

June 25, 2014

**AMEND BOARD REPORT 12-0222-OP1**  
**AMEND BOARD REPORT 11-0824-OP2**

**AUTHORIZE (1) ENTERING INTO A JOINT AGREEMENT WITH THE CITY OF CHICAGO, CLAYCO, INC., THE CHICAGO PARK DISTRICT, THE CHICAGO CUBS AND ITS CHARITIES AND THE WOOD FAMILY FOUNDATION FOR THE CONSTRUCTION OF A BASEBALL FIELD AND A USE AGREEMENT WITH THE PARK DISTRICT FOR USE OF THE FIELD; (2) ENTERING INTO RECIPROCAL LEASE AGREEMENT WITH DEVRY UNIVERSITY EDUCATION GROUP, AND (3) ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CHICAGO FOR REMEDIATION FUNDS AND IMPROVEMENT COSTS**

**THE CHIEF EXECUTIVE OFFICER REQUESTS THE FOLLOWING ACTION:**

Approve entering into the three related agreements described below. The written agreements are currently being negotiated. Information pertinent to the agreements is stated below.

This February 2012 amendment is necessary to (i) change the estimated project cost, (ii) change the financial contributions of the Board, the Chicago Park District, the Chicago Cubs and the City toward the project, and (iii) clarify that the Board shall have the right to keep all revenue earned from CPS events.

This June 2014 amendment is necessary to (i) change the estimated cost of the project; (ii) change the financial contributions of the Board, the Cubs, CCC and the City towards the project, (iii) change the parties to the joint agreement for the construction of the baseball field and the donor parties, and (iv) authorize entering into an Intergovernmental Agreement ("IGA") with the City to receive TIF funding to reimburse the Board for part of the remediation and construction costs of the project. A portion of the Premises contains contaminated soil which requires remediation in order to construct the new baseball field and improvements to Clark Park. The Board received a grant from the Illinois Environmental Protection Agency (IEPA) for the remediation work. Under the grant agreement, the IEPA will provide funds to the Board of up to \$1,642,972 to reimburse for costs associated with the remediation work. Under the IGA with the City, the City will reimburse the Board up to \$3,500,000 for costs associated with relocating track and field facilities to Clark Park and for construction of the soccer field.

**1. JOINT AGREEMENT FOR CONSTRUCTION AND USE AGREEMENT.** A joint agreement for construction will be entered into between the Board, ~~the City of Chicago ("the City")~~ Clayco, Inc. ("Clayco"), the Chicago Park District ("the CPD"), the Chicago Cubs Baseball Club ("the Cubs"), ~~the Chicago Cubs Charities ("CCC")~~ and the ~~Kerry and Sarah Wood Family Foundation ("the Foundation")~~. The Board, the City, the CPD, ~~CCC~~, and the Foundation have agreed to contribute funding to construct a new turf baseball field and soccer field on a designated area of approximately five ten (10) acres depicted on the attached revised Exhibit A. The area ("the Premises") is made up of land owned by the Board, the CPD and ~~DeVry University Education Group, Inc., ("DeVry")~~, and is located to the east of North Rockwell Street and the southwest of ~~Lane Tech High School, 2504 West Addison Street~~. The Board shall lease the property owned by DeVry and the lease agreement will permit the Board to use such property for a portion of the baseball field. A shared use agreement will be entered into between the Board and the CPD for the Board to have priority use of the field.

**PARTIES/and/or DONORS:**

Chicago Board of Education  
125 South Clark Street  
Chicago, IL 60603  
Attn: Chief Operating Officer  
Phone: (773) 553-2900

City of Chicago ("City")  
121 North LaSalle Street, #200  
Chicago, IL 60602  
Attn: Ald. Ameya Pawar  
Phone: (312) 744-0446

Chicago Park District  
541 North Fairbanks Court  
Chicago, IL 60611  
Attn: Chief Operating Officer  
Phone: (312) 742-7529

Chicago Cubs Baseball Club, LLC  
1060 West Addison Street  
Chicago, IL 60613  
Attn: Vice President – Community Affairs  
Phone: (773) 404-2827

~~Kerry and Sarah Wood Foundation  
c/o Chicago Cubs Baseball Club, LLC  
1060 West Addison Street  
Chicago, IL 60613  
Attn: Vice President – Community Affairs  
Phone: (773) 404-2827~~

