

June 22, 2022

AMEND BOARD REPORT 18-0822-OP4
DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY
COMMONLY KNOWN AS 7025 S. PRINCETON
(FORMER YALE ELEMENTARY SCHOOL)

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the Public Building Commission of Chicago ("PBC") and the City of Chicago ("City"), as necessary, convey to Climate Leadership Innovation Center, LLC ("Grantee") the former Yale Elementary School site at 7025 S. Princeton Avenue Chicago, Illinois ("Property") as further described herein. The Offer to Purchase Real Estate contained in the bid solicitation, submitted by VLV Development and Financial Services Corporation on behalf of the Grantee, will convert to a contract upon acceptance and execution by the Board. Information pertinent to this agreement is stated below.

This June 2022 amendment is necessary to extend the Certificate of Occupancy ("C of O") deadline and revert to March 15, 2025. The Board conveyed the Property to the Grantee on March 15, 2019. The deed for the Property required the Grantee obtain a C of O from the City of Chicago within four (4) years of the date of the deed. The Grantee plans to redevelop the Property as a clean energy demonstration, manufacturing/logistics and training facility and with new affordable housing ("Project"). Due to Covid-19 the Grantee requires additional time to obtain financing and to complete the Project. The no K-12 charter school use restriction shall remain in effect.

LEGAL DESCRIPTION, ADDRESSES & PINS: 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. Bids were received by the Procurement Department by 2:00 p.m. on May 14, 2018 and opened on the same date. The following two bids were received for the Property:

<u>Bidder</u>	<u>Initial Offer</u>	<u>Best and Final Offer</u>
King Cyrus Grand Lodge	\$55,000	\$55,000
VLV Development and Financial Services, Corp.	\$55,000	\$65,000

APPRAISAL: A disposition appraisal of the Property was obtained by the Board indicating the disposition value as of April 2018, subject to the restrictive covenant and revert described below, was:

Appraiser: KMD Valuation Group, LLC
Disposition Value: \$50,000 - \$100,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed the Yale 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 Grantee's proposal is to redevelop the Property as a clean energy demonstration, manufacturing/logistics and training facility- and new affordable housing.

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. 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)~~ six (6) years of the date of the deed. The Property shall be sold "As Is, Where Is." The deed shall provide the Board, the PBC and City shall be released and discharged from any and all future responsibility and liability relating to the Property's physical and environmental condition.

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

Bidder: VLV Development & Financial Services, Corp.
 Address: 47 W. Polk Street Suite 348 Chicago, IL. 60605
 Contact: Van Vincent vlv@vlvdevelopment.com 773-991-9857
 Bid Amount: \$65,000 (Best and Final Offer)
 Grantee: Climate Leadership Innovation Center, LLC

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 City to issue deeds in favor of Grantee. Authorize the General Counsel to take any and all actions required to effectuate this transaction. Authorize the General Counsel, the Chief Operating Officer and the Chief Administrative 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 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:

 0D9D2704F550427...
Crystal Cooper
 Interim Chief Operations Officer

Approved:

DocuSigned by:

 8E9397A6F19E43B
Pedro Martinez
 Chief Executive Officer

Approved as to legal form: 

DocuSigned by:

 574EC59C33144C5
Joseph T. Moriarty
 General Counsel

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

PROPERTY FORMER YALE SCHOOL

ADDRESS: 7025 SOUTH PRINCETON AVE. (MAIN BUILDING) AND 7004 AND 7034 SOUTH PRINCETON AVE.
(VACANT LAND), CHICAGO, ILLINOIS 60621

LEGAL DESCRIPTION:

LOT 1, NORTH 49.2 FEET OF LOT 2 AND ALL 10, 11 AND 12 IN BLOCK 13 IN NORMAL SCHOOL SUBDIVISION OF WEST HALF OF THE SOUTH EAST QUARTER OF SECTION 21, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, AND VACATED SOUTH PRINCETON AVENUE.

PIN: 20-21-421-025
(TITLE HELD BY THE PUBLIC BUILDING COMMISSION OF CHICAGO)

LOTS 1 TO 6, BOTH INCLUSIVE, IN BLOCK 11, IN NORMAL SCHOOL SUBDIVISION OF WEST HALF OF THE SOUTH EAST QUARTER OF SECTION 21, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, AND VACATED SOUTH PRINCETON AVENUE.

ALSO

LOT 1 IN MALONEY'S SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE SOUTH 33 FEET THEREOF) IN BLOCK 12 IN NORMAL SCHOOL SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 20-21-420-047 AND 20-21-420-031
(TITLE HELD BY CITY OF CHICAGO IN TRUST FOR USE OF SCHOOLS)

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 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~~ SIX YEARS OF THE DATE OF THE DEEDS (ON OR BEFORE MARCH 15, 2025).

