

Department of Port Control

Ordinance No.:1173-2024

Executive Summary

Authorizing the Directors of Port Control, Public Works and/or Mayor's Office of Capital Projects to enter into one or more submerged land leases with the State of Ohio, consents to sub-lease the submerged land with various future tenants and amendments, modifications, replacements or extensions to existing identified submerged land leases, for a term up to ninety-nine years, with two fifty-year options to renew, exercisable by the Directors of Port Control, Public Works and/or Mayor's Office of Capital Projects for the Downtown Lakefront submerged lands from West 3rd Street to approximately East 49th Street as further illustrated in Exhibit A.

Background/Purpose:

The City of Cleveland constructed the Downtown Lakefront over several decades on artificial fill placed on the bed or submerged land of Lake Erie. On June 1, 2014, the City entered into master submerged land lease SUB-0070-CU with the State of Ohio for the Downtown Lakefront, which currently includes the parking lot on the western portion of Burke Lakefront Airport, North Coast Harbor and the area north of Huntington Bank Field. Additional submerged land lease agreements and/or amendments, modifications, replacements or extensions are needed with the State of Ohio for the area spanning from West 3rd Street to approximately East 49th Street as depicted in Exhibit A, including identified existing submerged land lease, to implement the various projects outlined in the City's Downtown Lakefront Master Plan and associated development projects.

The Departments of Port Control, Public Works and/or Mayor's Office of Capital Projects are seeking legislative authority to enter into, amend, extend, replace or modify such agreement(s) with the State of Ohio and future consent to subleases with various tenants for the additional downtown lakefront submerged lands reference above, as deemed necessary, for up to ninety-nine (99) years with two (2) options to renew for a period of fifty (50) years each, exercisable by the Directors of Port Control or Public Works.

Additional authority is requested to expend funds necessary to pay the State of Ohio's annual base rent, as determined by the use of the leased premises, for the Term of the submerged land lease and any renewal periods thereof and to collect reimbursement for rent payments paid on behalf of future tenant subleases.

Scope:

The following are the material provisions to be contained in the Agreement, amendment, modification, replacement or extension:

- Provisions shall conform with the rules and regulations stipulated in Chapter 1501-6 of the Ohio Administrative Code;
- The right to use the submerged leasehold to develop public works, infrastructure and mixed-use development projects that conform with the City's Lakefront Master Plans;
- The term shall be for up to ninety-nine (99) years with two (2) options to renew for

a period of fifty (50) years each, exercisable by the Director of Port Control and/or Director of Public Works;

- The right to enter into consent to subleases with the State of Ohio; and
- The annual rent for non-commercial uses is estimated to be \$1.00 per year.

Justification:

The proposed submerged land lease(s) is required for the City to comply with various grant opportunities, which often require applicants to hold good title to proposed projects areas in order to receive federal and state dollars. Submerged land lease(s) for the subject property are also necessary to demonstrate good title for any future private development projects, consistent with approved Lakefront Master Plans.