

## Department of Port Control

Ordinance No.: 1043-2022

Development & Lease Administration

### Executive Summary

The Department of Port Control is requesting authority to enter into a new lease with Air Canada for the lease of ticket counter space located in the passenger terminal building at Cleveland Hopkins International Airport.

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

Under the authority of Ordinance 1306-17 passed on December 4<sup>th</sup> 2017, the Department and AIR CANADA entered into a lease agreement No. 2018\*012 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 required additional legislative authority.

Air Canada has requested that the Department obtain new legislative authority to enter into a lease for a term of two (2) years with three (3) one-year options to renew, with the second option requiring 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 new lease 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.

**Justification/Urgency:**

The current lease is set to expire by its terms on December 31, 2022. 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 the initial term to be two (2) years with three (3) one year options to renew, with the second option requiring additional legislative authority.

**Current Contract:**

Name	Contract No.	Amount
Air Canada	CT3001 LS 2018-012	\$85,958.36

**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