

March 25, 2015

**APPROVE TERMINATION OF LEASE WITH 300 N ELIZABETH LLC FOR
320 NORTH ELIZABETH STREET**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve termination of lease agreement with 300 N. Elizabeth, LLC, an Illinois limited liability company, for the facility located at 320 North Elizabeth Street in Chicago, Illinois. A written termination 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: 300 N. Elizabeth, LLC
1040 West Randolph Street
Chicago, Illinois 60607
Contact: Kerry Griffen / 312-202-3450 / kgriffen@sterlingbay.com

TENANT: Board of Education of the City of Chicago / CPS

PREMISES: The building located at 320 North Elizabeth Street in Chicago, Illinois (suites 100, 200, 300, 400 and 500), which is 41,853 square feet. The lease agreement also included the use of the following parking areas: (1) 100 spaces at the parking lot located on the southeast corner of Ada Street and Fulton Market; (2) 20 spaces on Carroll Ave adjacent to the building; and (3) 40 spaces at the parking garage located at 323 Ada Street.

USE: Administrative offices.

ORIGINAL TERM: The original term (authorized by Board Report 04-1027-OP5) was for a term commencing on November 1, 2004, and ending October 31, 2006. The lease was subsequently amended (authorized by Board Report 04-1215-OP2) and renewed through October 31, 2022 (authorized by Board Reports 06-0222-OP2 and 07-1024-OP1).

CURRENT RENT: The current total annual rent paid to Landlord is approximately \$950,000. Under the lease agreement, rent was to increase by \$0.50 per square foot each year. CPS shall continue to pay rent and any other expenses due under the lease through the Termination Date.

TERMINATION: The parties agree that the lease shall terminate on March 31, 2015 ("the Termination Date").

CONDITIONS OF TERMINATION: CPS shall: (1) vacate the Premises and surrender possession, including returning all keys and security access devices to Landlord, by 11:59 p.m. on or prior to the Termination Date; (2) remove all of CPS' personal property, trade fixtures, furniture and equipment from the Premises by the Termination Date; (3) continue to pay rent and all other charges payable under the lease through and including the Termination Date; and (4) transfer utility accounts to Landlord effective on the Terminate Date.

TERMINATION FEE: In consideration of the early termination, CPS shall pay Landlord as follows: (1) payment prior to April 1, 2015, in the amount of \$238,059 and (2) in 11 monthly installments thereafter of \$112,500 each, with the last payment being due prior to March 1, 2016.

15-0325-OP2

INSURANCE/DEMNIFICATION: 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 termination agreement. Authorize the President and Secretary to execute the termination agreement. Authorize the Chief Facilities Officer to execute any and all ancillary documents related to the termination agreement.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Not applicable

FINANCIAL: The total amount to be paid by CPS is \$1,475,559.

FY15-16 Fund: 230

Department Name: Operations

Department Parent Unit Number: 11910

Total Costs: \$1,475,559

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.

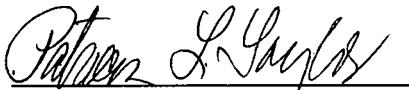
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

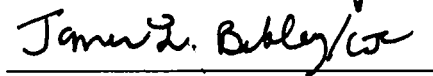
Approved for Consideration:


Patricia L. Taylor
Chief Facilities Officer

Approved:


Barbara Byrd-Bennett
Chief Executive Officer

Approved as to legal form: 


James Bebley
General Counsel