

Department of Port Control

Ordinance No.: 917-18

Business Development & Management

EXECUTIVE SUMMARY

The Department of Port Control is requesting authority to enter into a Lease Agreement with MarKenCami, LLC for the lease of office space at Burke Lakefront Airport for the operation of a software company for a period of two years, with three one-year options to renew, the first of which is exercisable through additional legislative authority.

Background/Purpose:

On September 7, 2017 the Department of Port Control (“Department”) entered into a License Agreement No. LS-2017*021 with MarKenCami, LLC under the authority of Section 183.16 of the Codified Ordinances of the City of Cleveland for the use and occupancy of approximately 191 square feet of space located in Room 116 of the passenger terminal building at Burke Lakefront Airport for general office use for the operation of a software company (“Lease”). The term is currently for twelve (12) months and shall expire September 6, 2018.

MarKenCami, LLC has requested to enter into a new lease for the existing space and for an additional 238 square feet of space, for a period of two (2) years with three (3) one-year options to renew, the first 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 191 square feet situated in Room 116 and 238 square feet in Room 115. Both locations are positioned on the first floor of the passenger terminal building at Burke Lakefront Airport.
- (B) The leased premises will be used for the general office use to operate a software company.
- (C) The current space in Room 116 will have an annual rental rate of \$3,056.00, and has been payable in monthly installments of \$238.75, which was based on a per-square-foot rate of \$16.00 established by a third party independent appraisal.
- (D) The additional space in Room 115 will have an annual rental rate of \$3,808.00, payable in monthly installments of \$317.00, which was based on a per-square-foot rate of \$16.00 established by a third party independent appraisal.

(E)The term of the Lease shall be for a period of two (2) year with three (3), one-year options to renew, the first option subject to additional legislative approval.

(F) The rental rate for each of the option terms shall be adjusted based on the United States Department of Labor, Consumer Price Index: “All Urban Consumers” Cleveland and Akron; however, never lower than the rate during the initial term.

(G)The Lease will authorize MarKenCami, LLC to make additional improvements to the leased premises at its own cost, subject to approval of the Director and appropriate City agencies and officials.

Justification /Urgency:

The Lease of the space is necessary for general office use for the operation of a software company.

Anticipated Cost:

None

Schedule or Term of Contract:

The Department is requesting a term of two (2) years with three (3) one year options for renewal, the first option subject to additional legislative approval.

Current Contract:

Name	Expiration	Contract No.	Amount
MarKenCami, LLC	9-6-2018	CT-3001-LS2017*021	\$2,865.00 per annum

Total number of employees – 3
Number of employees that are minorities – 0
Number that are women – 0
Number that are City of Cleveland Residents -1