

Department of Port Control

Ordinance No.: 672-18

Business Development & Management

EXECUTIVE SUMMARY

The Department of Port Control is requesting authority to enter into a Lease Agreement with MRK Aviation for the lease of certain space in Building No. 217 located at 6000 North Cargo Road at Cleveland Hopkins International Airport for the purpose of conducting air cargo operations and other support services for various tenants at the airport, for the Department of Port Control, for a period of one year, with four one-year options to renew, the second of which shall require additional legislative authority.

Background/Purpose:

On March 1, 2018 the Department of Port Control ("Department") entered into a License Agreement with MRK Aviation under the authority of Section 183.16 of the Codified Ordinances of the City of Cleveland for the use and occupancy of approximately 11,025 square feet of warehouse space located in Building #217 at CLE for the purpose of conducting air cargo operations and other support services for various tenants ("Lease"). The term is currently not to exceed twelve (12) months.

The Department is desirous of entering into a formal lease agreement for the aforementioned space; one year with four one-year options to renew, the second of which requires additional legislative authority.

Scope:

The following are provisions to be contained in the lease agreement:

- (A) The leasehold premises shall be approximately 11,025 square feet of space located in Building #217 at Cleveland Hopkins International Airport.
- (B) The leased premises will be used for the purpose of conducting air cargo operations and other support services for various tenants.
- (C) The annual rental rate of \$24,806.25, payable in monthly installments of \$2,067.19, was determined by an independent third party appraisal based on the fair market value.

Justification /Urgency:

The lease of the space is necessary to maintain the air cargo operation and support services for various tenants at Cleveland Hopkins International Airport.

Anticipated Cost:

None

Schedule or Term of Contract:

The Department is requesting a term of one (1) year with four (4) one year options for renewal, the second option subject to additional legislative approval.

Current Contract:

Name	Expiration	Contract No.	Amount
MRK Aviation	2/28/2019	LS 2018*008	\$24,806.25 per annum

Total number of employees – 16

Number of employees that are minorities – 1

Number that are women – 1

Number that are City of Cleveland Residents - 1