

**APPROVE EXERCISING THE OPTION TO EXTEND THE MASTER LEASE AGREEMENT
WITH THE
CATHOLIC BISHOP OF CHICAGO**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the option to extend the master lease agreement with The Catholic Bishop of Chicago. A written extension agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease agreement is stated below. The current schools, square footage, base rent and additional rent are identified on Exhibit A attached hereto.

LANDLORD: Catholic Bishop of Chicago
c/o Archdiocese of Chicago
P.O. Box 1979
Contact Person: Thomas Brennan
Chicago, IL 60690-1979
Phone: (312) 751-7218

TENANT: Board of Education of the City of Chicago

PREMISES: During the renewal term, the Landlord shall lease to the Board the Archdiocese school sites which are specified on Exhibit A.

USE: To relieve overcrowding and provide temporary classroom space.

ORIGINAL LEASE AGREEMENT: The Original master Lease Agreement (authorized by Board report 00-0823-OP1) is for a term commencing August 1, 1999 and ending June 30, 2002, with the Board having the option to renew the lease for one additional 3-year term, subject to Landlord's consent. Landlord has consented to the extension.

RENEWAL TERM: The term of the lease shall be extended for a period commencing July 1, 2002 and ending June 30, 2005.

BASE RENT: The Base Rent for the first year of the extended term is \$4.80 per square foot. The Base Rent for the second year of the extended term is \$4.94 per square foot. The Base Rent for the third year of the extended term is \$5.09 per square foot.

ADDITIONAL RENT: Janitorial costs initially shall be \$.75 per square foot and shall increase 3% each year after the 1st year of the renewal term. Utility costs shall be adjusted on July 1st of each year to reflect the actual costs incurred.

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

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Counsel is not applicable to this report

FINANCIAL: Charge to Operations \$3,850,000
Budget Classification: 0944-552-000-6000-5480

Fiscal Year: 2003
Source of Funds: Citywide Rent Funds

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:



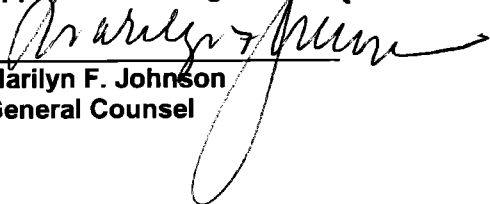
Arne Duncan
Chief Executive Officer *by PAT*

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel

**FY2003 FUNDING
MASTER LEASE AGREEMENT CATHOLIC BISHOP OF CHICAGO
Appendix A**

<u>CPS Schools</u>	<u>Parish</u>	<u>Area (S.F.)</u>	<u>Annual Rate \$5.09 S.F.</u>	<u>Janitorial \$0.80 S.F.</u>	<u>Electrical \$0.70 S.F.</u>	<u>Heating \$0.64 S.F.</u>	<u>Annual Total</u>
Burnham	St. Kevin	12,077	\$61,471.93		\$8,453.90	\$7,729.28	\$77,655.11
Clay	St. Columba	9,820	\$49,983.80		\$6,874.00	\$6,284.80	\$63,142.60
Clinton Branch	St. Timothy	25,484	\$129,713.56	\$20,387.20	\$17,838.80	\$16,309.76	\$184,249.32
Davis	St. Pancratius	21,170	\$107,755.30				\$107,755.30
Dawes	St. Denis	13,257	\$67,478.13		\$9,279.90	\$8,484.48	\$85,242.51
Field Annex	St. Jerome	53,986	\$274,788.74		\$37,790.20	\$34,551.04	\$347,129.98
Gallistel	St. Francis de Sales	25,024	\$127,372.16	\$21,420.54	\$17,516.80	\$16,015.36	\$182,324.86
Green	St. Maurice	14,293	\$72,751.37		\$10,005.10	\$9,147.52	\$91,903.99
Hedges Middle	St. Michael	10,224	\$52,040.16	\$8,179.20	\$7,156.80	\$6,543.36	\$73,919.52
Las Casas	Jesus Our Brother	33,724	\$171,655.16			\$21,583.36	\$193,238.52
Lewis Branch	St. Peter Canisius	24,624	\$125,336.16		\$17,236.80	\$15,759.36	\$158,332.32
Marquette Branch	St. Rita	54,608	\$277,954.72		\$38,225.60	\$34,949.12	\$351,129.44
McKay Branch	St. Adrian	10,053	\$51,169.77				\$51,169.77
McNair Branch	OLH of Christians	59,370	\$302,193.30		\$41,559.00		\$343,752.30
Mitchell Branch	Holy Rosary	14,208	\$72,318.72				\$72,318.72
Reilly Branch	St. Wenceslaus	28,725	\$146,210.25		\$20,107.50	\$18,384.00	\$184,701.75
Roque de Duprey	St. Fidelis	31,257	\$159,098.13	\$25,005.60	\$21,879.90	\$20,004.48	\$225,988.11
Seward Branch	Holy Cross	24,304	\$123,707.36	\$19,443.20	\$17,012.80	\$15,554.56	\$175,717.92
Shields	Immaculate Conception	33,265	\$169,318.85		\$23,285.50	\$21,289.60	\$213,893.95
Nightingale/Carson	St. Clare	32,500	\$165,425.00		\$22,750.00	\$20,800.00	\$208,975.00
Hurley/Carroll	St. Denis (additional space)	28,000	\$142,520.00		\$19,600.00	\$17,920.00	\$180,040.00
Schubert/Reinberg	St. James	43,144	\$219,602.96		\$30,200.80	\$27,612.16	\$277,415.92
		603,117	\$3,069,865.53	\$94,435.74	\$366,773.40	\$318,922.24	\$3,849,996.91