

AMEND BOARD REPORT 09-1028-OP3
AMEND BOARD REPORT 09-0527-OP3

RATIFY ENTERING INTO A SCHOOL FOOD SERVICES AGREEMENT AND APPROVE ENTERING INTO A NEW LEASE AGREEMENT WITH NOBLE NETWORK OF CHARTER SCHOOLS FOR LEASE OF A PORTION OF THE CREGIER SCHOOL BUILDING, 2040 WEST ADAMS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Noble Network of Charter Schools for lease of a portion of the Cregier School Building, 2040 West Adams. A written lease agreement is currently being negotiated. Possession of the Premises will not be granted to the Charter School until the lease agreement is fully executed. 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.

This amended Board Report is necessary to amend the Lease to include a School Food Services Agreement as an exhibit to the Lease and to ratify entering into the School Food Services Agreement. An amendment to the Lease and a Food Services Agreement are currently being negotiated. The authority granted herein shall automatically rescind in the event both documents are not executed with 90 days of the date of this amended Board Report.

This amended Board Report is to terminate the existing lease agreement with the Noble Network of Charter Schools for rental of the Cregier School building at 2040 West Adams and enter into a new lease agreement setting the term of such lease for seven (7) years. The length of the term would allow Noble Street Charter School to make an application for New Market Tax Credits (NMTC). CPS property shall not be used as security for the NMTC transaction and any capital improvements made to CPS buildings shall become property of CPS, all in accordance with the Charter School Capital and Facility Budget Policy, as amended. A new written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a new written lease agreement is not executed within 90 days of the date of this amended Board Report.

This amended Board Report is also necessary to terminate the existing School Food Services Agreement with an effective date of June 30, 2011.

TENANT: Noble Network of Charter Schools
 1010 N. Noble Street
 Chicago, IL 60622
 Contact: Michael Milkie, Superintendent
 Phone: 773-862-1449

LANDLORD: Board of Education of the City of Chicago

PREMISES: The Premises shall consist of a portion of the building located at 2040 West Adams (Cregier School) to be determined by a Memorandum of Sharing Agreement that shall be made a part of the Lease. As of July 1, 2012, Tenant shall be entitled to the use of the entire building and grounds. The Board approved Tenant's occupancy of this site on March 25, 2009, pursuant to Board Report 09-0325-EX14; therefore, this possession of a CPS facility by a Charter School is in compliance with the notice provision contained in the Charter School Capital and Facility Budget policy.

USE: Tenant shall use the Premises to operate a charter school campus and related educational and community programs, and for no other purpose. Tenant shall have unrestricted access to the Premises.

TERM: The lease term shall commence on such date as the new lease agreement is fully executed, but no earlier than July 1, 2009 2011, and shall end June 30, 2014 2018. The term of the School Food Services Agreement shall be from September 8, 2009 to June 30, ~~2012~~ 2011. This new lease and the School Food Services Agreement shall automatically terminate on any such date as the Charter School Agreement is terminated.

RENT: \$1.00 per year.

MAINTENANCE & OPERATIONS: OPERATING EXPENSES: In the event Tenant is the sole occupant of the Premises, the Tenant shall have the option to procure various operating services (Operating Services) from the Landlord in accordance with Landlord's current established procedures and rates. This election shall be made prior to the execution of the new lease and will be incorporated into the new lease. Tenant shall be bound by the selection ~~for a one-year pilot period. At the end of such one-year pilot period, until the first to occur of (i) the date upon which Landlord changes or adds Operating Services; (ii) the date upon which Landlord announces a change in the manner in which it calculates Operating Expenses, or (iii) the date of renewal, if applicable of the new lease.~~ ~~Tenant may change its procurement of Operating Services from the Landlord. Thereafter, Tenant shall be bound by its selection of Operating Services for a 3-year period.~~ In the event Tenant shares the Premises at any time with a Chicago Public School or a contract school, the Tenant will automatically receive all of Landlord's Operating Services and shall pay for such Operating Services pursuant to current established procedures and rates. In the event Tenant shares the Premises at any time with another charter school, both charter schools must make the same election regarding the procurement of Operating Services from the Landlord.

FOOD SERVICES AGREEMENT: The Cregier School Building is a facility shared by a CPS school Best Practices High School, and a charter school operated by Tenant. Noble Network of Charter Schools is recognized as a food services authority by ISBE. ISBE only permits one food service authority per location and the parties have agreed that the Noble Network of Charter Schools will provide food service at the Cregier School Building and, thus, will be responsible for providing food service to the students attending Best Practices High School during such time as the facility is shared with Best Practices High School. The Board shall pay Nobel Network of Charter Schools for the food services it is providing to the students of Best Practices High School in accordance with the terms of the School Food Services Agreement. Nobel Network of Charter schools shall not be entitled to receive any additional monies for such food services beyond the amount set forth in the School Food Services Agreement.

INSURANCE/INDEMNIFICATION: Insurance and indemnification provisions shall be negotiated by the General Counsel.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the new written lease agreement, the Lease amendment, and the School Food Services Agreement. Authorize the President and Secretary to execute the new lease agreement, the Lease amendment, and the School Food Services Agreement. Authorize the President and Secretary to determine the allocation of responsibility of various maintenance and other services and to execute any and all ancillary documents related to this new Lease, as amended and the School Food Services Agreement.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Rent payable to the General Fund.
For School Food Services Agreement: Charge to: Nutrition Support Services for actual meals served
Budget Classification: 12050-312-53205-256009-000000-~~2010~~-2011

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.

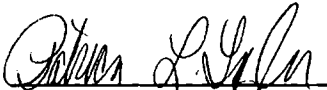
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



Patricia L. Taylor
Chief Facilities Operating Officer

Approved:



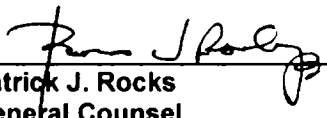
Ren Huberman
Terry Mazany
Chief Executive Officer

Within Appropriation:



Christina Herzog
Diana S. Ferguson
Acting Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel