

**AUTHORIZE THE CONDEMNATION SETTLEMENT AND ACQUISITION
OF THE PROPERTY AT 19TH WEST 16TH STREET
FOR THE CONSTRUCTION OF A NEW ELEMENTARY SCHOOL
TO RELIEVE OVERCROWDING**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

On May 25, 2016, the Board adopted Resolution Number 16-0525-RS10 designating and authorizing the acquisition of the property at the southeast corner of 16th Street and South Dearborn ("Property") for the construction of a new elementary school to relieve overcrowding. On August 16, 2016 the Board filed condemnation to acquire the Property for the new school project.

The purpose of this Board Report is to authorize the settlement and condemnation award to be paid for the Property in the amount of \$5,100,000. The authorization granted herein will automatically rescind in the event the settlement agreement and the final judgment order are not executed and entered within 120 days of this Board Report. Information pertinent to the acquisition is as follows:

OWNERS: 19 W. 16th Street (Sanctuary), LLC
c/o CMK Companies and Colin Kihnke
225 W. Ohio 6th Floor
Chicago, Illinois 60654

PROPERTY: 55,394 square foot (1.27 acres) site in the South Loop. The Property is zoned DS-5 Downtown Service District. It is improved with a 30,000 square foot industrial building. The Board will demolish the improvements after the Property is acquired. Exhibit A is the legal description for the Property.

PIN: 17-21-402-001-0000

USE: For construction of a new elementary school to relieve overcrowding in the South Loop.

APPRAISALS: For the Board of Education:
KMD Valuation: \$4,600,000 to \$4,800,000

For the Owner:
McCann Appraisal & Consulting \$12,000,000

SETTLEMENT: \$5,100,000

AUTHORIZATION: Authorize the settlement of the acquisition of the Property for \$5,100,000. Authorize the General Counsel or his designee to negotiate and include other relevant terms and conditions in the Stipulation and Final Judgment Order, including indemnification, as he deems appropriate. Authorize the General Counsel to execute all ancillary and related documents to complete the land acquisition and transaction. Authorize the Comptroller to issue a check to the Treasurer of Cook County for \$5,100,000 for the acquisition of the Property and to sign tax forms to acknowledge donation of property.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Charge to Operations Department: \$5,100,000
Budget Classification No.:
Fiscal Year: 2016-2017
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 May 25, 2011 (11-0525-PO2), 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:




Jason Kierna
Chief Facilities Officer

Approved:



Forrest Claypool
Chief Executive Officer

Approved as to legal form: 



Ronald L. Marmer
General Counsel

EXHIBIT A

LEGAL DESCRIPTION:

LOTS 2, 3, 6, 7, 10, 11 AND 14 IN BLOCK 1 IN CANAL TRUSTEE'S NEW SUBDIVISION OF BLOCKS IN CANAL TRUSTEES' SUBDIVISION IN SOUTHEAST 1/4 OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PROPERTY INDEX NUMBER:

17-21-402-001-0000

COMMON ADDRESS:

19 W. 16th STREET, CHICAGO, IL 60616

(SOUTHEAST CORNER OF DEARBORN AND 16TH STREET)