

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF LAND
LOCATED AT 1855 N SHEFFIELD AVE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the Public Building Commission ("PBC") convey to Svigos, LLC, an Illinois limited liability company ("Purchaser"), the land located at 1855 North Sheffield Avenue, 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 January 18, 2013, through March 1, 2013. Bids were received by the Procurement Department by 2:00 p.m. on March 1, 2013 and opened on the same date. The following 7 bids were received:

<u>Bidder</u>	<u>Offer</u>	<u>Date received</u>
1. Svigos, LLC	\$4,025,000	March 1, 2013
2. Morningside Equities Group, Inc.	\$3,211,500	March 1, 2013
3. Lakewest, Inc.	\$2,610,100	March 1, 2013
4. MMT Investments, Inc.	\$2,200,000	March 1, 2013
5. First American Properties, LLC	\$1,500,000	March 1, 2013
6. EDC Development, LLC	\$1,500,000	March 1, 2013
7. Second City Acquisitions, LLC	\$712,500	March 1, 2013

On March 12, 2013, the highest 2 bidders were asked to re-submit best and final bids. On April 3, 2013, the following two best and final bids were received:

<u>Bidder</u>	<u>Offer</u>	<u>Date received</u>
1. Svigos, LLC	\$4,025,000	April 3, 2013
2. Morningside Equities Group, Inc.	\$3,211,500	April 3, 2013

APPRAISAL: On May 6, 2013, an appraisal was made for the benefit of the Board for this property indicating a fair market value as follows:

Appraiser: Appraisal Associates (WBE)
Market Value: \$3,450,000

RECOMMENDATION AND USE RESTRICTION: The Property is not needed for school purposes. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21 (2011). The PBC shall include a restrictive covenant in the deed prohibiting the Property for being used for kindergarten through high school (K-12) purposes for 40 years from the date of the deed unless the restriction is released by the Chicago Board of Education. Title to the Property will automatically transfer to and vest in the City of Chicago in Trust for Use of Schools if the restrictive covenant is breached without the Board of Education's express written approval. The property shall be sold "as is, where is." The appraisal and the bids received were reviewed and it is recommended that the following bid be accepted:

Name:	Svigos, LLC
Address:	580 North Bank Lane, Suite 33, Lake Forest, Illinois 60045
Contacts:	Nick Vittore, (847) 735-0656
Original Offer:	\$4,025,000
Deposit:	\$402,500
Best & Final Offer:	\$4,025,000

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 to issue a deed in favor of Svigos, LLC. 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: 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 General 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:




Patricia L. Taylor
Chief Operating Officer

Approved:



Barbara Byrd-Bennett
Chief Executive Officer

Approved as to legal form: 



James Bebley
General Counsel

EXHIBIT A

PROPERTY COMMON ADDRESS:

1855 NORTH SHEFFIELD AVENUE, CHICAGO, ILLINOIS

PIN:

14-32-411-005

LEGAL DESCRIPTION:

LOTS 27 TO 34 IN SUBBLOCK 4 OF BLOCK 5 IN SHEFFIELD ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 29, SOUTHEAST 1/4 AND SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 31, ALL OF SECTION 32 AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY ILLINOIS.

The Board may modify the legal description if necessary upon receipt of a title commitment and survey.