

## Department of Port Control

Ordinance No.: 1306-17

Business Development & Management

### Executive Summary

The Department of Port Control is requesting authority to enter into a Lease Agreement with AIR CANADA, for the lease of ticket counter space located in the passenger terminal building at Cleveland Hopkins International Airport to support checking in and processing passengers flying on Air Canada, for the Department of Port Control, for a period of one year, with four one-year options to renew, the second of which requires additional legislative authority.

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### **Background/Purpose:**

Air Canada has requested to lease approximately 92 square feet of ticket counter space, located on the South end of the ticketing level in the passenger terminal building at CLE to support its check- in and processing of passengers flying on Air Canada. Air Canada contracts with United Airlines to provide these services for their passengers at CLE using United Airlines employees.

The Department is requesting a term for a period of one (1) year + four (4) one (1) year options to renew, the second 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 92 square feet of space (“Leased Premises”) located in the passenger terminal building at CLE for use as an airline ticket check-in counter.
- (B) The Leased Premises shall be used to support Lessee’s business as an airline.
- (C) Air Canada shall pay the City an annual rental rate to be determined based on the airports’ rates and charges calculation, subject to annual changes based on said budget. The rent is payable in twelve (12) equal monthly installments.
- (D) The term of the lease shall be for a period of one (1) year + four (4) one (1) year options to renew, the second option subject to additional legislative approval.

### **Justification/Urgency:**

The space is needed by Air Canada for passenger check-in and processing services. Also, the current License Agreement between the City and Air Canada expires on 12-31-17.

**Anticipated Cost:**

None.

**Schedule or Term of Contract:**

The Department is requesting a term one (1) year + four (4) one (1) year options to renew, the second option subject to additional legislative authority.

**CSB/MBE/FBE Participation:**

Total number of employees – 1 (Majority of work performed by United Airlines employees)

Number of employees that are minorities - 0

Number of employees that are women - 0

Number of employees that are City of Cleveland residents - 0

**Current Contract:**

Name	Term/Expiration	Amount \$
Air Canada	License Agreement of 1 year; expiring on 12-31-2017	\$83,347.32 per annum