

**AUTHORIZATION TO PURCHASE 5700 W. BERTEAU AVENUE  
(FORMER LUTHER NORTH HIGH SCHOOL)**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize the purchase of the property at 5700 W. Berseau Avenue, Chicago, IL commonly known as the former Luther North High School (the "Property"). A written Purchase Agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of this Board Report. Information pertinent to this purchase is stated below.

**SELLER:** New Life Properties, NFP, 4101 W. 51<sup>st</sup> Street, Chicago, IL 60632

**PROPERTY:** Former Luther North High School at 5700 W. Berseau Avenue, Chicago, IL (Portage Park) 358,866 square foot (8.24 Acres) site improved with a 115,000 SF high school building containing: 30 classrooms, science labs, music room, cafeteria, kitchen, two gymnasiums with locker rooms and showers, mechanical and shop areas and administrative offices. Site also has a regulation size outdoor track/football/soccer field with stadium seating, score board and heated concession stand.

**PURCHASER:** City of Chicago, In Trust for the Use of Schools on behalf of the Board of Education of the City of Chicago

**PURCHASE PRICE:** \$10,735,000 plus \$65,000 for Owner's moving and relocation expenses. Purchase price includes payment of all brokerage commissions from the closing proceeds.

**USE:** Relocation of Rickover Military Academy.

**CLOSING:** The closing shall occur as specifically outlined in the Purchase Agreement and is expected to occur on or before January 31, 2019.

**POSSESSION:** Seller will have 30 days after to closing to relocate and vacate the Property.

**ACCESS:** The Board shall have access to the Property prior to closing for planning and design purposes.

**FURNITURE, FIXTURES AND EQUIPMENT:** The Purchase Price shall include all existing furniture, fixtures and equipment required for the operation of the school building. Seller to remove its personal property including its religious artifacts, from the Property. Seller to be paid \$65,000 for its moving and relocation expenses when it tenders full possession of the Property.

**BROKERAGE COMMISSION:** All brokerage commissions are included in the Purchase Price, including \$100,000 to CBRE.

**APPRAISED VALUE:** The appraised fair market value of the Property:

For the Board:	Neil Renzi and Associates	\$9,700,000
	KMD Valuation Group, LLC	\$9,740,000 - \$10,070,000
For the Seller:	Appraisal Research Counselors	\$11,500,000

**INSURANCE INDEMNIFICATION:** Authorize the General Counsel to negotiate any and all insurance and indemnification provisions in the Purchase and Possession Agreements.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written Purchase and Possession Agreements. Authorize the President and Secretary to execute the Purchase Agreement and Possession Agreements. Authorize the General Counsel to execute any and all other documents required to consummate or effectuate this transaction.

**FINANCIAL:** Charge to Facilities \$10,800,000 includes Seller's Relocation and Moving Costs (\$65,000) and all brokerage fees.

Budget Classification: \_\_12150-437-56310-009538-000000-2019\_\_\_\_\_.

**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.

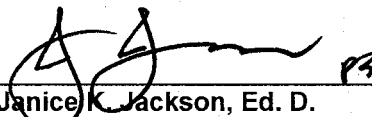
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**

**Approved:**



Arnaldo Rivera  
Chief Operating Officer



Janice K. Jackson, Ed. D.  
Chief Executive Officer

**Approved as to Legal Form:**



Joseph P. Moriarty  
General Counsel

**EXHIBIT A**

**FORMER LUTHER NORTH HIGH SCHOOL**

**LEGAL DESCRIPTION:**

THAT PART OF THE NORTH THIRTY ACRES OF THE SOUTH SIXTY ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION SEVENTEEN (17); TOWNSHIP 40 NORTH, RANGE THIRTEEN (13) EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE NORTH LINE OF WEST BERTEAU AVENUE AS OPEN BY ORDINANCE, (SAID NORTH LINE OF WEST BERTEAU AVENUE BEING 365.75 FEET NORTH OF THE NORTH LINE OF THE SOUTH THIRTY ACRES) AND LYING WEST OF THE WEST LINE OF THE EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION SEVENTEEN, IN COOK COUNTY, ILLINOIS.

**PERMANENT INDEX NUMBER:** 13-17-412-004-0000

**COMMON ADDRESS:** 5700 WEST BERTEAU, CHICAGO, ILLINOIS 60634