

May 24, 2017

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY
LOCATED AT 5055 S. STATE STREET (THE FORMER ATTUCKS-FARREN 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 KMIS Developers LLC, an Illinois Limited Company ("Purchaser"), the property located at 5055 S. State Street 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 January 12, 2017, to 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. Two bids were received and negotiated with the following bidders:

<u>Bidders</u>	<u>Initial Offer</u>	<u>Best & Final</u>
1. Bourdeau-Griffin Interiors and Architectural Supplies	\$50,000	\$105,000
2. KMIS Developers LLC	\$100,000.	\$100,000

APPRAISAL: In 2017, the Property was appraised indicating a disposition range of value as follows:

Appraiser:	KMD Valuation Group LLC
Disposition Value Range:	\$100,000 to \$120,000

Disposition value takes into consideration the existing interior condition of the property, which requires substantial capital investment and renovation work, and the use restriction described below.

RECOMMENDATION AND USE RESTRICTION: The Property is not needed for school purposes. The Property previously housed the Attucks-Farren School. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21 (2011). Pursuant to said Statute, the Board has determined that the bid submitted by KMIS Developers LLC is the highest responsible bid due to the job opportunities, apprenticeship and entrepreneurial programs that KMIS will offer on the Property and in response to the restrictive covenant that will be incorporated into the deed.

The City or PBC, as necessary, shall include a restrictive covenant in the deed stating that all or a portion of the Attucks-Farren Elementary School building must be used for one or more of the following purposes and for no other purpose without the prior written approval of the Board's Chief Operating Officer of the Chicago Board of Education ("Board"): (1) Youth and/or adult recreational, educational, counseling and mentoring programs; (2) Career, trade, and entrepreneurial business training programs; (3) Housing; (4) Retail; and (5) Manufacturing and/or technology space. In addition, the site may not be used for: (1) The sale or manufacturing of liquor; or (2) K-12 public, charter or tuition free school purposes. In addition, the Grantee must use the property for one or more of the required uses within three (3) years of the date of the deed. 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.

The Property shall be sold "as-is where-is". In addition, the sale includes a lease of 53 designated parking spaces in the parking lot immediately to the north of and adjacent to the Property shared with Ounce of Prevention Fund pursuant to a Lease dated April 1, 1998 and amended June 23, 2010 ("Parking Lot Lease"). Purchaser shall have the right to use the parking spaces provided it complies with the terms of the Parking Lot Lease. The Parking Lot Lease terminates on March 31, 2097.

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

Bidder Name: KMIS Developers LLC
Address: 207 East Ohio Street, Suite 438, Chicago, Illinois 60611
Contact: Kamau Murray
Phone: (872) 226-3067
Grantee Name: KMIS Developers LLC
Offer: \$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 quit claim deed in favor of KMIS Developers LLC. Authorize the General Counsel and Chief Operating Officer to execute any and all ancillary documents required to administer or effectuate this transaction, including assignment or amendment of the Parking Lot Lease with Ounce of Prevention.

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:



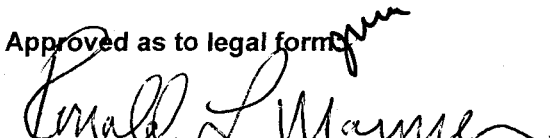
Deputy Chief Facilities Officer

Approved:



Forrest Claypool
Chief Executive Officer

Approved as to legal form:



Ronald L. Marmor
General Counsel

**EXHIBIT A
PROPERTY OFFERED FOR SALE
THE BOARD RESERVES THE RIGHT TO MAKE CHANGES AS NECESSARY.**

PROPERTY: FORMER ATTUCKS/FARREN ELEMENTARY SCHOOL

ADDRESS: 5055 SOUTH STATE STREET, CHICAGO, ILLINOIS

PIN(s): 20-10-118-001 and 20-10-118-004 (Part of)

LEGAL DESCRIPTION:

