

APPROVE ENTERING INTO A LEASE AGREEMENT WITH BACK OF THE YARDS NEIGHBORHOOD COUNCIL FOR LEASE OF SPACE AT 3256 W. 47TH STREET

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Back of The Yards Neighborhood Council for lease of space at 3256 W. 47th Street, Chicago, Illinois for use by the Department of Early Childhood. 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: Back of The Yards Neighborhood Council, an Illinois Corporation
1751 W. 47th Street
Chicago, Il 60609
Contact: Marina D. Rey
Phone: 773-532-4416

TENANT: Board of Education of the City of Chicago

PREMSES: 3256 W. 47th Street, Chicago, Illinois, Suite 100, consisting of approximately 3,550 rentable square feet.

USE: Pre-Kindergarten space for Columbia Explorers School

TERM: The term of the lease agreement shall be for a period commencing September 1, 2008 and ending August 31, 2018, with the Board having two options to extend the lease for additional five-year periods with rent escalating at 2.5% per annum during such renewal periods.

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

<u>Period</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>	<u>Annual Rate per Square Foot</u>
9/1/08-8/31/09	\$4,067.71	\$48,812.50	\$13.75

Base Rent shall escalate at 2.5% per annum.

All Base Rent and Additional Rent shall be payable in accordance with the terms of the lease. Base Rent and Additional Rent shall not be due until such time as Landlord delivers Tenant a Certificate of Occupancy or upon Tenant taking possession of the Premises, whichever occurs first.

ADDITIONAL RENT: Tenant shall be responsible for its proportionate share of real estate taxes and common area maintenance which are in excess of the taxes and expenses for base year 2009.

UTILITIES: Landlord shall cause the utilities for the Premises to be separately metered and Tenant shall be responsible for the payment of such utilities.

JANITORIAL AND MAINTENANCE: Tenant shall be responsible for janitorial services within the Premises and shall keep the Premises in good order and repair.

LANDLORD BUILD-OUT AND TENANT IMPROVEMENTS: Landlord shall be responsible for all base building construction and all internal build-out of the building in which the Premise are contained. Additionally, Landlord shall construct the tenant improvements to Premises at a cost up to \$35.00 per square foot in accordance with certain agreed upon plans and specifications prepared by the Board which shall be attached to and made a part of the lease. Any cost of the tenant improvements in excess of \$35 per square foot shall be the responsibility of the Board.

SIGNAGE: Landlord shall install a building directory and a floor directory on which Tenant's name and suite number shall be identified.

RELATED EXPENSES: Moving expenses are estimated not to exceed \$10,000. Furniture and installation is estimated not to exceed \$10,000. Technology expenses, including voice and WAN/LAN Wireless equipment and installation, are estimated not to exceed \$50,000.

INSURANCE/INDEMNIFICATION: The General Counsel shall negotiate all insurance and indemnification provisions in the lease.

AUTHORIZATION: Authorize the General Counsel to include insurance, indemnification, and 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 any and all ancillary documents required to administer or effectuate the lease agreement.

AFFIRMATIVE ACTION: Exempt

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

FINANCIAL: Rent: \$48,812.50 FY08/09
Budget Classification: 11385-115-57705-254904-376619-2009 (Early Childhood)

Moving, Furniture & Technology: \$70,000.00
Budget Classification: 11385-115-57705-254904-376619-2009 (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.

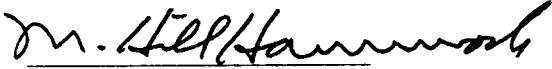
Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

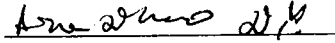
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Approved:

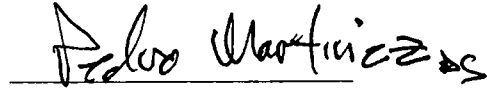


M. Hill Hammock
Chief Operating Officer



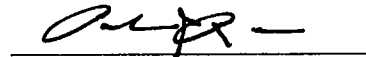
Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel