

**AUTHORIZE THE PUBLIC BUILDING COMMISSION OF CHICAGO
TO PURCHASE PROPERTY AT THE 3701-3705 S. 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 38th 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 the last property at 3701-3705 S. St. Louis for \$745,000 plus relocation and moving expenses, to authorize the General Counsel to negotiate and accept indemnification provisions relating to the Property and to authorize the Chief Property Officer, Department of Facilities to approve payment of relocation and moving expenses after inventory is taken, relocation and moving costs are received and reviewed. 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:

SELLERS: Manuel and Jose Gonzalez
d/b/a Round Three LCC and
Triangle Fabrication and Body Co., Inc.
3701-3705 S. St. Louis Avenue
Chicago, Illinois 60632

PROPERTY: 11,540 square foot masonry constructed industrial building on 21,708 square foot site located at the southeast corner of 37th Street and South St. Louis commonly known as 3701-3705 S. St. Louis. The property currently houses the Triangle Fabrication and Body Company which services large municipal vehicles and equipment. The legal description and common addresses for the property are listed on attached Exhibit A.

PIN: 16-35-403-001 and 045.

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: \$745,000 + Relocation and moving expenses to be determined in accordance with the Uniform Relocation Act.

APPRAISALS:

Gibbons & Gibbons:	\$675,000
KMD Valuation Services	\$670,000
Joseph Thouvenell	\$780,000

DUE DILIGENCE: The Property is to be purchased "As Is." The PBC has performed an environmental and geotechnical investigation of the site. The Board's staff has reviewed and approved the results and approved the site.

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 December, 2008.

AUTHORIZATION: Authorize the General Counsel or his designee to: (1) negotiate and include 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 \$745,000; (3) authorize the PBC to proceed with the acquisition; (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 and (5) authorize the Chief Property Officer to approve and pay moving and relocation expenses in accordance with the Uniform Relocation Act.

AFFIRMATIVE ACTION: Exempt

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

FINANCIAL: Charge to Operations: \$745,000 + Moving and Relocation TBD
Fiscal Year: 2009
Budget Classification: 27031-476-54105-009538-000000-2009
Source of Funds: Modern School Across Chicago TIF Bond

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:



Stephen Wilkins
Chief Property 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

LOT 3 (EXCEPT THE SOUTH 66.46 FEET THEREOF) AND ALL OF LOT 2 IN WARREN'S SUBDIVISION OF PART OF ADAM SMITH'S SUBDIVISION OF PART OF J.H. REES' SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN:

16-35-403-001 AND 045

ADDRESS:

3701-3705 S. ST. LOUIS, CHICAGO