

AMEND BOARD REPORT 03-0225-OP01
**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 amended 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.

This amendment is necessary to 1) increase funding to cover FY-03 year end expenses in an amount not to exceed \$500,000, 2) add new schools and school-related sites for the 2003-2004 school year, 3) fund rental obligations and reimbursable expenses for FY-04 in a sum not to exceed \$5,000,000, and 4) authorize automatic monthly payment of base rents. A written amendment to the lease is currently being negotiated. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 90 days of the date of this amended Board Report.

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 the Board the Archdiocese school sites and School-Related Sites, which will be specified on Corrected Exhibit A to the Lease Renewal Document.

USE: To relieve overcrowding and provide temporary classroom space and School-Related Sites such as parking spaces and gymnasiums.

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. The Base Rent shall be paid automatically (without need for an invoice) in equal installments on a monthly basis.

YEAR END EXPENSES FY-03: A sum not to exceed \$500,000 shall be paid to Landlord to satisfy FY-03 year-end expenses for repairs and other outstanding charges.

ADDITIONAL RENT: Janitorial costs initially shall be \$.85 per square foot and shall increase 3% each year after the 1st year of the renewal term. Initial utility costs shall be \$.65 per square foot for electricity and ~~\$.50~~ \$.60 per square foot for gas. These rates shall be adjusted on July 1st of each year of the lease renewal to reflect the actual costs incurred. Janitorial costs and utility costs shall be added to Base Rent and be paid automatically (without need for an invoice) in equal installments on a monthly basis.

SCHOOL-RELATED SITES: School-Related Sites are parking spaces, gymnasiums and other facilities that support an existing Board-owned school. Rents for parking spaces at School-Related Sites shall not exceed \$3.50 per car per day and rents for gymnasiums and other facilities at School-Related Sites shall be leased at a rate to be negotiated by the Chief Operating Officer, all of which to be paid as invoiced by the Landlord.

REIMBURSABLE EXPENSES: Certain unanticipated expenses, in a sum not to exceed \$500,000, other than those specifically outlined in the Master Lease Agreement as Capital Improvements or Repairs/Janitorial Services, if performed by Landlord, shall be reasonably reimbursed in a timely manner upon submission of proper invoicing.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written extension agreement and all amendments and addendums thereto. Authorize the Chief Operating Officer to negotiate and execute Addendums to the Lease, as amended, to add School-Related Sites to the Premises being leased by the Board at a rate agreed to by the Chief Operating Officer. Authorize the President and Secretary to execute the extension agreement and amendment. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this lease and the extension agreement and all amendments and addendums thereto.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Charge to Operations:	\$3,568,906 +\$500,000 = \$4,068,906	<u>Fiscal Year: 2003</u>
Budget Classification:	0944-552-000-6000-5480 <u>0944-552-000-4453-5470</u>	

Charge to Operations:	\$5,000,000	<u>Fiscal Year : 2004</u>
Budget Classification:	0944-552-000-6000-5480 <u>Various Schools-552-000-6000-5480</u>	

Source of Funds: PBC O&M Fund

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.

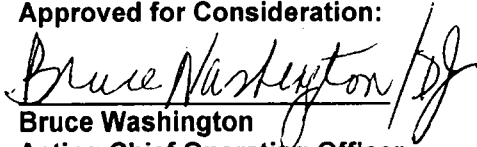
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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


Bruce Washington
Acting Chief Operating Officer

Approved:


Arne Duncan *MPAD*
Chief Executive Officer

Within Appropriation: 


Peggy Davis
Chief of Staff

Approved as to legal form: 


