



City of Chicago



O2020-1286

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 2/19/2020

Sponsor(s): Lightfoot (Mayor)

Type: Ordinance

Title: First Amendment to Intergovernmental Lease Agreement with Board of Trustees of University of Illinois for continued occupancy of office space within City-owned building at 641 W 63rd St

Committee(s) Assignment: Committee on Housing and Real Estate



OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

February 19, 2020

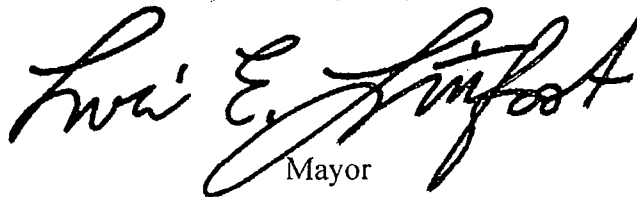
TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Assets, Information and Services, I transmit herewith ordinances authorizing the execution of lease agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,


Mayor



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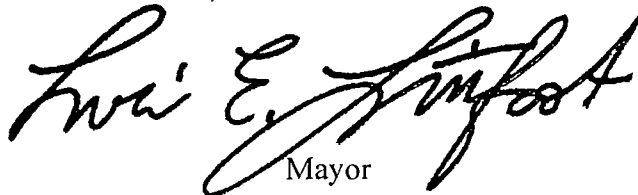
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ORDINANCE

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

SECTION 1: On behalf of the City of Chicago, the Commissioner of the Department of Assets, Information and Services is authorized to execute an Amendment to an Intergovernmental Agreement with The Board of Trustees of the University of Illinois, to permit the university continued occupancy and use of approximately 7,121 square feet of space within the city-owned building located at 641 West 63rd Street, known as the Englewood Neighborhood Health Center; such Amendment to be approved by the Commissioner of the Department of Public Health, and approved as to form and legality by the Corporation Counsel in substantially the following form:

FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT

THIS FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT (this "First Amendment") is made and entered into this ____ day of _____, 2020, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation and home rule unit of government (hereinafter referred to as the "City") and **THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS**, a body politic and corporate of the State of Illinois (hereinafter referred to as the "University").

RECITALS

WHEREAS, the City and University are parties to that certain Intergovernmental Agreement No. 20256 dated July 1, 2014 (the "IGA"), to permit the University use of 6,800 square feet of space within the Englewood Neighborhood Health Center, a property owned by the City, located at 641 West 63rd Street, Chicago, Illinois; and

WHEREAS, the Term of the IGA expired on December 31, 2019, the University has been holding over on a month-to-month basis in accordance with the terms of Section 9.1 of the IGA; and

WHEREAS, the University wishes to expand its Premises by 321 square feet and to continue its occupancy of the Premises; and

WHEREAS, the City and University desire to modify certain terms and conditions of the IGA.

NOW, THEREFORE, in consideration of the mutual covenants of the parties herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the City and University agree as follows:

1. **Recitals and Terms of Art.** The recitals are incorporated herein by reference and made a part of this First Amendment. All capitalized terms used herein shall have the same meanings as they do in the IGA, unless otherwise expressly provided herein.
2. **Change to Department Name.** The Department of Fleet & Facility Management of the City of Chicago has merged with another department and the name of the new department is the Department of Assets, Information & Services. All reference in the IGA to the Department of Fleet & Facility Management shall now refer to the Department of Assets, Information & Services.
3. **Exhibits.** Exhibit C (depiction of the Premises) and Exhibit D (operating costs) of the IGA are deleted and replaced with a revised Exhibit C and Exhibit D that are attached to this First Amendment.
4. **Premises.** Section 1 of the IGA is deleted and replaced with the following language:

I. Subject to and in accordance with the terms and conditions of this IGA, City hereby grants to the University a license to use and occupy the following described premises (the "**Premises**"), as depicted on Exhibit C attached hereto, situated in the City of Chicago, County of Cook, State of Illinois, to wit:

Approximately 7,121 square feet of space on the first floor of the Englewood Neighborhood Health Center and use of and access to an adjoining parking lot all located at 641 West 63rd Street, Chicago, Illinois (part of PINs 20-21-102-009; -010; -017; 020; and -025).

5. **Term.** The Term of the IGA is hereby extended from the date of this First Amendment through and including December 31, 2026, unless sooner terminated as set forth in the IGA.

