

December 6, 2017

**AMEND BOARD REPORT 17-0628-OP5**  
**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT**  
**11941 S. PARNELL (FORMER WEST PULLMAN 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 the Cook County Land Bank Authority, on behalf of Celadon Holdings, LLC, an Illinois Limited Liability Company ("Purchaser"), the former West Pullman School site at 11941 S. Parnell, 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.

This Board Report is being amended to convey the former West Pullman School to the Cook County Land Bank Authority, a unit of Cook County government, on behalf of Celadon Holdings, LLC for the purchase price of \$250,000. The conveyance to CCLBA is for tax credit purposes only. All other terms and conditions in the Purchase Agreement will remain the same.

**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 January 12, 2017, through 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. One bid was received for the Property from the following bidder:

| <u>Bidder</u>         | <u>Initial Offer</u> | <u>Best and Final Offer*</u> |
|-----------------------|----------------------|------------------------------|
| Celadon Holdings, LLC | \$10,000.00          | \$250,000                    |

The Purchaser's proposal is to convert and redevelop the Property with 60 affordable residential units for seniors and veterans 55 years of age and older. \*Its offer is contingent upon the receipt (allocation) of 9% Low Income Housing Tax Credits ("LIHTC") from the City of Chicago in the amount of \$1,336,000 per year for 10 years on or before December 31, 2017. The Purchaser may extend the Contract for an additional six months to June 30, 2018. The Bidder is posting a \$25,000 earnest money deposit which may be refunded if the LIHTC allocation is not awarded for the Project on or before December 31, 2017. The \$25,000 earnest money deposit will be non-refundable if the contract is extended to June 30, 2018.

**APPRAISAL:** As of March 1, 2017 an appraisal of the Property was obtained for the Board indicating the fair market value of the Property, subject to the restrictive covenant and reverter described below and on Exhibit A, was:

|                        |                          |
|------------------------|--------------------------|
| Appraiser:             | KMD Valuation Group, LLC |
| Market Value Estimate: | \$225,000 to \$325,000   |

**RECOMMENDATION:** The Property is not needed for school purposes. The Property previously housed West Pullman 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 Purchaser's proposal is to redevelop the property with 60 units of affordable housing for veterans and seniors 55 years of age and older. \*Due to the size and condition of the Property, the cost of developing and operating it for affordable housing, the bid is contingent upon the Purchaser's receipt (allocation) of 9% LIHTC from the City of Chicago on or before of December 31, 2017. The Purchaser posted a \$25,000 refundable earnest money deposit if the LIHTC allocation is not issued by December 31, 2017. The \$25,000 earnest money deposit will become non-refundable if the Purchaser extends the contract to June 30, 2018.

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 West Pullman School site be used for one or more of the following uses listed on Exhibit A attached hereto. In addition, the Grantee must obtain a Certificate of Occupancy from the City of Chicago for at least one of the permitted uses listed on Exhibit A within three years of the date of the deed. The deed to the title 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 the bid received were reviewed and it is recommended that the following bid be accepted:

Name: Celadon Holdings, LLC (Bidder-Purchaser)  
Address: 2047 Wilmette Avenue Wilmette Illinois 60091  
Contact: Scott Henry 312 343-3285 [shenry@celadonco.com](mailto:shenry@celadonco.com)  
Bid Amount: \$250,000 subject to an allocation of LIHTC from City of Chicago  
Grantee: Cook County Land Bank Authority, a Unit of Government, on behalf of Purchaser

**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 the Cook County Land Bank Authority on behalf of Purchaser. 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.

**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.

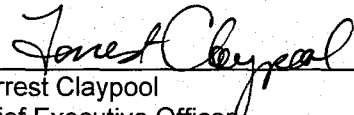
Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, Shall be incorporated into and made a part of the agreement.


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).

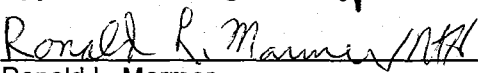
**Approved for Consideration:**

  
\_\_\_\_\_  
Mary De Runtz  
Deputy Chief of Capital Planning & Construction

**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 WEST PULLMAN SCHOOL

**ADDRESS:** 11941 SOUTH PARNELL AVENUE, CHICAGO, ILLINOIS

**PIN:** 25-28-105-009

**LEGAL DESCRIPTION:**

LOTS 6 TO 43, INCLUSIVE, IN BLOCK 7 IN "WEST PULLMAN", A SUBDIVISION OF THE WEST HALF OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; AND VACATED ALLEY.

**USE RESTRICTION:**

ALL OR A PORTION OF THE WEST PULLMAN 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, COMMUNITY MEETING AND PROFESSIONAL OFFICE SPACE;
- (4) TECHNOLOGY SPACE AND PROGRAMMING;
- (5) RESTAURANT/CAFE;
- (6) STORAGE (NONTOXIC ITEMS);
- (7) LIGHT MANUFACTURING; AND
- (8) SENIOR AND/OR VETERANS' HOUSING.

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

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

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.