

Department of Port Control

Ordinance No.: 542-2019

Business Development & Management

Executive Summary

The Department of Port Control is requesting authority to enter into a Lease Agreement with KeyCorp National Association to maintain and operate an aviation hangar facility at Cleveland Hopkins International Airport, for a period of ten years with two five-year options to renew, the first of which requires additional legislative authority.

Background/Purpose:

KeyCorp has requested to enter into a new lease for their current corporate aviation hangar located on Cargo Road at CLE.

The Department is requesting a term of ten years with two five-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 2.6 acres of land and an approximately 23,546 square foot building #215 ("Leased Premises") on Cargo Road at CLE for use as a corporate aviation hangar office.
- (B) The Leased Premises shall be used to support their corporate aviation program.
- (C) KeyCorp shall pay the City an annual rental rate 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 ten (10) years with two (2) five-year options to renew, the first option subject to additional legislative approval.

Justification/Urgency:

The property and facility is needed by KeyCorp to continue to support its corporate aviation operation.

Anticipated Cost:

None.

Schedule or Term of Contract:

The Department is requesting a term of ten (10) years with two (2) five-year options to renew, the first option subject to additional legislative authority.

Current Contract:

Name	Term/Expiration	Contract Number	Amount \$
KeyCorp National Association	May 22, 2019 25 years + 5 year option	40878	\$56,196/yr.

- Total number of employees – 7
- Number of employees that are minorities – 0
- Number of employees that are women – 2
- Number of employees that are City of Cleveland residents – 0