

October 27, 2021

AMEND BOARD REPORT 18-0321-OP3
AMEND BOARD REPORT 18-0124-OP1
DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY
LOCATED AT 517-535 N. PARKSIDE AVENUE
(FORMER FRANCES SCOTT KEY ELEMENTARY SCHOOL)

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, convey to The Field School an Illinois Not- for-Profit Corporation ("Purchaser") the former Frances Scott Key Elementary School site at 517-535 N. Parkside 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.

This March 2018 amendment is necessary to authorize a credit in the amount of \$50,000 against the purchase price as a result of damage to the Property that occurred after the bid was submitted and approved. The credit is conditioned upon the sale of the Property occurring within 30 days of the date of this amended Board Report.

This October 2021 amendment is necessary to extend the C of O deadline and Reverter to enable the Purchaser to finance, renovate and occupy the former school buildings. The Board sold the former Property to the Field School on March 23, 2018. The deed for the Property required the Purchaser to obtain a Certificate of Occupancy ("C of O") from the City of Chicago within three years of the date of the deed. Due to Covid 19, the Purchaser was unable to finance, renovate and occupy the Property by March 23, 2021. The C of O deadline and Reverter is being extended to August 1, 2022. The no K-12 Charter School Use Restriction shall remain in effect.

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 August 17, 2017 through September 28, 2017. Bids were received by the Procurement Department by 2:00 p.m. on September 28, 2017, and opened on the same date. Only one (1) bid was received from the Field School, a privately funded 501(c) (3) independent classical Christian School located in Oak Park.:

<u>Bidder</u>	<u>Property</u>	<u>Offer</u>
Field School	Key Main Building 517 N. Parkside	\$135,000
Field School	Key Annex Building 535 N. Parkside	\$ 40,000
	Total for both buildings	\$175,000

Total purchase price adjusted to reflect credit/settlement for both buildings in changed current condition:
\$125,000

APPRAISAL: The Board obtained a disposition value appraisal for the Property as of September 1, 2017, before damage to buildings. The appraiser's value also considered the restrictive covenant and reverter to be included in the deed for the Property.

Appraiser:	KMD Valuation Group, LLC
Disposition Value:	\$170,000 - \$205,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed the Frances Scott Key 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 Property shall be sold "as is, where is." The deed shall provide that the Board, the PBC and the City shall be released and discharged from any and all future responsibility or liability with respect to the Property's physical and environmental condition.

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 (Purchaser) to obtain a Certificate of Occupancy from the City of Chicago ~~within three (3) years of the date of the deed~~ on or before August 1, 2022, for the Annex (535 N. Parkside) or the Main Building (517 N. Parkside). 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 ~~Administrative~~ Chief Executive Officer's prior written approval.

The sale is subject to a year to year lease of the Key School playground to the Fraternite Notre Dame approved by Board Report No.17-0828-OP1. The lease is cancelable by either party on 90 days-notice.

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

Bidder Name:	The Field School, an Illinois Not-for-Profit Corporation
Address:	931 Lake Street, Oak Park, IL 60301
Contact:	Jeremy Mann, 312 718-4477, jmann@thefieldschool.org
Settlement Offer:	\$125,000 for both Key Main and Annex buildings
Grantee:	The Field School, an Illinois Not-for-Profit Corporation

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. Authorize the General Counsel to take any and all actions required to effectuate this transaction and the credit/settlement. Authorize the General Counsel, the Chief Operating Officer and the Chief Executive ~~Administrative~~ Officer to execute any and all ancillary documents required to administer or effectuate this transaction and sale, including a Subordination Agreement extending the Certificate of Occupancy and Reverter deadline.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this transaction.

FINANCIAL: Proceeds (\$125,000 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:

DocuSigned by:
Lindy F. McGuire
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Lindy F. McGuire
Interim Chief Operating Officer

Approved:

DocuSigned by:
Pedro Martinez
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Pedro Martinez
Chief Executive Officer

Approved as to legal form:

DocuSigned by:
Joseph Moriarty
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Joseph T. Moriarty
General Counsel

^{DS}
JMM

EXHIBIT A
PROPERTY OFFERED FOR SALE
The Board reserves right to make changes as necessary.

Property address: Former Francis Scott Key School, 517 North Parkside Avenue (Main School Building and 535 North Parkside Avenue (Annex), Chicago, Illinois 60644

PINs: 16-08-223-001, 16-08-223-002, 16-08-223-003 and 16-08-223-004

LOTS 2 TO 12, AND VACATED ALLEY IN BLOCK 2 IN AUSTINVILLE, BEING AUSTIN AND MERRICK'S SUBDIVISION OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.