

ROLL CALL

DELEGATE AUTHORITY TO COMPTROLLER TO APPROVE LEASE OF SPACE AT  
1817 SOUTH NEIL STREET, CHAMPAIGN, ILLINOIS

**Action:** Delegate Authority to Comptroller to Approve Lease of Space at 1817 South Neil Street, Champaign, Illinois

**Funding:** Institutional Funds

The Chancellor, University of Illinois Urbana-Champaign, and Vice President, University of Illinois System, and the CFO/Comptroller, University of Illinois System, in consultation with appropriate administrative officers, recommends that the Comptroller be authorized to execute a lease, subject to satisfactory resolution of final contract terms, for approximately 22,000 square feet of office space on the second floor at 1817 South Neil Street, Champaign, Illinois.

The University of Illinois has leased this location for the last ten years after a major renovation to buildout the space to suit the needs of the University. The term of the new lease will be for ten years commencing August 1, 2021, through July 31, 2031, with a termination option at the end of the fifth year. The landlord is Ramshaw Real Estate.

Urbana Purchasing and System Payables Offices currently occupy the leased space. The Purchasing Office obtains commodities, equipment, and services to

support the educational mission of the University of Illinois Urbana-Champaign and assists departments in procurement activities, ensuring compliance with the Higher Education Procurement Rules, the Illinois Procurement Code, and state and federal regulations. System Payables is the unit responsible for processing all non-payroll disbursements of funds for the University System, including vendor payments and employee reimbursements.

The proposed cost of the lease is more than \$100,000 per year and required issuance of a Request for Information (RFI) pursuant to the Illinois Procurement Code. There were two respondents with the successful respondent being Ramshaw Real Estate. The unsuccessful respondent proposed a less expensive rent schedule for an alternate space. However, due to the cost of needed construction and improvements at the proposed site and the cost of relocation, the University would incur a higher cost at that site. Moreover, that site also raised privacy concerns about non-contiguous space on multiple floors that would be shared with other unknown tenants.

The annual base rent is \$15.00 per square foot for the first year, which represents a \$1.46/Square Foot reduction from the current rent. The lease rate increases 30 cents per foot each year. The gross rent for the first five years is \$1,716,000, and the gross rent for years six through ten is \$1,881,000. The lease gross rental rate includes maintenance and repairs of structural components, common areas, mechanical systems, insurance costs, and the property taxes. The University will be responsible for its own electrical, gas, water/sewer, janitorial, telephone, and internet 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.

The President of the University recommends approval.