



Office of the Chicago City
Clerk



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Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	11/2/2011
Sponsor(s):	Emanuel, Rahm (Mayor)
Type:	Ordinance
Title:	Execution of license agreement with Chicago Transit Authority
Committee(s) Assignment:	Committee on Housing and Real Estate



HSG-

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

November 2, 2011

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of General Services, I transmit herewith an ordinance authorizing the execution of a lease agreement with the Chicago Transit Authority.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1: The Commissioner of the Department of General Services is authorized to execute on behalf of the City of Chicago, as Landlord, a Lease with The Chicago Transit Authority, as Tenant, for The Chicago Transit Authority's use of approximately 7,175 square feet of vacant land located on the northeast corner of the intersection of East 79th Street and the north-south public way located 440 feet east of South Brandon Avenue; such Lease to be approved as to form and legality by the Corporation Counsel in substantially the following form:

East 79th Street and South Brandon Avenue
The Chicago Transit Authority
Lease No. 20025

SECTION 2: This Ordinance shall be effective from and after the date of its passage and approval.

LEASE

THIS LEASE is made and entered into this _____ day of _____, 2011, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation and home rule of government (hereinafter referred to as "**Landlord**") and the **CHICAGO TRANSIT AUTHORITY**, a municipal corporation (hereinafter referred to as "**Tenant**").

RECITALS

WHEREAS, Landlord is the owner of approximately 7,175 square feet of paved vacant land located on the northeast corner of the intersection of East 79th Street and the north-south public way located 440 feet east of South Brandon Avenue, Chicago, Cook County, Illinois as depicted in Exhibit A attached hereto and made a part hereof (the "Premises"); and

WHEREAS, Landlord has agreed to lease to Tenant, and Tenant has agreed to lease from Landlord such Premises to be used by Tenant as a bus turn-around;

NOW THEREFORE, in consideration of the covenants, terms and conditions set forth herein, the parties hereto agree and covenant as follows:

SECTION 1. GRANT

1.1 Grant. Landlord hereby leases to Tenant the following described premises situated in the City of Chicago, County of Cook, State of Illinois, to wit:

Beginning at a point on the south line of East 79th Street extended, 440 feet east of the east line of South Brandon Avenue; thence north 115 feet; thence east 45 feet; thence southeasterly to a point 65 feet east of said line marking the point of beginning and 85 feet north of said south line of East 79th Street extended; thence south 85 feet to the south line of East 79th Street extended; thence west 65 feet to the place of beginning, being in the west half of the south west quarter of Fractional Section 29, Township 38 North, Range 15, east of the Third Principal Meridian, in Cook County, Illinois.

SECTION 2. TERM

2.2 Term. The term of this Lease ("Term") shall commence on January 1, 2012 ("Commencement Date"), and shall end on December 31, 2016, unless sooner terminated as set forth in this Lease.

SECTION 3. RENT, TAXES, AND UTILITIES

3.1 Rent. Tenant shall pay base rent for the Premises in the amount of:

One Dollar (\$1.00) for the entire term the receipt and sufficiency of said sum being herewith acknowledged by both parties.

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3.2 Taxes and Other Levies. Tenant shall pay when due all leasehold taxes, duties, assessments, water and sewer charges, and other levies assessed against the Premises. Tenant's tax responsibilities under this section shall survive the expiration, cancellation, or termination of this Lease agreement.

3.3 Utilities. Tenant shall pay when due all charges for electricity, light, and telephone or other communication service, and all other utility services used in or supplied to the Premises.

3.4 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of the rent or taxes due hereunder shall be deemed to be other than on account of the amount due, and no endorsement of statement or any check or any letter accompanying any check or payment of rent shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice as to Landlord's right to recover the balance of such installment or payment to pursue any other remedies available to Landlord.

SECTION 4. CONDITION AND ENJOYMENT OF PREMISES, ALTERATIONS AND ADDITIONS, SURRENDER

4.1 Covenant of Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon paying the rent and upon observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, observed and performed, shall lawfully and quietly hold, occupy and enjoy the Premises (subject to the provisions of this Lease) during the Term without hindrance or molestation by Landlord or by any person or persons claiming under Landlord.

