

May 24, 2023

AMEND BOARD REPORT 17-0927-OP1
**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT
 6121 S. HERMITAGE AVENUE (FORMER CHARLES W. EARLE 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 Earle School, LLC, a Wisconsin Limited Liability Company, as the assignee of Gorman & Company, Inc. a Wisconsin Corporation (“Purchaser”), the former Charles W. Earle School site at 6121 S. Hermitage 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 May 2023 Amendment is necessary to authorize the assignment of the purchase contract to and change the name of the Grantee to Earle School, LLC for financing and Low Income Housing Tax Credit purposes which are required to finance the acquisition and redevelopment of the former Earle School.

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>Offer</u>
Gorman & Company Inc.	\$200,000.00

The Purchaser’s proposal is to convert and redevelop the Property with 50-65 affordable housing units for seniors ages 55 and older persons who have experienced homelessness and for persons at risk of becoming homeless. Community based organizations will be able to use the auditorium, gym, playground and garden.

APPRAISAL: As of March 1, 2017, 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:	\$200,000 to \$250,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed Earle 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 50-65 affordable housing units for seniors ages 55 and older persons who have experienced homelessness and are at risk of becoming homeless and to allow community based organizations to use the auditorium, gym, playground and garden.

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 the Grantee to obtain a Certificate of Occupancy from the City of Chicago 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.”

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

Name: Gorman & Company, Inc.
 Address: 200 N. Main Street, Oregon, Wisconsin 53575
 Contact: ~~Andre Blakley 773-910-0732~~ ablakley@GormanUSA.com
 Ron Clewer [815-847-0347](tel:815-847-0347) rclewer@GormanUSA.com
 Grantee: ~~Earle School, LLC~~ ~~Gorman & Company, Inc.~~
 Amount: \$200,000

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 or the City to issue a deed in favor of ~~Earle School, LLC~~ ~~Gorman & Company, Inc.~~ 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 (including an assignment of the Purchase Contract to Earle School, LLC) 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:

DocuSigned by:

 EF57B76ABC90427
 Charles E. Mayfield
 Interim Chief Facilities Officer


Approved:

DocuSigned by:

 AA17786A4B2446C...
 Pedro Martinez
 Chief Executive Officer

Approved as to legal form:

DocuSigned by:

 56B562E0FFA44C9...
 Ruchi Verma
 General Counsel



**EXHIBIT A
PROPERTY OFFERED FOR SALE**

THE BOARD RESERVES THE RIGHT TO MAKE CHANGES AS NECESSARY.

PROPERTY: FORMER CHARLES W. EARLE SCHOOL

ADDRESS: 6121 SOUTH HERMITAGE AVENUE, CHICAGO, ILLINOIS 60636

PINs: 20-18-421-001, 20-18-421-011 and 20-18-421-024

LEGAL DESCRIPTION:

LOTS 1 TO 24, INCLUSIVE, AND LOTS 28 TO 48, INCLUSIVE, IN BLOCK 3 IN ENGLEWOOD ON THE HILL, A SUBDIVISION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN.

ALSO

LOTS 1 AND 2 IN THE RESUBDIVISION OF LOTS 25, 26 AND 27 IN BLOCK 3 IN ENGLEWOOD ON THE HILL SUBDIVISION AFORESAID, ALL IN COOK COUNTY, ILLINOIS; ALSO ALL VACATED ALLEYS IN SAID BLOCK 3.

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.