

June 28, 2017

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF SURPLUS PROPERTY
AT 112 W. GARFIELD (NORTHEAST CORNER of 55th STREET AND DEARBORN)**

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 Sanjeev Khatau ("Purchaser") the vacant property at the northeast corner of Garfield Boulevard and South Dearborn Street also commonly known as 112 W. Garfield ("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 three (3) bids were received and the Board negotiated with the top two Bidders to obtain the following best and final offers:

Bidders	Initial Offer	Best and Final Offer
1. Greater Southwest Development	\$1.00	\$1.00
2. KMIS Developers	\$30,000	\$80,000
3. Sanjeev Khatau	\$75,000	\$100,000

APPRAISAL: As of March 1, 2017 an appraisal of the Property was obtained for the Board indicating the disposition value of the Property in "As Is-Where Is" condition and as currently zoned (RT4 residential), and subject to the restrictive covenant and reverter as described below and on Exhibit A, was:

Appraiser: KMD Valuation Group LLC
Disposition Value: \$100,000 to \$125,000

RECOMMENDATION: The Property is not needed for school purposes. The Property was a surplus parking lot. 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.

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

Bidder Name: Sanjeev Khatau
Address: 516 Gere Darfiel Court
Contact: Sanjeev Khatau 630.544.0192, sanjeevkhatau@gmail.com
Best & Final 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 PBC and/or City to issue a deed in favor of Purchaser, Sanjeev Khatau. 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:


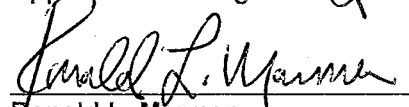
Approved:



Mary De Runtz
Deputy Chief Facilities Officer



Forrest Claypool
Chief Executive Officer

Approved as to legal form: 


Ronald L. Marmer
General Counsel

EXHIBIT A

LOCATION:

NORTHEAST CORNER OF DEARBORN AND 55TH STREETS

COOK COUNTY ASSESSOR'S ADDRESS:

112-118 W. GARFIELD BOULEVARD, CHICAGO, ILLINOIS

PINS:

20-09-423-043, 044, and 045

LEGAL DESCRIPTION:

LOTS 23, 24, 25 AND 26 IN BLOCK 1 IN COBURN'S ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE SOUTH 598.25 FEET OF THAT PART OF THE SOUTH EAST $\frac{1}{4}$ OF THE SOUTH EAST $\frac{1}{4}$ OF SECTION 9, TOWNSHIP 38 NORTH, RANGE 14, LYING EAST OF CHICAGO ROCK ISLAND AND PACIFIC RAILROAD, 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.