Ruth Moscovitch,
General Counsel

ARCHDIOCESE LEASE - FISCAL YEAR 2003-2004

CPS School Fiscal Year 2003-2004	PARISH NAME	Square Footage	Annual Base Rent \$4.94	Monthly Base Rent \$4.94	Monthly Janitorial @ 0.88	Monthly Electric @ 0.65	Monthly Heat @ 0.60	Total Monthly Rent	Total Annual Rent
Ashburn	St. Denis	53,020	\$ 261,918.80	\$ 21,826.57				\$ 21,826.57	\$ 261,918.80
Belmont/Cragin	St. James	31,292	\$ 154,582.48	\$ 12,881.87		\$ 1,694.98		\$ 14,576.86	\$ 174,922.28
Burnham	St. Kevin	12,077	\$ 59,660.38	\$ 4,971.70		\$ 654.17	\$ 603.85	\$ 6,229.72	\$ 74,756.63
Chavez	St. Joseph - South	21,753	\$ 107,459.82	\$ 8,954.99		\$ 1,178.29		\$ 10,133.28	\$ 121,599.30
Clay	St. Columba	9,820	\$ 48,510.80	\$ 4,042.57		\$ 531.92	\$ 491.00	\$ 5,065.48	\$ 60,785.80
Clinton Branch	St. Timothy	28,543	\$ 141,002.42	\$ 11,750.20	\$ 2,093.15	\$ 1,546.08	\$ 1,427.15	\$ 16,816.58	\$ 201,799.01
David	St. Paterius	21,170	\$ 104,579.80	\$ 8,714.98				\$ 8,714.98	\$ 104,579.80
Gallistel	St. Francis de Sales	25,024	\$ 123,618.56	\$ 10,301.55	\$ 1,835.09	\$ 1,355.47	\$ 1,251.20	\$ 14,743.31	\$ 176,919.68
Green	St. Maurice	14,293	\$ 70,607.42	\$ 5,883.95		\$ 774.20	\$ 714.65	\$ 7,372.81	\$ 88,473.67
Hedges Middle branch	St. Michael the Arch	10,224	\$ 50,506.56	\$ 4,208.88	\$ 749.76	\$ 553.80	\$ 511.20	\$ 6,023.64	\$ 72,283.68
Las Casas Occup	Jesus Our Brother	33,724	\$ 166,596.56	\$ 13,883.05			\$ 1,686.20	\$ 15,569.25	\$ 186,830.36
Lewis Branch	St. Peter Cantisius	24,624	\$ 121,642.56	\$ 10,136.88		\$ 1,333.80	\$ 1,231.20	\$ 12,701.88	\$ 152,422.56
Marquette Branch	St. Rita	54,608	\$ 269,763.52	\$ 22,480.29		\$ 2,957.93	\$ 2,730.40	\$ 28,168.63	\$ 338,023.52
McKey Branch	St. Adrian	10,053	\$ 49,661.82	\$ 4,138.49				\$ 4,138.49	\$ 49,661.82
Payton	St. Joseph - North	7,737	\$ 38,220.76	\$ 3,185.07		\$ 419.09	\$ 386.85	\$ 3,991.00	\$ 47,892.02
Reilly Branch	St. Wenceslaus	28,725	\$ 141,901.50	\$ 11,825.13		\$ 1,555.94	\$ 1,436.25	\$ 14,817.31	\$ 177,807.75
Roque De Duprey	St. Fidelis	31,257	\$ 154,409.58	\$ 12,867.47	\$ 2,292.18	\$ 1,693.09	\$ 1,562.85	\$ 18,415.58	\$ 220,986.99
Seward branch	Holy Cross	26,913	\$ 132,950.22	\$ 11,079.19	\$ 1,973.62	\$ 1,457.79	\$ 1,345.65	\$ 15,856.24	\$ 190,274.91
Shields	Imm. Conception	33,265	\$ 164,329.10	\$ 13,694.09		\$ 1,801.85	\$ 1,663.25	\$ 17,159.20	\$ 205,910.35
Talman	St. Clare de Montefalco	30,593	\$ 151,129.42	\$ 12,594.12		\$ 1,657.12	\$ 1,529.65	\$ 15,780.89	\$ 189,370.67
TBD	OL of Mercy	26,881	\$ 132,792.14	\$ 11,066.01				\$ 11,066.01	\$ 132,792.14
TBD	OL of Fatima	30,512	\$ 150,729.28	\$ 12,560.77			\$ 1,525.60	\$ 15,739.10	\$ 188,869.24
	SUB-TOTAL	566,108	\$ 2,796,573.52	\$ 233,047.79	\$ 8,943.81	\$ 22,818.25	\$ 20,096.95	\$ 284,906.80	\$ 3,418,881.58
	OTHER SITES								
DePriest	St. Martin de Porres (5.47 psf)	34,749	\$ 190,077.03	\$ 15,839.75				\$ 15,839.75	\$ 190,077.03
Gallistel (Gym)	St. Francis de Sales (3.01 psf)	4,704	\$ 14,159.04	\$ 1,179.92	\$ 211.68	\$ 156.80	\$ 145.04	\$ 1,693.44	\$ 20,321.28
Hubbard	St. Nicholas of Tolentine	27	\$ 16,605.00	\$ 1,383.75					
Kelly	Five Holy Martyrs	100	\$ 61,500.00	\$ 5,125.00					
Perez	Holy Trinity	40	\$ 24,600.00	\$ 2,050.00					
	SUB-TOTAL	34,749	\$ 205,847.04	\$ 15,839.75	\$ -	\$ -	\$ -	\$ 17,153.92	\$ 205,847.04
	GRAND TOTAL	600,857	\$ 3,002,420.56	\$ 248,887.55	\$ 8,943.81	\$ 22,818.25	\$ 20,096.95	\$ 302,060.72	\$ 3,624,728.62

*Hubbard, Perez, Kelly Schools- Numbers under square footage represent parking spaces being rented for staff