

**AMEND BOARD REPORT 11-0525-OP5  
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 are is located at 6200 West Patterson Avenue. The Board shall not take possession of the premises prior to execution of the agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this amended Board Report. Information pertinent to the lease agreement is stated below.

This July 2011 amendment is necessary to: (1) change the commencement date from July 1, 2011, to August 1, 2011, to accommodate the Landlord's schedule, (2) clarify the number of parking spaces the school shall be allowed to use, (3) clarify that the initial deposit is a lump sum rent payment toward the first year's rent, and (4) revise the General Conditions' Ethics language.

**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 15 parking spaces ~~let~~ during school hours).

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

**TERM:** The term of the lease shall be ~~for~~ approximately five years, commencing on ~~July~~ August 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 ( <u>11 months</u> )	A \$42,600 <u>lump sum rent payment</u> <del>deposit</del> is due the first month in addition to the monthly rent payment. The monthly rent payment for the first <del>year</del> <u>11 months</u> is \$12,500.00.
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Years 2-5	\$16,050.00 per month.
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**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:** The total amount of rent to be paid over the 5-year term is \$950,500.00, with estimated additional rent not to exceed \$350,000.00.

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.

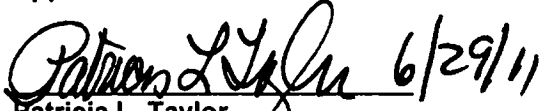
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

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

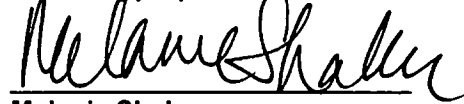
Ethics – The Board’s Ethics Code adopted ~~September 27, 1995 (95-0927-RU3)~~ May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

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

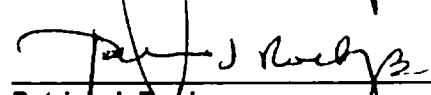
Within Appropriation:

  
Melanie Shaker  
Interim Chief Financial Officer

Approved:

  
Jean-Claude Brizard  
Chief Executive Officer

Approved as to legal form: 

  
Patrick J. Rocks  
General Counsel