4.2 Tenant's Duty to Maintain Premises and Right of Access. Unless otherwise provided in this Lease, Tenant shall, at Tenant's expense, keep the Premises in a condition of thorough repair and good order, and in compliance with all applicable provisions of the Municipal Code of the City of Chicago, including but not limited to those provisions in Title 13 ("Building and Construction"), Title 14 ("Electrical Equipment and Installation"), Title 15 ("Fire Prevention") and all applicable landscape ordinances. If Tenant shall refuse or neglect to make needed repairs within ten (10) days after mailing of written notice thereof sent by Landlord, unless such repair cannot be remedied within ten (10) days, and Tenant shall have commenced and is diligently pursuing all necessary action to remedy such repair, Landlord is authorized to make such repairs and Tenant will within ten (10) business days of demand reimburse Landlord for the reasonable cost thereof or Landlord can immediately terminate this Lease by providing the Tenant with written notice of termination for cause. Landlord shall have the right of access to the Premises for the purpose of inspecting and making repairs to the Premises, provided that except in the case of emergencies, Landlord shall first give notice to Tenant of its desire to enter the Premises and will schedule its entry so as to minimize any interference with Tenant's use of Premises to prospective or actual purchasers, mortgagees, tenants, workmen, or contractors or as otherwise necessary in the operation or protection of the Premises.

4.3 Use of the Premises. Tenant shall not use the Premises in a manner that would violate any Law. Tenant further covenants not to do or suffer any waste or damage, comply in

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all respects with the laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments which may be applicable to the Premises or to the use or manner of use of the Premises, disfigurement or injury to any building or improvement on the Premises, or to fixtures and equipment thereof. Any activities on the Premises must be limited to the Chicago Transit Authority use as a bus turn-around (the "Use"). Landlord grants permission to Tenant to pave and maintain Premises when necessary for operation of a bus turn-around. Tenant agrees that in utilizing said Premises that it shall not discriminate against any member of the public because of race, creed, color, sexual orientation, political perspective, or national origin.

4.4 Alterations and Additions. Tenant shall have the right to make such alterations, additions and improvements on the Premises as it shall deem necessary to the Use, provided that any such alterations, additions and improvements shall be in full compliance with the applicable Law and provided that Tenant has obtained the prior written consent of Landlord.

SECTION 5. ASSIGNMENT, SUBLEASE, AND LIENS

5.1 Assignment and Sublease. Tenant shall not assign this Lease in whole or in part, or sublet the Premises or any part thereof without the written consent of Landlord in each instance.

5.2 Tenant's Covenant Against Liens. Tenant shall not cause or permit any lien or encumbrance, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the Premises. All liens and encumbrances created by Tenant shall attach to Tenant's interest only.

SECTION 6. INSURANCE AND INDEMNIFICATION

6.1 Tenant agrees to indemnify and hold Landlord harmless against all liabilities, judgments, costs, damages and expenses which may accrue against, be charged to or recovered from Landlord by reason or on account of damage to the property of Landlord or injury to or death of any person, arising from Tenant's use of and occupation of and operations at said premises including acts of its agents, contractors and subcontractors. Any final judgment rendered against Landlord for any cause for which Tenant is liable hereunder shall be conclusive against Tenant as to liability and amount.

SECTION 7. DAMAGE OR DESTRUCTION

7.1 Damage or Destruction. If the Premises shall be damaged or destroyed by fire or other casualty to such extent that Tenant cannot continue, occupy or conduct its normal business therein, or if, in Tenant's opinion, the Premises are rendered untenable, either Landlord or Tenant shall have the option to declare this Lease terminated as of the date of such damage or destruction by giving Landlord written notice to such effect. If either Landlord or Tenant exercises this option, the rent shall be apportioned as of the date of such damage or destruction and Landlord shall forthwith repay to Tenant all prepaid rent.

SECTION 8. CONFLICT OF INTEREST AND GOVERNMENTAL ETHICS

8.1 Conflict of Interest. No official or employee of the City of Chicago, nor any member of any board, commission or agency of the City of Chicago, shall have any financial interest (as directed in Chapter 2-156 of the Municipal Code), either direct or indirect, in the Premises; nor shall any such official, employee, or member participate in making or in any way attempt to use his position to influence any City governmental decision or action with respect to this Lease.

