

May 24, 2023

**AUTHORIZE SECOND RENEWAL OF THE LEASE AGREEMENT WITH
11424 S. WESTERN AVENUE LLC FOR THE LEASE OF SPACE AT
11424 S. WESTERN AVENUE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second renewal of the lease agreement with 11424 S. Western Avenue, LLC, for the lease of office space located at 11424 South Western Avenue for use by Network 10, Network 13, Safety & Security, Teaching & Learning, Transportation, and Talent. 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 this Board Report. Information pertinent to this lease renewal agreement is stated below.

LANDLORD: 11424 S. Western Avenue LLC, c/o Marc Realty
55 E. Jackson Blvd., Suite 500
Chicago, IL 60604
Contact: Elliot Weiner
Phone: 312-939-0190

TENANT: Board of Education of the City of Chicago

PREMISES: 11424 S. Western Avenue (entire building and parking lot), consisting of approximately 19,000 rentable square feet.

USE: Office space for Network 10, Network 13, Safety & Security, Teaching & Learning, Transportation, and Talent.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 06-0222-OP3) was for a term commencing July 1, 2006 and ending June 30, 2021. The lease was renewed for a term commencing on July 1, 2021 and ending on June 30, 2023 (authorized by Board Report 21-0623-OP2).

SECOND RENEWAL TERM: The second renewal term shall commence on July 1, 2023, and end on June 30, 2024. Tenant shall have the right to terminate this lease renewal, said termination to be effective December 31, 2023, by providing written notice to landlord no later than October 1, 2023.

BASE RENT: The base rent for the second renewal term shall be \$432,252, payable in equal monthly installments of \$36,021.

ADDITIONAL RENT: Tenant shall reimburse the landlord for the operating expenses including janitorial services, maintenance of the parking lot, landscaping, snow removal, and real estate taxes. The estimated additional rent for the renewal term is estimated at \$189,397.02, payable in monthly installments of \$14,946.00 per month for the remainder of 2023, and estimated monthly installments of \$16,620.17 per month for January through June of 2024.

UTILITIES: Tenant shall be responsible for all utilities, which shall be directly metered to tenant.

INSURANCE / INDEMNIFICATION: The General Counsel shall negotiate all insurance and indemnification provisions in the lease.

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 or Director of Real Estate, or their designees, to

execute any and all ancillary documents required to administer or effectuate the lease renewal agreement.

AFFIRMATIVE ACTION: Exempt

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

FINANCIAL: Total not-to-exceed amount to be paid by the Board for the 1-year renewal term is \$621,649.02.

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:

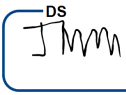

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Charles E. Mayfield
Interim Chief Operating Officer

Approved:

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Pedro Martinez
Chief Executive Officer

Approved as to legal form:


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Ruchi Verma
General Counsel