Department of Port Control

Ordinance No.: TBD 2026

Executive Summary

The Director of the Department of Port Control ("Department") hereby requests authorization to enter into an amendment to Lease No. 1999-0114 ("Agreement") by and between the City of Cleveland and the I-X Center Corporation, or wholly owned subsidiary or successor-in-interest ("Lessee"), for the purpose of incorporating a payroll credit provision to the terms and conditions of said Agreement.

Background/Purpose:

Pursuant to the authority granted by Ordinance Number 68-94 passed by the Cleveland City Council on January 18, 1994, and Ordinance Number 77-99, passed on January 14, 1999, the City of Cleveland entered into Agreement Number 1999-0114 on February 1, 1999. The Agreement provided for an initial term of fifteen (15) years, together with four (4) additional consecutive five-year option periods exercisable by the Lessee, for the use of the premises as a fixed base operation, hangar, event and exhibition facility.

Subsequently, the City of Cleveland entered into amendments to the Agreement pursuant to additional legislative authority. Amendment Number 1 was authorized under Ordinance Number 1327-08, passed November 10, 2008, and Amendment number 2 was authorized under Ordinance Number 168-17, passed March 6, 2017. Most recently Ordinance Number 1241-2024, passed November 18, 2024, authorized the Department to enter into an amendment to extend the term thereof and incorporate such other modifications as were deemed necessary and appropriate to protect and benefit the public interest.

Scope:

The following constitutes material provision without limitations, that shall be incorporated into the amended Agreement:

A) Payroll credited against base rent based on the total payroll for the premises/building for subtenants brought into the premises/building by Lessee in the following amounts:

   i. Total payroll under $25m: $0;
   ii. Total payroll between $25m to $49,999,999m: 10% reduction in rent;
   iii. Total payroll between $50m to $74,999,999m: 15% reduction in rent; and
   iv. Total payroll $75m and above: 20% reduction in rent.

B) The reduction in rent received by the Airport that will be offset by a transfer of funds from the Brook Park Settlement Special Revenue Fund, Fund No. 10 SF 989, to DPC's enterprise fund.

C) Base rent will be established by fair market value appraisal.

Justification/Urgency:

Legislation will provide for the provision of the payroll credit provision.

Anticipated Cost: N/A

Schedule or Term of Contract:

The term has been extended by Ordinance Number 1241-2024 by a term of forty-nine-years.

Current Contract:

Name	Term	Contract No.	Amount/Month
I-X Center Corporation or wholly owned subsidiary or successor-in-interest.	Expiration 8-31-2039	1999-0114	$225,429.46