

GLENBROOK HIGH SCHOOLS
Assistant Superintendent for Business Affairs
Regular Meeting – Monday, February 28, 2011

TO: Dr. Michael Riggle

FROM: Hillarie Siena

DATE: February 28, 2011

RE: Resolution Amendment for 3801 W. Lake Avenue

It is recommended that the Board of Education

Approve the Resolution of Township High School District Number 225, Cook County, Illinois, amending a resolution of the District authorizing and providing for a lease agreement and the issuance of General Obligation Limited Tax Lease Certificates, Series 2009, by and for the District.

Background

On March 9, 2009, the Board adopted a resolution amending the original resolution of February 9, 2009, providing for the lease by the District of property located at 3801 W. Lake Avenue, Glenview, Illinois. Subsequent to the adoption of this amended resolution, the District entered into a lease agreement with The Chicago Trust Company (formerly The Wayne Hummer Trust Company), and issued General Obligation Limited Tax Lease Certificates, Series 2009, in the amount of \$2,950,000.

Since entering into the lease agreement, the Board of Education approved the renovation of 1835 W. Landwehr Road, Glenview, Illinois, for the instructional purpose originally intended for the 3801 W. Lake Avenue building. The Board approved relocating the District's administrative offices to 3801 W. Lake Avenue, and relocating the Off Campus and Evening High School programs to 1835 Landwehr Road. Therefore, the lease premises located at 3801 W. Lake Avenue are not being used for and will not be used for school classroom or instructional purposes.

Under the current lease agreement, the 3801 W. Lake Avenue building is 100% fully taxable. The 2009 total real estate tax bill amounts to \$87,623.87, with \$23,592.99 allocated back to District 225. The net expense to the District is \$64,030.88. If the District were to purchase the 3801 W. Lake Avenue building and terminate the lease agreement, the District would then apply for a partial real estate tax exemption, based on the percentage of governmental occupancy, including Northfield Township, which is currently 72% (based on square footage). The total real estate tax bill would reduce to approximately \$24,534.68, with \$6,607.19 allocated back to District 225. The net expense to the District would be \$17,927.49. As current tenant leases expire, the building will eventually be 100% tax free.

Purchase options are to either pay off the balance of the existing lease certificates in a lump-sum payment, or convert the existing debt from lease certificates to debt certificates. In analyzing these two options, it is determined to be in the best interests of the District to convert existing lease certificates to debt certificates. This option incurs no additional debt, but maintains the existing debt schedule. This schedule is already included in the District's long-range financial projections. It is therefore, recommended that the Board approve the attached resolution amendment.

RESOLUTION of Township High School District Number 225, Cook County, Illinois, amending a resolution of the District authorizing and providing for a lease agreement and the issuance of General Obligation Limited Tax Lease Certificates, Series 2009, by and for the District.

* * *

WHEREAS, the Board of Education (the "*Board*") of Township High School District Number 225, Cook County, Illinois (the "*District*"), on the 9th day of February, 2009, adopted a resolution entitled:

RESOLUTION authorizing and providing for a lease agreement and the issuance of not to exceed \$2,950,000 General Obligation Limited Tax Lease Certificates, Series 2009, by and for Township High School District Number 225, Cook County, Illinois.

(the "*Original Resolution*"); and

WHEREAS, the Board adopted a resolution (the "*First Amended Resolution*") on the 9th day of March, 2009, amending the Original Resolution, designating a different Lessor (as defined in the Original Resolution) and approving a revised form of Lease (as defined in the Original Resolution) providing for the lease by the District of the Lease Premises (as defined in the Original Resolution); and

WHEREAS, the Board has determined that the Lease Premises are not being used for and will not be used for school classroom or instructional purposes; and

WHEREAS, Section 10-22.36 of the School Code of the State of Illinois, as amended, authorizes the District to purchase the Lease Premises without the holding or passage of a referendum; and

WHEREAS, it is necessary and in the best interests of the District that the District purchase the Lease Premises from the Lessor; and

WHEREAS, upon the purchase by the District, the Lease Premises shall then be owned and used by the District, and the District expects that all or a portion of the Lease Premises will then be exempt from real property taxation pursuant to Section 15-35 of the Property Tax Code of the State of Illinois, as amended; and

WHEREAS, the purchase of the Lease Premises shall operate to convert the Lease to an installment purchase agreement and the Certificates (as defined in the Original Resolution) to debt certificates, all as authorized by Section 17(b) of the Local Government Debt Reform Act of the State of Illinois, as amended; and

WHEREAS, the Board hereby approves the conversion of the Lease to an installment purchase agreement and the Certificates to debt certificates, and the provisions of the Original Resolution, the First Amended Resolution, the Lease and the Certificates are hereby amended and shall be construed to be consistent with such conversion:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Township High School District Number 225, Cook County, Illinois, as follows:

Section 1. Incorporation of Preambles. The preambles of this Resolution are hereby incorporated into this text as if set out herein in full.

Section 2. Amendment of Original Resolution. The Original Resolution and the First Amended Resolution are hereby amended as described and set forth in the preambles hereof. All of the provisions of the Lease and the Certificates shall be construed in accordance with such amendment.

Section 3. Filing. A certified copy of this Resolution shall be filed with the Secretary of the Board (the “Secretary”), and the Secretary shall in the future attach a certified copy of this Resolution to the Original Resolution and the First Amended Resolution whenever the Secretary makes available a copy of the Original Resolution or the First Amended Resolution.

Section 4. Property Tax Exemption. Upon transfer of title of the Lease Premises to the District, the officers and administration of the District shall seek a property tax exemption for the Lease Premises to the fullest extent available under the law.

Section 5. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Repeal. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed to the extent of such conflict, and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted February 28, 2011.

President, Board of Education

Secretary, Board of Education