

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF THE
PROPERTY LOCATED AT 11725 S. PERRY AVENUE
(FORMER SONGHAI ELEMENTARY SCHOOL)**

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 Songhai, LLC, an Illinois Limited Liability Company ("Grantee") the former Songhai Elementary School located at 11725 S. Perry Avenue, Chicago, Illinois ("Property") as further described herein. The Offer to Purchase Real Estate contained in the bid solicitation, submitted by VLV Development & Financial Services Corporation on behalf of the Grantee, will convert to a contract upon acceptance and execution by the Board. Information pertinent to this agreement is stated below.

LEGAL DESCRIPTION, PIN AND USE RESTRICTIONS: See the attached Exhibit A.

BID INFORMATION: In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from April 5, 2018, through May 14, 2018. Bids were due on or before 2:00 p.m. on May 14, 2018. The Procurement Department received one bid for the Property on May 14, 2018 from the following bidder:

<u>Bidder:</u>	<u>Bid Amount</u>
VLV Development & Financial Service Corporation	\$125,000

APPRAISAL: A disposition appraisal of the Property was obtained by the Board indicating the disposition value as of April 2018, subject to the restrictive covenant and reverter described below, was:

Appraiser:	KMD Valuation Group, LLC
Disposition Value:	\$125,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed the Songhai Elementary School, which closed in 2013. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21. The Grantee's proposal is to redevelop the Property for homeless veterans housing and as a clean energy facility.

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 that all or a portion of the former Songhai Elementary School site be used for one or more of the uses listed on Exhibit A attached hereto. The deed to the Property will include the use restriction on Exhibit A. 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 or Chief Administrative Officer's prior written approval. In addition, the Grantee must obtain a certificate of occupancy from the City of Chicago within four years of the date of the deed. The Property shall be sold "As Is, Where Is." The deed shall provide the Board, the PBC and the City shall be released and discharged from any and all future responsibility and liability relating to the Property's physical and environmental condition.

The disposition appraisal and bid for the Property were reviewed and it is recommended that the following bid be accepted:

Bidder:	VLV Development and Financial Services Corporation
Address:	47 W. Polk Street, Suite 348, Chicago, IL 60605
Contact:	Van L. Vincent @ vlv@vlvdevelopment.com phone: 773 991-9857
Bid Amount:	\$125,000
Grantee:	Songhai, LLC

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 or the City to issue a deed to the Grantee. Authorize the General Counsel to take any and all actions required to effectuate this transaction. Authorize the General Counsel and Chief Operating Officer to execute any and all ancillary documents required to administer or effectuate this transaction, including assignment of license agreements pertaining to the Property.

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.

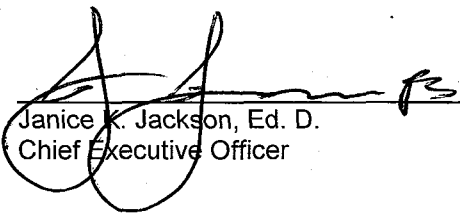
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Approved:



Mary De Runtz
Deputy Chief of Capital Planning & Construction



Janice K. Jackson, Ed. D.
Chief Executive Officer

Approved as to legal form:



Joseph T. Moriarty
General Counsel

**EXHIBIT A
PROPERTY OFFERED FOR SALE**

THE BOARD RESERVES THE RIGHT TO MAKE CHANGES AS NECESSARY.

PROPERTY FORMER SONGHAI SCHOOL

ADDRESS: 11725 S. PERRY AVENUE, CHICAGO, ILLINOIS

PINs: 25-21-420-006, 25-21-420-007, 25-21-420-008, 25-21-420-029 and 25-21-420-034

LEGAL DESCRIPTION:

PARCEL 1:

THE SOUTH 9 FEET OF LOT 17, ALL OF LOTS 18 TO 32, INCLUSIVE, AND NORTH 1/3 OF LOT 33 OF BLOCK 5, IN FALLIS AND GANO'S ADDITION TO PULLMAN, BEING A SUBDIVISION OF THAT PART LYING EAST OF THE WEST 49 ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND VACATED ALLEYS; ALSO

PARCEL 2:

LOTS 15 TO 30, INCLUSIVE, OF BLOCK 6 IN WALTER H. FIELD'S ADDITION TO PULLMAN, BEING A SUBDIVISION OF BLOCKS 3 TO 6 OF ALLEN'S SUBDIVISION OF WEST 49 ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN COOK COUNTY, ILLINOIS, AND VACATED ALLEY; ALSO

PARCEL 3:

LOTS 6 TO 14, INCLUSIVE, OF BLOCK 6 IN WALTER H. FIELD'S ADDITION TO PULLMAN, BEING A SUBDIVISION OF BLOCKS 3 TO 6 OF ALLEN'S SUBDIVISION OF WEST 49 ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN COOK COUNTY, ILLINOIS.

USE RESTRICTION:

ALL OR A PORTION OF THE FORMER SONGHAI SITE MUST BE USED FOR ONE OR MORE OF THE FOLLOWING:

- (1) YOUTH, ADULT, SENIOR AND VETERAN SERVICES, INCLUDING, BUT NOT LIMITED TO RECREATIONAL, EDUCATIONAL, COUNSELING, THERAPEUTIC AND MENTORING PROGRAMS THAT ENCOURAGE JOB MARKETABILITY, ACADEMIC ENHANCEMENT, PHYSICAL AND/OR MENTAL HEALTH AND WELLBEING;
- (2) CAREER, TRADE AND BUSINESS TRAINING AND PLACEMENT PROGRAMS AND SERVICES;
- (3) RETAIL SPACE;
- (4) VETERANS' AND/OR SENIOR HOUSING;
- (5) TECHNOLOGY SPACE AND PROGRAMMING;
- (1.) STORAGE (NONTOXIC ITEMS); AND
- (2.) LIGHT MANUFACTURING AND RELATED OFFICES.

IN ADDITION, THE PROPERTY **MAY NOT BE** USED FOR ANY OF THE FOLLOWING:

- (1) THE SALE, DISTRIBUTION, CONSUMPTION AND MANUFACTURE OF LIQUOR, FIREARMS, DRUGS OR ENVIRONMENTALLY HAZARDOUS SUBSTANCES;
- (2) K-12 PUBLIC OR CHARTER, OR TUITION FREE SCHOOL PURPOSES; OR
- (3) THE STORAGE OR RECYCLING OF WASTE RELATED PRODUCTS.

THE DEED FOR THE PROPERTY WILL INCLUDE THIS USE 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 OR CHIEF ADMINISTRATIVE OFFICER.

GRANTEE MUST OBTAIN A CERTIFICATE OF OCCUPANCY FROM THE CITY OF CHICAGO WITHIN FOUR YEARS OF THE DATE OF THE DEED