

June 28, 2017

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROERTY LOCATED AT
1241 W. 58th STREET (FORMER ARNA WENDELL BONTEMPS SCHOOL)**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the Public Building Commission of Chicago ("PBC") and/or the City of Chicago ("City") convey to IFF, an Illinois Not-For-Profit Corporation ("Purchaser"), the former Arna Wendell Bontemps School site at 1241 W. 58th 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 AND USE RESTRICTIONS: 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. One bid was received for the Property from the following bidder:

<u>Bidder</u>	<u>Initial Offer</u>	<u>Best and Final Offer*</u>
IFF, an Illinois NFP	\$1.00	\$50,000

The Purchaser will partner with Heartland Housing, a 501(c) (3) NFP to convert and redevelop Bontemps into a mixed use workforce housing development with 46 units of affordable housing including amenities. The gym will be converted to a 5000 square foot commercial leased space. The outdoor area will be converted to an urban farm with access to the Englewood Trail. Phase II may include an additional 48 units of new housing on the site. *IFF's offer is contingent upon the receipt (allocation) of 9% Low Income Housing Tax Credits ("LIHTC") from the City of Chicago in the amount of \$1,100,000 per year for 10 years on or before December 31, 2017. The Bidder posted a \$5,000 earnest money deposit.

APPRAISAL: The Property is in poor condition. As of March 1, 2017 an appraisal of the Property in "As Is" condition was obtained for the Board indicating the disposition value of the Property, subject to the restrictive covenant and reverter described on Exhibit A, was:

Appraiser:	KMD Valuation Group, LLC
Disposition Value Estimate:	\$50,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed Bontemps 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 Purchaser proposes to redevelop the Property into a mixed use workforce housing development with 46 units of affordable housing including amenities, the gym will be converted to a 5000 square foot commercial leased space, and the outdoor area will be converted to an urban farm with access to the Englewood Trail. Phase II may include an additional 48 units of new housing on the site. *Due to the size and poor condition of the Property, the cost of developing and operating it for affordable housing, the bid is contingent upon the Purchaser's receipt of 9% LIHTC from the City of Chicago on or before of December 31, 2017. The Purchaser posted a \$5,000 refundable earnest money deposit if the LIHTC allocation is not issued by December 31, 2017.

The PBC and/or the City shall include a restrictive covenant in the deed prohibiting the Property from being used as K-12 Charter school and requiring that the Grantee must obtain a Certificate of Occupancy from the City of Chicago for the Property within three years of the date of the deed. The deed to 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 Board's Chief Operating Officer's prior written approval. The Property shall be sold "as is, where is."

17-0628-OP2

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

Name: IFF
Address: 333 S. Wabash Avenue Suite 2800 Chicago Illinois 60604
Contact: Margie Muchin Goldblatt 312 629-0060 mmgoldblatt@iff.org
Bid Amount: \$50,000 contingent upon an allocation of LIHTC from City of Chicago
Grantee: IFF

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 or the City to issue a deed in favor of Purchaser. 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: 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.

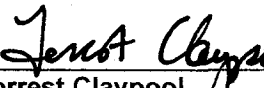
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

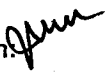


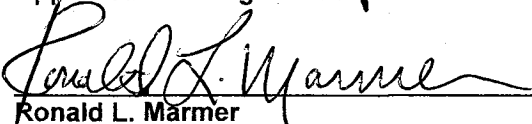
Mary DeRuntz
Deputy Chief Facilities Officer

Approved:



Forrest Claypool
Chief Executive Officer

Approved as to legal form: 



Ronald L. Marmer
General Counsel

EXHIBIT A

PROPERTY OFFERED FOR SALE

THE BOARD RESERVES THE RIGHT TO MAKE CHANGES AS NECESSARY.

PROPERTY: FORMER ARNA WENDELL BONTEMPS SCHOOL

ADDRESS: 1241 W. 58TH ST. CHICAGO, ILLINOIS 60636

PINs: 20-17-130-036, 20-17-130-037, 20-17-130-038, 20-17-130-039, 20-17-131-004, 20-17-131-026, 20-17-131-027, 20-17-131-028, 20-17-131-029

LEGAL DESCRIPTION:

LOTS 209 TO 216, INCLUSIVE, LOTS 265 TO 273, INCLUSIVE, LOTS 288 TO 290, INCLUSIVE, LOT 291, LOTS 292 TO 296, INCLUSIVE, LOTS 345 TO 349, INCLUSIVE, LOT 350, LOTS 351 TO 353, INCLUSIVE, ALSO VACATED 16 FOOT ALLEY LYING BETWEEN LOTS 288 TO 290, INCLUSIVE, AND LOTS 351 TO 353, INCLUSIVE, AS VACATED BY ORDINANCE PASSED ON JULY 17, 1918 AND RECORDED AS DOCUMENT #6391515 ON SEPTEMBER 16, 1918, ALL IN CENTRE AVENUE ADDITION IN THE NORTH WEST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO, THE VACATED ALLEYS RECORDED IN THE VACATION ORDINANCE PASSED ON MAY 13, 2009 AS DOCUMENT NO. 0916931111.

**Note: Elizabeth Street located within the Property's boundaries is a closed street and not owned by the Board. Elizabeth Street is not a part of this bid solicitation.*

The south twenty (20) feet of the Property will be subject to an access easement to the City of Chicago.

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.