

**Department of Port Control
Request for Legislation**

Ordinance No.: 546-2021

Commercial Development & Governmental Affairs

EXECUTIVE SUMMARY

The Department of Port Control (“Department”) is requesting authority to exercise the first option to renew Contract No. LS 2020-2 with Wargo Law, LLC to operate a law firm in the Terminal Building at Burke Lakefront Airport; to amend certain terms of the lease to add space under a companion license agreement; and to terminate the license agreement.

Background/Purpose:

Under the authority of City Ordinance No. 1159-18, passed on October 22, 2018, Wargo Law, LLC entered into a Lease Agreement with the Department, City Contract No. LS 2020*002, for the use of approximately 491 square feet of office space located in the terminal building at BKL, Room #182, for activities necessary to operate a law firm.

The term was set at two (2) years with three (3) one-year options to renew. The Department is requesting authority to exercise the first one-year option, which is subject to additional legislative approval.

In addition, under the authority of Section 183.16 of the Codified Ordinances of the City of Cleveland, Wargo Law, LLC entered into a License Agreement with the Department, City Contract No. LS 2021*0003, for the use of approximately 178 additional square feet of office space located in the terminal building at BKL, Room #180, for activities necessary to operate a law firm.

The term was set at not to exceed one (1) year.

The Department is requesting authority to exercise the first one-year option for LS 2020*002, which is subject to additional legislative approval, as well as amend it to incorporate both spaces under the same agreement LS 2020*002.

Scope:

The following are the material provisions:

- (A) The Director of Port Control is authorized to enter into a Lease for the use and occupancy of approximately 669 square feet of space located in the terminal

building at BKL, which has been determined to be not needed for public use for the term of the Lease.

(B) The Leasehold Premises shall be used as offices to operate a law firm.

(C) The initial term rental rate shall be based on an independent third-party appraisal. For each option term, the rental rate shall be adjusted based on the United States Department of Labor, Consumer Price Index: "All Urban Consumers" Cleveland and Akron, OH; however, this CPI adjustment shall not exceed 2% nor shall it ever reduce the rate established during the initial term. The second and third options can be exercised by the Director without further authority.

(D) All other terms of the Lease shall remain the same.

Justification/Urgency:

These premises are needed by Wargo Law in order to operate a law firm.

Anticipated Cost:

None.

Schedule or Term of Contract:

The Department is requesting to exercise the first year option term of the three (3) one-year options to renew. The Option Term covers the period of January 1, 2022 to December 31, 2022.

Current Contract(s):

Name	Term	Contract Nos.	Annual Amount
Wargo Law, LLC	Two (2) years with (3) three one-year options to renew	LS 2020*002	\$8,592.50/year rent
Wargo Law, LLC	One (1) Year	LS 2021*0003	\$3,115.00/year rent

Employee Demographics:

Total number of employees - 1

Number of employees that are minorities - 0

Number that are women - 1

Number that are City of Cleveland residents - 0