

DEPARTMENT OF PORT CONTROL

Ordinance No.: 372-2024

EXECUTIVE SUMMARY

The Department of Port Control is requesting authority to exercise the first option of the Lease Agreement LS2023*001, with BP Products, North America, Inc., for the use and occupancy of City owned property, commonly known as the North Fuel Farm, at Cleveland Hopkins International Airport, for the purpose of operating an aviation fuel storage and handling facility.

Background/Purpose:

On January 28, 2019, the Cleveland City Council passed Ordinance No. 83-2019, authorizing the Department to enter into a lease agreement with BP Products, North America, Inc. (“Air BP”), for the use and occupancy of Lot 1, Lot 2, Lot 3, Lot A, and Lot B, which space is associated with and more commonly known as the North Fuel Farm, at Cleveland Hopkins International Airport, for the purpose of operating an aviation fuel storage and handling facility (“Lease”). The Lease is for a term of two (2) years with three (3) one-year options to renew.

The Department and Air BP are desirous to exercise the first option under the aforementioned Lease Agreement.

Scope:

The following are provisions contained in the lease agreement:

- A. The leasehold premises shall be the North Fuel Farm at Cleveland Hopkins International Airport.
- B. The leased premises will be used for the purpose of operating an aviation fuel storage and handling facility.
- C. The annual rental rate was determined by an independent third-party appraisal, and such rate shall be adjusted on an annual basis under the Bureau of Labor Statistics Midwest Region CPI Index.

Justification/Urgency:

The Lease is necessary for Air BP to continue operation and management of the aviation fuel storage and handling facility, until such time as the upcoming CLE Master Plan will provide a clear path for the future, with fuel farm storage strategy being an integral part. Fuel provided by this North Fuel Farm services all airlines at CLE, with the exception of United Airlines, who are fueled from the South Fuel Farm by way of an underground fuel hydrant system.

Anticipated Cost:

None.

Schedule or Term of Contract:

City Contract No. 2023*001 will expire by its’ terms on August 31, 2027.

Current Contract:

Description	Agreement	Expiration	Amount
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AirBP or BP Products North America	CT 3001 LS2023*001	08/31/2027	\$125,977.92/annum
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Employee Demographics

Total number of employees – 3

Number of employees that are minorities – 1

Number that are women – 1

Number that are City of Cleveland Residents -1