

Department of Port Control

Ordinance No.: 543-2019

Business Development & Management

Executive Summary

The Department of Port Control is requesting authority to enter into a Lease Agreement with the United States Postal Service to maintain and operate a warehouse, sorting facility and post office retail store at Cleveland Hopkins International Airport, for a period of five years with one five-year option to renew, which requires additional legislative authority.

Background/Purpose:

USPS has requested to enter into a new lease for their current facility located on Postal Road at CLE.

The Department is requesting a term of five years with one five-year option to renew, 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 7.9 acres of land and an approximately 115,660 square foot building #220 ("Leased Premises") on Cargo Road at CLE for continued use as a warehouse, sorting facility and post office retail store.
- (B) The Leased Premises shall be used to operate a warehouse, sorting facility and post office retail store.
- (C) USPS 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 five (5) years with one (1) five-year option to renew, subject to additional legislative approval.

Justification/Urgency:

The property and facility is needed by USPS to continue its CLE operation.

Anticipated Cost:

None.

Schedule or Term of Contract:

The Department is requesting a term of five (5) years with one (1) five-year option to renew, subject to additional legislative authority.

Current Contract:

Name	Term/Expiration	Contract Number	Amount \$
United States Postal Service	June 30, 2019 30 years	41008	\$215,351/yr.

Total number of employees – 3

Number of employees that are minorities – 3

Number of employees that are women – 2

Number of employees that are City of Cleveland residents – 0