

ORDINANCE NO. 003-63

AN ORDINANCE DECLARING PUBLIC
BIDDING DISADVANTAGEOUS AND
AUTHORIZING THE EXECUTION OF A
LEASE AGREEMENT WITH THE
EXISTING TENANT LOCATED AT 2019
WEST NORTH AVENUE, CHICAGO,
ILLINOIS

WHEREAS, The Chicago Transit Authority (“Authority”) owns certain real estate located at 2019 West North Avenue, Chicago, Illinois, as described on Exhibit A and depicted on Exhibit B attached hereto (“Authority Property”); and

WHEREAS, The Authority Property is an irregularly shaped parcel of property which includes 8,062 square feet and is located adjacent to and under the Blue Line elevated structure; and

WHEREAS, The Chicago Transit Authority entered into a Ground Lease Agreement dated July 1, 1990, with the Cloister of Wicker Park, an Illinois Limited Partnership, for lease of the Authority Property (“Lease Agreement”); and

WHEREAS, On August 10, 1994, Chicago Transit Board Ordinance No. 94-106 authorized an assignment of the Lease from the Cloister of Wicker Park to Bucktown Fitness Club, Inc., an Illinois corporation (“Tenant”); and

WHEREAS, The Lease Agreement provided for an initial term of ten years with options to renew for two consecutive terms of five years each, which would have extended the term of the lease to June 30, 2010; and

WHEREAS, Said Lease Agreement also provided that notice of intent to exercise an option must be delivered to the Authority on or before the first day of the last year of the term of this lease and on or before the first day of the last year of the first option term; and

WHEREAS, Through oversight, the Tenant did not provide the Authority with notice of its intent to exercise the first of the two five-year option periods; the Tenant has subsequently requested permission to continue to lease the Property; and

WHEREAS, During the Lease term, the Tenant has complied with all other terms of the Lease, including timely payment of rent and annual rent increases stipulated by the Authority, and maintained all insurance required by the Authority; and

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WHEREAS, Since the expiration of the Lease, the Tenant has continued its tenancy under the terms and conditions of the Lease previously approved by the Transit Board, including a rental rate of \$11,256.84 per year, or \$938.07 per month; and

WHEREAS, Said Lease Agreement provides that the annual rental rate for each year of the option term shall be equal to the current market rental rate for comparable parking lots in the Wicker Park area; and

WHEREAS, Standard Parking, an independent parking consultant, completed a review of parking rates at comparable parking lots in the Wicker Park area and established the current market rent for the Authority Property to be \$19,380 per year or \$1,615 per month; and

WHEREAS, Pursuant to the independent parking consultant's report, staff has negotiated a new annual rental rate of \$19,380 per year, or \$1,615 per month, and annual adjustments based on current market rental rates for parking lots in the Wicker Park area; and

WHEREAS, But for the inadvertent failure of the Tenant to give Notice of Exercise of the Option under the previous Lease, the Authority and the Tenant could have had the benefit of the Lease through June 30, 2005, with one five-year option to renew; and

WHEREAS, the Tenant has otherwise fully complied with the Lease provisions, and the Authority in this instance has not been prejudiced by the lack of Tenant's timely notice; and

WHEREAS, Upon expiration or termination of said Lease, staff will make the Authority Property available for lease through the competitive bid process; and

WHEREAS, Section 54.3-5 of the Regulations Governing Purchase and Sales Transactions provides for the award of contracts in those situations where the Transit Board determines that competitive bidding would be disadvantageous; now, therefore:

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BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. That the Chicago Transit Board hereby declares that competitive bidding for the lease of the Authority Property located at 2019 West North Avenue, Chicago, Illinois, would be disadvantageous to the Authority.

SECTION 2. That the Chairman of the Chicago Transit Board, or her designee, is authorized to execute a Lease Agreement extending from June 1, 2003, through June 30, 2005, with one five-year option term to renew, between the Chicago Transit Authority, as Lessor, and Bucktown Fitness Club, Inc., an Illinois corporation, as Lessee, for the Authority Property located at 2019 West North Avenue, Chicago, Illinois, as legally described on Exhibit A and depicted on Exhibit B, at an initial annual rental rate of \$19,380 per year, with annual rent adjustments equal to current market rental rates for comparable parking lots in the Wicker Park area, as provided in the July 1, 1990, Lease, and shall be in substantially the form attached hereto as Exhibit C.

SECTION 3. That all terms and conditions of the July 1, 1990, Lease, except the rent provision to the extent modified above, shall be the same and become a part of the new lease.

SECTION 4. That this ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

May 7, 2003

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