

December 7, 2022

**AUTHORIZE RENEWAL OF LEASE AGREEMENT WITH
CHICAGO TRANSIT AUTHORITY FOR ADDITIONAL OFFICES FOR THE INSPECTOR GENERAL**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize renewal of lease agreement with the Chicago Transit Authority ("CTA") for approximately 7,971 rentable square feet of space located at 567 W. Lake St. for use by the Office of the Inspector General ("OIG"). 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 120 days of the date of this Board Report.

LANDLORD: Chicago Transit Authority c/o Jones Lang LaSalle
567 W. Lake St., 2nd Floor
Chicago, IL 60661
Contact: Brian Carroll (JLL)
Phone: (312) 228-3312

TENANT: Board of Education of the City of Chicago

LEASED PREMISES: 567 W. Lake St., consisting of approximately 7,971 rentable square feet ("RSF") on the 11th Floor.

USE: Administrative space for the OIG.

ORIGINAL AGREEMENT: The original lease was for a term commencing on January 1, 2013, and ending on December 31, 2022 (authorized by Board Report 12-1114-OP1) for 7,971 RSF with an option to renew for an additional five-year period.

RENEWAL TERM: The lease shall be renewed for a term commencing on January 1, 2023 and ending on December 31, 2027.

RENT: For the renewal term, Tenant shall pay the base rent below (which includes heat, water and sewer services up to the expense stop with any excess payable by Tenant) and will increase every year at \$.50 per RSF.

Renewal Year	Annual Base Rent	Monthly Base Rent	Rate/ PSF
1/1/2023 - 12/31/2023	\$183,333.00	\$15,277.75	\$23.00
1/1/2024 - 12/31/2024	\$187,318.50	\$15,609.88	\$23.50
1/1/2025 - 12/31/2025	\$191,304.00	\$15,942.00	\$24.00
1/1/2026 - 12/31/2026	\$195,289.50	\$16,274.13	\$24.50
1/1/2027-12/31/2027	\$199,275.00	\$16,606.25	\$25.00

OPERATING, MAINTENANCE EXPENSES AND UTILITIES: Tenant will also continue to pay its proportionate share of operating and maintenance (O & M) expenses. O & M includes janitorial and maintenance services, and air conditioning.

Electrical service will be sub-metered and charged to Tenant based on its actual usage. For budgetary purposes electrical service fees and O & M expenses are estimated to increase at a rate of 3% per year. The estimated cost for O&M expenses and electricity is \$60,000.

CAPITAL IMPROVEMENTS: The Board shall be responsible for all capital improvements to the Premises. Such improvements may be made only upon prior approval by Landlord.

BUILDING SECURITY: ID badges will be issued to Tenant’s employees. Building access is granted through a cardreader-controlled security turnstile in the lobby, staffed 24 hours a day.

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 renewal agreement. Authorize the President and Secretary to execute the lease renewal agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease renewal agreement.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Not applicable

FINANCIAL: The estimated total amount for base rent to be paid by the Board for the Leased Premises for the renewal term January 1, 2023 through December 31, 2027 is \$956,520.00, in addition to the Board’s pro-rata share of operating expenses, maintenance and utilities in the estimated amount of \$60,000.

Charge to Office of the Inspector General:

FISCAL YEAR		AMOUNT (Base rent + OPEX)
January 1, 2023 – June 30, 2023	FY 23	\$97,666.50
July 1, 2023 – June 30, 2024	FY 24	\$197,325.75
July 1, 2024 – June 30, 2025	FY 25	\$201,311.25
July 1, 2025 – June 30, 2026	FY 26	\$205,296.75
July 1, 2026 – June 30, 2027	FY 27	\$209,282.25
July 1, 2027 – December 31, 2027	FY 28	\$105,637.50
Budget Classification: Unit 10320 Fund 115		

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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Charles E. Mayfield
Interim Chief Operating Officer

Approved:

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Pedro Martinez
Chief Executive Officer

Approved as to legal form: 

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Joseph T. Moriarty
General Counsel