

## Department of Port Control

Ordinance No.: 645-2023

### Executive Summary

The Department of Port Control is requesting authority to enter into a Lease Agreement with Aitheras Aviation Group, LLC (Aitheras) for the lease of certain city owned space located at 2301 North Marginal Road, Cleveland, OH 44114. The space is needed to support its fixed base operator, aircraft parking and light construction and aircraft maintenance services for a period of one (1) year with four (4) one-year options to renew, exercisable by the Director of Port Control.

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#### **Background/Purpose:**

Aitheras Aviation Group, LLC was founded in Cleveland in 2005 on the premise that a new breed of on-demand aircraft operators was needed. One that is completely focused on the client's needs; whether it be a critically ill patient being rushed to a premier medical institution, a business executive who needs to arrive in time to close a major deal, or a company facing the challenges of purchasing or maintaining a private aircraft.

Under the authority of Section 183.16 of the Codified Ordinance of the City of Cleveland, Aitheras and the City entered into a short-term License Agreement. The term is set to expire in August of 2023. Aitheras is requesting to enter into a longer-term lease.

The term requested is a one (1) year with four (1) year options to renew, exercisable by the Director of Port Control.

#### **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 238,517 sf. of land and 20,430 sf of building space ("Leased Premises") at Burke Lakefront Airport.
- (B) The Leased Premises shall be used to support Lessee's aviation-related services.
- (C) Aitheras shall pay the City an annual rental rate based on a third-party appraisal for fair market value at a per square foot rate. The rental amount will be adjusted annually on the effective date of the agreement based on the United States Department of Labor, Consumer Price Index: "All Urban Consumers (CPI): Midwest Region"; however, never lower than the rate during the initial term. The rent is payable in twelve (12) equal monthly installments.
- (D) The term of the lease shall be for a period of one (1) year with four (4) one-year options to renew, exercisable by the Director of Port Control.

**Justification/Urgency:**

The Leased Premises shall be used to support Lessee’s fixed based operator and other related aviation services.

**Anticipated Cost:**

None.

**Schedule or Term of Contract:**

The Department is requesting a term of period of one (1) year with four (4) one-year options to renew, exercisable by the Director of Port Control.

**Current Contract:**

Name	Number/Term	Expiration	Amount
Aitheras Aviation Group, LLC	License Agreement	4-2-2023 thru 8-2-2023	\$13,566.66 per month