6. **Operating Costs.** Section 3.2(a) of the IGA is deleted and replaced with the following language:

3.2(a) **Calculation of Operating Costs.** The University shall pay to City Operating Costs incurred by City with regards to University's "**Proportionate Use**" of the Building. This Proportionate Use shall be based on the square footage of the Premises divided by the Building's total square footage. The Building's total square footage is approximately 54,189 square feet and the Premises are approximately 7,121 square feet, which comprises 13.14 % of the Building's total square footage. "Operating Costs" shall be based on University's 13.14 % Proportionate Use. Operating Costs shall include (i) all utilities (including, but not limited to gas, electricity, and water), (ii) landscaping and snow removal, (iii) City engineering services, and (iv) University's allocable share of other costs incurred by City in operating and maintaining the Building (excluding any capital improvements that may be required). University shall separately contract for custodial services for the Premises. For 2020, University's Operating Costs are, and University shall initially pay, \$2,925.45 per month. The Operating Costs are subject to a 3% annual escalation beginning on January 1, 2021, as set forth on Exhibit D attached hereto. The Operating Costs shall be prorated on a per diem basis in the event that the date of this First Amendment is not the first day of the month.

7. **Insurance and Indemnification.** The language in Section 6.1 of the IGA is deleted and replaced with the following language:

6.1 **Insurance.** University shall procure and maintain at all times at University's own expense, during the term of this IGA, the insurance coverages and requirements specified below, insuring all operations related to the IGA through self-insurance or insurance companies authorized to do business in the state of Illinois.

The kinds and amounts of insurance required are as follows:

a) **Workers Compensation and Employers Liability Insurance.** Workers Compensation and Employers Liability Insurance and Occupational Disease Insurance, as

prescribed by applicable law, covering all of the University's employees and Employer's Liability coverage with limits of not less than \$500,000 each accident or illness.

b) Commercial Liability Insurance. (Primary and Umbrella). Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence, for bodily injury, personal injury, and property damage liability. Coverage extensions shall include the following: All premises and operations, products/completed operations, defense, separation of insureds, and contractual liability (with no limitation endorsement). City of Chicago, its employees, elected officials, agents, and representatives, and City's property manager for the Building are to be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from this Agreement.

c) Automobile Liability Insurance. (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the University shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence, for bodily injury and property damage.

d) Medical Professional Liability. Medical Professional Liability coverage with limits of not less than \$5,000,000 including prior Acts coverage, such instances covering University against any claim made against University arising out of a medical incident involving the rendering of or a failure to render professional services or out of the performance of the services in University's capacity toward the City as professional consultant, whether caused by an error, omission or act of the University, of any person employed by University or any others for whose actions or omissions University is legally liable. The policy shall have an extended reporting period of two (2) years. When policies are renewed or replaced the policy retroactive date must coincide with or precede the start of work.

e) All Risk Liability. The University and its contractors and subcontractors shall be responsible for all loss or damage to personal property (including without limitation vehicles, materials, equipment, tools and supplies), owned, rented or used by the University or its contractors and subcontractors. The University shall be responsible for all loss or damage to City-owned property, improvements or facilities at replacement cost.

8. Holding Over . The language in Section 9.1 of the IGA is deleted and replaced with the following language:

9.1 Holding Over . Any holding over by University shall be construed to be a month to month license beginning on January 1, 2027 (the "**Holding Over**"). During any Holding Over the rent and Operating Costs will be the same as outlined in Section 3.2(a) of the IGA (Section 6 of this First Amendment). During any Holding Over, all other provisions of this IGA shall remain in full force and effect.

9. **Reaffirmation of IGA.** Except to the extent expressly set forth in this First Amendment, all of the terms and conditions of the IGA shall remain in full force and effect and are hereby ratified and affirmed. If there is any conflict between the terms and provisions of the IGA and the terms and provisions of this First Amendment, the terms and provisions of this First Amendment shall control.

10. **Governing Law and Severability.** This First Amendment shall be governed by and construed in accordance with the laws of the State of Illinois. In the event that any provision of this First Amendment shall at any time be found to be invalid or otherwise rendered unenforceable, such provision shall be limited to the extent necessary to render the same valid, or shall be excised from this First Amendment, as the circumstances require, and this First Amendment shall be construed as if said provision had been incorporated herein as so limited or as if said provision had not been included herein, as the case may be.

11. **Counterparts.** This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This First Amendment may be executed and delivered via email or PDF.

12. **Effectiveness.** This First Amendment is not effective unless and until the same is signed and delivered by both University and City.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS HEREOF, the parties hereto have caused this First Amendment to be duly executed on the date first written above.

CITY:

THE CITY OF CHICAGO,
an Illinois municipal corporation and home rule unit of government

DEPARTMENT OF ASSETS, INFORMATION & SERVICES

By: _____
Commissioner

DEPARTMENT OF PUBLIC HEALTH

By: _____
Commissioner

APPROVED AS TO FORM AND LEGALITY:

BY: DEPARTMENT OF LAW

By: _____
Assistant Corporation Counsel
Real Estate Division

UNIVERSITY:

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS,
a body politic and corporate of the State of Illinois

By: _____

Name: _____

Its: _____

EXHIBIT C

(depiction of the Premises, as shown within gray shaded area)

