

Department of Port Control

Ordinance No.: 499-2022

Harbors & Real Estate

EXECUTIVE SUMMARY

The Department of Port Control (Department) is requesting authority to enter exercise the third of four options to renew for Lease Agreement LS 2019*024 with T & G Flying Club, Inc. (T & G Flying), for the lease of certain city owned space in the Terminal Building at Burke Lakefront Airport (BKL), for the operation of a comprehensive flight training school, aircraft rental program and related services for student pilots.

Background/Purpose:

Under the authority of Ordinance 1106-18 passed on October 8, 2018, the Department and T & G Flying executed and entered into a lease agreement (LS2019*024) for approximately 1,552 square feet of office space (Suite 184) located on the first floor of the Burke Lakefront Airport Terminal for the operation of a comprehensive flight training school, aircraft rental program and related services for student pilots.

T& G Flying has requested the Department exercise the third of four (1) one year options to renew, which requires additional legislative authority.

Scope:

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

- A. The leasehold premises shall be approximately 1,552 square feet of space located in the Terminal Building, Suite 184 at BKL.
- B. (B) The leased premises will be used for the purpose of a comprehensive flight training school, aircraft rental program and related services for student pilots.
- C. The current annual rental rate of \$27,160.00, has been payable in monthly installments of \$2,2633.00, based on a 2018 Fair Market Valuation appraised rental rate of \$17.50/square foot.
- D. The new rate will be adjusted to equal the United States Department of Labor, Consumer Price Index: "All Urban consumers" Cleveland and Akron; however, never lower than the rate during the initial term.

Justification /Urgency:

The current initial lease term will expire on 6/30/2022. The aforementioned space is needed for T & G Flying to continue its flight school and aircraft rental operation.

Anticipated Cost:

None.

Schedule or Term of Contract:

The Department is requesting a term of one (2) year with one (1) year option for renewal, the first option subject to additional legislative approval.

Current Contract:

Name	Expiration	Contract No.	Amount
T & G Flying Club, Inc.	6/30/2024	LS 2019*024	\$74,936.04/annum

Total number of employees – 16

Number of employees that are minorities – 1

Number that are women – 1

Number that are City of Cleveland Residents - 2