

Department of Port Control

Ordinance No.: 760-2022

Airport Development
Real Estate

EXECUTIVE SUMMARY

The Department of Port Control ("Department") is requesting authority to exercise the second option to renew Lease Agreement No. 2019-009 with MRK Aviation for the lease of 11,025 square feet of space located in Building # 217 at 6000 Cargo Road, Cleveland OH 44135; for the purpose of conducting air cargo operations and other aviation related support services for various tenants of Cleveland Hopkins International Airport ("CLE")

Background/Purpose:

Under the authority of Ordinance 672-18 passed by Cleveland City Council on October 8, 2018 the Department and MRK Aviation executed and entered into a lease agreement (LS2019*009) on May 16, 2019 for approximately 11,025 square feet of space located in Building # 217 at 6000 Cargo Road, Cleveland OH 44135; for the purpose of conducting air cargo operations and other aviation related support services for various tenants of CLE.

The term was set at one (1) year with (4) four-year options to renew, which the second requires additional legislative authority.

Scope:

The following provisions were contained in the lease agreement with the addition of the new monthly rental rate:

- (A) The leasehold premises shall be approximately 11,025 square feet of space located in Building # 217 at 6000 Cargo Road, Cleveland OH 44135.
- (B) The leased premises will be used for the purpose of conducting air cargo operations and other aviation related support services.
- (C) The current annual rental rate of \$24,806.25 and is payable in monthly installments of \$2,067.18. The new rental rate will reflect the May 2022 CPI Index which will be equal to an annual sum of \$26,816.56, payable in monthly installments of \$2,234.71.

Justification /Urgency:

The first option year has concluded and exercising the second option year requires legislative authority and will permit MRK Aviation to continue using the aforementioned space for the air cargo 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.	Current Rental Amount
MRK Aviation	5/15/24 with Option Terms	LS 2019*009	\$24,806.25 annually

Total number of employees – 16

Number of employees that are minorities – 2

Number that are women – 1

Number that are City of Cleveland Residents - 4