

**AUTHORIZE THE PUBLIC BUILDING COMMISSION OF CHICAGO
TO PURCHASE PROPERTY AT THE SOUTHWEST CORNER OF
53RD STREET AND ST. LOUIS FOR THE CONSTRUCTION OF A
NEW KELLY/CURIE GAGE PARK HIGH SCHOOL**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

On June 27, 2007 the Board adopted Resolution Number 07-0627-RS109 requesting the Public Building Commission of Chicago ("PBC") acquire for the Chicago Board of Education approximately 9 acres of property at the southwest corner of 53rd Street and St. Louis ("Property") for the construction of a new high school to relieve overcrowding at Kelly, Curie and Gage Park High Schools. A written contract is currently being negotiated with the Owner of the Property. The purpose of this Board Report is to authorize the PBC to acquire the Property for \$5,660,000, subject to environmental testing, and to authorize the General Counsel or his designee to negotiate and to accept certain indemnification provisions relating to the Property. The authority granted herein will automatically rescind in the event a written agreement to purchase the Property is not executed within 120 days of the date of this Board Report. Information pertinent to this purchase is stated below:

SELLER: Grand Trunk Western Railroad, Inc.
c/o The Canadian National Railroad
One Administration Road, 1st Floor
Concord, Ontario, L4K189
c/o Jordan Peters at Freeborn & Peters. LLP

PROPERTY: 8.660 vacant acres located at the southwest corner of 53rd and St. Louis legally described on Exhibit A as Parcel 3.

PIN: 19-11-400-007

USE: For the construction of the Kelly Curie/Gage Park High School.

PURCHASER: Public Building Commission of Chicago on behalf of the Board of Education of the City of Chicago

PURCHASE PRICE: \$5,660,000

APPRAISAL: \$5,660,000 as of October 1, 2007. The property was appraised by KMD Valuation Group on behalf of the PBC and the Board.

DUE DILIGENCE: The Property is being purchased "As Is." The Board and the PBC shall have until February 29, 2008 to complete their environmental and geotechnical investigation of the Property. If the cost to remove and dispose of contaminated material exceeds \$750,000, the contract maybe terminated without liability.

INDEMNIFICATION: Authorize the General Counsel to negotiate and approve an environmental indemnification provision in the contract for environmental claims against the Seller by anyone who uses or occupies the property after it has been purchased for the construction of a new school.

CLOSING: Closing is tentatively scheduled for March 31, 2008.

RIGHT OF FIRST REFUSAL: The contract will also include a Right of First Refusal to purchase two adjacent parcels when the Seller no longer needs these parcels. The two parcels, identified as Parcels 1 and 2 on Exhibit A, total 1.34 acres. The price for the two parcels will be based upon a current appraisal of the two parcels when the Railroad ceases use of the property.

AUTHORIZATION: Authorize the General Counsel or his designee to: (1) negotiate and include other relevant terms and conditions in the written agreement to purchase the property as he deems necessary including insurance and indemnification provisions; (2) execute all ancillary documents required to administer or effectuate the acquisition of the property for \$5,660,000; (3) to authorize the PBC to proceed with the acquisition; and (4) authorize the PBC to institute condemnation proceedings on behalf of the Board, in the event a written agreement is not executed within 120 days hereof or the Seller is unable to deliver clear title.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Local School Counsel Review is not applicable to this report.

FINANCIAL:
Charge to Operations: \$5,660,000
Fiscal Year: 2007
Budget Classification: 46571-XXX-57940-253506-000000-2007
Source of Funds: Capital Improvements

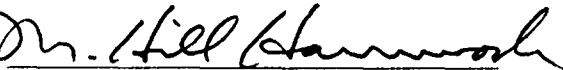
GENERAL CONDITIONS:
Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

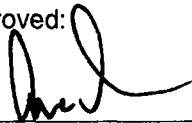
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

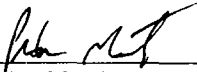
Indebtedness – The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:

