

**APPROVE EXERCISING THE OPTION TO RENEW THE LEASE AGREEMENT WITH
FULTON/ELIZABETH, LLC, FOR RENTAL OF SPACE AT 320 NORTH ELIZABETH STREET**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the option to renew the lease agreement with Fulton/Elizabeth, LLC, an Illinois Limited Liability Company ("Landlord") for rental of space at 320 North Elizabeth Street. A written lease renewal 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 renewal agreement is stated below.

LANDLORD: Fulton/Elizabeth, LLC, an Illinois Limited Liability Company
c/o Marc Realty
55 East Jackson Blvd., Suite 500
Chicago, IL 60604
Contact Person: Larry Weiner
Phone: 312-884-5400

TENANT: Board of Education of the City of Chicago

PREMISES: 320 N. Elizabeth, Suites 100, 200, 300, 400, 500 (41,853 r.s.f.), Chicago, Illinois.

USE: To be used by the Human Resources Department and the Office of Technology Services for administrative and training purposes.

ORIGINAL LEASE AGREEMENT: The original lease (authorized by Board Report 04-1215-OP2) is for a term commencing November 1, 2004 and ending October 31, 2006 with the Board having the option to renew for an additional 2-year period (270 day notice required).

RENEWAL TERM: The lease shall be renewed for a term commencing November 1, 2006 and ending October 31, 2008.

BASE RENT: The Base Rent during the Renewal Term shall be as follows:

<u>Lease Year</u>	<u>Rent per square foot</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>
11/1/06 – 10/31/07	\$17.00	\$59,292.00	\$711,504
11/1/07 – 10/31/08	\$18.00	\$62,780.00	\$753,360

ADDITIONAL RENT: During the renewal term of the lease, the Board shall pay as Additional Rent, on a monthly basis or as otherwise invoiced, any Utility Expenses incurred beyond the normal business hours of 7:00 a.m. to 6:00 p.m. Monday through Friday and 8:00 a.m. to 1:00 p.m. Saturday.

PARKING: During the renewal term, Landlord shall provide the following unreserved parking arrangements on Mondays through Fridays from 8:00 a.m. to 6:00 p.m. at the following costs:

<u>Spaces</u>	<u>Location</u>	<u>Cost</u>
100 cars	Parking lot at Fulton & Ada Streets	\$50/space/month (\$5,000 per month)
20 cars	Street parking along Carroll Street	No cost
30 cars	Parking garage at 323 Ada Street	\$75/space/month (\$2,250 per month)

Total cost for parking shall be \$7,250 per month (\$87,000 annually).

OTHER TERMS AND CONDITIONS: Except as specifically modified on this Board Report, all other terms and conditions of the original lease shall continue 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. Authorize the Chief Operating Officer to issue a notice of intent to renew the lease.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL:

	<u>Rent</u>	<u>Utilities (est.)</u>	<u>Parking</u>	<u>Total</u>	<u>FY</u>
Charge:	\$474,336	\$30,000	\$50,750	\$555,086	FY07
	\$739,408	\$42,000	\$87,000	\$868,408	FY08
	\$251,120	\$14,000	\$29,000	\$294,120	FY09

Budget Classification: 11910-230-57705-254903-000000-2007

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.

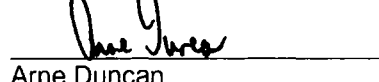
Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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

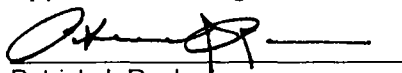
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John J. Maiorca
Chief Fiscal Officer

Approved as to legal form.


Patrick J. Rocks
General Counsel