

Department of Port Control

Ordinance No.: 1028-2021 Commercial Service & Governmental Affairs

EXECUTIVE SUMMARY

Authorizing the Director of Port Control to enter into one or more submerged land leases with the State of Ohio and future sub-leases with various tenants for the submerged land at Burke Lakefront Airport, for a term up to ninety-nine years, with two fifty-year options to renew, exercisable by the Director of Port Control; and to replace, modify, amend, extend, or otherwise adjust existing adjacent submerged land leases and sub-leases.

Background/Purpose:

The City of Cleveland constructed Burke Lakefront Airport (BKL) over several decades on artificial fill placed on the bed or submerged land of Lake Erie. On August 1, 1992, the City entered into submerged land lease SUB-514-CU with the State of Ohio for the northern portion of BKL, including primarily the consolidated disposal facilities used to store dredge material harvested from the Cuyahoga River. The City and its consultants determined that replacing or modifying this agreement with one or more new submerged land leases covering the entirety of BKL for an extended duration is necessary to meet both FAA grant assurances and private development standards for demonstrating good title to its property.

The Department of Port Control is seeking legislative authority to enter into such agreement(s) with the State of Ohio and future sub-leases with various tenants for the submerged land at Burke Lakefront Airport as deemed necessary for up to ninety-nine (99) years with two (2) options to renew for a period of fifty (50) years each, exercisable by the Director of Port Control. Additional authority is requested for the Director of Port Control to expend funds necessary to pay the annual base rent, as determined by the use of the leased premises, for the Term of the submerged land lease and any renewal periods thereof and to collect reimbursed for rent payments paid on behalf of future tenant sub-leases.

Scope:

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

- Provisions shall conform with the rules and regulations stipulated in Chapter 1501-6 of the Ohio Administrative Code;
- The right to use the submerged leasehold to operate and develop an airport, CDFs and other commercial uses;
- Term shall be for term of up to ninety-nine (99) years with two (2) options to renew for a period of fifty (50) years each, exercisable by the Director of Port Control;
- The right to sublease the leasehold with prior approval from the State of Ohio; and

- The expected rent for non-commercial uses is expected to be \$1.00 per year.

Justification/Urgency:

The proposed submerged land lease(s) is required for the City to comply with FAA grant assurance #4, which states a sponsor must hold good title to its property to receive federal dollars for projects on the airfield. Submerged land lease(s) for the subject property is also necessary to demonstrate good title for future development projects financed by private entities at BKL.

Current Contract:

Name	Agreement	Amount \$	Term Ends
State of Ohio	SUB-514-CU	\$1.00/yr.	July 31, 2042