

Department of Port Control

Ordinance No.: 233-2024

Executive Summary

The Department of Port Control (“Department”) is requesting authority to exercise the first option to renew Lease Agreement No. LS2022-03 between the City of Cleveland and the United States Postal Service (“USPS”) for the lease of certain city owned property generally located on Postal Road, Building No. 220, Cleveland, OH 44135, for the purpose of the operation of a warehouse, sorting facility and post office retail store at Cleveland Hopkins Airport.

Background/Purpose:

Pursuant to the authority of ordinance 543-2019, USPS entered into Lease Agreement with the City of Cleveland, for the lease of property generally located at Cleveland Hopkins International Airport, Postal Road, Building No. 220, Cleveland, OH 44135 for the purpose of the operation of a warehouse, sorting facility and post office retail store (“Premises”).

The term was set at five (5) years with one (1) five-year option to renew.

USPS has requested that the Department obtain additional legislative authority to exercise the first option to renew.

Scope:

The following are provisions are contained in the Lease:

(A)The Director of Port Control is authorized to exercise the one option to renew for five years for the use and occupancy of approximately 115,600 square foot facility for the purpose of the operation of a warehouse, sorting facility and post office retail store.

(B)The annual rental rate \$664,068.36 is based on an independent third-party appraisal.

For each year after the initial term, the rental rate shall be adjusted based on the United States Department of Labor, Consumer Price Index: “All Urban Consumers” Midwest; however, never lower than the rate during the initial term.

Justification/Urgency:

These Premises is needed by USPS to continue the operation of warehouse, sorting facility and post office retail store.

Anticipated Cost:

None.

Term:

The term was set at five (5) years with one (1) five-year option to renew. USPS has requested that the Department obtain additional legislative authority to exercise the first option to renew.

Employee Demographics:

Total number of employees - 3

Number of employees that are minorities - 3

Number that are women - 2

Number that are City of Cleveland residents - 0