

Ordinance No. 444-2023

By Council Members McCormack and Griffin (by departmental request)

AN EMERGENCY ORDINANCE

Authorizing the Director of Port Control to enter into a ground lease with Marichaels LTD, dba Jets FBO or wholly-owned subsidiary for property located within the South Campus Area of Cleveland Hopkins International Airport to design, construct, and operate a corporate hangar and flight operation facility, for a term not less than twenty-five years.

WHEREAS, the City of Cleveland owns certain property located within the South Campus Area of Cleveland Hopkins International Airport which is not needed for the City's public use; and

WHEREAS, Marichaels LTD, dba Jets FBO ("Jets FBO") has proposed to lease the property from the City to design, construct, and operate a corporate hangar and flight operation facility; and

WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That notwithstanding and as an exception to the provisions of Chapters 181 and 183 of the Codified Ordinances of Cleveland, Ohio, 1976, the Director of Port Control is authorized to enter into a Ground Lease with Jets FBO for approximately 2.88 acres of City-owned land located within the South Campus Area of Cleveland Hopkins International Airport ("Leased Premises"), for a term of not less than twenty-five years, to design, construct, and operate a corporate hangar and flight operation facility and is more fully described in the map in **File No. 444-2023-A**.

Section 2. That the base rent for the Ground Lease authorized by this ordinance shall be based on a independent third-party, fair market value appraisal, subject to annual Consumer Price Index (CPI) adjustments, plus an additional fuel flowage fee of \$.07 per gallon, a lubricant fee of \$0.15 per gallon of product; and a 7% concession fee, and shall be subject to Board of Control approval.

Section 3. That the Ground Lease shall provide that Jets FBO will assume all costs associated with designing, permitting, and constructing the corporate hangar and flight operation facility, including the installation and enhancement of utility lines/service, ramps and taxiways within the boundaries of the Leased Premises. The

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Ground Lease shall also provide that title to all structures and other fixed improvements related to Jets FBO's corporate hangar and flight operation facility shall pass to the City of Cleveland upon expiration of the term of the Ground Lease.

Section 4. That the Ground Lease may provide for the payment to the City of appropriate utility and other operating costs of the Leased Premises, which shall be deposited in a fund approved by the Director of Finance.

Section 5. That the Ground Lease shall be prepared by the Director of Law and shall contain any terms and conditions as are required to protect the interests of the City for the Ground Lease and its termination.

Section 6. That the Directors of Port Control, Law, and other appropriate City officials are authorized to execute any other documents and certificates, and take any other actions which may be necessary or appropriate to effect the Ground Lease authorized by this ordinance.

Section 7. That this ordinance is declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

AP:nl
4-10-2023
FOR: Interim Director Kramer

