

Department of Port Control

Ordinance No.: 395-2022

Harbors & Real Estate

EXECUTIVE SUMMARY

The Department of Port Control (Department) is requesting authority to enter into a Lease Agreement with Sky Café US Inc. (Sky Café), for the lease of certain city owned space at Cleveland Hopkins International Airport (CLE), for the operation of an inflight catering and other ancillary catering (“Catering”) and related services.

The Department requests a term of five (5) years with a one (1) five year option to renew; which is exercised by additional legislative authority.

Background/Purpose:

On October 4, 2021, under the authority of Section 183.16 of the Codified Ordinances of the City of Cleveland, the Department of Port Control and Sky Café executed and entered into a License Agreement for a period of twelve (12) months. The license agreement was for approximately 39,474 square feet of space located at Building # 218 and Parking at 5970 Cargo road, Cleveland OH 44135. For operation of an in-flight catering and other ancillary catering (“Catering”) and related services.

Sky Café has requested to enter into a longer term lease for the aforementioned space; five (5) years with one (1) five-year option to renew; the first of which requires additional legislative authority.

Scope:

The following are provisions to be contained in the lease agreement:

- (A) The leasehold premises shall be approximately 39,474 square feet of space located at Building # 218 and Parking at 5970 Cargo road, Cleveland OH 44135.
- (B) The leased premises will be used for the purpose of the operation of an in-flight catering and other ancillary catering (“Catering”) and related services.
- (C) The current annual rental rate will be determined by a Fair Market Valuation appraised rental rate as of 2022.

Justification /Urgency:

The current License Agreement will come to the end of its term on October 3, 2022. The aforementioned space is needed for Sky Café to continue to provide the air carriers and others the inflight catering and other ancillary catering services.

Anticipated Cost:

None.

Schedule or Term of Contract:

The Department is requesting a term of five (5) years with one (1) five-year option for renewal, the first option subject to additional legislative approval.

Current Contract:

Name	Expiration	Contract No.	Amount
Sky Café, Inc.	10-3-2022	CT 3001-LS 2021*011	\$217,107.00/annum

Total number of employees – 48

Number of employees that are minorities – 26

Number that are women – 24

Number that are City of Cleveland Residents - 19