THAT PART OF LOTS 1 TO 48, BOTH INCLUSIVE, IN BLOCK 3 AND LOTS 5 TO 48, BOTH INCLUSIVE, IN BLOCK 4 IN WILLIAM M DERBY'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND SUB-LOTS 1,2 AND 3 IN HARRIS AND MC GIMSIE'S RESUBDIVISION OF LOTS 1,2,3 AND 4 IN BLOCK 4 IN WILLIAM M. DERBY'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH ALL OF THE VACATED NORTH AND SOUTH 20 FOOT ALLEYS LYING BETWEEN THE LOTS IN SAID BLOCKS 3 AND 4 IN WILLIAM M. DERBY'S SUBDIVISION AFORESAID, AND TOGETHER WITH THE VACATED PART OF 50TH STREET LYING BETWEEN SAID BLOCKS 3 AND 4 IN WILLIAM M. DERBY'S SUBDIVISION AND THE VACATED ALLEYS IN SAID BLOCKS, TAKEN AS A TRACT, LYING SOUTH OF AND EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTH LINE OF VACATED 50TH STREET AND THE EAST LINE OF SOUTH STATE STREET; THENCE SOUTH ALONG SAID EAST LINE OF SOUTH STATE STREET, 16.00 FEET TO THE POINT OF BEGINNING; THENCE EAST AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE, 238.04 FEET; THENCE SOUTH AND PARALLEL TO THE WEST LINE OF SOUTH WABASH AVENUE, 294.97 FEET; THENCE EAST AND PERPENDICULAR TO THE WEST LINE OF SOUTH WABASH AVENUE, 103.36 FEET TO THE WEST LINE OF SOUTH WABASH AVENUE; THENCE SOUTH ALONG SAID WEST LINE OF SOUTH WABASH AVENUE, 238.32 FEET; THENCE WEST AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE, 167.67 FEET; THENCE NORTHWESTERLY ALONG A CURVE TANGENT TO THE LAST DESCRIBED LINE HAVING A RADIUS OF 8.00 FEET, DELTA 76 DEGREES 48 MINUTES 52 SECONDS AND AN ARC OF 10.73; THENCE NORTHERLY ALONG A LINE TANGENT TO THE LAST DESCRIBED CURVE, 7.80 FEET; THENCE NORTHWESTERLY ALONG A CURVE TANGENT TO THE LAST DESCRIBED LINE HAVING A RADIUS OF 12.00 FEET, DELTA 63 DEGREES 40 MINUTES 24 SECONDS AND AN ARC LENGTH OF 13.34 FEET; THENCE NORTHERLY ALONG A LINE TANGENT TO THE LAST DESCRIBED CURVE 11.90 FEET; THENCE NORTHWESTERLY ALONG A CURVE TANGENT TO THE LAST DESCRIBED COURSE HAVING A RADIUS OF 16.00 FEET, DELTA 64 DEGREES 08 MINUTES 15 SECONDS AND AN ARC LENGTH TO THE LAST 17.91 FEET; THENCE NORTHERLY ALONG A LINE TANGENT TO THE LAST DESCRIBED CURVE, 11.99 FEET; THENCE NORTHWESTERLY ALONG A CURVE TANGENT TO THE LAST DESCRIBED LINE HAVING A RADIUS OF 12.00 FEET, DELTA 64 DEGREES 07 MINUTES 04 SECONDS, AND AN ARC LENGTH OF 13.43; THENCE NORTHWESTERLY ALONG A LINE TANGENT TO THE LAST DESCRIBED CURVE, 11.28 FEET; THENCE NORTH ALONG A LINE PARALLEL WITH THE EAST LINE OF THE SOUTH STATE STREET, 148.66 FEET; THENCE WEST AND PERPENDICULAR TO THE EAST LINE OF SOUTH STATE STREET, 108.50 FEET TO THE EAST LINE OF SOUTH STATE STREET; THENCE NORTH ALONG THE EAST LINE OF SOUTH STATE STREET, 323.69 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS. SAID PARCEL CONTAINING 1.464 ACRES (63,779 SQ.FT.), MORE OR LESS.

AND A LONG TERM LEASE FOR 53 DESIGNATED PARKING SPACES IN THE PARKING LOT IMMEDIATELY NORTH OF AND ADJACENT TO THE PROPERTY SHARED WITH THE OUNCE OF PREVENTION FUND PURSUANT TO THE LEASE DATED APRIL 1, 1998 AND AMENDED ON JUNE 23, 2010.