

Board Meeting
September 6, 2007

ROLL CALL

APPROVE SUBLEASE FOR THE OFFICE OF SPONSORED PROGRAMS AND
RESEARCH ADMINISTRATION, URBANA

Action: Authorize the Sublease of Space Located at 1901 South First Street,
Champaign, Illinois

Funding: Institutional Funds Operating Budget

The Chancellor at Urbana, subject to the availability of funds and satisfactory resolution of final lease terms, recommends that the University sublease approximately 6,770 square feet of office space on the second floor of the Science Applications Internet Corporation Building at the University of Illinois Research Park located at 1901 South First Street, Champaign, for the period September 15, 2007, through June 30, 2010. The sublandlord is Science Applications International Corporation (SAIC). The subleased space is programmatically unique in that it is contiguous to existing Office of the Vice Chancellor for Research (OVCR) and Office of Business and Financial Services (OBFS) leased space in the building and will accommodate relocation of OVCR and OBFS staff and program expansion. More specifically the space will accommodate approximately ten to twelve offices, a large

meeting area, storage and supply closets, and a prorated share of common area restrooms and other building commons.

The required space is less than 10,000 square feet and therefore does not require the publication of a Request for Information (RFI) pursuant to the Illinois Procurement Code. Given the unique location within the same building occupied by OVCR and OBFS units a sole source justification is summarized as follows:

1. The programmatic requirements for Office of Sponsored Programs and Research Administration (OSPRA) necessitate the location within close proximity of OVCR and OBFS organizational reporting units to best accomplish organizational space expansion and operating economies.
2. Affordability of space is exceptional given that the space will be in “as is” condition and will not require tenant alterations, and will include use of sublandlord’s furniture at no additional charge.
3. The starting net rental rate for this proposed space is \$17.50/psf in annual base rent plus Tenant’s Proportionate Share of taxes and operating costs for the building estimated at \$4.00/psf. For comparison purposes, it is estimated that the gross rental rate will be \$21.50/psf or \$145,555.00 per annum.

The term of the proposed sublease is thirty-three and one-half months with no options to renew or extend lease term. The annual base net rent of \$17.50/psf is fixed for the 33.5-month sublease term. The University will be responsible for its use of power, gas, telecommunications, and janitorial expenses for the premises.

Funds are available from the current fiscal year institutional funds operating budgets of the OSPRA, UI Electronic Research Administration (UI eRA), and OBFS Grants and Contracts. Funds for future fiscal years will be included in the OSPRA,

UI eRA, and OBFS Grants and Contracts institutional funds operating budget authorization requests to be submitted to the Board of Trustees.

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.