

Board Meeting
April 11, 2006

ROLL CALL

SALE OF PROPERTY AT 115-135 SOUTH SANGAMON STREET, CHICAGO

Action: Authorize the Sale of a Property Located at 115-135 South Sangamon Street, Chicago

Funding: No Funding Required

The Chancellor at Chicago with the concurrence of appropriate administrative officers, recommends the sale of a 1.42-acre parcel of land, including the institutional building thereon, and all rights pertaining thereto, with a common address of 115-135 South Sangamon Street, Chicago (the "Property") to the Chicago Park District. This sale has been authorized by Public Act 94-0626, which sets the valuation of the Property at \$7,033,333. The price was determined by the Illinois House of Representatives Executive Staff after review of the City's appraisal (\$6.2 million), the University's appraisal (\$7.4 million), and a review appraisal of the two appraisals.

The Chicago Park District (CPD) approached the University in 1998 about its interest in acquiring the Property. The CPD's area plan anticipates using the Property for a park to serve the growing residential neighborhood in the West Loop Gate area.

The Property is no longer being utilized for campus programs or storage as it is functionally obsolete.

Public Act 94-0626 provides that the payment for the Property be made to the University of Illinois, and the proceeds would enable the campus to retire its debt to University of Illinois Foundation for its purchases, on behalf of the campus, of a new warehouse at 1515 West 15th Street and the adjacent storage parcel, in 2000 and 2004, respectively. The University of Illinois Foundation debt is \$3.1 million. Additionally, the campus incurred \$4.3 million in renovation costs for the warehouse, and would use the balance of the sale proceeds to reimburse itself for the majority of those costs.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

As previously stated, the sale of the Property was further authorized by Public Act 94-0626.

The Vice President for Administration concurs.

The President of the University recommends approval.