

**AUTHORIZE THE PUBLIC BUILDING COMMISSION OF CHICAGO  
TO PURCHASE PROPERTY AT 48<sup>TH</sup> STREET AND ROCKWELL  
FOR THE CONSTRUCTION OF A NEW BRIGHTON PARK II ELEMENTARY SCHOOL**

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

On March 28, 2007 the Board adopted Resolution Number 07-0328-RS21 requesting the Public Building Commission ("PBC") acquire for the Chicago Board of Education approximately 3 acres of property at the southwest corner of 48<sup>th</sup> and Rockwell ("Property") for the construction of a new elementary school to relieve overcrowding in Brighton Park. The Resolution was amended on February 25, 2009 to include additional property required for public right of way improvements adjacent to the new school project. The PBC has negotiated a settlement with the owners of the Property for \$3,655,000 including the cost of demolishing the industrial buildings currently located on the Property, the removal of underground storage tanks, the dedication of 21,977 square feet for the widening and expansion of 48<sup>th</sup> Street and a temporary easement for the construction of a cul-de-sac required by the Fire Department until additional public right of ways are constructed by the others. The purpose of this Board Report is to authorize the PBC to acquire the Property for \$3,655,000 or \$22.25 per square foot including the cost of demolition, the removal of underground storage tanks, the dedication of approximately 21,977 square feet for new roads and a temporary easement for a cul-de-sac. The authorization granted herein will automatically rescind in the event the settlement agreement is not executed within 120 days of this Board Report. Information pertinent to the acquisition is as follows:

- OWNER:** Chicago Tube-47<sup>th</sup> Street and Western Avenue, LLC,  
Wonder Lake Land, LLC  
c/o Lexington Homes  
1731 N. Marcy Street, Suite 200,  
Chicago, Illinois 60614
- PROPERTY:** 186,272 square feet or 4.276 acres of land zoned M2-2 and M2-3 in the Brighton Park Community. The Property is currently improved with three single-story industrial buildings formerly owned by Chicago Tube and Iron Company. The buildings are vacant. As part of the settlement, the Owner is demolishing the buildings, removing underground storage tanks, dedicating 21,977 square feet for the widening of 48<sup>th</sup> Street between Rockwell and Campbell and granting a temporary easement for a cul-de-sac to be constructed south of 48<sup>th</sup> Street. The common address for the property is 4800 S. Rockwell.
- PIN:** School Site: 19-12-208-006, 007, 012, 015, 017 and 019.  
48<sup>th</sup> and Rockwell Streets Expansion: 19-12-209-001, 002, 003, 004 and 008
- USE:** For the construction of a new Brighton Park II Elementary School.
- PURCHASER:** Public Building Commission of Chicago for the Chicago Board of Education
- PURCHASE PRICE (Final Award):** \$3,655,000 or \$22.25 per square foot including the cost of demolition, removal of underground storage tanks, dedication of 21,977 square feet for the expansion of 48<sup>th</sup> Street between Rockwell and Campbell and a temporary easement for a cul-de-sac south of 48<sup>th</sup> Street.
- APPRAISAL:** \$3,710,000. The Property was appraised by Gibbons & Gibbons. The appraisal includes and considers the cost of demolition, removal of underground storage tanks, the dedication of 21,977 square feet for the widening of 48<sup>th</sup> Street and a temporary easement for the cul-de-sac.

**DUE DILIGENCE:** The Property will be purchased "As Is" The Board and PBC have performed Phase I and Phase II environmental testing on the site.

**INDEMNIFICATION:** Authorize the General Counsel to negotiate and approve an indemnification provision in the settlement agreement for environmental claims against the Owner for anyone who occupies the property after has been purchased for the construction of the new school.

- AUTHORIZATION:**
1. Authorize the PBC to proceed with the acquisition of the Property by condemnation proceedings on behalf of the Board.
  2. Authorize the General Counsel or his designee to negotiate and include other relevant terms and conditions in the settlement agreement as he deems necessary including insurance and indemnification provisions.
  3. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate Property acquisition for \$3,655,000.
  4. Authorize the Comptroller to issue a check to the PBC for \$3,655,000 for the acquisition of the Property.

**AFFIRMATIVE ACTION:** Exempt.

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

**FINANCIAL:** Charge to Operations Department: \$3,655,000  
Budget Classification No: 27041-499-54105-009538-0000000-2009  
Fiscal Year: 2008/2009  
Source of Funds: Capital Improvement

**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 June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics—The Board’s Ethics Code adopted June 23, 2004 (04-0623-PO4), 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:**

**Approved:**

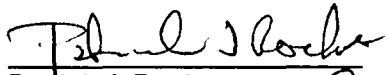
  
Stephen M. Wilkins  
Chief Property Officer

  
Ron Huberman  
Chief Executive Officer

**Within Appropriation:**

**Approved as to legal form:** 

  
Pedro Martinez  
Chief Financial Officer

  
Patrick J. Rocks  
General Counsel 