

Department of Port Control

Ordinance No.: 81-2019

Business Development and Management

EXECUTIVE SUMMARY

The Department of Port Control is requesting authority to exercise the third option to renew Contract No. CT 3001 LS 2014-28 with United Airlines, Inc. to provide for the use and occupancy of office and warehouse space located in the South Cargo Facility at 6090 Cargo Road at Cleveland Hopkins International Airport for the purposes of operating an air cargo facility.

Background/Purpose:

On November 25, 2013, the Cleveland City Council passed Ordinance No. 1515-13, authorizing the Department of Port Control (“Department”) to enter into a lease with United Airlines, Inc. (“United”) City Contract No. 2014-028 for the use and occupancy of approximately 21,371 square feet of office and warehouse space located in the South Cargo Facility, Building #216, at Cleveland Hopkins International Airport for use as an air cargo facility (“Lease”). The Lease was for an initial term of two (2) years with three (3) one (1) year options to renew, the last of which requires additional legislative authority. This third option will cover the time period of November 1, 2018 to October 31, 2019. We expect to reach agreement a new long term lease for this space with United by mid-2019 in advance of the October 31st expiration date.

Scope:

If approved, the option period will be from November 1, 2018 to October 31, 2019. All other terms of the Lease shall remain the same.

Justification/Urgency:

The Lease option is necessary for United to continue to use the premises as an air cargo facility.

Anticipated Cost:

None

Schedule or Term of Contract:

City Contract No. 2014-028 will expire by its’ terms on October 31, 2019.

Current Contract:

Name	Expiration	Contract No.	Amount
United Airlines, Inc.	10-31-2019	2014-028	\$149,597.00 per year

Total number of employees – 1,050

Number of employees that are minorities – 237

Number that are women – 474

Number that are City of Cleveland Residents - 187