

**APPROVE ENTERING INTO AN AGREEMENT WITH JOHNSON RESEARCH GROUP, INC.  
FOR CONSULTING SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with Johnson Research Group to provide consulting services on Tax Increment Financing initiatives to support the Capital Improvement Program at a cost not to exceed \$75,000. The consultant was selected on a non-competitive basis because of the special knowledge and expertise of the consultant. Johnson Research Group has been engaged by the Chicago Public Schools for the past two years providing these services. A written agreement for Consultant's services is being negotiated. No services shall be provided by Consultant and no payment shall be made to Consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written document is not executed within 60 days of the date of this Board Report. Information pertinent to this agreement is stated below.

**Specification No.:** 01-250183

**CONSULTANT:** Johnson Research Group, Inc.  
411 S. Wells  
Chicago, IL 60607  
312-786-4292  
Ron Johnson  
Vendor #30433

**USER:** Department of Finance  
125 S. Clark, 14<sup>th</sup> floor  
Daryl Okrzesik  
553-2710

**TERM:** The term of this agreement shall commence on the date the agreement is signed and shall end 12 months thereafter. This agreement shall have 2 options to renew for periods of 1 year each, at the hourly rate of \$125 not to exceed the sum of \$100,000 for each term.

**EARLY TERMINATION RIGHT:** The Board shall have the right to terminate the agreement for any reason or no reason whatsoever with 30 days written notice.

**SCOPE OF SERVICES:** Johnson Research Group will serve as special advisor to the Chief Fiscal Officer to develop a strategy with the City Department of Planning and Development, the Chicago Department of Finance and the City's Chief Financial Officer on tax increment financing initiatives to support the Capital Improvement Program. Mr. Johnson, principal, will focus on preparing detailed financial analyses of available TIF revenues, negotiating potential financial commitments, preparing formal written agreements with the city, and receiving the funds identified for CPS. Mr. Johnson shall develop complex mechanisms needed to coordinate all aspects of the negotiations. Mr. Johnson will also advise on alternative TIF strategies, present creative approaches for additional funding opportunities, and provide long range planning assistance to the CFO.

**DELIVERABLES:** Deliverables to be provided by Consultant include monthly project reports, spreadsheets detailing potential revenue opportunities from existing TIF districts, draft redevelopment agreements, and strategic planning documents, as determined by the CFO.

**OUTCOMES:** Consultant's services will result in revenue streams for both short term and long range programs in the anticipated amount of \$100 million in TIF funds in FY02 for the Capital Improvement Program and an additional \$100 - 200 million over the next 3-5 years.

**COMPENSATION:** Consultant shall be paid as follows: Hourly rate of \$125, plus reimbursable, with the total compensation not to exceed the sum of \$75,000.

**REIMBURSABLE EXPENSES:** Consultant shall be reimbursed for report preparation expenses and copying charges, agreed to in advance by the CFO and not to exceed \$500. All reimbursable expenses are included in the total compensation amount.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Fiscal Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** Vendor agrees to comply with and be bound by the provisions of the Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation (M/WBE Plan).

**LSC REVIEW:** Local School Council approval is not applicable to this report.

**FINANCIAL:** Charge to Department of Finance: \$75,000      Fiscal Year: 02  
Budget Classification: 0230-210-000-1121-5410      Fund: General Operating Fund 210

**GENERAL CONDITIONS:**

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Trustees has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.


Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

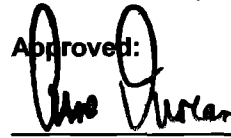
Indebtedness – The Board’s Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

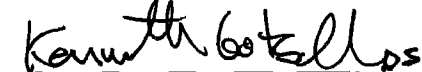
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**

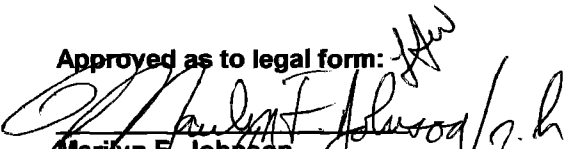
  
Natalye Paquin  
Chief Purchasing Officer

**Approved:**  
  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
Kenneth C. Gotsch  
Chief Fiscal Officer

**Approved as to legal form:**

  
Marilyn F. Johnson  
Attorney