

May 27, 2015

**AMEND BOARD REPORT 14-1022-OP3
DISPOSITION OF BIDS RECEIVED FOR THE FORMER PEABODY SCHOOL SITE
LOCATED AT 1434 & 1444 WEST AUGUSTA AVENUE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the Public Building Commission of Chicago ("PBC") convey to Svigos Asset Management, Inc., an Illinois corporation ("Purchaser"), the land and improvements located at the former Peabody School site, 1434 & 1444 West Augusta 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.

In December of 2014 the PBC, on behalf of the Board, conveyed the Property described in Exhibit A to Purchaser. The deed contained a restrictive covenant on a portion of the Property. This May 2015 amendment is necessary to authorize the Board's Deputy Chief Facilities Officer to modify and/or waive the restrictive covenant contained in the deed and to authorize the PBC to execute any ancillary documents as may be necessary to effectuate such modification and/or waiver of the restrictive covenant by the Deputy Chief Facilities Officer.

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 1, 2014, through August 29, 2014. Bids were received by the Procurement Department by 2:00 p.m. on ~~March 17~~ August 29, 2014, and opened on the same date. Eight (8) bids were received, and pursuant to 105 ILCS 5/34-21, CPS negotiated with the top two (2) bidders for best and final offers. Svigos Asset Management, Inc. submitted the highest final bid at \$3,501,000. A summary of the bids is as follows:

	Bidder	Bid	Best & Final Bid	Status
Bidder 1	Svigos Asset Management, Inc.	\$3,000,000	\$3,501,000	Confirmed highest bid
Bidder 2	Madison 129, LLC	\$3,000,000	\$3,125,000	
Bidder 3	Tanya Radunsky	\$2,800,000		
Bidder 4	Augusta Equities, LLC	\$2,051,500		
Bidder 5	Morningside Equities Group, LLC	\$1,700,000		
Bidder 6	Property Acquisition Group, Inc.	\$1,700,000		
Bidder 7	PR Carpenter, LLC	\$1,000,000		
Bidder 8	Northwestern University Settlement Association	\$1,000,000		

APPRAISAL: On September 5, 2014, an appraisal of the Property was made for the benefit of the Board, which indicated a fair market value as follows:

Appraiser: KMD Valuations Group, LLC
Market Value: \$3,100,000 to \$3,300,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed Peabody 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 PBC shall include a restrictive covenant in the deed requiring a portion or all of the Property to be used exclusively as one or more of the following: (1) after-school programming; (2) workforce development and job training; (3) child care and head start programming; (4) youth recreational, educational and creative arts programming; (5) family support services; and/or (6) community meeting space; and for no other purpose without prior written approval from the Board. Title to the Property will revert back to the City of Chicago, in Trust for Use of Schools, or the Public Building Commission of Chicago, as legal title holder of record for the benefit of the Board if this restriction is breached without the Board's prior 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 Asset Management, Inc.
Address:	1 West Dundee, Suite 200, Buffalo Grove, IL 60089
Contact:	Nick Vittore, (312) 479-6130
Offer:	\$3,501,000

The Board's Deputy Chief Facilities Officer is authorized to modify and/or waive the restrictive covenant set forth above and contained in the deed. The PBC is authorized to execute any ancillary documents as may be necessary to effectuate such modification and/or waiver of the restrictive covenant by the Deputy Chief Facilities Officer.

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 PBC to issue a deed in favor of Svigos Asset Management, Inc. ~~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~~ Deputy Chief Facilities Officer to execute any and all ancillary documents required to administer or effectuate this transaction. Authorize the Deputy Chief Facilities Officer to modify and/or waive the restrictive covenant set forth above and contained in the deed. Authorize the PBC to execute any ancillary documents as may be necessary to effectuate such modification and/or waiver of the restrictive covenant by the Deputy Chief Facilities Officer.

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.

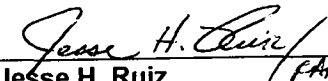
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Approved:




Patricia L. Taylor Mary De Runtz
Deputy Chief Facilities Officer



Jesse H. Ruiz
Interim 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: 1434 & 1444 West Augusta Avenue, Chicago, Illinois

PINs: 17-05-309-080, 17-05-309-094

Legal Description:

LOTS 30 TO 47, INCLUSIVE, IN BLOCK 2 IN MCCAGG'S SUBDIVISION OF BLOCK 19 IN CANAL TRUSTEE'S SUBDIVISION OF THE WEST $\frac{1}{2}$ (EXCEPT THE SOUTH EAST $\frac{1}{4}$ OF THE NORTH WEST $\frac{1}{4}$ AND THE NORTH EAST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$) OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.