

January 23, 2019

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT  
1234 W. 95<sup>th</sup> STREET, CHICAGO, ILLINOIS**

**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 KMIS Developers, LLC, an Illinois Limited Liability Company ("Purchaser"), the property commonly known as 1234 W. 95<sup>th</sup> 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 sale is stated below.

**LEGAL DESCRIPTION AND PIN:** See the attached Exhibit A.

**BID INFORMATION:** In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from April 5, 2018 through May 14, 2018. One bid from the following bidder was received by the Procurement Department by 2:00 p.m. on May 14, 2018 and opened on the same date. The bidder raised its initial bid to acquire the Property from \$50,000 to \$90,000:

<u>Bidder</u>	<u>Initial Offer</u>	<u>Best and Final Offer</u>
KMIS Developers, LLC	\$50,000.00	\$90,000

The Purchaser's proposal is to convert the building to medical and dental offices.

**APPRAISAL:** The Property is being sold "As Is." As of April 1, 2018, a disposition appraisal of the Property was obtained for the Board indicating 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:	\$85,000 to \$100,000

**RECOMMENDATION:** The Property is not needed for school purposes. The Property was leased as an office building. The Property is in need of repairs, the sale will be "As Is." 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 and repurpose the Property for medical and dental offices.

The PBC and/or the City shall include a restrictive covenant in the deed prohibiting the Property from being used as a K-12 Charter school. 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 or Chief Administrative Officer's prior written approval. The Grantee must obtain a Certificate of Occupancy from the City of Chicago within four (4) years of the date of the deed. The Property shall be sold "As Is, Where Is" and subject to a month-to-month lease. The deed shall provide that the Board, the PBC and the City shall be released and discharged from any and all future responsibility and liability relating to the Property's physical, structural and or environmental condition.

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

Name:	KMIS Developers, LLC
Address:	207 E. Ohio Street, Suite 438, Chicago, IL 60611
Contact:	Kamau Murray, 773 681-7067 -- <a href="mailto:kmurray@xstennis.org">kmurray@xstennis.org</a>
Grantee:	KMIS Developers, LLC
Amount:	\$90,000

**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 KMIS Developers, 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, taxes 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.

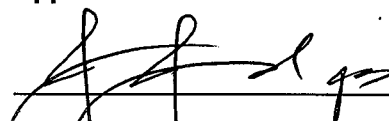
**Ethics –** The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

**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).

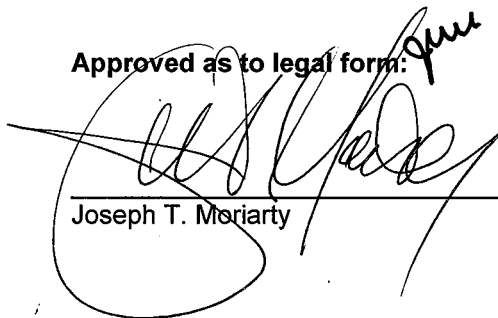
**Approved for Consideration:**

  
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Mary DePuntz  
Deputy Chief Facilities Officer

**Approved:**

  
\_\_\_\_\_  
Janice K. Jackson, Ed. D.  
Chief Executive Officer

**Approved as to legal form:**

  
\_\_\_\_\_  
Joseph T. Moriarty

**EXHIBIT A**

**PROPERTY OFFERED FOR SALE**

**THE BOARD RESERVES RIGHT TO MAKE CHANGES AS NECESSARY**

**PROPERTY:** OFFICE BUILDING AND PARKING  
**ADDRESSES:** 1234 W. 95<sup>TH</sup> STREET, CHICAGO ILLINOIS  
**PINs:** 25-05-330-037-0000  
25-05-330-038-0000  
25-05-330-042-0000

**LEGAL DESCRIPTION:**

LOTS 25 AND 26 (EXCEPT THAT PART TAKEN FOR WIDENING OF 95<sup>TH</sup> STREET) IN BLOCK 40 IN CREMIN AND BRENAN'S FAIRWAY PARK SUBDIVISION OF PART OF THE SOUTH ½ OF SECTION 5, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

LOTS 27 AND 28 (EXCEPT THE SOUTH 14 FEET THEREOF TAKEN FOR WIDENING OF WEST 95<sup>TH</sup> STREET) IN BLOCK 40 IN CREMIN AND BRENAN'S FAIRWAY PARK SUBDIVISION OF PART OF THE SOUTH ½ OF SECTION 5, TOWNSHIP 37 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 USE 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 USE RESTRICTION IS BREACHED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE BOARD'S CHIEF OPERATING OR CHIEF ADMINISTRATIVE OFFICER.

GRANTEE MUST OBTAIN A CERTIFICATE OF OCCUPANCY FROM THE CITY OF CHICAGO WITHIN FOUR YEARS OF THE DATE OF THE DEED.

SALE IS SUBJECT TO A MONTH TO MONTH LEASE.