

**PROPERTY TAX APPEAL REFUND - AUTHORIZE SETTLEMENT FOR
HILTON CORPORATION'S PROPERTY TAX APPEAL BEFORE PTAB REGARDING THE O'HARE
HILTON HOTEL PROPERTY FOR TAX YEAR 1999**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize settlement of appeal by Hilton Corporation regarding the O'Hare Hilton Hotel property for the 1999 tax year. The Board's \$259,852.44 share of the overall refund will be affected by reductions in the Board's property tax revenues after PTAB and Cook County Board of Review approval of this settlement, most likely in calendar year 2006. This settlement does not involve a direct payout of Board funds. Illinois law requires 5% interest be paid on the refund from the date the taxes were paid (March & Nov. of 1999) until the date of refund. The interest amount will also be taken out of the Board's incoming tax revenues and does not require a direct payout of Board funds. The interest charged becomes 5% or the percentage increase of the consumer price index, whichever is less, after January 1, 2006.

This proposed settlement raises the assessment from \$45 million in 1998 to \$56.5 million in 1999, resulting in the \$259,852.44 refund; approximately \$370,000.00 less than the refund imposed on the Board for 1998 and a savings of over \$720,000.00 from the appellant's requested relief for 1999.

DESCRIPTION: The General Counsel has determined that this settlement is in the Board's best interests.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: There is no charge to any Board account. The refund payment is to be deducted from the Board's tax revenues in calendar year 2006 or thereafter \$259,852.44, plus interest.

PERSONNEL IMPLICATIONS: None.

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 Chicago Board of Education 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, is hereby 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, is hereby 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,



PATRICK J. ROCKS
General Counsel

WITHIN APPROPRIATION:



JOHN MAIORCA
Chief Financial Officer