

## **Department of Port Control Request for Legislation**

Ordinance No.: 551-2021

Commercial Development & Governmental Affairs

### **EXECUTIVE SUMMARY**

The Department of Port Control (“Department”) is requesting authority to enter into a Lease Agreement with the United States Postal Service (“USPS”), for the lease of property and a facility on Cargo Road to operate a warehouse, sorting facility, and post office retail store, for the Division of Cleveland Hopkins International Airport, Department of Port Control, for a period of five years with one five-year option to renew, exercisable by the Director of Port Control.

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

USPS has requested to enter into a new lease for their current facility located on Postal Road at CLE.

The Department is requesting a term of five (5) years with one (1) five-year option to renew, exercisable by the Director of Port Control.

#### **Scope:**

The following are the material provisions to be contained in the Lease:

- (A) The Director of Port Control is authorized to enter into a lease for the use and occupancy of approximately 5.973 acres of land and an 115,660 square foot building #220 (“Leased Premises”) on Cargo Road at CLE for continued use as a warehouse, sorting facility and post office retail store.
- (B) The Leased Premises shall be used to operate a warehouse, sorting facility and post office retail store.
- (C) USPS shall pay the City an annual rental rate as determined by an independent third party appraisal. The rental amount will be increased annually on the effective date by 3%. The rent is payable in twelve (12) equal monthly installments.
- (D) The term of the lease shall be for a period of five (5) years with one (1) five-year option to renew, exercisable by the Director of Port Control.

**Justification/Urgency:**

The property and facility is needed by USPS to continue its CLE operation.

**Anticipated Cost:**

None.

**Schedule or Term of Contract:**

The Department is requesting a term of five (5) years with one (1) five-year option to renew, exercisable by the Director of Port Control.

**Current Contract:**

Name	Term	Contract No.	Annual Amount
United States Postal Service	30 years Currently in monthly holdover	41008	\$215,351/year

Total number of employees - 3

Number of employees that are minorities - 3

Number of employees that are women - 2

Number of employees that are City of Cleveland residents - 0