8.2 Duty to Comply with Governmental Ethics Ordinance. Landlord and Tenant shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics," including but not limited to section 2-156-120, which states that no payment, gratuity or offer of employment shall be made in connection with any City of Chicago contract, as an inducement for the award of a contract or order. Any contract or lease negotiated, entered into, or performed in violation of any of the provisions of Chapter 2-156 shall be voidable as to the City of Chicago.

SECTION 9. HOLDING OVER

9.1 Holding Over. Any holding over by Tenant shall be construed to be a tenancy from month to month beginning on January 1, 2017 and the rent shall be the same as listed in Section 3.1 of this Lease. During such holding over all other provisions of this Lease Agreement shall remain in full force and effect.

SECTION 10. MISCELLANEOUS

10.1 Notice. All notices, demands and requests which may be or are required to be given, demanded or requested by either party to the other shall be in writing. All notices, demands and requests by Tenant to Landlord shall be delivered by national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid addressed to Landlord as follows:

City of Chicago
Department of General Services
Office of Real Estate Management
30 North LaSalle Street - Suite 300
Chicago, Illinois 60602

or at such other place as Landlord may from time to time designate by written notice to Tenant. All notices, demands, and requests by Landlord to Tenant shall be delivered by a national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to Tenant as follows:

Chicago Transit Authority
Attn: General Manager Real Estate And Asset Management
567 West Lake Street
Chicago, Illinois 60661-1498

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or at such other place as Tenant may from time to time designate by written notice to Landlord. Any notice, demand or request which shall be served upon Tenant by Landlord, or upon Landlord by Tenant, in the manner aforesaid, shall be deemed to be sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed.

10.2 Partial Invalidity. If any covenant, condition, provision, term or agreement of this Lease shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Lease shall not be affected thereby, but each covenant, condition, provision, term or agreement of this Lease shall be valid and in force to the fullest extent permitted by law.

10.3 Governing Law. This Lease shall be construed and be enforceable in accordance with the laws of the State of Illinois.

10.4 Entire Agreement. All preliminary and contemporaneous negotiations are merged into and incorporated in this Lease. This Lease contains the entire agreement between the parties and shall not be modified or amended in any manner except by an instrument in writing executed by the parties hereto.

10.5 Captions and Section Numbers. The captions and section numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Lease nor in any way affect this Lease.

10.6 Binding Effect of Lease. The covenants, agreements, and obligations contained in this Lease shall extend to, bind, and inure to the benefit of the parties hereto and their legal representatives, heirs, successors, and assigns.

10.7 Time is of the Essence. Time is of the essence of this Lease and of each and every provision hereof.

10.8 No Principal/Agent or Partnership Relationship. Nothing contained in this Lease shall be deemed or construed by the parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.

10.9 Authorization to Execute Lease. The parties executing this Lease hereby represent and warrant that they are the duly authorized and acting representatives of Landlord and Tenant respectively and that by their execution of this Lease, it became the binding obligation of Landlord and Tenant respectively, subject to no contingencies or conditions except as specifically provided herein.

10.10 Termination of Lease. Landlord and Tenant shall have the right to terminate this Lease for any reason without prepayment or penalty by providing ninety (90) days prior written notice at any time after execution of this Lease.

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10.11 Force Majeure. When a period of time is provided in this Lease for either party to do or perform any act or thing, the party shall not be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, wars, governmental regulation or control, and other causes beyond the reasonable control of the party, and in any such event the time period shall be extended for the amount of time the party is so delayed.

10.12 Condemnation. If the whole or any substantial part of the Premises are taken or condemned by any competent authority for any public use or purpose, or if any adjacent property or street shall be so condemned or improved in such a manner as to require the use of any part of the Premises, the term of this Lease shall, at the option of Landlord or the condemning authority, be terminated upon, and not before, the date when possession of the part so taken shall be required for such use or purpose, and Landlord shall be entitled to receive the entire award without apportionment with Tenant.

