

July 22, 2015

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY  
LOCATED AT 739 NORTH ADA STREET (FORMER NEAR NORTH ELEMENTARY)**

**THE CHIEF ADMINISTRATIVE OFFICER REPORTS THE FOLLOWING DECISION:**

That the Board request the Public Building Commission of Chicago ("PBC") and/or the City of Chicago ("City"), as needed, convey to Svigos Asset Management, Inc., an Illinois corporation ("Purchaser"), the land and improvements located at the former Near North Elementary School site, 739 North Ada 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:

|          | <b>Bidder</b>                 | <b>Bid</b>  |
|----------|-------------------------------|-------------|
| Bidder 1 | Svigos Asset Management, Inc. | \$5,100,050 |
| Bidder 2 | Chicago-Ada, LLC              | \$4,610,000 |

**APPRAISAL:** In December 2014, a valuation of the Property was made for the benefit of the Board, which indicated a value as follows:

|            |                             |
|------------|-----------------------------|
| Appraiser: | KMD Valuations Group, LLC   |
| Value:     | \$2 million - \$2.8 million |

**RECOMMENDATION AND USE RESTRICTION:** The Property is not needed for school purposes. The Property previously housed Near North 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 and/or the City, as needed, shall include a restrictive covenant in the deed requiring that: (i) all or a portion of the building must be used for mixed-use residential and commercial/retail development; (ii) the exterior façade and building structure must be maintained to preserve the building's unique and historical character. 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 the case may be, as legal title holder of record for the benefit of the Board if this restriction is breached without the express written approval of the Board's Chief Operating Officer. In addition, as a contractual requirement, the Purchaser must apply for and use reasonable efforts to expeditiously seek landmark status with the City of Chicago's Commission on Chicago Landmarks. 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:

|                 |   |
|-----------------|---|
| <b>Name:</b>    | Svigos Asset Management, Inc.                   |
| <b>Address:</b> | 1 W. Dundee, Suite 200, Buffalo Grove, IL 60089 |
| <b>Contact:</b> | Nick Vittore / 847-735-0656                     |
| <b>Offer:</b>   | <b>\$5,100,050</b>                              |

**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 and or the City, as necessary, to issue a deed in favor Svigos Asset Management, 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:**

  
\_\_\_\_\_  
**Mary De Runtz**  
Deputy Chief Facilities Officer

Approved:

  
\_\_\_\_\_  
Timothy Cawley  
Chief Administrative 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.

**Property address: Former Near North site, 739 N. Ada St., Chicago, Illinois**

**PIN(s): 17-08-104-001**

**Legal Description:**

PARCEL 1: LOTS 5 THROUGH 18 INCLUSIVE IN BLOCK 4 OF TAYLOR'S SUBDIVISION OF BLOCK 1 OF ASSESSOR'S DIVISION OF THE EAST ½ OF THE NORTHWEST ¼ OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PARINCIPALMERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THAT PART OF THE EAST AND WEST 10 FOOT VACATED ALLEY LYING NORTH OF AND ADJOINING THE NORTH AND NORTHEAST LINE OF LOT 10, LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 6 THROUGH 9 AND LYING WEST OF A LINE EXTENDING FROM THE EAST LINE OF LOT 10 TO THE SOUTH LINE OF LOT 5, ALL SET FORTH IN PARCEL 1.