

**RATIFY ENTERING INTO A LEASE AGREEMENT WITH THE BOARD OF TRUSTEES OF
COMMUNITY COLLEGE DISTRICT NO. 508**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify entering into a lease agreement with the Board of Trustee of Community College Dirstric #508 ("CCC") for a portion of the building commonly known as West Side Technical Institute, located at 2800 South Western Avenue, Chicago, Illinois. 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 90 days of the date of this Board Report. Information pertinent to this lease agreement is stated below.

LANDLORD: Board of Trustee of Community College District No. 508
226 West Jackson Blvd.
14th Floor
Chicago, Illinois 60606
Contact Person: William P. Donahue, Vice Chancellor
Phone: (312) 553-3306

TENANT: Board of Education of the City of Chicago

PREMISES: Westside Tech Institute, 2800 South Western Ave, Chicago, IL 60608 consisting of the following:

Classrooms:	Room Numbers: 1105, 1115, 1116, 2209, 2210, and 2211(shared use).
Computer Lab:	Room Number 1106 (Exclusive Use).
Chemistry Lab:	Room # 2212 (Exclusive Use).
Office:	Room 1103 (Exclusive Use).
Lunchroom:	Room #1208A (Exclusive Use) (in addition, CPS students will have shared use of existing cafeteria.
Storage:	Room # 1104(Exclusive Use).
Main Distribution Framework ("MDF"):	The Board has the right to locate the MDF within a current Intermediate Distribution Framework ("IDF") Room.

USE: The Board shall use the Premises for educational or educational related purposes, which shall initially house Juarez High School Students. The following provisions apply to the use of the Premises:

- i. The office and labs will be used exclusively by the Board for the duration of the Lease and all appropriate doors will be re-keyed (CCC Building Engineer shall have master key).
- ii. The Board will use the shared classrooms during regular high school hours and CCC will use the shared classrooms in the evenings and on weekends.
- iii. In the spaces listed above, furniture, line voltage and low voltage wires will remain. Low voltage wiring will be switched over from one of the Building's current IDF rooms and connected to the Board's wide area network through a new T1.
- iv. Board students will have exclusive use of the designated lunchroom (room 1208A) with existing furniture to remain. CCC cafeteria shall be open to the Board's students Monday through Thursday 8:00 a.m. - 1:00 p.m. If the Board requires Friday hours, the operation of the cafeteria will be at the Board's expense.
- v. Parking, bathrooms, corridors and entrances will be designated as common areas for use as appropriate (parking is first come/first served).

vi. The Board will provide security as commensurate with activities in other Board spaces. Board security will be coordinated with CCC security as shall be mutually agreed by the parties.

TERM: The term of this lease agreement shall commence as of August 28, 2003 and shall end June 30, 2004.

OPTION TO RENEW: The Board shall have two (2) one (1) year options to renew the Lease at the same Rent as during the initial term.

RENT: The annual gross rent for the Term of the lease shall be \$118,711.00 per annum, payable in monthly installments of \$9,892.50, in advance, on or before the first of every month covered by the term of the Lease. This is a gross lease and Landlord is responsible for all utilities, real estate taxes, and operating expenses.

CONDITION OF PREMISES AND TENANT IMPROVEMENTS: Except for Tenant Improvements (at a cost to the Board of no more than \$15,948.50, and shall be performed by CCC and reimbursed by the Board to the Landlord), the Premises are being leased AS-IS. The Tenant Improvements will consist of:

1. For existing office (room 1103): in an adjacent IDF room, provide all switches and associated equipment to connect existing low voltage computer lines (or drops) in rooms 1103, 1105, 1106, 1115, 1116, 2209, 2210, 2211 and 2212 to the CPS computer network via a new T1 line (ordered and paid for directly by the Board rather than through the lease). Provide server to support Board use of the office in room 1103 (if required, provide line and low voltage wiring to connect server to existing IDF room).
2. Lunchroom (room 1208A): provide line voltage to support new milk coolers.
3. CAD computer lab (another lab is being built-out by CCC to replace the Computer Lab Room being leased to the Board):
4. Provide low and line voltage wiring and conduit to support 32 student and one teacher work stations.
5. Provide low voltage wiring to connect lab to existing CCC IDF room.
6. Provide all IDF switches and associated equipment required to connect lab to existing CCC computer system.
7. Provide furniture to match number and configuration of existing CAD lab in room 1106.
8. Provide ceiling mounted projector, screen and associated wiring to connect projector to CCC computer system.

REPAIRS AND MAINTENANCE: The Landlord, at its sole cost and expense, shall maintain and repair the Premises.

JANITORIAL: The Landlord, at its sole cost and expense, shall provide janitorial services for the Premises.

INSURANCE/INDEMNIFICATION: Each party shall provide liability and property damage insurance through its respective self-insurance programs.

DISPUTE RESOLUTION: For disputes which cannot be resolved between the President of Daley College and the Principal of Juarez High School, the matter shall be decided by the Managing Architect of the Public Building Commission.

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 lease agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this lease agreement.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Charge to Operations: \$118,711.00 for rent plus \$15,948.50 for tenant Improvements
FY04
Budget Classification: 1890-552-000-6000-5480
Source of Funds: PBC O&M 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:



Sean Murphy
Chief Operating Officer

Approved:



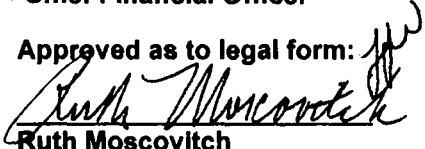
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Ruth Moscovitch
General Counsel