

October 22, 2014

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF 125 SOUTH CLARK STREET****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

That the Board request the City of Chicago, in Trust for Use of Schools ("the City") convey to Blue Star Holdings, LLC, an Illinois limited liability company, at the request of Blue Star Properties, Inc., an Illinois corporation ("Purchaser"), the land and improvements located at 125 South Clark Street, 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 13, 2014, through March 17, 2014. Bids were received by the Procurement Department by 2:00 p.m. on March 17, 2014, and opened on the same date. The following five (5) bids were received:

	<b>Bidder</b>	<b>Bid</b>	<b>Status</b>
Bidder 1	Clark 125 Acquisition, LLC	\$42,000,000	Withdrawn
Bidder 2	Blue Star Properties, Inc.	\$28,000,000	Confirmed highest bidder
Bidder 3	SL 125 S Clark Owners, LLC	\$26,100,000	
Bidder 4	FG LA Investment Company LLC	\$17,250,000	
Bidder 5	AG-WORK 125 SC LLC	\$12,000,000	

On June 10, 2014, after completion of the due diligence period permitted by the bid solicitation, Clark 125 Acquisition, LLC withdrew its bid. On September 19, 2014, after completion of its permitted due diligence period, Blue Star Properties confirmed it would proceed with the acquisition of the Property.

**APPRAISAL:** On September 23, 2014, an appraisal of the Property was made for the benefit of the Board, which indicated a fair market value as follows:

Appraiser: Appraisal Associates  
Market Value: \$26,650,000

**RECOMMENDATION:** The Property is not needed for school or administrative purposes. The Property currently serves as the administrative headquarters for CPS. The headquarters office will be relocated to a new leased site located at 42 West Madison Street in Chicago (a/k/a One North Dearborn Street), as authorized by Board Report 13-1218-OP3 and amended by Board Reports 14-0326-OP1 and 14-0625-OP2. The Property shall be sold "as is, where is." Pursuant to the bid submitted by the Purchaser, title shall be conveyed to Blue Star Holdings, LLC. The appraisal and the bids received were reviewed and it is recommended that the following bid be accepted:

Bidder: Blue Star Properties, Inc.  
Address: 600 West Van Buren Street, Suite 1000, Chicago, IL 60607  
Contact: Craig Golden, 312-855-2200  
**Offer: \$28,000,000**  
**Title conveyed to: Blue Star Holdings, 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 City to issue a deed in favor of Blue Star Properties, Inc. 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 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).

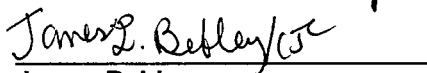
**Approved for Consideration:**

  
Patricia L. Taylor  
Chief Facilities Officer

**Approved:**

  
Barbara Byrd-Bennett  
Chief Executive Officer

**Approved as to legal form** 

  
James Bebley  
General Counsel

**EXHIBIT A**  
**THE PROPERTY**

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

**Common address:** 125 South Clark Street, Chicago, Illinois 60603

**PINs:** 17-16-212-016, -017 and -018

**Legal description:**

PARCEL 1:

THE EAST 1/2 OF LOT 7, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY; THE WEST 1/2 OF LOT 7, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY; THE SOUTH 87 FEET OF LOT 8; THE NORTH 40 FEET OF THE SOUTH 2/3 OF THE FOLLOWING DESCRIBED PARCEL TAKEN AS A TRACT: LOT 8, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY, ALL IN BLOCK 120 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16; TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE NORTH 1/3 OF THE FOLLOWING DESCRIBED PARCEL TAKEN AS A TRACT: LOT 8, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY, IN BLOCK 120 IN THE SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 1 AND PARCEL 2 MAY ALSO BE DESCRIBED AS FOLLOWS:

LOT 7, EXCEPT THE NORTH 9.00 FEET THEREOF TAKEN FOR ALLEY, AND LOT 8, EXCEPT THE NORTH 9.00 FEET THEREOF TAKEN FOR ALLEY, ALL IN BLOCK 120 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.