

**AUTHORIZE THE PUBLIC BUILDING COMMISSION OF CHICAGO TO PURCHASE
THE PROPERTY AT 10491 SOUTH INDIANAPOLIS BOULEVARD
FOR THE CONSTRUCTION OF A NEW SOUTHEAST AREA ELEMENTARY SCHOOL**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

On April 22, 2009, the Board adopted Resolution Number 09-0422-RS24 requesting the Public Building Commission of Chicago ("PBC") acquire for the Chicago Board of Education approximately 3 acres of property at the southwest corner of 104th Street and South Indianapolis Boulevard ("Site") for the construction of a new elementary school to relieve overcrowding in the Southeast Area Community. The site consists of seven (7) parcels. On June 23, 2010, the Board adopted Resolution Number 10-0623-RS31 providing funding to the PBC to acquire land for the Southeast Area Elementary School ("Project").

The purpose of this Board Report is to authorize the PBC to acquire by contract the property at 10491 S. Indianapolis Boulevard for \$89,600 and to authorize the General Counsel or his designee to negotiate and to accept certain indemnification provisions relating to the Property. The authorization granted herein will automatically rescind in the event a written agreement to purchase the Property is not executed and entered within 120 days of this Board Report. Information pertinent to the purchase and contract is as follows:

SELLER:	Norfolk Southern Railway Company c/o James Ahonen Property Manager 4600 Deer Path Road, Suite 202 Harrisburg, PA 17110	Linda V. Hill, Esq. General Attorney, Real Estate Norfolk Southern Corp. 1200 Peachtree Street, NE, 12 th Floor Atlanta, GA 30309-3579
PROPERTY:	14,314 square foot, vacant former railroad right of way, zoned M-1 Limited Manufacturing Business District. Property is located within the block bounded by Indianapolis Boulevard on the east, 104 th Street on the north and 105 th Street on the south. Legal description for the Property is attached as Exhibit A. Common address 10491 S. Indianapolis Boulevard, Chicago. There is a billboard sign on the Property. Seller will terminate the Billboard License Agreement before closing.	
PIN:	26-08-404-067	
USE:	For the construction of the new Southeast Area Elementary School.	
PURCHASER:	Public Building Commission of Chicago for the Chicago Board of Education.	
PURCHASE PRICE:	\$89,600	
APPRAISALS:	<u>For BOE and PBC:</u> KMD Valuation: \$85,000-\$95,000 Gibbons & Sidhu: \$110,000	<u>For Owner:</u> \$89,600
DUE DILIGENCE:	PBC and the Board performed Phase I and Phase II environmental testing on adjacent properties. The contract for the purchase of the Subject Property includes a Right of Entry which will allow the PBC and the Board to complete their investigation of the Property. Contract may be terminated without liability if the PBC or the Board determines that the Property is unsuitable for school purposes.	
INDEMNIFICATION:	Authorize the General Counsel to negotiate and approve an indemnification provision in the contract.	
CLOSING:	Closing shall occur on or about 90 days from the date of the execution of the contract.	
AUTHORIZATION:	1. Authorize the PBC to proceed with the acquisition of the Property by contract on behalf of the Board of Education.	

2. Authorize the General Counsel or his designee to negotiate and include relevant terms and conditions in the written agreement to purchase the Property as he or she deems necessary, including insurance and indemnification provisions.
3. Authorize the General Counsel to execute all ancillary documents required to complete the land acquisition.
4. Authorize the Comptroller to issue a check to the PBC for a total of \$89,600 for the acquisition of the Property plus \$2,000 for closing costs.
5. Authorize the PBC to institute condemnation proceedings in the event a written agreement is not executed within 120 days hereof or Seller is unable to deliver clear title.

AFFIRMATIVE ACTION:

Exempt.

LSC REVIEW:

None. Local School Council is not applicable to this report.

FINANCIAL:

Charge to Operations Department: \$89,600 plus \$2,000 for closing costs
Budget Classification No.: 12150-479-56310-009538-620000-2010
Fiscal Year: 2011
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 June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

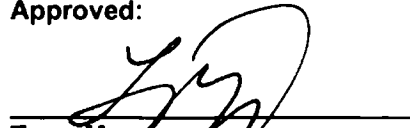
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



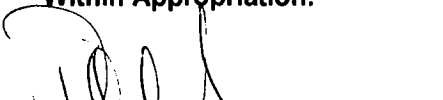
Patricia L. Taylor
Chief Operating Officer

Approved:



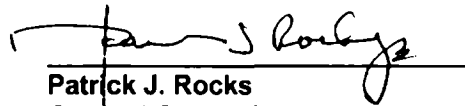
Terry Mazany
Chief Executive Officer

Within Appropriation:



Diana S. Ferguson
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel

EXHIBIT A

LEGAL DESCRIPTION:

THOSE PARTS OF LOTS 8, 9, 10, 11, 27, 28, 29, 30, AND 31, AND ALSO THOSE PARTS OF THE EAST/WEST 14 FOOT ALLEY AND THE NORTHWEST/SOUTHEAST 20 FOOT ALLEY BEING A FIFTY FOOT WIDE STRIP OF LAND IN BLOCK 22 IN IRONWORKER'S ADDITION TO SOUTH CHICAGO IN PARTS OF SECTIONS 8 AND 17, TOWNSHIP 37 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS FULLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WESTERLY LINE OF SOUTH INDIANAPOLIS AVENUE SAID POINT BEING 371.62' NORTHWESTERLY ALONG SAID WESTERLY LINE FROM THE NORTH LINE OF EAST 105TH STREET; THENCE CONTINUING ALONG SAID WESTERLY LINE A DISTANCE OF 50.90 FEET TO A POINT; THENCE SOUTHWESTERLY ALONG A CURVE LINE TO THE LEFT HAVING A RADIUS OF 482.45 FEET A DISTANCE OF 249.00 FEET TO A POINT ON THE WEST LINE OF SAID LOT 29 (SAID POINT DISTANT 136.09 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT 31); THENCE SOUTH ALONG THE EAST LINE OF THE NORTH/SOUTH 14 FOOT ALLEY (EAST LINE OF SAID NORTH/SOUTH 14 FOOT ALLEY COINCIDENT WITH THE WEST LINE OF SAID LOTS 28, 29, 30, AND 31), A DISTANCE OF 116.56 FEET TO A POINT DISTANT 40.14 FEET NORTH OF THE SOUTHWEST CORNER OF SAID LOT 28; THENCE NORTHEASTERLY ALONG A CURVE LINE TO THE RIGHT HAVING A RADIUS OF 432.45 FEET A DISTANCE OF 332.12 FEET TO SAID POINT OF BEGINNING.

PIN NOS.: 26-08-404-067-0000

COMMON ADDRESS: 10491 S. INDIANAPOLIS BLVD., CHICAGO, IL