

**APPROVE ENTERING INTO A LEASE AGREEMENT WITH
MESSIAH LUTHERAN CHURCH AND SCHOOL
TO RELIEVE OVERCROWDING AT SMYSER ELEMENTARY**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Messiah Lutheran Church and School for a school building to relieve overcrowding at Smyser Elementary School, located at 4310 North Melvina Avenue. The proposed leased premises is located at 6200 West Patterson Avenue. 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 the lease agreement is stated below.

LANDLORD: Messiah Lutheran Church and School
6200 West Patterson Avenue
Chicago, Illinois 60634
Contact: Barbara Lattyak
Phone: (773) 685-2923

TENANT: Board of Education of the City of Chicago

PREMISES: 6200 West Patterson Avenue, Chicago, Illinois (includes entire school building and use of parking lot during school hours)

USE: The leased premises is to be used to relieve overcrowding at Smyser Elementary School.

TERM: The term of the lease shall be for five years, commencing on July 1, 2011, and ending on June 30, 2016.

EARLY TERMINATION RIGHT: Either the Board or the Landlord may terminate the lease after the third year, upon six months prior written notice to the other party.

RENT: \$192,600 per year.

Year 1	A \$42,600 deposit is due the first month in addition to the monthly rent payment. The monthly rent payment for the first year is \$12,500.00.
Years 2-5	\$16,050.00 per month.

ADDITIONAL RENT: The Board shall reimburse landlord or pay service providers directly for the actual cost of electricity, heat, telecommunications, garbage and snow removal, or other services reasonably necessary to operate the building. The additional rent is estimated to be \$70,000.00 annually

IMPROVEMENTS: The Board shall have the right to make improvements to the premises, if necessary, with the consent of the Landlord.

OPERATION & MAINTENANCE: The Board shall provide janitorial services and normal maintenance.

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 the lease agreement.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Charge to Operations: \$262,600.00 Fiscal Year: 2012

Budget Classification: 11910-230-57705-254903-000000-2012

Source of Funds: Operating

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.

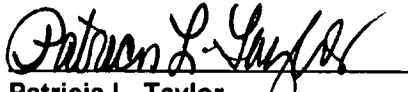
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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


Patricia L. Taylor
Chief Operating Officer

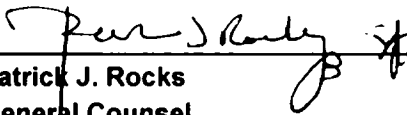
Approved:


Terry Mazany
Chief Executive Officer

Within Appropriation:


Diana S. Ferguson
Chief Financial Officer

Approved as to legal form:


Patrick J. Rocks
General Counsel