

APPROVE ENTERING INTO A LEASE AGREEMENT WITH THE CHICAGO PARK DISTRICT AND A SUB-LEASE AGREEMENT WITH THE MARCY-NEWBERRY CENTER FOR USE OF SPACE AT THE FOSCO PARK COMMUNITY CENTER

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with the Chicago Park District ("Landlord") and a sublease agreement with Marcy-Newberry Center ("Subtenant") for use of space at the Fosco Park Community Center. These Agreements are being entered into as a result of an April 1, 2003 Intergovernmental Agreement between the City of Chicago, the Chicago Park District, the Board, and the Public Building Commission regarding the Fosco Community Center. A written lease and sub-lease agreements are currently being negotiated. The authority granted herein shall automatically rescind in the event these agreements are not executed within 120 days of the date of this Board Report. Information pertinent to these agreements is stated below.

LANDLORD: Chicago Park District
541 N Fairbanks
Chicago, IL 60611
Contact Person: General Superintendent
Phone: 312-742-7529

TENANT: Board of Education of the City of Chicago

SUB-TENANT: Marcy-Newberry Center
1073 W. Maxwell Street
Chicago, IL 60608
Contact Person: Benjamin J. Kendricks, Executive Director
Phone: 312-829-7555

PREMISES: 11,000 square feet within the Fosco Park (George M. Eisenberg) Community Center located at 13th and Racine Streets on an exclusive use basis; two adjoining playgrounds on an exclusive-use basis Monday through Friday from 6:30 a.m. to 6:30 p.m.; and the common areas and access to 102 spaces of associated parking on a non-exclusive basis.

USE: To be used to provide child-day care services, early childhood programs, pre-kindergarten programs and after-school programs plus associated services.

TERM: The term of this lease agreement shall commence as of the date the Board is granted possession of the Premises and shall terminate five years thereafter. The sublease shall commence as of the date that the sublease agreement is executed and shall terminate one year thereafter.

TERMINATION OPTION: The Lease has no early termination option. The Board, however, may terminate the sublease upon six (6) months notice to the sub-tenant.

RENT: The Board shall pay annual rent payments in the amount of \$82,500 (\$7.50 sq ft) payable in advance in equal monthly installments. Rent payments shall commence the date the Board is granted possession of the Premises. Sub-tenant shall pay the Board \$41,250 payable in advance in six equal payments starting on the sixth month of the lease agreement. The Chicago Department of Children and Youth Services shall guarantee sub-tenant's rent payment in the amount of \$41,250.

MAINTENANCE, FIXTURES AND UTILITIES: The Landlord shall be responsible for maintenance, utilities, repairs, and fixtures for the Premises.

INSURANCE/INDEMNIFICATION: All Parties shall maintain coverage under their self-insurance policies.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease and sub-lease agreements. Authorize the President and Secretary to execute the lease and sub-lease. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the lease and sublease.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL:	Charge to Operations:	944-552-000-6000-5480
	\$82,500	FY-05
	\$82,500	FY-06
	\$82,500	FY-07

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

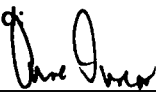
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Sean P. Murphy
Chief Operating Officer

Approved:



Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Ruth Moscovitch
General Counsel