

**APPROVE ENTERING INTO LEASE AGREEMENT WITH  
SHOPPING CENTER BF, LLC FOR USE BY PEIRCE ELEMENTARY PRE-K**

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

Approve entering into a new lease agreement with Shopping Center BF, LLC, for space located at 5300 N Broadway St , for use by Peirce Elementary Pre-K 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 120 days of the date of this Board Report

**LANDLORD: SHOPPING CENTER BF, LLC**

5300 N Broadway St  
Chicago, IL 60640  
Contact Joaquin Marquez - JLL  
Phone (312) 785-9555

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

**LEASED PREMISES:** 5300 N Broadway St , consisting of approximately 8,625 rentable square feet (“RSF”) The space is located in a shopping center with CPS being the largest tenant

**USE:** Pre-K space for Peirce Elementary

**TERM:** The term of the lease shall commence on June 1, 2019, and shall continue through May 31, 2029 (10 years ) Landlord shall allow the Board access to the Premises on June 1, 2019, to enable Board to install tenant improvements, furniture, fixtures, equipment, and IT/communication infrastructure/conduit The Board shall have the right to renew the lease for (2) additional five years periods The Board shall provide Landlord with 9 months prior written notice of its intent to renew

**RENT:** Tenant shall pay a base rent of \$20 00 per RSF per year Base rent will be abated for the month of June 2019 Base Rent will increase every year at a rate of 2 25% The annual base rent is below and shall be payable in equal monthly installments

Year 1	\$172,500 00
Year 2	\$176,381 25
Year 3	\$180,349 83
Year 4	\$184,407 70
Year 5	\$188,556 87
Year 6	\$192,799 40
Year 7	\$197,137 39
Year 8	\$201,572 98
Year 9	\$206,108 37
Year 10	\$210,745 81

**OPERATING, MAINTENANCE EXPENSES AND UTILITIES** CPS will pay for its own utilities from lease commencement date Tenant will maintain in good repair, at Tenant’s sole expense the interior and exterior non-structural portions of the building including electrical and plumbing One-time replacement of the HVAC will be at the Landlord’s sole responsibility

**CAPITAL IMPROVEMENTS:** Landlord shall install sprinklers into the space, LED exterior signage fabricated and installed by Landlord per mutually agreed upon signage exhibit, southern exterior door and plumbing rough-in for 4 Pre-K classrooms

**TENANT IMPROVEMENT ALLOWANCE:** Provided tenant is not in default, Landlord shall reimburse Tenant for portion of the cost of Tenant’s improvements equal to \$35 00 per square foot Reimbursement shall be contingent upon receipt of lien waivers from tenant

**INSURANCE/INDEMNIFICATION.** 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 lease agreement Authorize the President and Secretary to execute the lease agreement Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement

**AFFIRMATIVE ACTION:** Exempt

**LSC REVIEW** Not applicable

**FINANCIAL.** The estimated total amount to be paid by the Board for the Leased Premises for the term June 1, 2019 through May 31, 2029 is **\$2,600,559.60.** Charge to Real Estate Department

**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

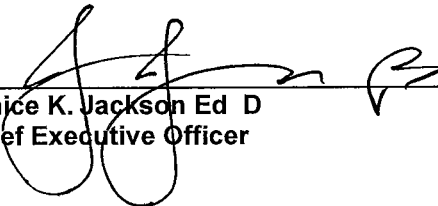
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s)

**Approved for Consideration:**

**Approved:**

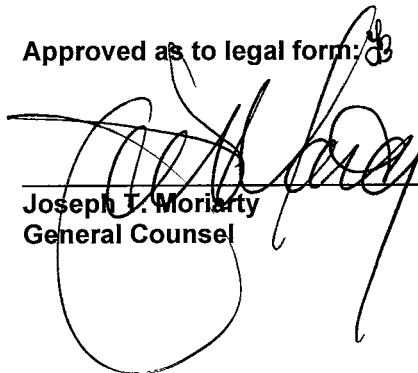


**Arnaldo Rivera**  
Chief Operating Officer



**Janice K. Jackson Ed D**  
Chief Executive Officer

**Approved as to legal form:**



**Joseph T. Moriarty**  
General Counsel