

October 22, 2014

AMEND BOARD REPORT 14-0423-OP2
AUTHORIZE THE RENEWAL OF THE LEASE AGREEMENT WITH U.S. BANK N.A., FK/A
FIRSTSTAR BANK N.A. F/K/A FIRST COLONIAL TRUST COMPANY FORAT
4652 SOUTH BISHOP ST FOR HAMLINE PRE-K

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease with U.S. Bank N.A., f/k/a Firststar Bank N.A., f/k/a First Colonial Trust Company, as trustee u/t/a known as Trust # 1-5301 dated January 5, 1995 (Samy Hammad) for space located at 4652 S Bishop St. A written lease renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease renewal agreement is not executed within 90 days of the date of this amended Board Report.

This October 2014 amendment is necessary to remove the option to purchase and right of first offer to purchase the Premises. In addition, Landlord's name is being corrected to reflect the bank acting as trustee on behalf of the trust.

LANDLORD: U.S. Bank N.A.
F/K/A Firststar Bank N.A.
F/NK/A First Colonial Trust Company as Trustee, Trust #1-5301
 2 Shelburn Drive
 Oak brook, IL 60523
 Contact: Samy Hammad
 Phone: (630) 915-9125
 Email: shammad@msn.com

TENANT: Board of Education of the City of Chicago

PREMISES: 4652 South Bishop Street, consisting of approximately 7,900 rentable square feet. Use of parking lot is also included.

USE: Pre-K classrooms for Hamline Elementary School.

ORIGINAL TERM: The original term (authorized by Board Report 04-0526-OP2) was for a term commencing May 1, 2004 and ending April 30, 2014, with two (2) options to renew for periods of five (5) years each.

RENEWAL TERM: The term of the lease renewal shall commence on May 1, 2014 and ends June 30, 2017.

RENT: The base rent shall be \$107,257 annually (\$13.50 psf) for the 3-year renewal term.

<u>Year</u>	<u>Annual Rent</u>
Year 1	\$107,257
Year 2	\$107,257
Year 3*	\$125,133

*Term extended for two months to finish out school year **Total: \$339,647**

ADDITIONAL RENT: CPS shall be responsible for any real estate taxes assessed to the property. The taxes are estimated to be \$34,000 per year.

MAINTENANCE: CPS shall be responsible for routine maintenance including maintenance of the roof and roof equipment. CPS is responsible for all snow removal. Landlord shall be responsible for maintenance of repairs of structural portions of the premises including walls, concrete floors, roof structure, mason work, downspouts, beams, columns, and structural plumbing.

UTILITIES: CPS shall be responsible for utilities.

NO OPTION TO PURCHASE/RIGHT OF FIRST OFFER TO PURCHASE: The option to purchase the Premises and right of first offer to purchase the Premises (the "Options") are not included in the lease renewal agreement. Relinquishment of the Options is part of the consideration for the renewal rent structure.

INSURANCE/DEMNICIFICATION: 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~~ lease renewal agreement. Authorize the President and Secretary to execute the ~~license~~ lease renewal agreement. Authorize the Chief Facilities Officer to execute any and all ancillary documents related to the ~~license~~ lease renewal agreement.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Not applicable

FINANCIAL: The total amount to be paid by the Board for the 3 year term **\$441,647**

Charge to Unit 11910, Fund 230-~~or~~ 362:

FY 14	\$17,876
FY15-FY17	\$141,257*

*Figures include annual estimated tax amount

FY14 FY15 – FY17 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:



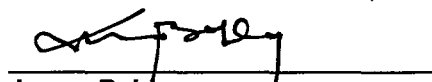
Patricia L. Taylor
Chief Facilities Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to legal form: 



James Bebley
General Counsel