Chicago Cubs Charities  
1060 West Addison Street  
Chicago, IL 60613  
Attn: c/o Vice President – Community Affairs  
Phone: (773) 404-2827

Clayco, Inc.  
35 E. Wacker Dr., Suite 1300  
Chicago, IL 60601  
Attn: Executive Vice President  
Phone: (312) 658-0747

The Wood Family Foundation  
858 West Armitage St., Suite 290  
Chicago, IL 60614  
c/o Vice President – Community Affairs  
Phone: (773) 404-2827

**FINANCIAL CONTRIBUTIONS, MAINTENANCE AND UTILITIES:** ~~The Cubs~~ Clayco shall be responsible for managing the construction of the baseball and soccer fields, and the parking lot to be used by DeVry, the total cost of which is estimated to cost \$5 not to exceed \$10.2 million. The Board and the CPD shall approve all plans prior to construction. Contributions shall be made as follows: (i) the Board shall contribute \$750,000; (ii) the City, through Alderman Ameya Pawar, shall contribute up to \$1.25 million with TIF funding to the Chicago Park District and up to \$3.5 million from TIF funding to Chicago Public Schools; (iii) the CPD shall contribute \$500,000; (iv) the Cubs, through ~~their charities~~ CCC and their construction firm, shall contribute \$1.5 \$2.0 million; and (v) the Foundation shall contribute ~~\$1 million~~ \$500,000; and (vi) the IEPA will contribute up to \$1,642,972 for the remediation costs. The Board's \$750,000 contribution shall be paid to the CPD as consideration for the shared use of the field; the CPD shall then pay deposit into escrow a total of \$1.25 million (\$750,000 from the Board and \$500,000 from the CPD) ~~to the Cubs or the Cubs' designee~~ for the construction of the baseball field. The CPD shall be responsible for the maintenance of the Premises and paying for all utility service for the Premises, including water, electricity, sewer and garbage. Other than the property being leased from DeVry, the ~~The~~ Premises is are exempt from property taxes.

**PREMISES:** Approximately ~~5~~ 10 acres located to the east of North Rockwell Street and the southwest of ~~Lane Tech High School, located at 2504 West Addison Street.~~ The Premises is depicted on the attached revised Exhibit A.

**USE:** The Board shall have priority use of the baseball field ~~P~~premises during school hours and during after-school practices and school sporting events. The CPD shall be responsible for scheduling the use of the baseball field ~~P~~premises by the CPD and the community during such times when the Board does not have priority use.

**TERM:** The joint agreement and shared use agreement with the CPD shall have a maximum term of 50 years, commencing on the date of execution.

**CONCESSIONS/TICKETS:** The Board shall have the right to control and operate all ticket sales and field concessions during the Board's priority use and shall receive any and all payments due or which shall become due during that time. The CPD shall have the right to control and operate all ticket sales and field concessions during such times when the Board does not have priority use and the CPD is responsible for the scheduling of events.

**NAMING RIGHTS:** The Cubs shall have the right to name the baseball field premises, which will be known as the "Kerry Wood Field at Cubs Stadium" or something similar.

**INSURANCE/INDEMNIFICATION:** Insurance and indemnification provisions shall be negotiated by the General Counsel.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written joint agreement and shared use agreement. Authorize the President and Secretary to execute the joint agreement and shared use agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the joint agreement and shared use agreement.

**AFFIRMATIVE ACTION:** Exempt.

**LSC REVIEW:** Local School Council approval is not applicable to this matter.

**FINANCIAL:** The Board will contribute \$750,000.

Source of funds: FY12 Capital Budget

Budget lines: 68040-483-56310-320008-000000-2012

**2. RECIPROCAL LEASE AGREEMENT WITH DEVRY UNIVERSITY EDUCATION GROUP, INC.**

The Board and DeVry have agreed to lease certain property to each other as depicted on the attached revised Exhibit A. The Board shall lease approximately 43,435 square feet of land to DeVry, and DeVry shall lease approximately 70,000 square feet of land to the Board.