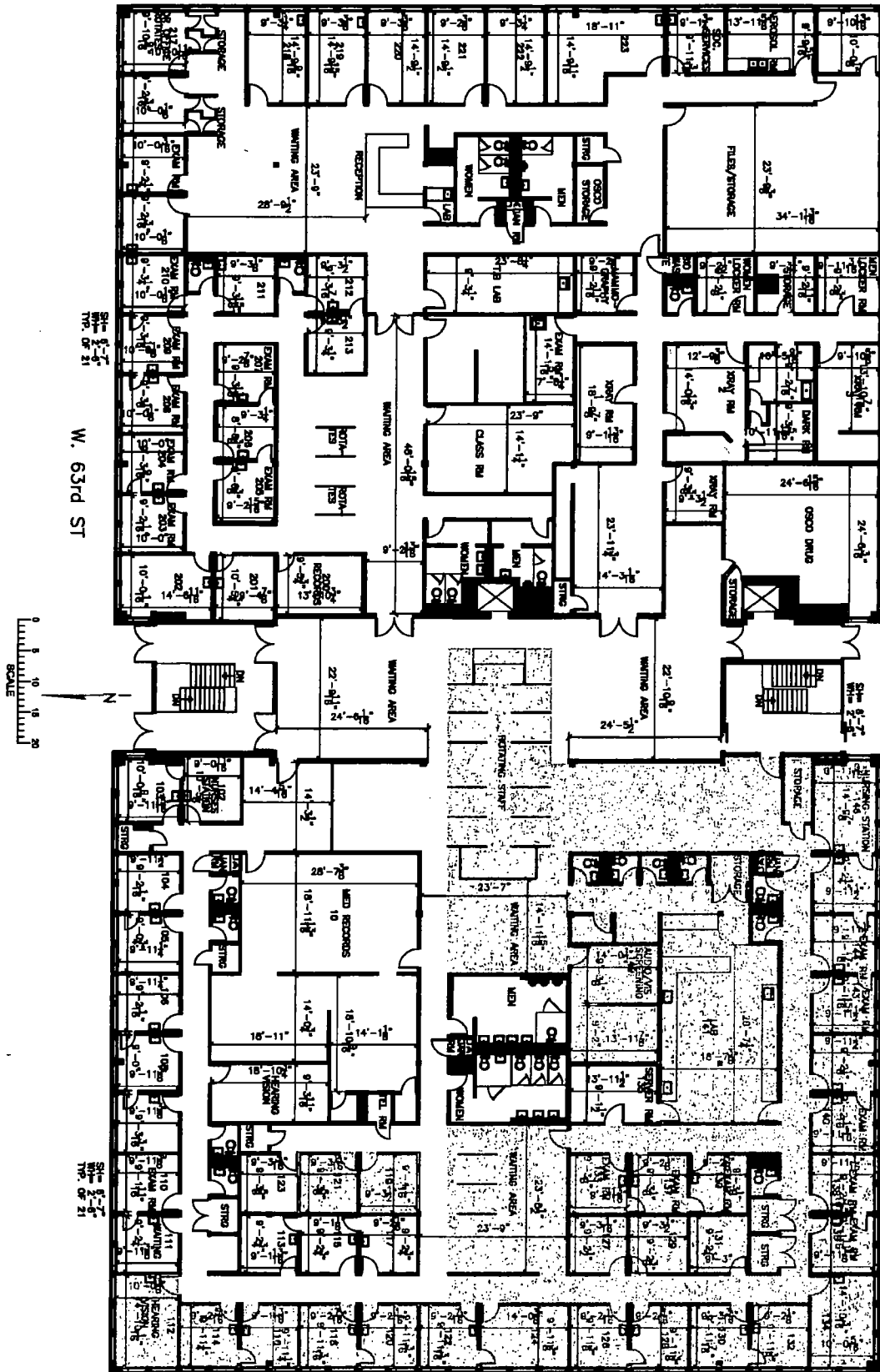


EXHIBIT D
(Operating Costs)

University's Proportionate Share of Building Occupancy	
Address:	641 W. 63rd St.
Building Sq. Ft.	54,189
University's Premises	7,121
University's Share of Building Occupancy	13.14%

BUILDING OPERATING EXPENSES	
Gas	\$13,572.47
Electricity	\$78,792.74
CAM & Engineering Services	\$174,778.25
TOTAL =	\$267,143.46
Annual cost per s.f. for 2020	\$4.93

Schedule of Operating Costs			
Year	Annual per s.f. operating costs	Annual Rate	Monthly Rate
2020	\$4.93	\$35,105.44	\$2,925.45
2021	\$5.08	\$36,158.60	\$3,013.22
2022	\$5.23	\$37,243.36	\$3,103.61
2023	\$5.39	\$38,360.66	\$3,196.72
2024	\$5.55	\$39,511.48	\$3,292.62
2025	\$5.72	\$40,696.82	\$3,391.40
2026	\$5.89	\$41,917.73	\$3,493.14
Holding Over	\$6.06	\$43,175.26	\$3,597.94

641 W. 63rd Street
IGA No. 20256

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