

Department of Port Control

Ord. No.: 523-2024

EXECUTIVE SUMMARY

The Department of Port Control (“Department”) is requesting authority to exercise the first option of City Contract No. CT3001 LS 2022-0011 with MarKenCami, LLC (“MarKenCami”) for the use and occupancy of certain space located in the Passenger Terminal Building at Burke Lakefront Airport generally located at 1501 North Marginal Road, Cleveland, OH 44114.

Background/Purpose:

By way of background, MarKenCami currently leases space from the Department under the authority of Ordinance 917-18, passed on October 8, 2018, by the Council of the City of Cleveland, for the use of approximately 429 square feet of space at Burke Lakefront Airport, for the operation of a software company and office space. The Agreement was set for a period of two years, with three (3) one-year options to renew, with the first option requiring additional legislative authority.

The Department and MarKenCami are desirous of exercising the first option to renew.

Scope:

The following provisions are contained in the Lease:

- A. **Purpose:** Lessee shall have the permission to enter upon the Property for the non-exclusive right to operate and maintain for use only by Lessee and any authorized assigns and/or Affiliate(s), for use as a software company and office space.
- B. **Rent Fee:** The annual rent for Room Number 115 will be 238 total square feet x \$16.00/sf (Lake View Office Rate)=\$3,808.00 and is payable in 12 equal monthly installments of \$317.33.

The annual rent for Room Number 116 will be 191 total square feet x \$16.00/sf =\$3,056.00 and is payable in 12 equal monthly installments of \$254.66.
- C. Aforementioned rate shall be adjusted for CPI at the beginning of each Option Term on the anniversary of the Effective Date.
- D. An independent third party, fair market value appraisal dated August 28, 2022, set the annual rental rate for the leasehold area.
- E. The Lease was a term of two (2) years with three (3) one-year options to renew, the first option to renew exercisable through additional legislative authority.

Justification/Urgency:

The exercising of the option will allow MarKenCami to continue to provide professional software services.

Anticipated Cost:

There is no extra cost to exercise the first option for these services.

Schedule or Term of Contract:

The term of this contract is for one (1) year with three (3) one-year options to renew, the first of which requires additional legislative authority.

Current Contract:

Vendor Name	Term	Contract Number	Amount/ Annum
MarKenCami, LLC	Two yrs. w/ 3-(1) yr. options	CT3001 LS 2022-0011	\$6,864.00