

Department of Port Control

Ord. No.: 876-2019

Business Development & Mgt.

EXECUTIVE SUMMARY

The Department of Port Control is requesting authority to enter into a new Lease Agreement with Ultimate JetCharters, LLC dba Ultimate Air Shuttle, LLC for the lease of certain space located in the passenger terminal building at Burke Lakefront Airport, for the Department of Port Control, for a period of two years, with three one-year options to renew, the first of which requires additional legislative authority.

Background/Purpose:

Ultimate Air Shuttle (“Ultimate”) has been operating regional passenger jet service to the public at Burke Lakefront Airport since 2016. The Department and Ultimate entered into two agreements under Ordinance No. 1360-15 and No. 630-16 respectively for approximately 1,398 square feet of space consisting of an office, a passenger lounge and a gate/holdroom area in the terminal building. Ultimate and the Department desire to enter into a new lease for occupancy of the space.

The term if approved, will be 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 the material provisions to be contained in the Lease:

1. The Director of Port Control is authorized to enter into a Lease for the use and occupancy of space located in the passenger terminal building at BKL (“Leased Premises”), as follows:
 - Approximately 972 square feet of space for use as a holdroom/boarding area at Gate No. 2; the rental rate to be charged will be at \$17.50 per square foot;
 - Approximately 142 square feet of office space located near the east entrance of the terminal, at a rental rate of \$16.00 per square foot, and;
 - Approximately 284 square feet of space located across from the holdroom area to be used as a passenger lounge; the rental rate to be charged will be \$16.50 per square foot.
2. The total annual rental obligation of \$23,968.00 is payable in monthly installments of \$1,997.00. The rental rate for each space is based on fair market value determined by a third party appraisal.

Justification:

Ultimate Air has proposed to enter into a new lease for the use and occupancy of a combined 1,398 square feet of office space, passenger lounge space and gate/holdroom area in the terminal building at BKL.

Anticipated Cost:

There is no cost to the City associated with this Lease.

Term:

The Department is requesting a term of two (2) years with three (3) one-year options to renew, the first of which requires additional legislative authority.

Current Contracts:

LS 2017*016 (\$ 9,727.00)/annum

LS 2018*001 (\$4,260.00)/ annum

Participation:

Total number of employees: 3

Total number of employees that are minorities: 0

Total number of employees that are women: 2

Total number of employees that are City of Cleveland residents: 0