

## Department of Port Control

Ordinance No.: 1077-2024

### Executive Summary

The Department of Port Control (“Department”) is requesting authority to enter into an amendment to the existing Lease By Way of Concession Agreement, No. 67743 between the Department and Fraport Cleveland, Inc. The request shall amend the termination date, to extend the agreement for an additional one (1) year period.

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### **Background/Purpose:**

Pursuant to the authority of Ordinance No. 1850-06, passed by Cleveland City Council on April 2, 2007, the Department entered into a Lease by Way of Concession Agreement with BAA USA, Inc., k/n/a Fraport Cleveland, Inc. (“Fraport”), for the lease, management, design, and construction of retail merchandise, food, beverage, and service concessions for the Department of Port Control facilities. The term of the agreement was set at ten (10) years, with one (1) five-year option to renew, which required additional legislative authority. The agreement was set to expire on January 15, 2024.

Subsequently, the Department requested Cleveland City Council to authorize the extension of the term by one (1) year of the original term, and under the authority of Ordinance 875-2023 the term extension was granted. The agreement is set to expire January 31, 2025.

### **Justification/Urgency:**

The Department is requesting to extend Lease Agreement No. 67743 with Fraport for an additional period of one-year. The extension is necessary, as the Department is embarking upon a Terminal Modernization Development Program, which in its current stage, does not have a definitive date set for necessary construction of a new Concessions Program. The Concessions Program is impactful to our non-aeronautical revenue, it assists in the reduction of costs associated for the airlines to operate at Cleveland Hopkins International Airport (“CLE”), therefore the Department feels that it is in our best interest to extend the current agreement one additional year with an expiration date of January 31, 2026.

During the course of the requested extension period, Fraport shall require each new concessionaire that enters the program to maintain a Labor Peace Agreement with each labor union that requests one to ensure that labor disruptions such as strikes, pickets, or protests will not disturb airport operations.

### **Anticipated Cost:**

Not Applicable

### **Current Contract:**

Name	Contract Number	Expiration
Fraport Cleveland, Inc	67743	January 31, 2025

**Employee Demographics:**

Total Number of Minorities: 1

Total Number of Women: 3

Total Number of Employees: 4

Total Number of City of Cleveland Residents: 0