

June 22, 2022

AMEND BOARD REPORT 18-0822-OP3
DISPOSITION OF BIDS RECEIVED FOR THE SALE OF THE
PROPERTY LOCATED AT 11725 S. PERRY AVENUE
(FORMER SONGHAI 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 Songhai, LLC, an Illinois Limited Liability Company (“Grantee”) the former Songhai Elementary School located at 11725 S. Perry Avenue, Chicago, Illinois (“Property”) as further described herein. The Offer to Purchase Real Estate contained in the bid solicitation, submitted by VLV Development & 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 Purchaser plans to redevelop the Property for homeless veteran housing and as a clean energy facility (“Project”). Due to Covid-19 the Grantee requires additional time to finance, renovate and complete the Project. The use restrictions in the deed, including no K-12 public, charter or tuition free school uses, shall remain in effect.

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 April 5, 2018, through May 14, 2018. Bids were due on or before 2:00 p.m. on May 14, 2018. The Procurement Department received one bid for the Property on May 14, 2018 from the following bidder:

<u>Bidder:</u>	<u>Bid Amount</u>
VLV Development & Financial Service Corporation	\$125,000

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:	\$125,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed The

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Property will include the use restriction on Exhibit A. 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. In addition, the Grantee must obtain a certificate of occupancy from the City of Chicago within ~~four~~ six 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 the City shall be released and discharged from any and all future responsibility and liability relating to the Property’ physical and environmental condition.

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

**EXHIBIT A
PROPERTY OFFERED FOR SALE**

THE BOARD RESERVES THE RIGHT TO MAKE CHANGES AS NECESSARY.

PROPERTY FORMER SONGHAI SCHOOL

ADDRESS: 11725 S. PERRY AVENUE, CHICAGO, ILLINOIS

PINs: 25-21-420-006, 25-21-420-007, 25-21-420-008, 25-21-420-029 and 25-21-420-034

LEGAL DESCRIPTION:

PARCEL 1:

THE SOUTH 9 FEET OF LOT 17, ALL OF LOTS 18 TO 32, INCLUSIVE, AND NORTH 1/3 OF LOT 33 OF BLOCK 5, IN FALLIS AND GANO'S ADDITION TO PULLMAN, BEING A SUBDIVISION OF THAT PART LYING EAST OF THE WEST 49 ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND VACATED ALLEYS; ALSO

PARCEL 2:

LOTS 15 TO 30, INCLUSIVE, OF BLOCK 6 IN WALTER H. FIELD'S ADDITION TO PULLMAN, BEING A SUBDIVISION OF BLOCKS 3 TO 6 OF ALLEN'S SUBDIVISION OF WEST 49 ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN COOK COUNTY, ILLINOIS, AND VACATED ALLEY; ALSO

PARCEL 3:

LOTS 6 TO 14, INCLUSIVE, OF BLOCK 6 IN WALTER H. FIELD'S ADDITION TO PULLMAN, BEING A SUBDIVISION OF BLOCKS 3 TO 6 OF ALLEN'S SUBDIVISION OF WEST 49 ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN COOK COUNTY, ILLINOIS.

USE RESTRICTION:

ALL OR A PORTION OF THE FORMER SONGHAI SITE MUST BE USED FOR ONE OR MORE OF THE FOLLOWING:

- (1) YOUTH, ADULT, SENIOR AND VETERAN SERVICES, INCLUDING, BUT NOT LIMITED TO RECREATIONAL, EDUCATIONAL, COUNSELING, THERAPEUTIC AND MENTORING PROGRAMS THAT ENCOURAGE JOB MARKETABILITY, ACADEMIC ENHANCEMENT, PHYSICAL AND/OR MENTAL HEALTH AND WELLBEING;
- (2) CAREER, TRADE AND BUSINESS TRAINING AND PLACEMENT PROGRAMS AND SERVICES;
- (3) RETAIL SPACE;
- (4) VETERANS' AND/OR SENIOR HOUSING;
- (5) TECHNOLOGY SPACE AND PROGRAMMING;
- (1.) STORAGE (NONTOXIC ITEMS); AND
- (2.) LIGHT MANUFACTURING AND RELATED OFFICES.

IN ADDITION, THE PROPERTY **MAY NOT BE** USED FOR ANY OF THE FOLLOWING:

- (1) THE SALE, DISTRIBUTION, CONSUMPTION AND MANUFACTURE OF LIQUOR, FIREARMS, DRUGS OR ENVIRONMENTALLY HAZARDOUS SUBSTANCES;
- (2) K-12 PUBLIC OR CHARTER, OR TUITION FREE SCHOOL PURPOSES; OR
- (3) THE STORAGE OR RECYCLING OF WASTE RELATED PRODUCTS.

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 CHICAGO BOARD OF EDUCATION ("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 DEED (ON OR BEFORE MACH 15, 2025).