

April 23, 2014

**AUTHORIZE THE RENEWAL OF THE LEASE AGREEMENT WITH  
KLAIRMONT ENTERPRISES, INC. BY ITS AGENT IMPERIAL REALTY CO.  
AT 4632, 4634, 4638 W DIVERSEY PKWY FOR USE BY BARRY, FALCONER, AND GRAY PRE-K**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into a renewal lease with Klairmont Enterprises, Inc. by its agent Imperial Realty Co. for space located at 4632, 4634, 4638 W Diversey Pky for use by Barry, Falconer, and Gray Elementary Schools Pre-K programs. 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.

**LANDLORD:** Klairmont Enterprises, Inc. by its agent  
Imperial Realty Co.  
4747 W. Peterson  
Chicago, IL 60646  
Contact: Bob Klairmont  
Phone: (773)736-6446  
Email: bobklairmont@imperialrealtyco.com

**TENANT:** Board of Education of the City of Chicago

**PREMISES:** 4632, 4634 and 4638 W Diversey Pkwy, total of (14,200 square feet). Use of the parking lot adjacent to the building is also included.

**USE:** Pre-K classrooms for Barry, Falconer, Gray Elementary and an office space for Early Childhood.

**ORIGINAL TERM:** The original term (authorized by Board Report 06-0222-OP1) was for a term commencing July 1, 2006 and ending June 30, 2009. The lease was subsequently renewed (authorized by Board Report 09-0325-OP1) for a term commencing July 1, 2009 and ending June 30, 2014.

**RENEWAL TERM:** The term of the lease shall commence on July 1, 2014 and ends June 30, 2019.

**BASE RENT:** During Year 1 of the renewal term, the Board shall pay a monthly base rent of \$20 per square foot plus actual operating expenses, estimated at \$75,000 annually. Beginning Year 2, the base rent shall increase annually at a rate of \$0.50 per square foot

<u>Year</u>	<u>Base Rent (psf)</u>	<u>Annual Rent*</u>
Year 1 (2015)	\$20.00	\$359,000
Year 2 (2016)	\$20.50	\$366,100
Year 3 (2017)	\$21.00	\$373,200
Year 4 (2018)	\$21.50	\$380,300
Year 5 (2019)	\$22.00	\$394,500

\*Includes operating expenses

**Total: \$1,873,100**

**ADDITIONAL RENT:** CPS shall reimburse the landlord for additional rent and shall be estimated at \$75,000 annually.

**MAINTENANCE:** CPS shall be responsible for all routine maintenance to the premises.

**UTILITIES:** CPS shall be responsible for all utilities.

**INSURANCE/DEMNFICATION:** Any and all insurance/indemnification language shall be negotiated by the General Counsel.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written license agreement. Authorize the President and Secretary to execute the license agreement. Authorize the Chief Facilities Officer to execute any and all ancillary documents related to the license agreement.

**AFFIRMATIVE ACTION:** Exempt

**LSC REVIEW:** Not applicable

**FINANCIAL:** The total amount to be paid by the Board for the 5-year term is **\$1,873,100**

Charge to Unit 11910, Fund 230 or 362:

FY15	\$359,000
FY16	\$366,100
FY17	\$373,200
FY18	\$380,300
FY19	\$394,500

FY15 – FY19 funding is contingent upon budget appropriation and approval.

**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 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).

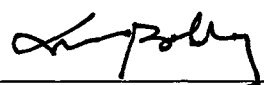
**Approved for Consideration:**

  
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**Patricia L. Taylor**  
**Chief Facilities Officer**

**Approved:**

  
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**Barbara Byrd-Bennett**  
**Chief Executive Officer**

**Approved as to legal form:** 

  
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**James Bebley**  
**General Counsel**