

Department of Port Control

Ordinance No.: 1325-2019

Business Development & Management

Executive Summary

The Department of Port Control is requesting authority to exercise the second option to renew Contract No. CT 3001 LS2018*012 with Air Canada for the lease of ticket counter space located in the passenger terminal building at Cleveland Hopkins International Airport.

Background/Purpose:

Under the authority of Ordinance 1306-17 passed on December 4th 2017, the Department and AIR CANADA entered into a lease agreement for 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. Air Canada contracts with United Airlines to provide these services for their passengers at CLE using United Airlines employees.

The term was set for a period of one (1) year with four (4) one-year options to renew, the second of which requires additional legislative authority.

Air Canada has requested that the Department obtain additional legislative authority to exercise the second option to renew.

Scope:

The following are the material provisions to be contained in the Option:

- (A) The Director of Port Control is authorized to exercise the second option 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 based on the airports’ rates and charges calculation as outlined in the Master Lease and Use Agreement, which is subject to annual changes. The rent is payable in twelve (12) equal monthly installments. The rental rate for this space in 2019 is \$950.42 per square foot.
- (D) All other terms of the Lease shall remain the same.

Justification/Urgency:

The space is needed by Air Canada for passenger check-in and processing services.

Anticipated Cost:

None.

Schedule or Term of Contract:

The Department is requesting to exercise this second option of the one (1) year with four (4) one-year options lease.

Current Contract:

Name	Contract No.	Amount
Air Canada	CT3001 LS 2018-012	\$87,438.64

Employee Demographics:

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