

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF LAND
LOCATED AT 1009 N CLEVELAND AVE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the Public Building Commission ("PBC") convey to CMK 2005-3B, LLC, an Illinois limited liability company ("Purchaser"), the land located at 1009 North Cleveland 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: See the attached Exhibit A.

BID INFORMATION: In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from January 18, 2013, through March 1, 2013. Bids were received by the Procurement Department by 2:00 p.m. on March 1, 2013 and opened on the same date. The following two bids were received:

<u>Bidder</u>	<u>Offer</u>	<u>Date received</u>
1. Colin Kihnke, on behalf of CMK 2005-3B, LLC	\$2,212,121	March 1, 1013
2. JRG Capital Partners, LLC	\$410,000	March 1, 2013

On March 12, 2013, both bidders were asked to re-submit best and final bids. On April 3, 2013, the following two best and final bids were received:

<u>Bidder</u>	<u>Offer</u>	<u>Date received</u>
1. Colin Kihnke, on behalf of CMK 2005-3B, LLC	\$2,225,055	April 3, 1013
2. JRG Capital Partners, LLC	\$1,100,000	April 3, 2013

APPRAISAL: On May 6, 2013, an appraisal was made for the benefit of the Board for this property indicating a fair market value as follows:

Appraiser: Appraisal Associates (WBE)
Market Value: \$2,225,055

RECOMMENDATION AND USE RESTRICTION: The Property is not needed for school purposes. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21 (2011). The PBC shall include a restrictive covenant in the deed prohibiting the Property for being used for kindergarten through high school (K-12) purposes for 40 years from the date of the deed unless the restriction is released by the Chicago Board of Education. Title to the Property will automatically transfer to and vest in the City of Chicago in Trust for Use of Schools if the restrictive covenant is breached without the Board of Education's express written approval. The property shall be sold "as is, where is." The appraisal and the bids received were reviewed and it is recommended that the following bid be accepted:

Name:	CMK 2005-3B, LLC
Address:	225 West Ohio Street, 6 th Floor, Chicago, IL 60654
Contacts:	Colin Kihnke, (312) 376-2026
Original Offer:	\$2,212,121.00
Deposit:	\$221,212.10
Best & Final Offer:	\$2,225,055.00

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 to issue a deed in favor of CMK 2005-3B, 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: 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 General 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:

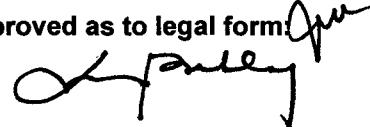


Patricia L. Taylor
Chief Operating Officer

Approved:



Barbara Byrd-Bennett
Chief Executive Officer

Approved as to legal form: 

James Bebley
General Counsel

EXHIBIT A

PROPERTY COMMON ADDRESS:

1009 North Cleveland Avenue, Chicago, Illinois

PIN:

17-04-320-008

LEGAL DESCRIPTION:

LOTS 1 TO 26, AND VACATED ALLEYS IN BLOCK 14 IN ROGER'S SUBDIVISION OF THAT PART OF THE WEST OF EAST LINE OF SEDGWICK STREET OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; AND VACATED WEST HALF OF NORTH HUDSON STREET AND VACATED SOUTH HALF OF WEST HOBBIE STREET.

The Board may modify the legal description if necessary upon receipt of a title commitment and survey.