.;
- (B) The Leased Premises shall be used as a corporate hangar facility;
- (C) The base rent shall be based on a fair market appraisal, subject to annual Consumer Price Index (CPI) adjustments, and an additional flowage fee of \$.07 per gallon and a lubricant fee of \$.15 per gallon of product;
- (D) The initial term of the ground lease shall be for thirty-years;
- (E) Sherwin-Williams will assume all costs associated with designing, permitting and constructing the corporate hangar facility, including the installation and enhancement of utility lines/service, ramps and taxiways within the boundaries of the development site;

(F) Title to all structures and other fixed improvements related to the corporate hangar facility shall pass to the City of Cleveland upon expiration of the term of the Lease.

Justification/Urgency:

The proposed ground lease will result in the redevelopment of an underutilized former brownfield, will increase CLE's non-airline revenue, and will be one of the first development projects on CLE's airfield in over twenty years. From the SHW's perspective the project is part of Sherwin-Williams' overall growth strategy and long-term commitment to the region.

Anticipated Cost:

None.