

## **Department of Port Control**

Ordinance No.: 1106-18

Business Development & Management

### **EXECUTIVE SUMMARY**

Authorizing the Director of Port Control to enter into a Lease Agreement with T & G Flying Club, Inc. for the lease of space in the passenger terminal building at Burke Lakefront Airport for operation of a flight training school, aircraft rental program, and related services for student pilots, for the Department of Port Control, for a period of one year, with four one-year options to renew, the third of which is exercised by additional legislative authority.

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#### **Background/Purpose:**

By way of background, the Department of Port Control ("Department") entered into a lease agreement with T & G Flying Club, Inc. under the authority of Ordinance #360-09 , City contract No. 69405 ("Lease"), for the use of and occupancy of approximately 1,552 square feet of office space located in Room 184 of the Terminal Building at Burke Lakefront Airport ("BKL"); for the purpose of operating a comprehensive flight training school, aircraft rental program and related services for student pilots ("Lease").

T & G has requested to enter into a mutually agreeable, new lease for the aforementioned space for one (1) year with four (4) one-year options to renew, the third of which requires additional legislative authority.

#### **Scope:**

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

- (A) The term of the Lease shall be for a period of one (1) year with four (4) one-year options to renew. The third option to renew shall not be exercised without additional legislative authority.

The leasehold premise (Room 184) is approximately 1,552 square feet and the rental rate is \$17.50 per square foot (airside). The annual rental amount of \$27,160.00 is payable in 12 equal monthly installments of \$2,263.33; which was determined by an independent third party appraisal, based on fair market value; and

- o 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.
- (B) The Lease shall not be construed as the conveyance of any right, title or interest in public property but merely as the grant of the privilege to use the property for the purposes described in the Lease.
- (C) The Lease shall contain such additional provisions, as the Director of Law deems necessary to benefit and protect the public interest.

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

**Justification /Urgency:**

T & G requires the lease of this office space to support the operation of a flight training school, aircraft rental program and related services for student pilots.

**Anticipated Cost:**

None

**Schedule or Term of Contract:**

The Department is requesting a Lease term of one (1) year, with four (4) one-year options to renew, the third of which shall not be exercised without additional legislative authority.

**Current Contract:**

Name	Contract Number	Amount
T & G Flying Club, Inc.	69405	\$26,384.00

Total number of employees – 16

Number of employees that are minorities – 1

Number that are women – 1

Number that are City of Cleveland residents -2