

December 6, 2017

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED
AT 740 S. CAMPBELL (FORMER WILLIAM H. KING ELEMENTARY SCHOOL)**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board requests the Public Building Commission of Chicago ("PBC") and/or the City of Chicago ("City") convey to Lex Polk, LLC on behalf of Laura L. Llamedo ("Purchaser"), the former William King Elementary School site at 740 S. Campbell 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 & PIN: See the attached Exhibit A.

BID INFORMATION: In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from August 17, 2017 to September 28, 2017. Bids were received by the Procurement Department by 2:00 p.m. on September 28, 2017, and opened on the same date. Four bids were received for the Property.

<u>Bidders</u>	<u>Offer</u>
1. Laura L. Llamedo	\$1,510,000
2. GLPE,II LLC	\$1,500,000
3. Chicago Hope Academy	\$1,250,000
4. Polk Campbell, LLC	\$700,000

APPRAISAL: In March 2017, a fair market value appraisal of the Property was obtained by the Board, which indicated a value as follows:

Appraiser: KMD Valuation Group, LLC
Market Value Estimate: \$1,100,000 to \$1,300,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed William King 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 deed will contain a restrictive covenant and reverter prohibiting the Property from being used as a charter school and requiring the Purchaser to obtain a Certificate of Occupancy within 3 years of the date of the deed.

The Purchaser's plan is to demolish the existing school building on the Property and to redevelop the site with new single family homes. The Board may remove and reuse fixtures and equipment in the existing building because it is going to be demolished.

The PBC and/or the City shall include a restrictive covenant in the deed prohibiting the Property from being used as a K-12 Charter school and require Purchaser to obtain a Certificate of Occupancy within 3 years of the date of the deed. 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 Board's Chief Operating or Chief Administrative Officers' prior written approval. The Property shall be sold "as is, where is."

In addition, as a contractual requirement, Purchaser and the Board will enter into a separate donation agreement in which Purchaser agrees to donate \$5,000 from the first time sale of each new single family home constructed on the Property to a CPS School designated by the Board in the 28th Ward. In lieu of individual \$5,000 donations, the Board will release the Certificate of Occupancy reverter requirement in the deed after the former school has been demolished, Purchaser delivers a Certificate of Occupancy to the Board and makes a one time donation of \$150,000 to the Board for Chicago Public Schools in the 28th Ward.

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

Bidder Name:	Laura L. Llamedo.
Address:	2452 W. Berenice Avenue, Chicago IL 60618
Contact:	Laura L. Llamedo 773-583-5449 laura.llamedo@gmail.com
Offer:	\$1,510,000
Grantee:	Lex Polk 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 in favor of Lex Polk LLC. Authorize the General Counsel to take any and all actions and to execute any and all ancillary documents required to administer or effectuate this transaction. Authorize the Chief Operating Officer or the Chief Administrative Officer to execute any and all ancillary documents required to administer or effectuate this transaction, including a donation agreement and the release of the Reverter in the deed for 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.

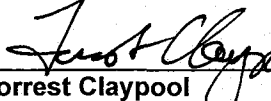
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



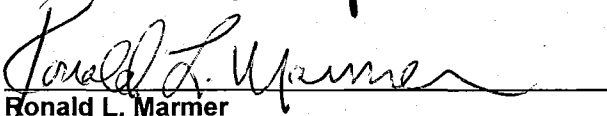
Mary DeRuntz
Deputy Chief of Capital Planning &
Construction

Approved:



Forrest Claypool
Chief Executive Officer

Approved as to legal form 



Ronald L. Marmor
General Counsel

EXHIBIT A

**THE PROPERTY
Former William H. King Elementary School**

The Board reserves the right to make changes as necessary to clarify or correct property information.

Property address: 740 S. Campbell, Chicago, Illinois 60612

PIN: 16-13-410-039

Legal Description:

LOTS 6 TO 15, BOTH INCLUSIVE, AND LOTS 36 TO 44, BOTH INCLUSIVE, IN BLOCK 5 IN CARTER H. HARRISON'S ADDITION TO CHICAGO, BEING THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

LOTS 1 TO 5 BOTH INCLUSIVE, IN THE SUBDIVISION OF LOT 1 TO 5, INCLUSIVE IN BLOCK 5, IN CARTER H. HARRISON'S ADDITION TO CHICAGO AFORESAID. ALSO ALL OF THE PRIVATE ALLEY WEST OF AND ADJOINING SUB-LOTS 1 TO 5, BOTH INCLUSIVE, IN SUBDIVISION OF LOTS 1 TO 5, INCLUSIVE IN BLOCK 5, IN CARTER H. HARRISON'S ADDITION TO CHICAGO, AFORESAID;

ALSO

LOTS 1 TO 8, BOTH INCLUSIVE, IN THE RESUBDIVISION OF LOTS 1 TO 7, INCLUSIVE, OF A SUBDIVISION OF LOTS 45 TO 50, INCLUSIVE, IN BLOCK 5 IN CARTER H. HARRISON'S ADDITION TO CHICAGO, AFORESAID;

ALSO

VACATED ALLEYS.

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 OR, GRANTEE FAILS TO OBTAIN A CERTIFICATE OF OCCUPANCY FROM THE CITY OF CHICAGO WITHIN THREE YEARS OF THE DATE OF THE DEED WITHOUT OBTAINING THE PRIOR WRITTEN APPROVAL OR A RELEASE FROM THE BOARD'S CHIEF OPERATING OR CHIEF ADMINISTRATIVE OFFICER.

IN ADDITION, AS A CONTRACTUAL REQUIREMENT, PURCHASER AND THE BOARD WILL ENTER INTO A SEPARATE DONATION AGREEMENT IN WHICH PURCHASER AGREES TO DONATE \$5,000 FROM THE FIRST TIME SALE OF EACH NEW SINGLE FAMILY HOME CONSTRUCTED ON THE PROPERTY TO A CPS SCHOOL DESIGNATED BY THE BOARD IN THE 28TH WARD OR PURCHASER MAKES A ONE TIME DONATION OF \$150,000 TO THE BOARD FOR CHICAGO PUBLIC SCHOOLS IN THE 28TH WARD TO RELEASE THE REVERTER IN THE DEED, AFTER THE SCHOOL BUILDING ON THE PROPERTY HAS BEEN DEMOLISHED AND PURCHASER OBTAINS A CERTIFICATE OF OCCUPANCY.