M. Hill Hammock
Chief Operating Officer

Approved:

Arne Duncan
Chief Executive Officer

Within Appropriation:

Pedro Martinez
Chief Financial Officer


Approved as to Legal Form:

Patrick J. Rocks
General Counsel

EXHIBIT A**PARCEL 1 (RIGHT OF FIRST REFUSAL)**

A PARCEL OF LAND BEING PART OF THE WEST 10.04 CHAINS OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF A LINE 494.00 FEET NORMALLY DISTANT NORTH OF THE NORTH LINE OF WEST 55TH STREET, SAID NORTH LINE BEING 33.00 FEET NORMALLY DISTANT NORTH OF THE SOUTH LINE OF SAID SOUTHEAST 1/4, WITH A LINE 50.00 FEET NORMALLY DISTANT EAST OF THE WEST LINE OF SAID SOUTHEAST 1/4; THENCE NORTH 01 DEGREES 14 MINUTES 41 SECONDS WEST, PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST 1/4 397.63 TO THE POINT OF BEGINNING, SAID POINT BEING 891.63 FEET NORTH OF THE NORTH LINE OF 55TH STREET; THENCE CONTINUING NORTH 01 DEGREES 14 MINUTES 41 SECONDS EAST PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST 1/4 346.37 FEET TO A LINE 1238.00 FEET NORMALLY DISTANT NORTH OF THE NORTH LINE OF WEST 55TH STREET; THENCE NORTH 88 DEGREES 49 MINUTES 41 SECONDS EAST PARALLEL WITH SAID NORTH LINE 230.44 FEET TO A POINT 280.44 FEET EAST OF THE WEST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 11, AS MEASURED ALONG SAID PARALLEL LINE; THENCE SOUTHWESTERLY 123.59 FEET ALONG A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 435.42 FEET AND A CHORD WHICH BEARS SOUTH 32 DEGREES 44 MINUTES 49 SECONDS WEST, 123.17 FEET; THENCE SOUTH 40 DEGREES 52 MINUTES 42 SECONDS WEST ALONG A TANGENTIAL LINE 91.72 FEET; THENCE SOUTHWESTERLY 204.00 FEET ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 467.79 FEET AND A CHORD WHICH BEARS SOUTH 28 DEGREES 23 MINUTES 07 SECONDS WEST 202.39 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINING 36615 FEET SQUARE FEET OR (0.841 ACRES)

PARCEL 2 (RIGHT OF FIRST REFUSAL)

A PARCEL OF LAND BEING PART OF THE WEST 10.04 CHAINS OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF A LINE 494.00 FEET NORMALLY DISTANT NORTH OF THE NORTH LINE OF WEST 55TH STREET, SAID NORTH LINE BEING 33.00 FEET NORMALLY DISTANT NORTH OF THE SOUTH LINE OF SAID SOUTHEAST 1/4, WITH A LINE 50.00 FEET NORMALLY DISTANT EAST OF THE WEST LINE OF SAID SOUTHEAST 1/4; THENCE NORTH 01 DEGREES 14 MINUTES 41 SECONDS WEST, PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST 1/4 91.23 FEET TO THE POINT OF BEGINNING THENCE NORTH 04 DEGREES 31 MINUTES 51 SECONDS EAST 212.68 FEET; THENCE NORTHEASTERLY 271.39 FEET ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 427.79 FEET AND A CHORD WHICH BEARS NORTH 22 DEGREES 42 MINUTES 16 SECONDS EAST 266.86 FEET; THENCE NORTH 40 DEGREES 52 MINUTES 42 SECONDS EAST ALONG A TANGENTIAL LINE 91.72 FEET; THENCE NORTHEASTERLY 154.09 FEET ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 475.42 FEET AND A CHORD WHICH BEARS NORTH 31 DEGREES 35 MINUTES 36 SECONDS EAST 153.41 FEET TO A LINE 1238.00 FEET NORMALLY DISTANT NORTH OF THE NORTH LINE OF WEST 55TH STREET; THENCE SOUTH 88 DEGREES 49 MINUTES 41 SECONDS WEST PARALLEL WITH SAID NORTH LINE 44.00 FEET TO A POINT 280.44 FEET EAST OF THE WEST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 11 AS MEASURED ALONG SAID PARALLEL LINE; THENCE SOUTHWESTERLY 123.59 FEET ALONG A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 435.42 FEET AND A CHORD WHICH BEARS SOUTH 32 DEGREES 44 MINUTES 49 SECONDS WEST 123.17 FEET; THENCE SOUTH 40 DEGREES 52 MINUTES 42 SECONDS WEST ALONG A TANGENTIAL LINE 91.72 FEET; THENCE SOUTHWESTERLY 204.00 FEET ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 467.79 FEET AND A CHORD WHICH BEARS SOUTH 28 DEGREES 23 MINUTES 07 SECONDS WEST, 202.39 FEET TO A POINT IN THE AFOREMENTIONED LINE 50.00 FEET NORMALLY DISTANT EAST OF THE WEST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 11, SAID POINT

