

APPROVE ENTERING INTO A LEASE AGREEMENT WITH CITY COLLEGES OF CHICAGO FOR RENTAL OF SPACE AT WRIGHT COLLEGE SOUTH CAMPUS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a Lease Agreement with City Colleges of Chicago (CCC) for rental of space at Wright College South Campus. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

LANDLORD: City Colleges of Chicago
District Office
226 West Jackson Blvd.
Chicago, IL 60606
Contact Name: Dr. Charles Guengerich, President, Wright College
Phone: 773-777-7900

TENANT: Board of Education of the City of Chicago

PREMISES: 3400 N. Austin Avenue, consisting of approximately 100,000 square feet, plus associated parking at Wright College South Campus.

USE: To relieve overcrowding at various elementary schools in the surrounding area.

TERM: The term of this agreement is for 10 years. The lease agreement shall commence on May 1, 2001 and shall end April 30, 2011.

RENT: The annual rent shall be \$500,000 payable in equal monthly installments or as otherwise agreed to by the parties with additional payment for utilities.

IMPROVEMENTS TO PREMISES: The Board shall be allowed to make improvements to the property consistent with its intended use.

OPTION TO PURCHASE: The Board shall have the option to make an offer to purchase the entire premises at the end of the 5th, 8th and 10th years of the lease period upon terms mutually acceptable to both parties.

INSURANCE/INDEMNIFICATION: Liability insurance will be provided under the Board's self-insurance coverage.

MAINTENANCE OF THE FACILITY: The Board shall be responsible for the operation and maintenance costs of the leased space. CCC shall be responsible for the operation and maintenance costs of its retained spaces.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the intergovernmental lease agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Charge to Operations: \$100,000
 Fiscal Year: May- June FY01
 Budget Classification: 0944-552-000-6000-5410
 Charge to Operations: \$400,000
 Fiscal Year: FY02
 Budget Classification: as appropriated
 Source of Funds: Rent Contingency

GENERAL CONDITIONS:

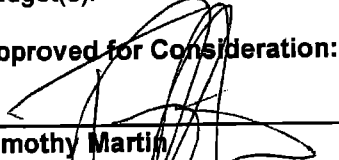
Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel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

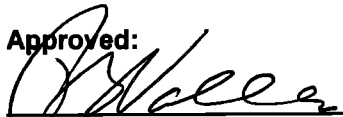
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

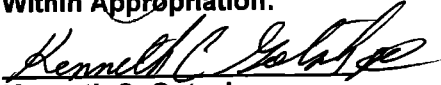
Indebtedness - The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

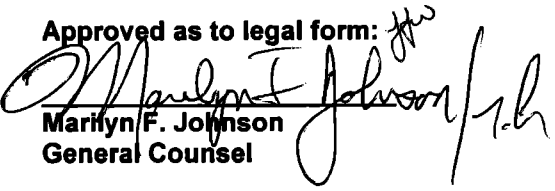
Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:

 Timothy Martin
 Chief Operating Officer

Approved:

 Paul G. Vallas
 Chief Executive Officer

Within Appropriation:

 Kenneth C. Gotsch
 Chief Fiscal Officer

Approved as to legal form:

 Marilyn F. Johnson
 General Counsel