10.13 Amendments. From time to time, the parties hereto may amend this Lease Agreement with respect to any provisions reasonably related to Tenant's use of the Premises and/or Landlord's administration of said Lease Agreement. Provided, however, that such Amendment(s) shall not serve to extend the Lease term hereof nor serve to otherwise materially alter the essential provisions contained herein. Such Amendment(s) shall be in writing, shall establish the factual background necessitating such alteration, shall set forth the terms and conditions of such modification, and shall be duly executed by both Landlord and Tenant. Such Amendment(s) shall only take effect upon execution by both parties. Upon execution, such Amendment(s) shall become a part of this Lease and all other provisions of this Lease shall otherwise remain in full force and effect.

10.14 Prior Lease. Landlord and Tenant acknowledge and agree that the Tenant has leased and occupied the Premise under a Lease agreement dated April 16, 2007. Landlord and Tenant each acknowledge and agree that the other party has performed all obligations under such prior Lease and that neither party has any claims against the other with respect to such prior Lease.

SECTION 11. ADDITIONAL RESPONSIBILITIES OF TENANT

11.1 Tenant Use. Tenant shall not use the Premises for any commercial profit making, fund raising, political activity, or religious activity.

11.2 Custodial Service. Tenant shall provide and pay for custodial services which shall be construed as keeping the Premises clean and free of debris. Tenant shall keep the Premises clean, presentable, free of litter and in good repair.

11.3 Condition upon Termination. Upon the termination of this Lease, Tenant shall surrender the Premises to the Landlord in a comparable condition to the condition of the Premises at the beginning of this Lease, with normal wear and tear taken into consideration.

11.4 Satisfaction with Condition. Tenant agrees that Tenant has inspected the Premises and all related areas and grounds and that Tenant is satisfied with the physical condition thereof.

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11.5 Illegal Activity. Tenant, or any of its agents and employees, shall not perform or permit any practice that is injurious to the Premises or unreasonably disturbs other Tenants; is illegal; or increases the rate of insurance on the Premises.

11.6 Hazardous Materials. Tenant shall keep out of Premises materials which cause a fire hazard or safety hazard. Tenant shall not destroy, deface, damage, impair, nor remove any part of the Premises or facilities, equipment or appurtenances thereto.

11.7 Snow Removal. Tenant shall provide and pay for snow removal as necessary. Tenant acknowledges that Landlord shall have no snow or ice removal responsibilities.

11.8 Scavenger Service. Tenant shall pay all scavenger costs associated with the demised Premises.

11.9 Alcohol and Drugs. Tenant agrees that no alcoholic beverages of any kind or illegal drugs be sold, given away or consumed on the Premises.

SECTION 12. ADDITIONAL CLAUSES

12.1 Encumbering Title. Tenant shall not do any act which shall in any way encumber the fee simple estate of Landlord in and to the leased Premises, nor shall the interest or estate of Landlord in the leased Premises be in any way subject to any claim by way of lien or encumbrance, whether by operation of law or virtue of any express or implied contract by Tenant any claim to, or lien upon, the leased Premises arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant and shall be subject to and subordinate to the paramount title and rights of Landlord in and to the leased Premises.

12.2 Ownership of Improvements. All improvements that Tenant constructs or installs on the demised Premises at Landlord's option shall become the property of the Landlord upon the termination of this Lease or at Landlord's option removed at Tenant's expense.

12.3 No Other Rights. This Agreement does not give Tenant any other right with respect to the Premises. Any rights not specifically granted to Tenant by and through this document are reserved exclusively to Landlord. Execution of this agreement does not obligate Landlord in any manner and Landlord shall not undertake any additional duties or services.

12.4 No Substitute for Required Permitting. Tenant must secure all other permits and approvals that may be required to undertake the Use. Tenant understands that this Lease shall in no way act as a substitute for any other permitting or approvals that may be required to undertake the Use.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

LANDLORD:

CITY OF CHICAGO, an Illinois Municipal Corporation
BY: THE DEPARTMENT OF GENERAL SERVICES

By: _____
Commissioner

APPROVED AS TO FORM AND LEGALITY:
BY: THE DEPARTMENT OF LAW

By: _____
Deputy Corporation Counsel
Real Estate Division

TENANT:

CHICAGO TRANSIT AUTHORITY,
an Illinois Municipal Corporation

By: _____
Chairman, Chicago Transit Authority

Attest: _____
Secretary

APPROVED AS TO FORM AND LEGALITY:
By: LAW DEPARTMENT

By: _____
General Attorney

EXHIBIT A

