

December 7, 2022

AMEND BOARD REPORT 17-1206-OP22
**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT
 5500 W. MADISON STREET (FORMER ROBERT EMMET ELEMENTARY 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 the Westside Health Authority (“WHA”) an Illinois Not for Profit Corporation, (“Purchaser”), the former Robert Emmet Elementary School site at 5500 W. Madison 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 agreement is stated below.

This December 2022 amendment is necessary to extend and subordinate the Certificate of Occupancy (“C of O”) deadline and reverter to December 31, 2024. The Board conveyed the Property to WHA on February 9, 2018. The deed for the Property required WHA to obtain a C of O from the City of Chicago within three (3) years of the date of the deed. Due to Covid 19, and financing requirements, WHA requires an extension and subordination of the C of O reverter deadline to December 31, 2024. The no K-12 Charter School use restriction and reverter in the deed shall not change and remain in effect.

The Property is to be redeveloped as the Aspire Center for Workforce Innovation, providing workforce training and employment opportunities for youth and unemployed and underemployed adults, social and support services including access to housing, transportation, healthcare, and childcare (“Project”). The Project Budget is \$34 Million Dollars. The major financing sources are the City of Chicago, the State of Illinois, New Market Tax Credits and private philanthropy.

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 August 17, 2017, through September 28, 2017. One bid from the following bidder was received by the Procurement Department by 2:00 p.m. on September 28, 2017, and opened on the same date.

<u>Bidder</u>	<u>Bid</u>
Westside Health Authority (“WHA”)	\$75,000.00

The Purchaser’s proposal is to use the Property to expand its community employment center that assists local residents find employment and long-term career success, including job readiness, job placement, social and support services and vocational training.

APPRAISAL: A 2017 disposition appraisal of the Property was obtained for the Board indicating the Property’s value in “AS IS” condition and subject to the restrictive covenant and reverter described below was:

Appraiser:	KMD Valuation Group, LLC
Disposition Value Estimate:	\$75,000 to \$100,000

RECOMMENDATION: The Property is not needed for school purposes. The Property is a 2013 closed school. The sale of the Property is in the best interests of the Board. In accordance with 105 ILCS 5/34-21, the Property was competitively bid. The only bid received was \$75,000. The Purchaser’s proposal is to redevelop and repurpose the Property as a community employment, job placement and vocational training center with social and support services.

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 Purchaser to obtain a Certificate of Occupancy from the City of Chicago ~~within three years of the date of the deed~~ no later than December 31, 2024. 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 bid received were reviewed and it is recommended that the following bid be accepted:

Name: Westside Health Authority
Address: 5417 W. Division, Chicago, IL. 60651
Contact: Morris Reed, 773-378-1878, mreed@healthauthority.org
Grantee: Westside Health Authority an Illinois Not-for-Profit Corporation
Amount: \$75,000

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 Westside Health Authority an Illinois Not-for-Profit Corporation. 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 and the extension and subordination of the Certificate of Occupancy deadline and revert to December 31, 2024.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Is not applicable to this transaction.

FINANCIAL: \$75,000 (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:

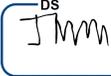
DocuSigned by:


Charles E. Mayfield
Interim Chief Operating Officer

Approved:

DocuSigned by:


Pedro Martinez
Chief Executive Officer

Approved as to legal form: 

DocuSigned by:


Joseph T. Moriarty
General Counsel

EXHIBIT A

PROPERTY OFFERED FOR SALE

THE BOARD RESERVES RIGHT TO MAKE CHANGES AS NECESSARY

PROPERTY: FORMER ROBERT EMMET SCHOOL

ADDRESSES: 5500 WEST MADISON STREET

PINs: 16-09-318-006 AND 16-09-318-012

LEGAL DESCRIPTION:

SOUTH 9 FEET OF LOT 13 ALL OF LOTS 14 TO 19 AND LOTS 30 TO 53 (IN PART SCHOOL FUND) AND VACATED ALLEY'S IN BLOCK 6 IN CRAFT'S ADDITION TO AUSTINVILLE, A SUBDIVISION OF WEST 36-1/4 ACRE OF SOUTH 43-3/4 ACRE WEST HALF OF THE SOUTHWEST QUARTER, SECTION 9, TOWNSHIP 39 NORTH, RANGE 13, 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 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~~ NO LATER THAN DECEMBER 31, 2024.