

January 25, 2006

06-0125-0P1

**APPROVE A LEASE RENEWAL AGREEMENT WITH IVER JOHNSON
FOR THE RENTAL OF 4207-09 W. IRVING PARK ROAD**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve a lease renewal agreement with Iver Johnson for 4207-09 W. Irving Park Road. A written lease renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease renewal agreement is stated below.

LANDLORD: Iver Johnson
5304 N. Milwaukee
Chicago, IL 60630
Contact Person: Nancy McLomas
Phone: 773-774-3131

TENANT: Board of Education of the City of Chicago

PREMISES: 4207-09 W. Irving Park Road, entire building and parking lot (4,600 rentable square feet).

USE: To house State Pre-Kindergarten classrooms for Belding Elementary School.

ORIGINAL LEASE AGREEMENT: The original Lease Agreement (authorized by Board Report 03-0527-OP01) was for a term commencing August 1, 2002 and ending July 31, 2005. The original Lease Agreement was renewed for a one-year period commencing August 1, 2005 and ending July 31, 2006 (authorized by Chief Operating Officer's Report 05-0505-COO33).

RENEWAL TERM: The Lease Agreement shall be renewed for a 3-year period commencing August 1, 2006, and ending July 31, 2009.

BASE RENT: The annual Base Rent for the Premises shall be as follows:

<u>Period</u>	<u>Annual Base Rent</u>	<u>Rent per Square Foot</u>
8/1/06 – 7/31/07	\$64,829.31	\$14.09
8/1/07 – 7/31/08	\$66,774.18	\$14.52
8/1/08 – 7/31/09	\$68,770.40	\$14.95

The Base Rent reflects a 3% escalation over the current Base Rent with a 3% escalation per year thereafter.

ELECTRICITY: The Board shall pay electricity for the Premises.

OTHER TERMS: Except as specifically reflected herein, all other terms of the Lease Agreement, as amended and renewed, shall remain in full force and effect.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal agreement. Authorize the President and Secretary to execute the lease renewal 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 Early Childhood: \$64,829.31
Budget Classification: 0952-210-364-7931-5480
Fiscal Year: 2007
Source of Funds: Early Childhood

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.

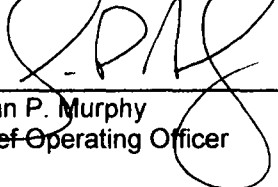
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

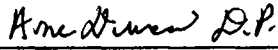
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



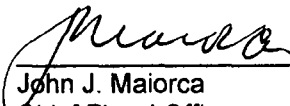
Sean P. Murphy
Chief Operating Officer

Approved:



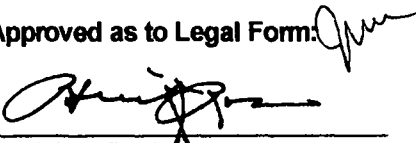
Arne Duncan
Chief Executive Officer

Within Appropriation:



John J. Maiorca
Chief Fiscal Officer

Approved as to Legal Form:



Patrick J. Rocks
General Counsel