

October 28, 2015

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY
LOCATED AT 4525 N KENMORE AVE (FORMER STEWART SCHOOL SITE)**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the City of Chicago ("the City") or Public Building Commission ("PBC"), as necessary, convey to Morningside Equities Group, Inc., an Illinois corporation ("Purchaser"), the land located at 4525 North Kenmore Avenue in 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 August 24, 2015, to September 23, 2015. Pursuant to 105 ILCS 5/34-21 (2011), negotiations were held for best and final bids. The following 4 bids were received:

<u>Bidder</u>	<u>Offer</u>
1. Morningside Equities Group, Inc.	\$5,112,000
2. Henry Street Partners LLC & Newgard Development LLC	\$4,350,000
3. Kenmore 4525 LLC	\$2,500,000
4. Christian Fellowship for All Nations	\$1,500,000

APPRAISAL: In October 2015, an appraisal was made for the benefit of the Board for this property indicating a fair market value as follows:

Appraiser:	KMD Valuation Group LLC
Value:	\$4,000,000 - \$4,500,000

RECOMMENDATION AND USE RESTRICTION: The Property is not needed for school purposes. The Property previously housed Stewart Elementary School. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21 (2011).

The City or PBC, as necessary, shall include a restrictive covenant in the deed stating that the property must be used as a mixed-use development incorporating all of the following: (1) residential units; (2) retail and/or restaurant space; (3) a community plaza or town square; and (4) one or more of the following community programs: community gardens, dedicated space for a farmers market, community theater space, youth educational or recreational programming or job training. The deed for the Property will include this restriction. Title to the property will revert back to the City of Chicago, in Trust for Use of Schools, as legal title holder for the benefit of the Chicago Board of Education ("Board") if this restriction is breached without the prior written consent of the Board's Chief Operating Officer.

In addition, as contractual requirements, the successful bidder, as grantee: (1) must preserve the building's unique and historical character, and (2) must, within six months of taking title to the property, apply for and use reasonable efforts to expeditiously seek landmark designation with the City of Chicago's Commission on Chicago Landmarks. If such landmark designation application is not submitted by the successful bidder within six months of acquisition, and the City of Chicago or another entity with appropriate standing initiates the landmark designation application, the successful bidder shall not withhold its consent to such designation when requested.

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:

15-1028-OP2

Bidder Name: Morningside Equities Group, Inc.
Address: 223 West Erie Street, 3rd Floor, Chicago, Illinois 60654
Contact: Mary Ellen Martin, (312) 280-5353
Grantee Name: Morningside Stewart LLC
Offer: \$5,112,000

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 Morningside Stewart 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).

Approved for Consideration:



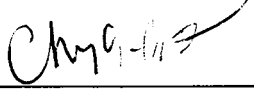
Paul Osland
Chief Facilities Officer

Approved:



Forrest Claypool
Chief Executive Officer

Approved as to legal form: *perme*



Cheryl Colston
Interim 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 Stewart School site, 4525 N Kenmore Ave, Chicago, Illinois

PINs: 14-17-219-002, 14-17-219-003, 14-17-219-015

Legal Description (Subject to Survey):

LOTS 65 TO 73, BOTH INCLUSIVE, AND THE SOUTH 65 FEET OF LOTS 74, 75 AND 76 AND THE VACATED ALLEY LYING NORTH OF SAID LOT 73 AND SOUTH OF LOTS 74, 75, AND 76 VACATED BY ORDINANCE RECORDED AUGUST 2, 1957 AS DOCUMENT NO. 16974644 TAKEN AS A TRACT IN WILLIAM DEERING SURRENDEN SUBDIVISION OF THE WEST HALF OF THE NORTH EAST QUARTER OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, EXCEPT THE NORTH 16 FEET OF SAID TRACT OF LAND DEDICATED AS AN ALLEY BY PLAT RECORDED ON DECEMBER 10, 2007 AS DOCUMENT NO. 0734415012.