

Board Meeting
January 19, 2017

ROLL CALL

APPROVE LEASE FOR MILE SQUARE SOUTH SHORE CLINIC,
CHICAGO

Action: Approve Lease of Space Located at 7037 South Stony Island Avenue,
Chicago, Illinois

Funding: Institutional Funds Operating Budget and Grant Funds

The Chancellor, University of Illinois at Chicago, and Vice President, University of Illinois with the concurrence of the appropriate administrative officers, recommends approval, subject to satisfactory resolution of final contract terms, that the Comptroller be authorized to execute a lease agreement for 5,220 square feet of clinical space at 71st and Stony Island for the UIC Mile Square South Shore Clinic. This will relocate the South Shore Clinic from its present facility at 71st and Jeffrey. The lease term will be for ten years commencing after completion of tenant improvements in 2017 and running to August 2027. The landlord is DL3 Realty LP located at 1050 East 95th Street Chicago, Illinois.

The Mile Square Health Center South Shore practice provides comprehensive primary and preventative health services to medically underserved populations in the entire South Shore service area. The proposed facility is 5,220 square

feet compared to the 3,800 square feet of the Jeffrey and 71st location. The buildout of the facility and purchase of equipment to meet required clinic standards will be funded, in part, by a \$1,000,000 Grant by the U.S. Department of Health and Human Services which has been awarded to UIC.

The proposed lease is in excess of \$100,000 in annual rent and required a Request for Information (RFI) process pursuant to the Illinois Procurement Code. The RFI was published in the Illinois Procurement Bulletin on April 6, 2016. There were three responders. After a due diligence review of the proposals and a negotiating process with all three proposers, the facility at 71st and Stoney Island was chosen based on cost and safety considerations.

The term of the proposed lease is ten years with a five-year termination provision running to the University. Annual base rental costs start at \$199,000 annually and escalate 2 percent per year. The rent is gross with the landlord paying real estate taxes and insurance. The landlord has provided a six-month rent abatement and funds of \$522,000 for tenant improvement costs. It is expected the facility improvements will be complete by the summer of 2017.

Funds for the current lease at 7131 South Jeffery Boulevard and proposed lease at 7037 S. Stony Island are available from the institutional operating budget for Mile Square Health Center. An awarded HHS Health Infrastructure Investment Program grant for \$1,000,000 will be utilized for facility build out and equipment.

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.

The Vice President/Chief Financial Officer and Comptroller concurs.

The President of the University recommends approval.