

**APPROVE CONSOLIDATION AND RENEWAL OF LEASE AGREEMENTS WITH
BROTHERS C&S, L.L.C. FOR USE OF SPACE AT 4014, 4024, AND 4028 WEST 59TH STREET
FOR USE FOR PECK PRE-K PROGRAMMING**

THE INTERIM CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve consolidating and renewing the existing lease agreements with Brothers C&S, L.L.C. to provide space for Peck Elementary School's Pre-K program. 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. Information pertinent to this lease renewal agreement is stated below.

LANDLORD: Brothers C&S, L.L.C.,
5618 West 95th Street
Oak Lawn, IL 60453
Contact: Charles Dinolfo
Phone: 708.398.6400 / Email: cdinolfo@c21affiliated.com

TENANT: Board of Education of the City of Chicago

PREMISES: 4014, 4024, and 4028 West 59th Street, consisting of a total of approximately 7,931 square feet.

USE: To provide Pre-K classrooms to Peck Elementary, located at 3826 West 59th Street.

ORIGINAL LEASE AGREEMENTS: The original lease agreements are as follows:

- i. 4014 West 59th Street: The original lease agreement (authorized by Chief Operating Officer's Report 14-0819-CO14) was for a term commencing on October 1, 2014, and ending June 30, 2015.
- ii. 4024 West 59th Street: The original lease agreement (authorized by Board Report 07-0523-OP3) was for a term commencing August 1, 2007 and ending July 31, 2014, which was subsequently amended to terminate August 31, 2015. This lease has two options to renew for periods of 5 years each.
- iii. 4028 West 59th Street: The original lease agreement (authorized by Board Report 13-0626-OP16) was for a term commencing August 1, 2013, and ending June 30, 2015.

CONSOLIDATION OF LEASES AND RENEWAL TERM: The three leases for 4014, 4024 and 4028 West 59th Street shall be consolidated into a single lease renewal agreement and renewed for a term commencing July 1, 2015, and ending June 30, 2020. The terms of the consolidated lease renewal shall supersede the original leases and shall include one (1) option to renew for a period of five (5) years.

RENT: Rent shall be paid monthly as follows:

<u>Lease Year</u>	<u>Rent Per Square Foot</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
7/01/15 - 6/30/16	\$18.21	\$12,035	\$144,420
7/01/16 - 6/30/17	\$18.76	\$12,398	\$148,786
7/01/17 - 6/30/18	\$19.32	\$12,771	\$153,249
7/01/18 - 6/30/19	\$19.90	\$13,152	\$157,824
7/01/19 - 6/30/20	\$20.50	\$13,549	\$162,562

The total rent for the 5-year term is \$766,841.

OPTIONS TO RENEW REMAINING: The consolidated lease has one (1) option to renew for a five (5) year period remaining.

UTILITIES, MAINTENANCE AND TAXES: CPS shall be responsible for utilities (except water, from which CPS is exempt) and regular maintenance, including custodial services, of the Premises. Landlord shall be responsible for maintenance and repairs for all structural elements, including the roof, and for all common areas of the property, including snow removal and landscaping. In addition, Landlord shall be responsible for all property taxes assessed to the Premises.

INSURANCE/DEMNIFICATION: 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 or Chief Facilities Officer to execute any and all ancillary documents related to the lease renewal agreement.

LSC REVIEW: Not applicable.

FINANCIAL: The total rent to be paid by the Board for the 5 year term is \$766,841.

*FY16-FY21 funding is contingent upon budget appropriation and approval. Charge to: Real Estate

July 1, 2015 - June 30, 2016 \$144,420 FY16

Budget Classification: 11910.230.57705.254903.000000.2015

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:



Patricia L. Taylor
Chief Facilities Officer

Approved:



Jesse H. Ruiz
Interim Chief Executive Officer

Approved as to legal form: 



James Bebley
General Counsel