

May 24, 2017

DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT 2833 W. ADAMS STREET (THE FORMER JOHN CALHOUN NORTH SCHOOL SITE)

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the City of Chicago (“the City”) or Public Building Commission (“PBC”), as necessary, sell to Heartland Housing, Inc. an Illinois not-for-profit corporation (“Purchaser”), the property located at 2833 W. Adams Street in Chicago, Illinois (“Property”) as further described herein. The Offer to Purchase Real Estate contained in the bid solicitation which has been executed by the Purchaser will convert to a contract upon acceptance and execution by the Board. Title to the Property is to be conveyed to 2833 W. Adams, LLC, Purchaser’s designee. Information pertinent to this agreement is stated below.

LEGAL DESCRIPTION & PIN: See the attached Exhibit A.

BID INFORMATION: In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from January 12, 2017, to March 13, 2017. Bids were received by the Procurement Department by 2:00 p.m. on March 13, 2017, and opened on the same date. Two bids were received and negotiated with the following bidders:

<u>Bidders</u>	<u>Initial Offer</u>	<u>Best & Final</u>
1. MR Properties, LLC	\$10,000	\$10,000
2. Heartland Housing, Inc.	\$200,000	\$200,000 plus \$360,000* (approximate) from the sale of donation tax credits

APPRAISAL: In 2017, the Property was appraised indicating a fair market value range, subject to the use restriction and restrictive covenant, as described below:

Appraiser: KMD Valuation Group LLC
 Value range: \$1,000,000 to \$1,200,000

RECOMMENDATION AND USE RESTRICTION: The Property is not needed for school purposes. The Property previously housed the John Calhoun North School. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21 (2011). Pursuant to said Statute, the Board has determined that the bid submitted by Heartland Housing, Inc. is the highest responsible bid.

The City or PBC, as necessary, shall include a restrictive covenant in the deed stating that the former Calhoun Elementary School site must be used for housing, including affordable and low income housing. The gymnasium and auditorium must be preserved and available for community social services programming and local community partnerships such as: (1) youth recreational sports programs during non-school hours; (2) teen mentoring and counseling services; (3) health and well-being classes and counseling; (4) job readiness, employment and vocational training; (5) GED and financial literacy classes; (6) housing placement and support services; (7) theatre and cultural event programs and performances; and (8) early childhood programming including day care. In addition, the site may not be used for: (1) a K-12 school; or (2) commercial, retail or industrial purposes. The owner(s) of the Property shall provide and maintain a playground on the site for resident and neighborhood children. The deed for the Property will include this restriction. Title to the Property will revert back to the City of Chicago, in Trust for Use of Schools, as legal title holder of record for the benefit of the Chicago Board of Education (“Board”) if this restriction is breached without the prior written approval of the Board’s Chief Operating Officer or Grantee fails to use the Property for one or more of the required uses listed above within three (3) years of the date of the deed.

The Property shall be sold "as-is where-is." The valuation and bids were reviewed and evaluated and it is recommended the following bid be accepted:

Bidder Name: Heartland Housing Inc. an Illinois NFP Corporation
Address: 208 S. LaSalle Street, Suite 1300, Chicago, Illinois 60604
Contact: Michael Goldberg, mgoldberg@heartlandalliance.org
Phone: (312) 660-1383
Grantee Name: 2833 W. Adams, LLC
Offer: \$200,000 plus approximately \$360,000* from the sale of donation tax credits. *The actual sale price of the tax credits will be determined prior to closing and based on an appraisal and current tax credit market rates.

AUTHORIZATION: Authorize the President and Secretary to execute the Offer to Purchase agreement and to modify the legal description if necessary upon receipt of a title commitment and survey. Authorize the City or PBC, as necessary, to issue a quit claim deed in favor of 2833 W. Adams, LLC on behalf of Purchaser Heartland Housing Inc. Authorize the General Counsel and Chief Operating Officer to execute any and all ancillary documents required to administer or effectuate this transaction including the assignment and sale of tax credits.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Proceeds (Purchaser's best and final offer, less closing costs) to be credited to the Capital Asset Fund.

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).

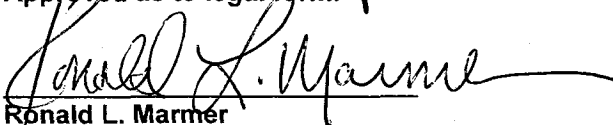
Approved for Consideration:


Deputy Chief Facilities Officer

Approved:


Forrest Claypool
Chief Executive Officer

Approved as to legal form: 


Ronald L. Marmor
General Counsel

**EXHIBIT A
PROPERTY OFFERED FOR SALE**

THE BOARD RESERVES THE RIGHT TO MAKE CHANGES AS NECESSARY.

PROPERTY: FORMER JOHN CALHOUN NORTH SCHOOL

ADDRESS: 2833 W. ADAMS ST., CHICAGO, ILLINOIS 60612

PINs: 16-13-117-021, 16-13-117-022 and 16-13-117-023

LEGAL DESCRIPTION:

LOTS 1 TO 5, BOTH INCLUSIVE, AND LOTS 20 TO 46, BOTH INCLUSIVE, AND PART OF LOT 19 (EXCEPT THAT PART OPENED FOR PUBLIC ALLEY) IN BLOCK 4 IN T.D. LOWTHER'S SUBDIVISION OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART LYING NORTH OF BARRY POINT ROAD) IN COOK COUNTY, ILLINOIS; AND VACATED ALLEYS.