

October 27, 2021

AMEND BOARD REPORT 21-0623-OP4
AUTHORIZE THE SECOND RENEWAL OF LEASE AGREEMENT
WITH MESSIAH EVANGELICAL LUTHERAN CONGREGATION
FOR SPACE AT 6200 W PATTERSON AVE FOR SMYSER ELEMENTARY SCHOOL

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second renewal of lease agreement with Messiah Evangelical Lutheran Congregation for use of space at 6200 West Patterson Avenue for Smyser Elementary School. A written lease renewal is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to the lease renewal agreement is stated below.

This October 2021 amendment is necessary to revise the end date to June 30, 2026 for a five-year renewal term and to amend the lease to clarify responsibilities for operations and maintenance. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 90 days of the date of this amended Board Report.

LANDLORD: Messiah Evangelical Lutheran Congregation
6200 West Patterson Avenue
Chicago, Illinois 60634
Contact: Barbara Lattyak / (773) 685-2923 / susie082593@sbcglobal.net

TENANT: Board of Education of the City of Chicago

PREMISES: 6200 West Patterson Avenue, Chicago, Illinois (includes entire school building and use of parking lot during school hours).

USE: For use by Smyser Elementary School.

ORIGINAL LEASE AGREEMENT: The original lease (authorized by Board Report 11-0727-OP2) was for a term commencing on August 1, 2011 and ending on June 30, 2016. The lease was renewed (authorized by Board Report 16-0525-OP1) for a five (5) year term commencing on July 1, 2016 and ending on June 30, 2021.

RENEWAL TERM: The lease shall be renewed for a ~~one~~ five-year term commencing on July 1, 2021 and ending on June 30, 2026 ~~2022~~.

RENT: Rent for the five-year renewal term shall be payable to the Landlord as indicated below and will increase every year at a rate of 2%. The total rent for the Second Renewal Term shall not exceed \$1,022,344.09.

| <u>Lease Year</u> | <u>Monthly Rent</u> | <u>Annual Rent</u> |
|-------------------------------------|---------------------|---------------------|
| <u>July 1, 2021 – June 30, 2022</u> | <u>\$16,371.00</u> | <u>\$196,452.00</u> |
| <u>July 1, 2022 – June 30, 2023</u> | <u>\$16,698.42</u> | <u>\$200,381.04</u> |
| <u>July 1, 2023 – June 30, 2024</u> | <u>\$17,032.39</u> | <u>\$204,388.66</u> |
| <u>July 1, 2024 – June 30, 2025</u> | <u>\$17,373.04</u> | <u>\$208,476.43</u> |
| <u>July 1, 2025 – June 30, 2026</u> | <u>\$17,720.50</u> | <u>\$212,645.96</u> |

~~\$196,452 for the one year renewal term, to be paid in monthly installments of \$16,371.~~

UTILITIES AND OPERATING EXPENSES: The Board shall be responsible for and directly pay service providers for the supply of electricity, heat, telecommunications, garbage and snow removal, or other services reasonably necessary to operate the building.

OPERATION & MAINTENANCE: Tenant shall be responsible for the routine maintenance and repair of non-structural portions of the Premises, including the boiler, sump pumps, fixtures, HVAC, fire suppression and mechanical, electrical and plumbing equipment and systems, minor repairs to the roof (including cleaning roof drains) and for landscaping and janitorial services.

Landlord shall be responsible for the maintenance, repair and replacement of all structural portions of the Premises, including the foundations, floor slab, footings, flashings, structural portions of the walls and similar items of the Premises. Landlord shall be responsible for maintaining, repairing, resurfacing and restriping the Parking Lot.

~~The Board shall continue to provide janitorial services and normal maintenance. Landlord shall be responsible for all structural repairs and maintenance to the Premises.~~

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal agreement and amendment. Authorize the President and Secretary to execute the lease renewal agreement and amendment. Authorize the Chief Operating Officer or the Director of Real Estate, or their designees, to execute all ancillary documents required to administer or effectuate the lease renewal agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: The total amount to be paid by the Board for the 4 5-year renewal is \$1,022,344.09 ~~\$196,452~~.

Charge to: Real Estate

Budget Classification: 11910.230.57705.254903.000000.2022-2026

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:

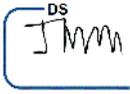
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Lindy F. McGuire
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Lindy F. McGuire
Interim Chief Operating Officer

Approved:

DocuSigned by:
Pedro Martinez
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Pedro Martinez
Chief Executive Officer

Approved as to legal form: 

DocuSigned by:
Joseph Moriarty
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Joseph T. Moriarty
General Counsel