

Approved by the Board of Trustees  
March 11, 2021

Board Meeting  
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## ROLL CALL

### DETERMINATION OF SURPLUS REAL ESTATE AND DELEGATION OF AUTHORITY TO COMPTROLLER TO SELL SURPLUS REAL ESTATE, ROCKFORD, ILLINOIS

**Action:** Determination of Surplus Real Estate and Delegation of Authority to  
Comptroller to sell Surplus Real Estate, Rockford, Illinois

**Funding:** No New Funding Required

The Chancellor, University of Illinois Chicago, and Vice President,  
University of Illinois System recommends that the real property located at 1511  
Blackhawk Boulevard, Rockton, Illinois; 2170 Pearl Street, Belvidere, Illinois; and 405  
Charles Street, Mt. Morris, Illinois, be deemed “surplus real estate” by the Board of  
Trustees pursuant to Public Act 101-0213. It is further recommended, that the  
Comptroller be authorized to consummate the sale or lease of subject real property,  
contingent on soliciting and receiving a bona fide purchase offer for value and the  
satisfactory resolution of final sale terms, including price, that are in the best interests of  
the University and consistent with the University’s objectives and purposes.

Public Act 101-0213 amended the State Property Control Act (30 ILCS  
605/1 et seq.) to allow the Board of Trustees of any Illinois public institution of higher  
education, including the University of Illinois, to sell, lease, or otherwise transfer or

convey to a bona fide purchaser for value all or a part of real estate deemed by the Board to be surplus real estate. The Act permits the University to retain the proceeds from such transactions, but requires that such proceeds be maintained in a separate account in the Treasury of the University for the purpose of deferred maintenance and emergency repair of University property.

The three sites which are the subject of this resolution housed medical clinics initially built in the 1970s to further the mission of the College of Medicine – Rockford (UICOMR). Over time, UICOMR’s need for clinical space at these sites has diminished. Short term leases with related medical users outside the university have also expired and each of the three buildings is now vacant. The Rockford area has been experiencing a decline in demand for medical clinic space which has resulted in the regional medical partners reducing their footprints and closing clinics. UICOMR has solicited other regional medical providers to attempt to re-lease the subject clinic buildings without success. Recent leasing inquiries by potential tenants have failed to produce consummated leases as the buildings would require significant and costly overhaul to suit tenant needs within the general commercial office market. Additionally, attempts to find suitable internal University units to occupy those buildings have also been unsuccessful. Thus, the Chancellor, University of Illinois Chicago, and Vice President, University of Illinois requests the following three properties be deemed surplus property.

1. 1511 Blackhawk Boulevard, Rockton, Illinois: The subject property is a 7,095 square foot, single story, medical clinic on private well and septic. Built in 1978 as a primary care clinic, the original need was for

UICOMR students to receive clinical experience within the clinic operations. However, lack of patient volume and the inability to meet operational expenses necessitated the closing of this clinic and the building has been vacant since July 2015. Annual maintenance expenses for this vacant property are approximately \$21,000. The property is outside the UIC master planning area, has no current or future use, and is a maintenance liability.

2. 2170 Pearl Street, Belvidere, Illinois: This building is a vacant, 8,095 square foot, single story, medical clinic on city water and sewer that was built by the University of Illinois in 1977. University of Illinois College of Medicine – Rockford (UICOMR) once used this property as one of their primary care clinics, but on July 19, 2015, UICOMR reached an agreement to lease the clinic practice to OSF Healthcare System. The lease ran through June 2018 and was not renewed, and the building has remained vacant since then. The UICOMR office has tried to find tenants both from inside and outside of the University. Annual expenses are approximately \$20,000. The facility is outside the UIC master plan, is vacant, cost-prohibitive to maintain, and located off the core campus.
3. 405 Charles Street, Mt. Morris, Illinois: The subject property is a 7,000 square foot, single story medical clinic on city water and sewer that was built in 1975. Originally used by UICOMR as a primary care clinic, approximately 90 percent of the building was later leased by KSB Hospital as a long-term tenant, who reduced its footprint to 70 percent in the beginning of 2019 and then vacated fully at the end of September 2020. This facility is outside the UIC Master Plan and has significant safety and structural liabilities.

Upon the Board of Trustees deeming the above subject properties to be surplus real estate, the System will undertake a sale process including obtaining an appraisal of fair market value and an open and fully transparent solicitation process for purchasers. It is requested that the Comptroller be delegated the authority to conduct the sale process, execute and deliver the required documents to consummate the transaction, and to deposit the sale proceeds in a separate account for the purpose of deferred

maintenance and emergency repair of University property, all in accordance with Public Act 101-0213.

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 President of the University concurs with this recommendation.