

**AUTHORIZE THE PUBLIC BUILDING COMMISSION OF CHICAGO TO PURCHASE THE PROPERTY
AT 4700 S. HOYNE FOR THE CONSTRUCTION OF A NEW BACK OF THE YARDS HIGH SCHOOL**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

On November 14, 2007, the Board adopted Resolution Number 07-1114-RS6 requesting that the Public Building Commission ("PBC") acquire for the Chicago Board of Education approximately 4.75 acres of property at the southwest corner of 47th Street and Hoyne Street ("Property") for the construction of a new high school for the Back of the Yards Community. On April 22, 2009, the Board adopted Resolution Number 09-0422-RS13 requesting the PBC to undertake the design and construction of a new Back of the Yards High School on the Property.

The purpose of this Board Report is to authorize the PBC to acquire the Property for \$4,860,000, with a \$150,000 environmental holdback escrow and to pay \$440,000 to reimburse the owners and contract purchasers for their moving, relocation, environmental and re-establishment costs and out-of-pocket professional fees. The authorization granted herein will automatically rescind in the event the settlement agreement and final judgment order are not executed and entered within 120 days of this Board Report. Information pertinent to the acquisition is as follows:

OWNERS: Felix and Guadalupe Fernandez
d/b/a Fernandez Auto Parts
2101 W. 47th Street
Chicago, Illinois 60661

CONTRACT PURCHASER: Zifkin Realty & Development LLC
560 W. Washington Street, Suite 4 West
Chicago, Illinois 60661

PROPERTY: 206,800 square feet or 4.75 acres zoned B3-1 Community Shopping District in the New City Back of the Yards Community. The Property, at the southwest corner of 47th Street and South Hoyne, is legally described on Exhibit A. It is currently improved with an auto repair shop and operated as an auto salvage yard. The Property was under contract for sale to Zifkin Realty & Development ("Zifkin") for \$4,860,000 prior to its designation for acquisition for the new high school.

PINs: 207-07-107-002, to and including -016, and -037

USE: For the construction of a new Back of the Yards High School

PURCHASER: Public Building Commission of Chicago for the Chicago Board of Education

APPRAISALS: For BOE and PBC:

Gibbons and Gibbons: \$4,060,000 or \$19.63/Sf
KMD Valuation (K. Dart): \$4,150,000 or \$20/SF
Real Estate Analysis Corp. (M. Kelly): \$4,350,000 or \$21/Sf

For Owner and Contract Purchaser:

MaRous & Company, \$6,625,000 or \$32.16/Sf.

CONTRACT: \$4,860,000 or \$23.50/Sf (Between Owner and Contract Purchaser)

SETTLEMENT: \$4,860,000 (\$23.50/Sf) less \$150,000 to be held back in an environmental escrow for the removal of potential underground storage tanks and related contaminated soil, \$440,000 to reimburse the owners and contract purchaser for their moving, relocation, environmental and re-establishment costs and out-of-pocket professional fees.

DUE DILIGENCE: PBC and the Board have performed substantial Phase I and Phase II environmental testing on the site. Owner removed three underground storage tanks and has applied to the IEPA for No Further Remediation Letters for the three tanks. \$150,000 will be held back in an environmental escrow for the removal of additional underground storage tanks that may still be located on the property and related contaminated soil.

INDEMNIFICATION: Authorize the General Counsel to negotiate and approve an indemnification provision in the Stipulation and Agreed Final Judgment Order as may be necessary.

- AUTHORIZATION:**
1. Authorize the PBC to proceed with the acquisition of the Property by condemnation proceedings on behalf of the Board of Education.
 2. Authorize the General Counsel or his designee to negotiate and include other relevant terms and conditions in the Stipulation and Final Judgment Order as he deems necessary.
 3. Authorize the General Counsel to execute all ancillary documents required to complete the land acquisition.
 4. Authorize the Comptroller to issue a check to the PBC for a total of \$5,300,000 for the acquisition of the Property and \$440,000 to reimburse the owners' and contract purchaser's moving, relocation, environmental and re-establishment costs and out-of-pocket professional fees incurred to develop the Property prior to designation.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: None. Local School Council is not applicable to this report.

FINANCIAL: Charge to Operations Department: \$5,300,000
Budget Classification No.:46551-476-56205-253533-000000-2010
Fiscal Year: 2010

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.

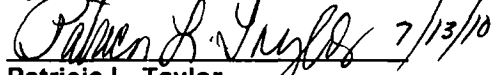
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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


Patricia L. Taylor
Chief Operating Officer

Approved:


Ron Huberman
Chief Executive Officer

Within Appropriation:


Diana S. Ferguson
Chief Financial Officer

Approved as to legal form:


Patrick J. Rocks
General Counsel

EXHIBIT A

LEGAL DESCRIPTION

LOTS 1 TO 20, BOTH INCLUSIVE, THE VACATED ALLEY LYING SOUTH OF AND ADJACENT TO SAID LOTS 1 TO 20, AND LOTS 27 TO 46 BOTH INCLUSIVE, IN B.F. JACOBS SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED JUNE 9, 1891, AS DOCUMENT 1483774, TOGETHER WITH THAT PART OF THE NORTH 33 FEET OF VACATED WEST 47TH PLACE LYING SOUTH AND ADJOINING SAID LOTS 27 TO 46 AND THAT PART OF LOT 1 IN THE PLAT OF CONSOLIDATION RECORDED MARCH 12, 1920 AS DOCUMENT 6759690 DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 1: THENCE NORTH 89 DEGREES 59 MINUTES 02 SECONDS WEST, (BASIS OF BEARING ASSUMED) ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 500.02 FEET TO THE NORTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 00 DEGREES 13 MINUTES, 15 SECONDS EAST A DISTANCE OF 29.87 FEET; THENCE SOUTH 29 DEGREES 48 MINUTES 15 SECONDS EAST A DISTANCE OF 41.31 FEET; THENCE SOUTH 37 DEGREES 32 MINUTES 15 SECONDS EAST A DISTANCE OF 49.44 FEET; THENCE SOUTH 50 DEGREES 22 MINUTES 15 SECONDS EAST A DISTANCE OF 23.67 FEET THENCE SOUTH 89 DEGREES 59 MINUTES 02 SECONDS EAST ALONG A LINE 120 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 431.47 FEET TO THE EAST LINE OF SAID LOT 1; THENCE NORTH 00 DEGREES 12 MINUTES 52 SECONDS WEST ALONG THE EAST LINE OF SAID LOT 1, A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING, ALL IN SECTION 7, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PINS: 20-07-107-002 THROUGH AND INCLUDING 016 AND 20-07-107-037

ADDRESS: 2101-2147 W. 47th STREET AND 2100-2148 W. 47th PLACE, CHICAGO, ILLINOIS