

**AUTHORIZE THE PUBLIC BUILDING COMMISSION OF CHICAGO  
TO PURCHASE PROPERTY AT THE NORTHEAST CORNER OF  
38<sup>TH</sup> STREET AND ST. LOUIS FOR THE CONSTRUCTION OF A  
NEW BRIGHTON PARK ELEMENTARY SCHOOL**

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

On January 23, 2008 the Board adopted Resolution Number 08-0123-RS10 requesting the Public Building Commission of Chicago ("PBC") acquire for the Chicago Board of Education two contiguous properties on the east side of St. Louis between 38<sup>th</sup> Street on the south and the AT& SF Railroad Right of Way on the north for the construction of a new elementary school to relieve overcrowding in Brighton Park. The purpose of this Board Report is to authorize the PBC to acquire one of the properties, 3715-3729 S. St. Louis for \$3,063,000, subject to environmental testing, and to authorize the General Counsel 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:** Hei Yeng Kwok  
c/o Michael E. Rediger, P.C.  
Attorney at Law  
217 N. Jefferson, Suite 602  
Chicago, Illinois 60661

**PROPERTY:** 116,000 square foot masonry constructed industrial building on 4.27 acres located at the northeast corner of 38<sup>th</sup> Street and South St. Louis commonly known as 3715-3729 S. St. Louis. The legal description and common addresses for the property are listed on attached Exhibit A.

**PIN:** 16-35-403-003, 007, 008, 009, 043, 044 and 046.

**USE:** For the construction of a new elementary school to relieve overcrowding in Brighton Park.

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

**PURCHASE PRICE:** \$3,063,000

**APPRAISALS:** Gibbons & Gibbons: \$2,785,000 (\$15/SF of land)  
KMD Valuation Services \$2,920,000 (\$15.50/SF of land)

**DUE DILIGENCE:** The Property is to be purchased "As Is." The Board and the PBC shall have until September 30, 2008 to complete their environmental and geotechnical investigation of the Property.

**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 October 1, 2008.

**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 \$3,063,000; (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: \$3,063,000  
Fiscal Year: 2008/2009  
Budget Classification: 27031-476-54105-009538-000000-2009  
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.

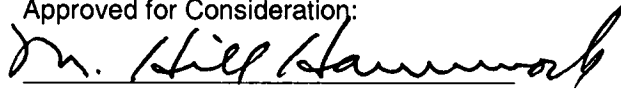
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

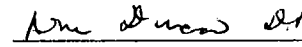
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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: 

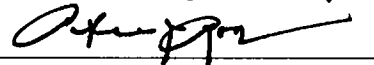
  
Patrick J. Rocks  
General Counsel

EXHIBIT A

**LEGAL DESCRIPTION**

PARCEL #1

THE SOUTH 66.46 FEET OF LOT 3, ALL IN WARREN'S SUBDIVISION OF PART OF ADAM SMITH'S SUBDIVISION OF PART OF J.H. REES' SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN REFERENCE BEING HAD TO PLAT RECORDED MARCH 10, 1923 AS DOCUMENT NO. 7834571.

PIN 16-35-403-046

ADDRESS: 3400 W. 38<sup>TH</sup> STREET, CHICAGO

PARCEL #2

LOT 4 IN WARREN'S SUBDIVISION OF PART OF ADAM SMITH'S SUBDIVISION OF PART OF J.H. REES' SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN REFERENCE BEING HAD TO PLAT RECORDED MARCH 10, 1923 AS DOCUMENT NO. 7834571,

PIN 16-35-403-003

ADDRESS: 3715 S. ST. LOUIS AVENUE, CHICAGO

PARCEL #3

LOTS 5, 6, AND THE NORTH 10 FEET OF LOT 7 IN WARREN'S SUBDIVISION OF PART OF ADAM SMITH'S SUBDIVISION OF PART OF J.H. REES' SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN REFERENCE BEING HAD TO PLAT RECORDED MARCH 10, 1923 AS DOCUMENT NO. 7834571.

