



September 29, 2021

To: Mayor and Members of City Council
From: Paula Boggs Muething, City Manager *SM*
Subject: EMERGENCY ORDINANCE – LUNKEN AIRPORT LEASE WITH CONDOR AIR, LTD *4/23/21*

202102842

Attached is an emergency ordinance captioned as follows:

AUTHORIZING the City Manager to execute a *Lease Agreement* with Condor Air, Ltd. pursuant to which the company will renew its leasehold interest at Lunken Airport for up to an additional twenty years.

The City currently leases space at Lunken Airport, known as Lease Area 47, to Condor Air, Ltd. (“Company”) pursuant to a lease that is scheduled to expire on October 31, 2021.

The Company desires to renew its leasehold interest for up to an additional 20 years (namely, an initial term of 5 years commencing November 1, 2021, with three 5-year renewal options), as further described in the attached *Lease Agreement*.

Council previously authorized the renewal of the Company’s lease by Ordinance No. 35-2020, but, upon further investigation, it was determined that extensive capital improvements are required to modernize the hangar on the leased premises (ownership of which will revert to the City upon the expiration of the existing lease) and to render it functional to serve tenants and their contemporary aircraft.

The Company has agreed to make substantial improvements to the City’s hangar that will improve its functionality and extend its useful life, and the *Lease Agreement* has been revised to reflect this arrangement.

The City’s Real Estate Services Division, in consultation with the City’s Airport Manager, and after considering airport industry standards, FAA requirements, and the work to be performed by the Company, has determined by appraisal that the fair market rental value of the leased premises is approximately \$33,550 per annum, which the Company has agreed to pay (with rent for each renewal period to be adjusted as described in the *Lease Agreement*).

Pursuant to Cincinnati Municipal Code Section 331-5, Council may authorize the lease of City-owned property without competitive bidding in those cases in which it determines that it is in the best interest of the City.

The City Planning Commission approved the renewed lease of Lease Area 47 to the Company at its meeting on January 17, 2020.

The reason for the emergency is the immediate need to execute the *Lease Agreement* prior to the expiration of the Company’s existing lease, to ensure the Company’s leasehold is timely renewed, and that the City receives the benefit of the work to be performed by the Company at the earliest possible time.

The Administration recommends passage of the attached emergency ordinance.

Attachment I – Lease agreement

cc: John S. Brazina, Director, Transportation and Engineering John B