



Office of the Chicago City
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O2011-8197

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	10/5/2011
Sponsor(s):	Emanuel, Rahm (Mayor)
Type:	Ordinance
Title:	Lease Amendment with Cook County for office space at 69 W Washington St for use by Board of Election Commissioners for City of Chicago
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

October 5, 2011

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

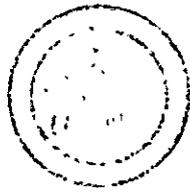
Ladies and Gentlemen:

At the request of the Commissioner of General Services, I transmit herewith ordinances authorizing the execution of lease agreements

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Mayor



ORDINANCE

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

SECTION 1: On behalf of the City of Chicago as Tenant, the Commissioner of the Department of General Services is authorized to execute a Lease Amendment with Cook County as Landlord governing the use of approximately 50,153 square feet of office space located at 69 West Washington Street for use by the Board of Election Commissioners for the City of Chicago; such Lease Amendment to be approved by the Chairman of the Board of Election Commissioners for the City of Chicago and approved as to form and legality by the Corporation-Counsel in substantially the following form.

**69 West Washington Street
Board of Election Commissioners for the City of Chicago
Lease No. 14211**

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

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "Second Amendment") is made this __ day of _____, 2011, by and between the County of Cook, a body corporate and politic of the State of Illinois ("Landlord"), and the City of Chicago, an Illinois municipal corporation and home rule unit of government ("Tenant").

W I T N E S S E T H

WHEREAS, Landlord and Tenant entered into that certain Lease as amended (the "Lease") dated June 16, 1998, and amended by the First Amendment to Lease dated as of February 1, 2006 (the "First Amendment"), for premises in the Building consisting of 46,228 rentable square feet, located on the 6th and 8th floors of the George W. Dunne Cook County Office Building (formerly known as the Cook County Administration Building); and

WHEREAS, the Tenant has occupied the Premises since August 31, 2008 on a month-to-month basis under the same terms and conditions as set forth in the Lease, while negotiations continue;

WHEREAS, Landlord and Tenant desire to extend the term of the Lease; and

WHEREAS, Landlord and Tenant desire to expand the Premises under the Lease; and

WHEREAS, Landlord and Tenant desire to make certain additional changes in the terms of the Lease, all as provided herein; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and in the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. **Integration of Second Amendment and Lease.** This Second Amendment and the Lease, as previously amended, shall be deemed to be one instrument, which is hereinafter referred to as the "Lease". In the event of any conflict between the terms and provisions of this Second Amendment and the terms and provisions of the Lease, the terms and provisions of this Second Amendment shall, in all instances, control and prevail. Except as expressly defined herein, all words and phrases which are defined in the Lease shall have the same meaning in this Second Amendment as are ascribed to said words and phrases in the Lease. This Second Amendment shall be construed and be enforceable in accordance with the laws of the State of Illinois.

2. **Additional Defined Terms.**

a. "Additional Premises" means approximately 3,925 rentable square feet located on the Pedway level of the Building, shown in cross-hatching on Exhibit A-1 attached hereto and made a part hereof.

b. "Additional Premises Commencement Date" means October 8, 2008, the date upon which Landlord delivered possession of the Additional Premises to Tenant.

c. "Additional Premises Work" shall mean the construction of improvements to the Additional Premises to prepare it for Tenant's occupancy, as detailed on Exhibit B.