PIN 16-35-403-043

ADDRESS: 3721 S. ST. LOUIS AVENUE, CHICAGO

PARCEL #4

LOT 7 (EXCEPT THE NORTH 10 FEET THEREOF) IN WARREN'S SUBDIVISION OF PART OF ADAM SMITH'S SUBDIVISION OF PART OF J.H. REES' SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN REFERENCE BEING HAD TO PLAT RECORDED MARCH 10, 1923 AS DOC. NUMBER 7834571.

PIN 16-35-403-044

ADDRESS: 3747 S. ST. LOUIS AVENUE, CHICAGO

PARCEL #5

LOT 1 IN WARREN'S SUBDIVISION OF PART OF ADAM SMITH'S SUBDIVISION OF PART OF J.H. REES' SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN REFERENCE BEING HAD TO PLAT RECORDED MARCH 10, 1923 AS DOCUMENT NO. 7834571 AND ALL THAT PART OF WEST 37<sup>TH</sup> PLACE LYING NORTH OF AND ADJOINING SOUTH LINE OF LOT 1 PRODUCED EAST TO ITS INTERSECTION WITH THE EAST LINE OF SAID LOT 1 PRODUCED SOUTH TO ITS INTERSECTION WITH SOUTH LINE OF SAID LOT 1 PRODUCED EAST IN WARREN'S SUBDIVISION OF PART OF ADAM SMITH'S SUBDIVISION OF PART OF J.H. REES' SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN BEING FURTHER DESCRIBED AS NORTH 31.14 FEET MORE OR LESS OF WEST 20.45 FEET MORE OR LESS OF EAST 317.62 FEET MORE OR LESS OF THAT PART OF WEST 37<sup>TH</sup> PLACE LYING WEST OF SOUTH HOMAN AVENUE.

PIN 16-35-403-00

ADDRESS: 3429 W 37<sup>TH</sup> STREET, CHICAGO

PARCEL #6

LOT 8 IN WARREN'S SUBDIVISION OF PART OF ADAM SMITH'S SUBDIVISION OF PART OF JH. REES' SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN REFERENCE BEING HAD TO PLAT RECORDED MARCH 10, 1923 AS DOCUMENT NO. 7834571.

PIN 16-35-403-008

ADDRESS: 3434 W. 38<sup>TH</sup> STREET, CHICAGO

PARCEL #7

LOT 1 IN THE RESUBDIVISION OF LOTS 1 TO 15 INCLUSIVE, LOTS 40 TO 45 INCLUSIVE AND LOTS 16 AND 39 (EXCEPT THE WEST 4.3 FEET OF SAID LOTS 16 AND 39) IN BLOCK 7 IN ADAM SMITH'S SUBDIVISION OF LOT 1 IN BLOCK 11 AND LOT 1 IN BLOCK 12 AND ALL OF BLOCK 17 IN J.H. REES' SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 35 LYING SOUTH OF ILLINOIS AND MICHIGAN CANAL ALL IN TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN.

PIN: 16-35-403-009

ADDRESS: 3401 W. 37<sup>TH</sup> STREET, CHICAGO

PARCEL #8

THAT PART OF THE VACATED WEST 37<sup>TH</sup> STREET LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE RIGHT OF WAY OF THE CHICAGO AND ALTON RAILROAD AND LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 1 IN THE RESUBDIVISION OF LOTS 1 TO 15 INCLUSIVE AND LOTS 16 AND 39 (EXCEPT THE WEST 4.3 FEET OF LOTS 16 AND 39) IN BLOCK 7 IN ADAM SMITH'S SUBDIVISION OF LOT 1 IN BLOCK 11 AND LOT 1 IN BLOCK 12 AND ALL OF BLOCK 17 IN JAMES H. REES' SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF ILLINOIS AND MICHIGAN CANAL.

PIN: 16-35-403-009

ADDRESS: 3401 W 37<sup>TH</sup> STREET, CHICAGO

COMMONLY KNOWN AS:

3715-3729 S. ST. LOUIS, CHICAGO