

November 17, 2021

**AUTHORIZE ENTERING INTO LEASE AGREEMENT WITH
BRYTON ROCKWELL, LLC FOR 2633 W. ADDISON STREET
FOR USE AS A PRE-K/EARLY CHILDHOOD CENTER**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize entering into a new lease agreement with Bryton Rockwell, LLC, for space located at 2633 W. Addison Street, Chicago, Illinois, for use as a Pre-K/Early Childhood Center. 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 120 days of the date of this Board Report.

LANDLORD: BRYTON ROCKWELL, LLC
c/o Bryton Properties, LLC
4525 N. Western Avenue
Chicago, IL 60625
Contact: G. Kevin Bryar, Manager
Phone: 773-392-9480

TENANT: Board of Education of the City of Chicago

LEASED PREMISES: 2633 W. Addison Street Chicago, Illinois; consisting of approximately 15,000 rentable square feet ("RSF"). Additionally, Tenant has exclusive use of the entire parking lot (+/- 60 spaces) and the right to outdoor space (Play Area) at no additional cost. This is a single tenant building.

USE: The Premises will be used for the operation of classroom space, educational purposes, administrative offices, and incidental purposes.

TERM: The lease agreement shall commence upon execution and shall be for a lease term of ten (10) years commencing on the earlier of opening for business or July 1, 2022 (the "Rent Commencement Date"). Landlord shall allow the Board rent free access to the Premises for the period between delivery of possession and the Rent Commencement Date to enable Board to install tenant improvements, furniture, fixtures, equipment, and IT/communication infrastructure/conduit. The Board shall have the right to renew the lease for (2) additional five years periods. The Board shall provide Landlord with 9 months prior written notice of its intent to renew.

RENT: This is a triple net lease. Tenant shall pay a base rent of \$37.00 per RSF per year. Base rent will be abated for a period of eight (8) months from the date of possession. Base Rent will increase every year at a rate of 3.00%. The annual base rent is below and shall be payable in equal monthly installments.

Lease Year (12 months)	Monthly Base Rent	Annual Base Rent
First Year	\$46,250.00	\$555,000.00*
Second Year	\$47,637.50	\$571,650.00
Third Year	\$49,066.63	\$588,799.50
Fourth Year	\$50,538.62	\$606,463.49
Fifth Year	\$52,054.78	\$624,657.39
Sixth Year	\$53,616.43	\$643,397.11
Seventh Year	\$55,224.92	\$662,699.02
Eighth Year	\$56,881.67	\$682,580.00
Ninth Year	\$58,588.12	\$703,057.40
Tenth Year	\$60,345.76	\$724,149.12

*Rent is abated for eight (8) months from the date of possession so base rent for the first lease year will be \$185,000. The total base rent for the lease term shall not exceed \$5,992,453.03.

ADDITIONAL RENT: This is a single tenant building. Tenant is responsible for maintenance, operating expenses, insurance and real estate taxes for the building. Tenant shall pay a portion of these costs directly or pay Landlord as additional rent such expenses, including actual annual real estate taxes and insurance expenses. For the first year of the term the additional rent is estimated to be \$6.00 per square foot. The estimated additional rent for the initial 10-year term is \$861,000.00 and shall be payable in equal monthly installments.

OPERATING, MAINTENANCE EXPENSES AND UTILITIES: Tenant shall pay for its own utilities from the date of possession. Landlord shall be responsible for maintenance, repairs, and replacement of the structural components of the building (roof, exterior walls, structural supports of the building. Tenant shall be responsible for all repairs, and maintenance to the Premises, including HVAC and the outdoor Play Area. Landlord shall maintain the parking lot under the lease as part of its maintenance responsibilities and, at its own cost, is responsible for resealing, striping, and repairing (filling of potholes, resurfacing, etc.) the parking lot. Tenant shall be responsible for all snow removal at its own cost and expense.

INSURANCE/INDEMNIFICATION: 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 agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Not applicable

FINANCIAL: The estimated total amount to be paid by the Board for the Leased Premises for the term is \$6,853,453.03. Charge to Real Estate Department.

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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Lindy F. McGuire
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Lindy F. McGuire
Interim Chief Operating Officer

Approved:

DocuSigned by:
Pedro Martinez
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Pedro Martinez
Chief Executive Officer

Approved as to legal form:

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JMM

DocuSigned by:
Joseph Moriarty
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Joseph T. Moriarty
General Counsel