

**Department of Port Control
Request for Legislation**

Ordinance No.: 552-2021

Commercial Development & Governmental Affairs

EXECUTIVE SUMMARY

The Department of Port Control (“Department”) is requesting authority to enter into a Lease Agreement with Ultimate Air Charters, LLC. (“Ultimate”) for the lease of certain space located in the passenger terminal building at Burke Lakefront Airport (“BKL”), for a period of one (1) year, with four (4) one-year options to renew, the second of which requires additional legislative authority.

Background/Purpose:

On April 8, 2021, the Department of Port Control (“Department”) entered into a License Agreement, with Ultimate Air Charters, LLC. (“Ultimate”) under the authority of Section 183.16 of the Codified Ordinances of the City of Cleveland for the use and occupancy of passenger gate, lounge, and office space located at BKL to operate a charter airline. The term is currently not to exceed twelve (12) months.

Ultimate has proposed to enter into a new lease for the use and occupancy of up to 1,677 square feet of office space, passenger lounge space and passenger gate/holding area in the terminal building at BKL. The term if approved, will be for a period of one (1) year, with four (4) one-year options to renew, the second of which requires additional legislative authority.

Ultimate provides passenger jet service to the public seeking regional travel.

Scope:

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

- (A) The leasehold premises shall be up to 1,677 feet of space located at 1501 North Marginal Road, Cleveland, OH 44114 at BKL.
- (B) The leased premises will be used as office, passenger lounge space and a passenger gate/holding area.
- (C) Lessee shall pay the City a rental rate as determined by an independent third party appraisal. At the beginning of each option term, the rental amount will be increased by 3%. The rent is payable in twelve (12) equal monthly installments.

(D) The term of the lease shall be for a period of one (1) year with four (4) one-year options to renew, the second of which is subject to additional legislative approval.

Justification /Urgency:

The Lease of the premises is necessary to maintain the operation of a charter airline.

Anticipated Cost:

None

Schedule or Term of Contract:

The Department is requesting a term of one (1) year with four (4) one-year options for renewal, the second option subject to additional legislative approval.

Current Contract:

Name	Term	Contract No.	Amount
Ultimate Air Charters, LLC	One (1) Year	N/A-TBD	\$23,820.36/annum

Employee Demographics:

Total number of employees – 2
Number of employees that are minorities – 0
Number that are women – 1
Number that are City of Cleveland Residents - 0