- d. "Fire Loss Reimbursement" shall mean the sum of \$181,098 paid by Landlord for losses suffered by Tenant in the 2003 fire in the Building, to be reimbursed by or on behalf of Tenant pursuant to the Lease
- e. "Tenant's Deposit" shall mean the sum of \$70,000, representing a portion of the cost of the Additional Premises Work
3. **Term.** The Term of the Lease is hereby extended through December 31, 2016 (the "Extension Period"), unless sooner terminated in accordance with the terms of the Amended Lease. The Extension Period shall be upon all the terms and conditions contained in the Lease except as otherwise provided in this Second Amendment.
4. **Holding Over.** Article 9 of the Lease is amended by substituting "twelve months" for "six months" in line ten of such article.
5. **Additional Premises Included in the Premises; Possession.** Effective as of the Additional Premises Commencement Date, the Additional Premises shall be deemed to have been included in the Premises for all purposes of the Amended Lease. Tenant's taking possession of the Additional Premises shall be conclusive evidence against Tenant that the Premises was then in good order and satisfactory condition.
6. **Rentable Area of the Premises; Tenant's Proportionate Share.** Effective as of the Additional Premises Commencement Date, the "Rentable Area of the Premises" set forth in Section 4 of the First Amendment is increased by 3,925 square feet, and thereafter the Rentable Area of the Premises shall be 50,153 square feet. Effective as of the Additional Premises Commencement Date, the "Tenant's Proportionate Share" set forth in Section 5 of the First Amendment is increased to seven and twenty-six hundredths percent (7.26 %), which is the percentage obtained by dividing the Rentable Area of the Premises, as increased pursuant to this Section 5, by the Rentable Area of the Building (690,341 square feet). Rent Adjustments shall be paid under the Amended Lease utilizing such revised amounts from and after the Additional Premises Commencement Date; provided, however, that Landlord acknowledges receipt of Rent Adjustment Deposits applicable to the Additional Premises through November 30, 2010 in the amount set forth in Section 8(iii). Base Rent shall remain as set forth in the Lease.
7. **Reimbursement for Additional Premises Work.** In order to prepare the Additional Premises for Tenant's occupancy, the Landlord has performed improvements costing \$294,767 (the "Additional Premises Work"). Tenant has paid the sum of \$70,000 ("Tenant's Deposit") toward the cost of the Additional Premises Work. The balance of \$224,767 has been reimbursed to Landlord, as set forth in Section 8 below.
8. **Satisfaction of Outstanding Obligations of Tenant.** The parties acknowledge that the Tenant has been in possession of the Additional Premises since October 8, 2008 to accommodate Tenant's governmental functions while the parties negotiated the terms of this Second Amendment and the satisfaction of outstanding amounts owed to the Landlord. The Lease, as previously amended, has continued on a month to month basis during such negotiations. Landlord hereby acknowledges that Landlord has received payment on behalf of Tenant, as follows: (i) \$224,767 for the balance owed for the Additional Premises Work, satisfying Tenant's obligation under Section 7 of this Second Amendment; (ii) \$181,098 in satisfaction of the Fire Loss Reimbursement described in Section 2(d) of this Second Amendment; and (iii) \$87,769.04 in satisfaction of the Tenant's obligation to pay Rent Adjustment Deposits as to the

Additional Premises for the period commencing on the Additional Premises Commencement Date and ending November 30, 2010. Tenant shall be responsible for any difference between the Rent Adjustment Deposit paid by or on behalf of Tenant and the final calculated Rent Adjustments calculated in accordance with the Lease, as amended by Section 5 of this Second Amendment, and shall be responsible for the ongoing obligation to pay Rent Adjustment and Rent Adjustment Deposits on the entire Premises from and after December 1, 2010. Based on the current estimate of Rent Adjustment (\$10.48 per square foot per year), Tenant currently owes \$23,994.83 in Rent Adjustment Deposits for the period from December 1, 2010 to May 31, 2011, which Tenant will pay within sixty (60) days after execution of this Second Amendment. Aside from any remaining obligations pursuant to this paragraph, Landlord and Tenant each acknowledge and agree that both parties have performed all other obligations under the Lease and First Amendment and that neither party has any claims against the other with respect to the Lease and First Amendment.

