

AUTHORIZING the City Manager to execute two *Lease Agreements* with Signature Engines, Inc. pursuant to which the City will extend the company's use and occupancy of Lunken Airport Lease Area 23 and Lease Area 24 for up to an additional 20 years.

WHEREAS, the City of Cincinnati ("City") owns Lunken Airport in the East End and Linwood neighborhoods, which is under the management of the City's Department of Transportation and Engineering ("DOTE"); and

WHEREAS, the City currently leases space at the Airport, known as Lease Areas 23 and 24, as more particularly depicted and described in the *Lease Agreements* attached to this ordinance as Attachment A and Attachment B and incorporated herein by reference ("Leased Premises"), to Signature Engines, Inc., an Ohio corporation ("Lessee"), pursuant to leases that expired on May 31, 2022, however Lessee has continued to lease the Leased Premises on a month-to-month basis since that time under the same terms; and

WHEREAS, Lessee desires to extend its use and occupancy of the Leased Premises for up to an additional 20 years (namely, an initial term of 5 years, with three 5-year renewal options), as further described in the *Lease Agreements*; and

WHEREAS, the City's Real Estate Services Division, in consultation with the City's Airport Manager after considering airport industry standards and FAA requirements, has determined by appraisal that the fair market rental value of Lease Area 23 is approximately \$19,829.00 per year, and the fair market rental value of Lease Area 24 is approximately \$21,301.00 per year, which Lessee has agreed to pay (with rent for the renewal periods to be adjusted as described in the *Lease Agreements*); and

WHEREAS, pursuant to Section 331-5, Cincinnati Municipal Code, 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; and

WHEREAS, Lessee has occupied and continues to occupy the Leased Premises, the City's execution of this Lease will not result in a change in use of the Leased Premises, therefore review and approval of a change in use of the Leased Premises by City Planning Commission is not required; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the City Manager is hereby authorized to execute two *Lease Agreements* with Signature Engines, Inc., an Ohio corporation ("Lessee"), in substantially the forms attached

as Attachment A and Attachment B to this ordinance and incorporated herein by reference, pursuant to which the City of Cincinnati will extend Lessee’s leasehold interests in Lease Areas 23 and 24 at Lunken Airport (“Leased Premises”) for an initial term of 5 years, with three 5-year renewal options (for a total of up to 20 years).

Section 2. That the rent set forth in the *Lease Agreements* reflects the fair market rental value of the Leased Premises, as determined by appraisal by the City’s Real Estate Services Division in consultation with the City’s Airport Manager after considering airport industry standards and FAA requirements.

Section 3. That eliminating competitive bidding in connection with the City’s lease of the Leased Premises is in the best interest of the City because Lessee has been a good and responsible tenant at the Airport and the City desires to retain Lessee as a tenant.

Section 4. That the proper City officials are hereby authorized to take all necessary and proper actions to carry out the provisions and intent of this ordinance and the *Lease Agreements*, including, without limitation, executing any and all ancillary documents associated with the *Lease Agreements*, such as amendments or supplements to the *Lease Agreements* deemed by the City Manager to be in the vital and best interests of the City.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk