

May 23, 2024

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

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the third 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.

RENEWAL TERM: The lease shall be renewed for a one (1) year period which shall commence on September 1, 2024, and continue through August 30, 2025.

BASE RENT: Annual base rent shall increase by 3% to \$256,936.10, payable in equal monthly installments of \$21,411.34 per month.

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 1-year renewal term is \$405,436.00.

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.

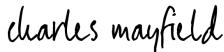
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their 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 August 24, 2023 (23-0824-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:

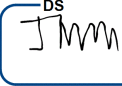

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Charles E. Mayfield
Chief Operating Officer

Approved:

DocuSigned by:

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Pedro Martinez
Chief Executive Officer

Approved as to legal form:


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Ruchi Verma
General Counsel