

July 23, 2014

**AUTHORIZE SETTLEMENT OF CONDEMNATION CASE FOR ACQUISITION OF CHICAGO BOARD OF
EDUCATION PROPERTY BY THE CITY OF CHICAGO FOR AN INTERMODAL TRANSPORTATION
STATION**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

The Chicago Board of Education ("Board") owns a 15,957 square foot parking lot on the south side of Jackson between Canal and Clinton Streets (the "Property"). The Property is directly south of Union Station Terminal. On January 30, 2013, the City of Chicago ("City") submitted an offer to the Board to purchase the Property for \$4,000,000 for the construction of an intermodal transportation depot. The Board leases the Property to a parking lot operator and could not unilaterally terminate the lease. On July 25, 2013, the City filed condemnation to terminate the parking lot lease to acquire full title and possession of the Property. In June, 2014 the condemnation case was referred to mediation to determine the fair compensation to be paid by the City for the Property and a fair amount to be retained in an environmental escrow for potential environmental remediation costs. The mediator recommended a settlement of \$5,800,000 and \$400,000 of the proceeds to be retained in an environmental escrow. The City accepted the settlement subject to approval by the Federal Transit Authority ("FTA"). FTA approval is required because it is funding a substantial portion of the project.

The purpose of this Board Report is to (1.) authorize the Board to settle the condemnation case with the City for \$5,800,000 (Condemnation Award), and (2.) authorize retention of \$400,000 of the Condemnation Award in an Environmental Remediation Escrow subject to an agreement with the City that the funds be used solely for the environmental remediation of the Board's Property and (3.) to authorize the General Counsel to include such other terms and conditions as he deems necessary in the Escrow Agreement. After the City completes the project, the remaining Environmental Funds will be disbursed to the Board. Information pertinent to the acquisition is as follows:

PROPERTY:	15,957 square foot surface parking lot located at the southeast corner of Canal and Jackson commonly known as 301 S. Clinton. Legal Description is attached as Exhibit A.;
PINs:	17-16-120-008
PURCHASER:	City of Chicago on behalf of the Chicago Department of Transportation
APPRAISALS:	For BOE: Renzi & Associates: \$7,500,000 or \$475/SF For City: Gibbons & Sidhu, \$4,000,000 or \$250/SF
SETTLEMENT:	\$5,800,000 (\$364/SF) less \$400,000 to be held back in an environmental escrow for the removal of potential underground storage tanks, related contaminated soil and hazardous materials if found on the Property. Settlement is subject to final FTA approval
AUTHORIZATION:	Authorize the General Counsel or designee to execute, and include other relevant terms and conditions in, the Escrow Agreement, Stipulation and Final Judgment Order as is necessary to complete the settlement, obtain the Condemnation Award and transfer title and possession of the Property to the City of Chicago.
AFFIRMATIVE ACTION:	Exempt.

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

FINANCIAL: Deposit \$5,400,000 to the 412 Fund, Account 45155

GENERAL CONDITIONS:

Inspector General – Each party to the agreements 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 agreements 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 agreements.

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 agreements.

Contingent Liability – The agreements 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 Facilities Officer

Approved:


Barbara Byrd-Bennett
Chief Executive Officer

Approved as to legal form:

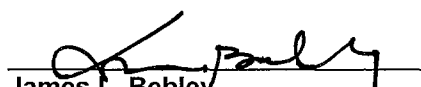

James L. Bebley
General Counsel

Exhibit A

Lots 1 and 2 in Assessor's Division of Block 52 of School Section Addition to Chicago in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PIN: 17-16-120-008

Common Addresses: 301 S. Clinton Southwest Corner of Jackson and Canal