

**APPROVE ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT
AND A LEASE WITH THE CHICAGO HOUSING AUTHORITY FOR THE
CONSTRUCTION OF A NEW NEAR SOUTH HIGH SCHOOL ON CHA LAND**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

The Board has determined that it is necessary or convenient for it to use and occupy the vacant property at 2450 S. State Street ("Property") for it to plan and prepare for a new neighborhood high school. The Property is owned by the Chicago Housing Authority ("CHA") and is adjacent to existing athletic and recreational facilities owned by the Board and the Chicago Park District. Pursuant to the Local Government Property Transfer Act (50 ILCS 605/1 *et. seq.*), the Housing Cooperation Law (310 ILCS 15/5b) and the Intergovernmental Cooperation Act (5 ILCS 220 *et. seq.*), the CHA will lease the Property to the Board in exchange for a deed to the property at 23rd Street and South Wabash Avenue ("CHA Replacement Site"). The exchange is subject to approval by the Department of Housing and Urban Development ("HUD"). The purpose of this Board Report is to authorize the General Counsel and the Chief Operating Officer for the Board to complete the negotiations of an Intergovernmental Agreement ("IGA") and a Lease ("Lease") with the CHA for the Property. The General Counsel and Chief Operating Officer will negotiate contingency provisions in the IGA and Lease to address unforeseen circumstances in which CPS is unable to begin construction by a date certain. The authority granted herein shall automatically rescind in the event the IGA and the Lease for the CHA's Property are not executed within 120 days of the date of this Board Report. The information relating to the proposed IGA and Lease is as follows:

LESSOR: Chicago Housing Authority
60 E. Van Buren
Chicago, IL 60605
Attn: Ann C. McKenzie, Chief Development Officer
Phone 312.913.7656
amckenzie@thecha.org

LESSEE: Board of Education of the City of Chicago
42 W. Madison
Chicago, IL. 60602
Attn: Real Estate Department and Chief Operating Officer

**DESCRIPTION OF CHA
PROPERTY TO BE
LEASED BY BOE:** 73,805 SF (1.7 Acres) of CHA vacant property located at 2450 S. State Street. The Property is legally described on Exhibit A attached hereto. Property is part of Plan Development #1419.

PURPOSE/USE: A site on which to construct a new neighborhood high school. The Board is selecting the Property due to its location, size, and configuration. The site is adjacent to existing athletic facilities owned by the Board and the Chicago Park District that can be used by the school for physical education classes, athletic and sports programs and competitions.

LEASE TERM: Proposed 55 Year Initial Term plus Two Twenty Year Extensions for a total of 95 years. The first extension is automatic and the second requires written notice from CPS.

Triple Net Ground Lease; Board responsible for all expenses.

- CONSIDERATION:** The purchase of the CHA Replacement Site at 23rd Street and South Wabash. The CHA Replacement Site will be deeded directly to CHA in exchange for the Lease of the CHA Property. The purchase of the CHA Replacement Site to complete the exchange is described in companion Board Report 22-0928-OP8.
- CONTINGENCIES:** HUD approval of the Lease and the transfer of the CHA Replacement Site at 23rd Street and South Wabash in exchange for the CHA Property that will be leased to the Board for the new school.
- INSURANCE
INDEMNIFICATION
CONVEYANCE AND
CANCELLATION** Authorize the General Counsel to negotiate any and all insurance, indemnification, conveyance, compensation and cancellation provisions in the Intergovernmental Agreement and the Lease Agreement and any related agreements between the Board and the CHA.
- AUTHORIZATION:** Authorize the General Counsel and the Chief Operating Officer to negotiate and include all relevant terms and conditions in the IGA approving the property exchange and the Lease Agreement with the CHA and any related document to obtain HUD approval of the exchange. Authorize the President and Secretary to execute the IGA and Lease Agreement with the CHA and the General Counsel and Chief Operating Officer to execute all ancillary and related documents required to administer or effectuate the IGA and Lease Agreement with the CHA and HUD application relating to the Near South High School Project and proposed property exchange.
- AFFIRMATIVE ACTION:** Exempt.
- LSC REVIEW:** Local School Council review is not applicable to this report.
- FINANCIAL:** See Board Report 22-0928-OP8

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 May 25, 2011 (11-0525-PO2), 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:

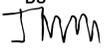
DocuSigned by:

EF57B76ABC90427...
Charles E. Mayfield
Interim Chief Operating Officer

Approved:

DocuSigned by:

DF6322D400044D3...
Pedro Martinez
Chief Executive Officer

Approved as to Legal Form: 

DocuSigned by:

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Joseph T. Moriarty
General Counsel

EXHIBIT A

**LEGAL DESCRIPTION OF THE PROPOSED NEAR SOUTH HIGH SCHOOL SITE
TO BE CONSTRUCTED ON PROPERTY LEASED FROM THE CHICAGO HOUSING AUTHORITY**

LOTS 13 TO 36 INCLUSIVE AND ALSO THE NORTH – SOUTH 15.00 FOOT WIDE VACATED ALLEY LYING BETWEEN SAID LOTS 13 TO 36 INCLUSIVE, ALL IN BLOCK 11 OF UHLICH AND MUHLKE'S ADDITION TO CHICAGO BEING A SUBDIVISION IN THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 17-28-227-004-0000,
17-28-227-008-0000
17-28-227-003-0000 (Part of)
17-28-227-009-0000 (Part of)

Totaling approximately 73,805 SF (1.7 Acres).

COMMON ADDRESS:

2430-2458 S. State Street and 2431-2459 S. Dearborn Street, Chicago Illinois (Address Range)

Also commonly known as 2450 S. State Street, Chicago, Illinois

**MAY BE MODIFIED UPON RECEIPT OF FINAL SURVEY, TITLE REPORT,
HUD APPROVAL AND PLANS FOR NEW HIGH SCHOOL**