

July 22, 2015

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT
2620 WEST HIRSCH STREET (FORMER VON HUMBOLDT ELEMENTARY MAIN BUILDING)**

THE CHIEF ADMINISTRATIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the City or Public Building Commission ("PBC"), as necessary, convey to IFF Von Humboldt, LLC, an Illinois limited liability company ("Purchaser"), the land located at 2620 West Hirsch 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 March 27, 2015, to April 27, 2015. Bids were received by the Procurement Department on April 27, 2015, and pursuant to 105 ILCS 5/34-21, best and final bids were negotiated with the top two bidders. A summary of the bids is as follows:

| | Bidder | Initial Bid | Best & Final Bid |
|----------|-------------------------------|--------------------|-----------------------------|
| Bidder 1 | Svigos Asset Management, Inc. | \$2,600,000 | \$3,326,000 |
| Bidder 2 | IFF Von Humboldt LLC | \$3,000,000 | \$3,100,000 |

Pursuant to 105 ILCS 5/34-21 (2011), if there is more than one responsible bid, the Board may:

...negotiate separately with the 2 highest and best among such responsible bids and upon tentative agreement with one or both bidders, one or both of such bids may be submitted to the board for acceptance of one or rejection of both. Such negotiations may not result in a diminution of the terms of the sale of the real estate and must result in an agreement which is, in the reasonable judgment of the board, equal to or higher in value than the highest responsible bid.

The Offer submitted by Purchaser, IFF Von Humboldt, demonstrated development and repurposing plans for a "Community as a Campus" model consistent with the initiative adopted by the Community Action Council of Humboldt Park Chicago. Additionally, Purchaser demonstrated the integration of several partnerships, including the Puerto Rican Cultural Center, Parent Popular Institute, Youth Leadership Institute and Teacher/Administrator Leadership Institute.

APPRAISAL: In December 2014, an appraisal was made for the benefit of the Board for this property indicating a fair market value as follows:

Appraiser: KMD Valuations Group, LLC
Value: \$2 million - \$2.7 million

RECOMMENDATION AND USE RESTRICTION: The Property is not needed for school purposes. The Property previously housed Von Humboldt 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 (2011). The PBC and/or the City, as needed, shall include a restrictive covenant in the deed requiring that all or a portion of the building be used for one or more of the following purposes: (i) housing for existing and retired public school teachers; (ii) educational programs; (iii) office space; (iv) day care programs; and (v) supplementary café use. Title to the Property will automatically transfer to and vest in the City of Chicago in Trust for Use of Schools, or the Public Building Commission, as the case may be, if the restrictive covenant is breached without the express written approval of the Board's Chief Operating Officer. 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:

15-0722-OP3

Name: IFF Von Humboldt, LLC
Address: 1 N LaSalle St, Suite 700, Chicago, Illinois
Contact: Robin Schabes
Offer: **\$3,100,000**

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 City or PBC, as necessary, to issue a deed in favor of IFF Von Humboldt, 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 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.

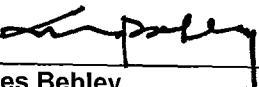
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

15-0722-OP3

Approved for Consideration:


Mary De Runtz
Deputy Chief Facilities Officer

Approved as to legal form: 


James Bebley
General Counsel

Approved:


Timothy Cawley
Chief Administrative Officer

15-0722-OP3

EXHIBIT A

THE PROPERTY

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

Property address: Former De Duprey / Von Humboldt main building site, 2620 W. Hirsch St., Chicago, Illinois*

PIN: 16-01-211-008, 16-01-211-0106

Legal Description:

SOUTH 9 FEET OF LOT 3 ALL OF LOTS 10 TO 40 IN BLOCK 8 AND VACATED ALLEY IN H. M. THOMPSON'S SUBDIVISION IN THE NORTH WEST QUARTER OF THE NORTH EAST QUARTER OF SECTION 1, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

**Please note this does not include the former De Duprey / Von Humboldt branch site located at 1345 N. Rockwell St.*