WHEREAS, The Chicago Transit Authority ("Authority") requires additional instruction space to train Authority employees and contractors; and

WHEREAS, Capacity for training sessions at existing Authority facilities is no longer sufficient under normal conditions and has been substantially diminished due to COVID-19 guidelines; and

WHEREAS, The Authority has identified a property that will enable COVID-19 compliant instruction at 4829 North Lipps Avenue, Chicago, Illinois ("Property"); and

WHEREAS, The Property is owned by Avondale Investors, LLC ("Lessor"), an Illinois limited liability company, contains 18,000 square feet of indoor classroom and administrative space on two floors along with 46 parking spaces, and is near the Jefferson Park Blue Line Station, as described and depicted in Exhibit B hereto; and

WHEREAS, The Authority has negotiated a lease agreement ("Agreement") for the use of the Property for a term of ten (10) years and seven (7) months with two (2) five (5) year options to extend that allows the Authority to terminate the Agreement at the end of lease Years 3 and 7, subject to a termination fee; and

WHEREAS, The Authority will pay an initial rental rate of $17 per square foot ($306,000.00 per annum) with 3% annual escalations plus operating expenses for items such as maintenance, repair, and replacement costs, utilities, Lessor’s property insurance costs in excess of $9,000.00 per year, and Lessor’s real estate taxes in excess of $37,800.00 per year, and will purchase separate property insurance or self-insure for such obligation and self-insure for other insurance obligations under the lease; and

WHEREAS, Lessor will fund up to $450,000.00 in Tenant Improvements and $3,060.00 for space planning and provide three months of rent abatement in Year 1 and four months of rent abatement in Year 4; and

WHEREAS, The Agreement permits Lessor to increase the rental rate for the option periods, and the Authority will indemnify the Lessor under the Agreement; and

WHEREAS, The Authority’s Training and Workforce Development and Infrastructure Departments have reviewed and recommend approval of the Agreement; now, therefore:
BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Vice Chair of Chicago Transit Board, or her designee, is hereby authorized, pursuant to Section 7 of the Chicago Transit Authority Bylaws, Rules and Regulations and Rules of Order due to the absence of a Board Chair, to enter into a lease agreement with Avondale Investors, LLC for the lease of property located at 4829 North Lipps Avenue, Chicago, Illinois which requires the Authority to pay initial annual rent in the amount of Three Hundred Six Thousand Dollars ($306,000.00) with three percent (3%) annual escalations and pay operating expenses for items such as maintenance, repair, and replacement costs, utilities, Lessor’s property insurance costs in excess of $9,000.00 per year, and Lessor’s real estate taxes in excess of $37,800.00 per year, has a term of ten (10) years and seven (7) months with two (2) five (5) year options to extend, permits the Authority to terminate the Agreement after Years 3 and 7 subject to a termination fee, requires the Authority to incur premiums to secure property insurance or self-insure for such requirement and self-insure for other insurance requirements, requires that Lessor fund up to Four Hundred Fifty Thousand Dollars ($450,000.00) in Tenant Improvements plus Three Thousand Sixty Dollars ($3,060.00) for space planning and provide rent abatement for three (3) months in Year 1 and for four (4) months in Year 4, requires that the Authority indemnify Lessor, allows Lessor to increase the rental rate during the option periods, and contains such other terms as are substantially in conformance with the Lease by and between Avondale Investors LLC and Chicago Transit Authority attached as Exhibit A hereto.

SECTION 2. The Vice Chair, or her designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

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

APPROVED:        PASSED:

_________________________     ________________________
Vice Chair                Assistant Secretary

May 12, 2021                                         May 12, 2021