

# Department of Port Control

Ord. No.: 875-2019

Business Development & Management

## EXECUTIVE SUMMARY

The Department of Port Control is requesting authority to exercise the first option to renew Contract No. CT3001 LS2017\*027 with CHA Consulting, Inc. to provide for the use and occupancy of certain space located on the second floor of the passenger terminal building at Burke Lakefront Airport.

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### **Background/Purpose:**

Under the authority of Ordinance 1302-16 passed on January 30, 2017, the Department and CHA executed and entered into a lease agreement for approximately 4,350 square feet of office space located on the second floor of BKL for the operation of a full service architectural and engineering firm.

The term was set at two (2) years with three (3) one-year options to renew, with the first of the one year options not able to be exercised without additional legislative authority.

CHA has requested that the Department obtain additional legislative authority to exercise the first option to renew.

### **Scope:**

The following are the material provisions to be contain in the Lease:

1. The Director of Port Control is authorized to exercise the first of three one-year options for the use and occupancy of approximately 4,350 square feet of space located on the second floor of the passenger terminal building at BKL (“Leased Premises”), which is not needed for the traveling public.
2. The annual rental rate of \$71,775 is payable in monthly installments of \$5,981.25 at the rate of \$16.50 per square foot based on fair market value determined by a third party appraisal.

### **Justification:**

The initial term expires October 23, 2019. The aforementioned space is needed for CHA to continue to operate the full service architectural and engineering firm for various segments around the nation like Aviation, Environmental, Facilitates and Transportation, etc.

### **Anticipated Cost:**

There is no cost to the City of Cleveland associated with this option year of said Lease.

**Term:**

The Department is requesting to exercise the first year of the three (3) one-year options to renew.

**Current Contracts:**

CHA Consulting, Inc. - CT 3001 LS 2017\*027 (\$69,600.00)

**Employee Demographics:**

Total number of employees: 11

Total number of employees that are minorities: 2

Total number of employees that are women: 3

Total number of employees that are City of Cleveland residents: 0