



Board of Education

Office of the Board
1 North Dearborn Street
Suite 950
Chicago, IL 60602

Board Report

25-0626-OP1

Agenda Date: 6/26/2025

**AUTHORIZE THE FOURTH RENEWAL OF THE LEASE AGREEMENT WITH
HIGHLAND AVONDALE PROPERTIES LLC FOR THE USE OF
OFFICE SPACE AT 6323 NORTH AVONDALE AVENUE**

THE INTERIM SUPERINTENDENT/CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the fourth renewal of the lease agreement with Highland Avondale Properties, LLC, to permit the continued use of office space located at 6323 North Avondale Avenue by Networks 1, 2, and 4. A written lease amendment is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease renewal is not executed within 90 days of this Board Report. Information pertinent to this lease renewal agreement is stated below.

LANDLORD: Highland Avondale Properties, LLC
6323 North Avondale Avenue
Chicago, IL 60631
Contact: Daniel Kroll
Phone: 773-774-3100

TENANT: Board of Education of the City of Chicago

PREMISES: Suites B-226, B-228, B-229, B-232, B-235, B-236, and B-242, totaling 13,469 rentable square feet, in the property located at 6323 N. Avondale Avenue, Chicago, Illinois.

USE: Office space for Networks 1, 2, and 4.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 06-0426-OP3 as extended by Board Report 07-0523-OP2) was for a term commencing September 1, 2006, and ending August 31, 2008. The lease was subsequently amended (authorized by Board Report 08-0123-OP3) to extend the term to August 31, 2023, increase the rented space, and to grant the Board an option to renew the lease for one additional 5-year period. Subsequently, in lieu of exercising the option to extend for a 5-year period, the parties agreed to extend the term for a one (1) year period commencing on September 1, 2023, and ending on August 31, 2024, and to amend the lease to grant the Board an option to renew the lease for one (1) additional year. The lease was renewed again for a one (1) year period which commenced on September 1, 2024 and continue through August 30, 2025.

RENEWAL TERM: The lease shall be renewed for a two (2) year period which shall commence on August 31, 2025, and continue through August 31, 2027. The Board shall also have the option to extend the term for an additional 2 years, through August 31, 2029 if said option is exercised.

BASE RENT: Annual base shall remain the same for the first year of the lease renewal at \$256,936.10, payable in equal monthly installments of \$21,411.34 per month, and shall increase by 3% the 2nd year of the lease renewal to \$264,644.16 per year, payable in equal monthly installments of \$22,053.68. If the Board exercises the 2-year extension option then rent will increase at a rate of 3% each year of the option term if so extended.

ADDITIONAL RENT: Tenant shall reimburse the landlord for its proportionate share of real estate taxes and common area maintenance, which are estimated to be \$138,500.00 per year, payable in monthly installments of \$11,541.67 per month, which may be adjusted to reflect the actual expenses incurred.

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

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

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal. 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.

AFFIRMATIVE ACTION: Exempt

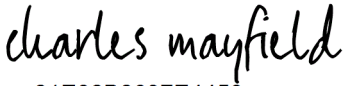
LSC REVIEW: Local School Counsel is not applicable to this report.

FINANCIAL: Total not-to-exceed amount to be paid by the Board for the 2-year renewal term is \$818,580.28.

GENERAL CONDITIONS: The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy adopted June 26, 1996 pursuant to Board Report 96-0626-PO3; Ethics provision, in accordance with the Board's Ethics Code as amended, and a Contingent Liability provision.

Approved for Consideration:


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Charles E. Mayfield
Chief Operating Officer

Approved:


Signed by:


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Macqueline King, Ed.D
Interim Superintendent/Chief Executive Officer

Approved as to legal form:

DocuSigned by:


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Ruchi Verma
General Counsel