

February 23, 2023

202300670

To: Mayor and Members of City Council
From: Sheryl M. M. Long, City Manager
Subject: ORDINANCE – LUNKEN AIRPORT LEASE WITH SIGNATURE ENGINES, INC.

Attached is an ordinance captioned as follows:

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.

The City currently leases space at Lunken Airport, known as Lease Areas 23 and 24 ("Leased Premises"), to Signature Engines, Inc. ("Lessee") pursuant to leases that expired on May 31, 2022. However, the Lessee has continued to lease the Leased Premises on a month-to-month basis since that time under the same terms.

The Lessee desires to renew its leasehold interest 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 attached Lease Agreements.

The City's Real Estate Services Division, in consultation with the City's Airport Manager, and 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 annually, and the fair market rental value of Lease Area 24 is approximately \$21,301.00 annually, both of which the Lessee has agreed to pay.

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 Lessee has occupied and continues to occupy the Leased Premises, and 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 the use of Leased Premises by the City Planning Commission is not required.

The Administration recommends passage of the attached ordinance.

Attachment I – Lease Area No. 23
Attachment II – Lease Area No. 24

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