

**Evanston City Council
Closed Session Minutes
Aldermanic Library
Monday, May 14, 2007**

PRESENT: Aldermen Hansen, Wollin, Jean-Baptiste, Wynne, Bernstein, Holmes, Moran and Tisdahl.

STAFF: Judith Aiello, Julia Carroll, Bob Gustafson, Herb Hill, Rolanda Russell and Debbie Sleet

ABSENT: Mayor Morton and Alderman Rainey

PRESIDING: Mayor pro tem Jean-Baptiste

START: 9:47 p.m.

Minutes

City Council closed session minutes from March 27, April 10, April 16 and April 23, 2007 were accepted as submitted.

Worker's Compensation

City Manager Julia Carroll reported that the independent counsel who does worker's comp claims for the City recommended a settlement of 40-60% of loss of the man as a whole, \$131,256 plus \$5,000 for future medical treatments which is the maximum. Their attorney would try to settle up to \$85-90,000 and she asked for authority to go to the maximum.

Alderman Moran moved approval. Seconded by Alderman Hansen. Motion carried no nays.

Real Estate

Alderman Wynne reported in 1997, the City entered into a long term lease with Chiaravalle Montessori School on Dempster who put \$2 million into repair of the building. About two years ago a board member called and said they wanted to purchase the building. The building was designed by Daniel Burnham and the gym was added on later. They wanted to tear down the gym and build an addition, but could not raise funds without owning the building. The discussion died. They have a different board and a new director now and again want to purchase the building. Before she became an alderman there was an intensive neighborhood controversy over selling the building. There were different proposals to build condominiums there. That stopped when nearby residents discovered that the building sits on Curry Park. The playground has been renovated and neighborhood people feel the park meets their needs. There has been a good relationship between the City and Chiaravalle. The school is an asset to the community and supports nearby businesses. Many people that walk their children to the school.

The board asked that this be kept confidential and she has not discussed this with anybody in the community because she wanted to talk to Council first.

Ms. Carroll said that currently the City receives \$35,000 annually in rent. That is nominal rent and it is a very valuable piece of real estate. If the City would sell, they want to build an addition and buy 10-feet of land. The appraised value is \$3,890,000. The board has been anxious to meet with the City for an answer. The park would remain with the City. The small strip they want is right next to the building and would not impact the park. It is a fair amount of money that could be used for the Civic Center, Robert Crown Center or other needs. Her personal philosophy is the City should not be in the real estate business when they are not getting fair market return on the lease and are far from it. It is a policy question for Council they want to sell. The school would remain.

Mr. Hill stated that 15 years remain on the lease. For the next five years the annual rent will be \$45,000, the five years after \$55,000 and the last five years \$65,000. At the end there are two ten year options to negotiate the lease. The value of the property is affected by the favorable terms of existing lease. The school has spent more than \$3 million on the building. The lease value is \$2 million or less. The school is adamant that their ability to raise funds depends on owning the property versus a leasehold interest. Before negotiating anything direction from Council is needed.

Alderman Wynne remembered the controversy 12 years ago; noted peoples have accepted the school and opposed housing there. Alderman Bernstein asked if the school were to sell could the property be subject to a revisionary clause. Mr. Hill said that would be subject to negotiation.

Miller school was sold to the City for \$1 in 1969 by District 65. The building is not a landmark due to many changes made to it. Chiaravalle has maintained the property. She does not know what the reaction would be to sale of this property in the ward.

The \$3.9 million does not include the 10 foot strip. The \$3.9 million is the fee simple value of the building.

Alderman Tisdahl favored selling the building and retaining only buildings the City can take care of. The City needs nursery schools. She disclosed her grandson attends there.

Alderman Hansen asked if \$2 million was the best they could get for the property. Mr. Hill said the fee simple value is \$3.8 million and the leasehold value is \$2 million.

Alderman Moran asked if there any continuing commitments by the City. No

Alderman Holmes said that unlike Noyes, the City has not put money into Miller School because it is not a public use. Alderman Wynne was skeptical when the board first came and if they made the change to the gym what would be the potential public benefit and found there is no additional public benefit they could extract because there is no parking.

Alderman Jean-Baptiste asked if they have to entertain other offers. Mr. Hill said It can be a negotiated sale. Generally they would pass an ordinance authorizing the sale on the same day it sells.

There are about 250 pre-school students. K-8 has 25-30 students. Chiaravalle does not want to expand.

Alderman Wynne wanted to have neighborhood meetings to discuss this before voting.

Alderman Moran recommended selling the property and moving on.

Alderman Wynne said that neighbors are concerned with the perception that the park belongs to Chiaravalle. When the park was renovated private funds were used. There may be a conflict because of selling park land. By maintaining the same use people may go along with this transaction.

Alderman Bernstein moved that the City begin discussions with the Chiaravalle board. Seconded by Alderman Tisdahl. Alderman Wynne, Ms. Carroll and Mr. Hill will meet with the board Wednesday and report back to Council.

There being no further business to come before Council Mayor pro tem Jean-Baptiste declared the meeting adjourned at 10:08 p.m.

Mary P. Morris,
City Clerk