

April 26, 2017

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY
LOCATED AT 1726 W. BERTEAU AVENUE (FORMER MARY COURTENAY SCHOOL)**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the Public Building Commission of Chicago ("PBC") or the City of Chicago ("City"), as necessary to convey to the German School of Chicago, an Illinois Not-for-Profit Corporation ("Purchaser"), the former Mary Courtenay School site at 1726 W. Berteau, 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 January 12, 2017 through March 13, 2017. Bids were received by the Procurement Department by 2:00 p.m. on March 13, 2017, and opened on the same date. The following seven (7) bids were received:

<u>Bidder</u>	<u>Offer</u>
1. Moyer Brokerage & Management, LLC	\$2,600,000
2. North Park Elementary	\$3,500,000
3. Bak Home Development	\$3,504,000
4. CMK Development	\$3,675,000
5. Svigos Asset Management	\$3,750,000
6. Laura LLamedo	\$4,500,000
7. German School of Chicago	\$5,300,000

APPRAISAL: On January 17, 2017 a valuation of the Property was made for the benefit of the Board which indicated a value as follows:

Appraiser: KMD Valuation Group, LLC
Value: \$4,000,000-\$4,200,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed Mary Courtenay 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 Property shall be sold "as is, where is."

The PBC and/or City, shall include a restrictive covenant in the deed prohibiting the Property from being used as a K-12 charter school and requiring the Grantee to obtain a Certificate of Occupancy from the City of Chicago within three (3) years of the date of the deed. 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 Board if this restriction is breached without the Board's Chief Operating Officer's prior written approval. In addition, Grantee will also allow community to use playground during non-school hours.

The appraisal and bids received were reviewed and it is recommended that the following bid be accepted:

Bidder Name: German School of Chicago, NFP
Address: 1447 W. Montrose Avenue, Chicago, IL 60613
Contact: Mariam Pahl, 847 219-9179, mpahl@germanschoolchicago.com
Offer: \$5,300,000

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 PBC and/or City to issue a deed in favor of Purchaser, German School of Chicago, a Not-for-Profit Illinois Corporation. 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:

Approved:


Mary De Runtz
Deputy Chief Facilities Officer


Forrest Claypool
Chief Executive Officer

Approved as to legal form:

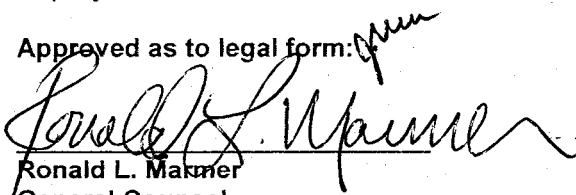

Ronald L. Makmer
General Counsel

EXHIBIT A

PROPERTY OFFERED FOR SALE

THE BOARD RESERVES RIGHT TO MAKE CHANGES AS NECESSARY

PROPERTY: FORMER MARY COURTENAY SCHOOL

ADDRESSES: 1726 W. BERTEAU, CHICAGO ILLINOIS

PIN: 14-18-409-009, 14-18-409-017, 14-18-409-018, AND 14-18-409-019

LEGAL DESCRIPTION:

LOT 10 (EXCEPT THAT PART OPENED FOR A PUBLIC ALLEY) AND LOTS 11 TO 15 BOTH INCLUSIVE AND VACATED ALLEY IN BLOCK 28 IN RAVENSWOOD, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18 AND PART OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

USE RESTRICTION:

THE PROPERTY MAY NOT BE USED AS A K-12 CHARTER SCHOOL.

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 BOARD IF THIS RESTRICTION IS BREACHED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE BOARD'S CHIEF OPERATING OFFICER OR, GRANTEE FAILS TO OBTAIN A CERTIFICATE OF OCCUPANCY FROM THE CITY OF CHICAGO FOR THE PROPERTY WITHIN THREE YEARS OF THE DATE OF THE DEED.

IN ADDITION, GRANTEE WILL ALSO ALLOW THE COMMUNITY TO USE THE SCHOOL'S PLAYGROUND DURING NON-SCHOOL HOURS.