

AMEND BOARD REPORT 09-1028-OP4
RATIFY AUTHORIZE ENTERING INTO A NEW LEASE AGREEMENT WITH NOBLE STREET
CHARTER SCHOOL FOR USE OF THE GLADSTONE SCHOOL BUILDING AT 1231 S. DAMEN
AVENUE

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a new lease agreement ~~Ratify a lease agreement~~ with Noble Street Charter School, as tenant, for rental of the Gladstone School located at 1231 S. Damen. Tenant has occupied the Facility since July 1, 2008 without a written lease agreement. 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 90 days of the date of this Board Report. Information pertinent to this lease agreement is stated below.

This amended Board Report to terminate the existing lease agreement and enter into a new lease agreement with the Noble Network of Charter Schools for rental of the Gladstone School building at 1231 South Damen setting the term of the lease agreement to seven (7) years. The length of the term would allow Noble Street Charter School to make an application for New Market Tax Credits (NMTC). CPS property shall not be used as security for the NMTC transaction and any capital improvements made to CPS buildings shall become property of CPS, all in accordance with the Charter School Capital and Facility Budget Policy, as amended. A new written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a new written lease agreement is not executed within 90 days of the date of this amended Board Report.

TENANT: Noble Street Charter School
 c/o Noble Network of Charter Schools
 1010 N. Noble Street
 Chicago, IL 60622
 Contact: Mike Milkie, Superintendent
 Phone: 773-862-1449

LANDLORD: Board of Education of the City of Chicago Public School

PREMISES: Tenant shall solely occupy the land and building located at 1231 S. Damen (Gladstone School). The Board approved this site on March 26, 2008 (Board Report 08-0326-EX8); therefore the notice provisions in the Charter School Capital and Facility Budget policy adopted at the Board meeting on the same date do not apply to this lease. The Board also approved a Lease Agreement with Tenant for the Premises for a term commencing July 1, 2008 and ending June 30, 2009 (08-0625-OP4). However, no written lease agreement was ever executed. A lease agreement was executed by both parties on January 15, 2010 pursuant to Board Report 09-1028-OP4.

USE: Tenant shall use the Premises to operate a charter school campus and related educational and community programs, and for no other purpose. Tenant shall have unrestricted access to the Premises.

TERM: The lease term shall commence on such date as the new Lease is fully executed, but no earlier than July 1, 2011, and shall end June 30, ~~2014~~ 2018. This lease shall automatically terminate on any such date as the Charter School Agreement is terminated.

RENT: Income

WITHHOLDING OF PAYMENT: Until such time as the new Lease is fully executed, the Board may withhold any general education payments due under the Charter School Agreement to the Tenant.

MAINTENANCE & OPERATIONS: In the event Tenant is the sole occupant of the Premises, the Tenant shall have the option to procure various operating services (Operating Services) from the Landlord in accordance with Landlord's current established procedures and rates. The election shall be made prior to the execution of the new lease and will be incorporated into the new lease. Tenant shall be bound by the selection for a pilot period for the 2009/2010 school year until the first to occur of (i) the date upon which Landlord changes or adds Operating Services; (ii) the date upon which Landlord announces a change in the manner in which it calculates Operating Expenses, or (iii) the date of renewal, if applicable of the lease. ~~At the end of such pilot period, Tenant shall have the option to keep or change its procurement of Operating Services, which election will remain in place for the remainder of the Term of this Lease.~~ In the

event Tenant shares the Premises at any time with a Chicago Public School or a contract school, the Tenant will automatically receive all of the Landlord's Operating Services and shall pay for such Operating Services pursuant to current established procedures and rates. In the event Tenant shares the Premises at any time with another charter school, both charter schools must make the same election regarding the procurement of Operating Services from the Landlord.

INSURANCE/INDEMNIFICATION: Insurance and indemnification provisions shall be negotiated by the General Counsel.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the new written lease agreement. Authorize the President and Secretary to execute the new lease agreement. Authorize the Chief Operating Officer to determine the allocation of responsibility of various maintenance and other services and to execute any and all ancillary documents related to this new lease.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Rent payable to the General Fund.

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 June 23, 2004 (04-0623-PO4), as amended from time to time shall be incorporated into and made a part of the agreement.

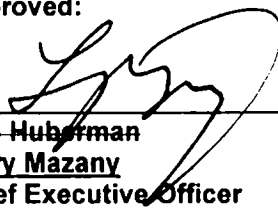
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



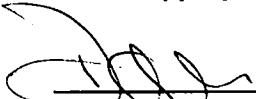
Patricia L. Taylor
Chief Facilities Operating Officer

Approved:




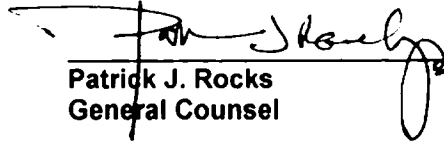
Ron Huberman
Terry Mazany
Chief Executive Officer

Within Appropriation:



Christina Herzog
Diana S. Ferguson
Acting Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel