

ORDINANCE NO. 98-85

AN ORDINANCE AUTHORIZING THE
LEASE OF CERTAIN BUILDINGS
LOCATED AT 3100 AND 3105 SOUTH
FEDERAL, CHICAGO, ILLINOIS

WHEREAS, On May 13, 1998, the Chicago Transit Board, by Ordinance No. 98-48, authorized the extension of a certain lease of property, including 80,047 square feet of maintenance space and 35,718 square feet of office space, located at 4545 West Cermak Road, Chicago, Illinois, commonly known as the Hawthorne Facility; and

WHEREAS, Negotiations with the owner of the Hawthorne Facility failed to result in a lease agreement; and

WHEREAS, Staff has subsequently identified other property that can be utilized by the Authority for the warehouse and office functions performed at the Hawthorne Facility; and

WHEREAS, The Illinois Institute of Technology ("IIT") owns two buildings, located at 3100 and 3105 South Federal Street, Chicago, Illinois, and commonly known as American Association of Railroads Buildings 2 and 3, respectively ("AAR2" and "AAR3", respectively, or collectively, the "AAR Buildings");

WHEREAS, The AAR Buildings contain an aggregate of 43,777 square feet of space, which is sufficient to accommodate the Authority's bus, rail and facilities maintenance training programs.

WHEREAS, The Authority desires to lease the IIT space; and

WHEREAS, The Authority has the power to lease real estate, pursuant to 70 ILCS 3605/8.

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

SECTION 1. That the Chicago Transit Board hereby authorizes a lease on behalf of the CTA with the Illinois Institute of Technology for the AAR Buildings. Said lease shall include the following terms and conditions:

- a. Lease term: Three years, commencing on September 15, 1998 or as soon thereafter as practicable
- b. Extension option: One, two year option following the expiration of the initial lease term.

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- c. Rent: Five dollars (\$5.00) per square foot per year for 43,777 square feet of space during the initial term, for a maximum total of \$656,655. If the extension option is exercised, the rent per square foot shall remain unchanged.
- d. Applicable taxes, utilities and maintenance costs: Utilities and maintenance costs will be borne by the Authority.
- e. Improvements:
 - 1. Up to \$500,000 in building improvements may be made by the Authority, any residual benefit of which will accrue to IIT at the end of the lease
 - 2. For the initial three year lease term, IIT will reimburse the Authority for up to \$30,000 for the building improvements made by the Authority. If the option period is exercised, IIT shall reimburse the Authority an additional \$15,000.
 - 3. IIT will perform certain repairs and capital improvements to the AAR Buildings, with estimated cost of \$270,000, to prepare the buildings to receive the improvements to be made by CTA.

SECTION 2. The Chairman or her designee is authorized to execute all necessary documents with the Lessor, Illinois Institute of Technology, to effectuate the lease.


SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:



Chairman

PASSED:



Secretary

September 9, 1998

September 9, 1998