9. **Brokers.** Tenant represents that Tenant has directly dealt with and only with 69 West Washington Management Company, LLC, as broker in connection with this Second Amendment and agrees to indemnify and hold Landlord harmless from all damages, liability and expense (including reasonable attorneys' fees) arising from any claims or demands of any other broker or brokers or finders for any commission alleged to be due such other broker or brokers or finders in connection with its participating in the negotiation with Tenant of this Second Amendment. Landlord represents that Landlord has directly dealt with and only with 69 West Washington Management Company, LLC, as broker in connection with this Second Amendment, and that any commission which may be owed to 69 West Washington Management Company, LLC will be paid by Landlord. Landlord agrees to indemnify and hold Tenant harmless from all damages, liability and expense (including reasonable attorneys' fees) arising from any claims or demands of any broker or brokers or finders for any commission alleged to be due such other broker or brokers or finders in connection with its participating in the negotiation of this Second Amendment on behalf of Landlord.

10. **Right to Terminate.** Either Landlord or Tenant shall have the right to terminate this Lease by giving written notice to the other party of the effective date of such termination ("Termination Date") no later than six months prior to the Termination Date, time being of the essence. If either party shall elect in a timely manner to terminate this Lease, then effective as of the Termination Date, the Term of this Lease shall be deemed to have expired by lapse of time and Tenant shall return the Premises to Landlord on the Termination Date in accordance with the requirements of the Lease.

11. **No Offer.** Submission of this instrument for examination or negotiation shall not bind Landlord, and no obligation on the part of Landlord shall arise until this instrument is signed and delivered by both Landlord and Tenant.

12. **Lease in Full Force and Effect.** Except as expressly modified or amended by this Second Amendment, all of the terms and provisions of the Lease, as previously amended, shall remain in full force and effect.

13. **Amendments.** From time to time, the parties hereto may further amend this Lease with respect to any provisions reasonably related to Tenant's use of the Premises and/or Landlord's administration thereof. Provided, however, that such amendment(s) shall not serve to extend the 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 the Lease and all other provisions of the Lease shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date first written above.

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

BY: THE DEPARTMENT OF GENERAL SERVICES

By: _____
Commissioner

**APPROVED: BOARD OF ELECTION COMMISSIONERS
FOR THE CITY OF CHICAGO**, a unit of local government

By: _____
Chairman

Executive Director

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

By: _____
Deputy Corporation Counsel
Real Estate Division

ACCEPTANCE

The undersigned, on behalf of the County of Cook, a body politic and corporate of the State of Illinois, hereby accepts the foregoing Second Amendment to Lease.

TOTAL AMOUNT OF BASE RENT FOR THE TERM OF THE LEASE, AS AMENDED:

\$1.00, PLUS PASS-THROUGH OPERATING EXPENSES, AS SET FORTH IN THE AMENDED LEASE.

LANDLORD:

COUNTY OF COOK, a body corporate and politic of the State of Illinois

By: _____

Toni Preckwinkle, President of the Cook County Board of Commissioners

By: _____

Constance M. Kravitz, County Comptroller

Attest:

By: _____

David D. Orr, County Clerk

Approved as to Form:

Assistant State's Attorney

EXHIBIT A-1

OUTLINE OF ADDITIONAL PREMISES

EXHIBIT B
COSTS OF ADDITIONAL PREMISES WORK

**GEORGE W. DUNNE COOK COUNTY OFFICE BUILDING
COUNTY/CITY MULTI PURPOSE ROOMS
CHICAGO BOARD OF ELECTIONS CONSTRUCTION CHARGES**

Krahl Contract	\$374,593.00
Change Orders	\$ 63,815.00
Glavin Locks	\$ 800.00
City of Chicago Permit	\$ 2,591.00
Cleaning	<u>\$ 3,407.00</u>
	\$445,206.00
Construction Mgr. Fee 1.75%	\$ 7,791.00
Folgers Architectural	<u>\$ 32,253.00</u>
TOTAL	\$485,250.00

	<u>Rentable</u>	<u>Usable</u>
County	2,536 SF	2,215 SF
City	<u>3,925 SF</u>	<u>3,428 SF</u>
	6,461 SF	5,643 SF
	÷ <u>\$485,250</u>	÷ <u>\$485,250</u>
	\$75.10 RSF	\$86.00 USF

3,925 RSF X \$75.10 RSF = \$294,767.50

3,428 USF X \$86.00 USF = \$294,808.00