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BEING 891.63 FEET NORTH OF THE NORTH LINE OF 55TH STREET; THENCE SOUTH 01 DEGREES 14 MINUTES 41 SECONDS EAST PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST 1/4 306.40 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 21,880 SQUARE FEET OR (0.502 ACRES).

PARCEL 3 (TO BE ACQUIRED)

A PARCEL OF LAND BEING PART OF THE WEST 10.04 CHAINS OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE 494.00 FEET NORMALLY DISTANT NORTH OF THE NORTH LINE OF WEST 55TH STREET, SAID NORTH LINE BEING 33.00 FEET NORMALLY DISTANT NORTH OF THE SOUTH LINE OF SAID SOUTHEAST 1/4, WITH A LINE 50.00 FEET NORMALLY DISTANT EAST OF THE WEST LINE OF SAID SOUTHEAST 1/4; THENCE NORTH 01 DEGREES 14 MINUTES 41 SECONDS WEST, PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST 1/4 91.23 FEET; THENCE NORTH 04 DEGREES 31 MINUTES 51 SECONDS EAST 212.68 FEET; THENCE NORTHEASTERLY 271.39 FEET ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 427.79 FEET AND A CHORD WHICH BEARS NORTH 22 DEGREES 42 MINUTES 16 SECONDS EAST 266.86 FEET; THENCE NORTH 40 DEGREES 52 MINUTES 42 SECONDS EAST ALONG A TANGENTIAL LINE 91.72 FEET; THENCE NORTHEASTERLY 154.09 FEET ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 475.42 FEET AND A CHORD WHICH BEARS NORTH 31 DEGREES 35 MINUTES 36 SECONDS EAST 153.41 FEET TO A LINE 1238.00 FEET NORMALLY DISTANT NORTH OF THE NORTH LINE OF WEST 55TH STREET; THENCE NORTH 88 DEGREES 49 MINUTES 41 SECONDS EAST PARALLEL WITH SAID NORTH LINE 311.27 FEET TO THE WEST LINE OF ST. LOUIS AVENUE, SAID WEST LINE BEING 33.00 FEET NORMALLY DISTANT WEST OF THE CENTER LINE OF ST. LOUIS AVENUE; THENCE SOUTH 01 DEGREES 14 MINUTES 04 SECONDS EAST ALONG SAID WEST LINE 744.00 FEET TO A LINE 494.00 FEET NORMALLY DISTANT NORTH OF THE NORTH LINE OF WEST 55TH STREET; THENCE SOUTH 88 DEGREES 49 MINUTES 41 SECONDS WEST PARALLEL WITH SAID NORTH LINE 585.58 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 377,227 SQUARE FEET OR (8.660 ACRES).

PIN: 19-11-400-007

ADDRESS: SOUTHWEST CORNER OF 53RD AND ST. LOUIS.