

August 28, 2017

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT
2221 S. LAWDALE (FORMER IGNACE PADEREWSKI 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 Montclare Paderewski, LLC an Illinois Limited Liability Company ("Purchaser"), the former Ignace Paderewski School site at 2221 S. Lawndale Avenue, 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>
MR Properties LLC	\$10,000.00	\$50,000.00

The Purchaser's proposal is to convert and redevelop the Property with affordable housing units for seniors ages 62 and older. Ten thousand (10,000) square feet of ground floor space in the building will be designated for and leased to community based organizations. The conveyance will be subject to a six (6) months temporary construction easement to the BNSF Railroad and/or its contractors to repair and/or replace the retaining wall on the southern boundary of the Property.

APPRAISAL: The Property was vandalized. A disposition appraisal of the Property was obtained for the Board, indicating that as of March 1, 2017, the "As Is" value of the Property, subject to the restrictive covenant and reverter as described below and on Exhibit A was:

Appraiser:	KMD Valuation Group, LLC
Disposition Value Estimate:	\$50,000 to \$75,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed Paderewski 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's proposal is to redevelop the Property with affordable housing units for seniors ages 62 and older and to provide 10,000 square feet of ground floor space for lease to community based organizations for community functions.

The PBC and/or the City shall include the restrictive covenant and reverter described on Exhibit A attached hereto. The deed conveying title to the Property will include these restrictions. 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 the restrictions are breached without the Board's Chief Operating Officer's prior written approval. The Property shall be sold "as is, where is." The Board shall retain the six (6) month temporary construction easement fee paid for the Property in 2017.

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

Name:	MR Properties, LLC
Address:	701 Lee Street Suite 802 DesPlaines, IL. 60016
Contact:	Phillip Mappa 847-699-6600 pmappa@mrpropertiesllc.com
Grantee:	Montclare Paderewski, LLC
Amount:	\$50,000

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 the City to issue a deed in favor of Montclare Paderewski, 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: 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:



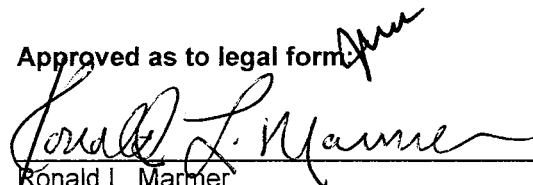
Mary De Runtz
Deputy Chief Facilities Officer

Approved:



Forrest Claypool
Chief Executive Officer

Approved as to legal form:



Ronald L. Manner

EXHIBIT A

THE BOARD RESERVES THE RIGHT TO MAKE CHANGES AS NECESSARY.

PROPERTY: FORMER IGNACE PADEREWSKI SCHOOL

ADDRESS: 2221 S. LAWNDALE AVE. CHICAGO, ILLINOIS 60623

PINs: 16-26-105-081, 16-26-105-082, 16-26-105-083 and 16-26-106-010

PARCEL 1:

LOTS 19 TO 25, INCLUSIVE, IN BLOCK 1 OF THE SUBDIVISION OF LOT 2 IN CHAS. C. MOWRY'S SUBDIVISION OF THE EAST HALF OF THE NORTH WEST QUARTER AND THE WEST HALF OF THE WEST HALF OF THE NORTH EAST QUARTER IN SECTION 26, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO

PARCEL 2:

LOTS 1 TO 4, INCLUSIVE, IN KESLER AND HAIRS SUBDIVISION OF THAT PART OF BLOCK 3 IN CHAS. C. MOWRY'S SUBDIVISION OF THE EAST HALF OF THE NORTH WEST QUARTER AND THE WEST HALF OF THE WEST HALF OF THE NORTH EAST QUARTER IN SECTION 26, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CHICAGO, BURLINGTON AND QUINCY RAIL ROAD; ALL IN COOK COUNTY, ILLINOIS; ALSO

PARCEL 3:

PART OF LOT 6 (EXCEPT THE EAST 8 FEET THEREOF AND THAT PART OPENED FOR ALLEY), ALL OF LOTS 7 TO 11, BOTH INCLUSIVE AND ALL OF LOT A IN BLOCK 7 IN MILLARD AND DECKER'S SUBDIVISION OF THE EAST HALF OF THE EAST HALF OF THE NORTH WEST QUARTER OF SECTION 26, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, AND VACATED ALLEY.

USE RESTRICTION:

ALL ***OR A PORTION*** OF THE FORMER PADEREWSKI SCHOOL SITE MUST BE REPURPOSED AND USED FOR ONE OR MORE OF THE FOLLOWING PURPOSES:

- (1.) CHILD CARE AND/OR HEADSTART PROGRAMMING;
- (2.) AN ALTERNATIVE-OPTIONS HIGH SCHOOL;
- (3.) FAMILY SUPPORT AND SOCIAL SERVICES;
- (4.) COMMUNITY MEETING SPACE (MINIMUM OF 10,000 SF ON THE GROUND FLOOR); AND
- (5.) OFFICES FOR NOT FOR PROFIT ENTITIES.

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 CHICAGO BOARD OF EDUCATION ("BOARD") IF THIS RESTRICTION IS BREACHED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE BOARD'S CHIEF OPERATING OFFICER OR GRANTEE FAILS TO USE THE PROPERTY FOR ONE OR MORE OF THE REQUIRED USES LISTED ABOVE WITHIN THREE YEARS OF THE DATE OF THE DEED.