

April 26, 2017

REVISE BOARD REPORT 15-0929-OP1
DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY
LOCATED AT 5200 N ASHLAND AVE (FORMER TRUMBULL SCHOOL)

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the City of Chicago ("City") or Public Building Commission ("PBC"), as necessary, convey to 5200 N. Ashland, LLC, on behalf of Svigos Asset Management, Inc., an Illinois corporation ("Purchaser"), the land located at 5200 N. Ashland Ave., 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.

This April 2017 Board Report conforms the description of permitted uses to track the language in the advertised bid and reflect the permitted use requested by the community as part of the School Repurposing and engagement process.

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 July 3, 2015, to August 4, 2015. Bids were received by the Procurement Department by 2:00 p.m. on August 4, 2015, and opened on the same date. Pursuant to 105 ILCS 5/34-21 (2011), the following bids were received and negotiations were held to obtain the highest and best responsible final bids.

<u>Bidder</u>	<u>Offer</u>
1. Svigos Asset Management, Inc.	\$5,250,000
2. Chicago Waldorf School	\$5,100,000
3. Morningside Equities Group, Inc.	\$4,362,500
4. Time Lofts Owner, LLC	\$4,000,000

APPRAISAL: On September 1, 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:	\$4,100,000 - \$4,700,000

RECOMMENDATION AND USE RESTRICTION: The Property is not needed for school purposes. The Property previously housed Trumbull 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 that states that all or a portion of the former Trumbull building must be used for one or more of the following purposes: (1) a privately funded, non-public school serving any grades K-12 or; (2) a mixed use development incorporating (i) a maximum of 49 residential units and (ii) an established, local, Chicago-based theater that provides performances and educational programs open to the community. 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 of record for the benefit of the Chicago Board of Education ("Board") if this restriction is breached without the prior written approval of the Board's Chief Operating Officer. In addition, as contractual requirements, the Purchaser, as Grantee, (i) must preserve the building's unique and historical character, and (ii) must not construct additional buildings or structures on the property without the prior written permission of the Board's Chief Operating Officer and (iii) 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:

Bidder Name: Svigos Asset Management, Inc.
Address: 1 W Dundee, Suite 200, Buffalo Grove, Illinois 60089
Contact: Nick Vittore
Grantee Name: 5200 N Ashland LLC
Offer: \$5,250,000

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 5200 N Ashland 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:


Mary De Runtz
Deputy Chief Facilities Officer

Approved:


Forrest Claypool
Chief Executive Officer

Approved as to legal form.

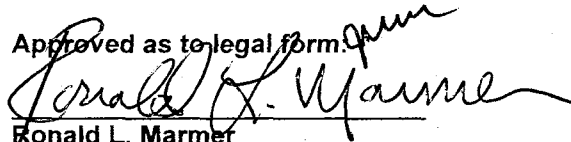

Ronald L. Marmor
General Counsel

EXHIBIT A

THE PROPERTY

The Board reserves the right to make changes as necessary to clarify or correct Property information and the use restriction.

Common address:

Former Trumbull School, 5200 N. Ashland Ave., Chicago, Illinois

PIN: 14-07-230-014

Legal Description:

THE EAST 9.2 FEET OF LOT 1, ALL OF LOTS 2 TO 22, INCLUSIVE, AND VACATED ALLEYS IN B.R. DEYOUNG'S SUBDIVISION OF THE SOUTH ½ OF LOTS 36, 37, 38 AND 39, THE EAST 95.04 FEET OF THE NORTH ½ OF LOT 39 AND ALL OF LOT 40 IN MOUNT PLEASANT, A SUBDIVISION IN THE SOUTH ½ OF THE SOUTH EAST ¼ OF THE NORTH EAST ¼ OF SECTION 7, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THE 10 FT. STRIP ON ASHLAND AVE. TAKEN FOR STREET, IN COOK COUNTY, ILLINOIS.