

September 27, 2017

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT
6529-33 S. STEWART AND 6530 S. HARVARD (FORMER HAYES ADMINISTRATION BUILDING)**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the Public Building Commission of Chicago ("PBC") and/or the City of Chicago ("City") convey to Greater Southwest Development Corporation, an Illinois Not for Profit Corporation, ("Purchaser"), the former Hayes Administration Building site at 6529-33 S. Stewart and 6530 S. Harvard 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. Information pertinent to this agreement is stated below.

LEGAL DESCRIPTION AND 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, through March 13, 2017. One bid from the following bidder was received by the Procurement Department by 2:00 p.m. on March 13, 2017, and opened on the same date. The bidder raised its initial bid to acquire the Property from \$30,000 to \$75,000:

<u>Bidder</u>	<u>Initial Offer</u>	<u>Best and Final Offer</u>
Greater Southwest Development Corp.	\$30,000.00	\$75,000

The Purchaser's proposal is to convert and redevelop the former office building into a residential property using historic tax credits.

APPRAISAL: As of March 1, 2017, a disposition appraisal of the Property was obtained for the Board indicating the "As Is" value of the Property, subject to the restrictive covenant and reverter as described below and on Exhibit A was:

Appraiser:	KMD Valuation Group, LLC
Disposition Value Estimate:	\$75,000 to \$100,000

RECOMMENDATION: The Property is not needed for school purposes. The Property was used as an administration and storage building by the Board. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21. The Purchaser's proposal is to redevelop and repurpose the Property for residential housing, including student housing.

The PBC and/or the City shall include a restrictive covenant in the deed prohibiting the Property from being used as K-12 Charter school and requiring the Grantee to obtain a Certificate of Occupancy from the City of Chicago within three years of the date of the deed. The deed to 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 Board if this restriction is breached without the Board's Chief Operating Officer's prior written approval. The Property shall be sold "as is, where is."

The appraisal and bid received were reviewed and it is recommended that the following bid be accepted:

Name:	Greater Southwest Development Corporation
Address:	2601 W. 63 rd Street Chicago, IL. 60029
Contact:	773-362-3374 g.foreman@greatersoutwest.org
Grantee:	Greater Southwest Development Corporation
Amount:	\$75,000

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 PBC and/or the City to issue a deed in favor of Greater Southwest Development Corporation. Authorize the General Counsel to take any and all actions required to effectuate this transaction.

17-0927-OP2

Authorize the General Counsel and Chief Operating Officer to execute any and all ancillary documents required to administer or effectuate this transaction.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Is not applicable to this transaction.

FINANCIAL: Proceeds (Purchaser's bid price, less closing costs and seller's brokerage fee) 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:

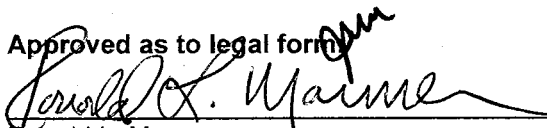
Approved:



Mary DeRuntz
Deputy Chief Facilities Officer



Forrest Claypool
Chief Executive Officer

Approved as to legal form


Ronald L. Marmor
General Counsel

EXHIBIT A

PROPERTY OFFERED FOR SALE

THE BOARD RESERVES RIGHT TO MAKE CHANGES AS NECESSARY

PROPERTY: FORMER HAYES ADMINISTRATION BUILDING
ADDRESSES: 6529-6533 S. STEWART AND 6530 S. HARVARD
PINs: 20-21-208-007-0000
20-21-208-008-0000
20-21-208-020-0000

LEGAL DESCRIPTION:

LOT 11, THE NORTH HALF OF LOT 10, SOUTH 24.0 FEET OF LOT 4 AND THE NORTH HALF (EXCEPT THE SOUTH 13 1/2 FEET) OF LOT 5, IN BLOCK 3, IN BARNUM GROVE SUBDIVISION OF THE SOUTH 42.70 ACRES OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

USE RESTRICTION:

THE PROPERTY MAY NOT BE USED AS A K-12 CHARTER SCHOOL.

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 BOARD IF THIS RESTRICTION IS BREACHED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE BOARD'S CHIEF OPERATING OFFICER OR, GRANTEE FAILS TO OBTAIN A CERTIFICATE OF OCCUPANCY FROM THE CITY OF CHICAGO FOR THE PROPERTY WITHIN THREE YEARS OF THE DATE OF THE DEED.

THIS DOES NOT INCLUDE THE PARKING LOT AT 6527 S. STEWART PIN: 20-21-208-006-0000.
PARKING LOT IS OWNED BY THE CITY OF CHICAGO.