<b>LANDLORD:</b>	Chicago Board of Education 125 South Clark Street Chicago, IL 60603 Attn: Chief Operating Officer Phone: (773) 553-2900	<b>LANDLORD:</b>	<u>DeVry University Education Group, Inc.</u> 3005 Highland Parkway Downers Grove, IL 60515 Attn: Dir. of Real Estate Phone: (630) 515-3000
<b>(for 43,435 sq. ft.)</b>		<b>(for 70,000 sq. ft.)</b>	

<b>TENANT:</b>	<u>DeVry University Education Group, Inc.</u> 3005 Highland Parkway Downers Grove, IL 60515 Attn: Dir. of Real Estate Phone: (630) 515-3000	<b>TENANT:</b>	Chicago Board of Education 125 South Clark Street Chicago, IL 60613 Attn: Chief Operating Officer Phone: (773) 553-2900
<b>(for 43,435 sq. ft.)</b>		<b>(for 70,000 sq. ft.)</b>	

**PREMISES:** The Board shall lease approximately 43,435 square feet of land to DeVry as depicted on the attached revised Exhibit A. DeVry shall lease approximately 70,000 square feet of land to the Board as depicted on the attached revised Exhibit A.

**USE:** DeVry shall use the approximately 43,435 square feet of land leased from the Board for a parking lot. The Board shall use the approximately 70,000 square feet of land leased from DeVry as part of the baseball field to be constructed by the Cubs pursuant to the joint agreement for construction.

**TERM:** ~~Each~~ The lease shall have a term of 50 years, commencing the date of execution and expiring on the same date as the joint agreement and shared use agreement.

**RENT:** The rent to be paid by each of the Board and DeVry shall be \$1.00 for the entire term.

**TAXES, UTILITIES AND MAINTENANCE:** ~~The properties property leased each of the Board and by DeVry are is exempt from property taxes. The Board shall not be responsible for any property taxes owed on the DeVry land.~~ DeVry shall be responsible for the following with regard to the property leased from the Board: (i) ~~construction of the parking lot~~ (ii) maintenance of the parking lot; and (iii) (ii) any utility costs incurred during the term DeVry leases the property from the Board. With regard to the property leased by the Board from DeVry, the Board shall have the right to allow the Cubs to construct a portion of a baseball field on the property leased from DeVry pursuant to the joint agreement for construction.

**INSURANCE/INDEMNIFICATION:** Insurance and indemnification provisions shall be negotiated by the General Counsel.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written Reciprocal Lease Agreement. Authorize the President and Secretary to execute the Reciprocal Lease Agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the Reciprocal Lease Agreement.

**LSC REVIEW:** Local School Council approval is not applicable to this matter.

**FINANCIAL:** The Board shall pay \$1.00 in rent to DeVry for the lease term.

Source of funds: FY12 Operations Budget line: 68040-115-56310-320008-000000-2012 (rent)

**3. INTERGOVERNMENTAL AGREEMENT WITH THE CITY.** In conjunction with the construction of the baseball field, a javelin and sports area currently located on the Premises will be relocated within the Premises along with the construction of a new turf soccer field. The estimated cost to relocate the track and field facilities and construct the new soccer field is approximately \$1,800,000. The City has agreed to reimburse the Board for the construction of the baseball and soccer fields, including the relocation of the track and field facilities from the Western Avenue South TIF for an amount not to exceed \$3,500,000.

Parties:

<u>Chicago Board of Education</u> <u>125 South Clark Street</u> <u>Chicago, IL 60603</u> <u>Attn: Chief Facility Officer</u> <u>Phone: (773) 553-2900</u>	<u>City of Chicago</u> <u>121 North LaSalle Street</u> <u>Chicago, IL 60602</u> <u>Attn: Nelson Chueng</u> <u>Coordinating Planner, Department of Planning and Development</u> <u>Phone: (312) 744-5756</u>
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Authorization: Authorize the General Counsel to include other relevant terms and conditions in the Intergovernmental Agreement. Authorize the President and Secretary to execute the Intergovernmental Agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the Intergovernmental Agreement.

Affirmative Action: Exempt

LSC Review: Local School Council approval is not applicable to this matter.

Financial: The Board shall be responsible for advancing the cost to relocate the track and field facilities and construct the soccer field, including the remediation activities, and the City shall reimburse the Board up to \$3,500,000.

Source of Funds: FY 14 Capital Budget.

Budget Lines: Fund 436

**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.

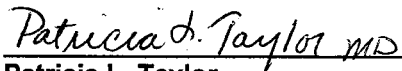
Conflicts – The agreements shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

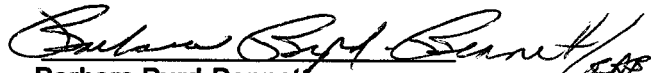
Contingent Liability – The agreements shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**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

# REVISED EXHIBIT A

