Approved by the Board of Trustees

July 17, 2025

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Board Meeting

July 17, 2025

ROLL CALL

APPROVE ACQUISITION OF PROPERTY AT 901 W. UNIVERSITY AVENUE, URBANA, URBANA

**Action:** Approve Acquisition of Property at 901 W. University Avenue, Urbana

**Funding:** Institutional Funds Operating Budget

The chancellor, University of Illinois Urbana-Champaign, and vice president, University of Illinois System, with the concurrence of the administrative officers, recommends, subject to satisfactory resolution of final purchase terms, that the University of Illinois Foundation (UIF), on behalf of the Board of Trustees of the University of Illinois (Board) be authorized to execute a Purchase and Sale Agreement with Lincoln & University Holdings, LLC for the purchase of property located at 901 W. University Avenue (corner of Lincoln Avenue and University Avenue) in Urbana, which is outside the Master Plan. The facility will help to serve the University of Illinois Urbana-Champaign (UIUC) for Carle Illinois College of Medicine operations and other space needed for various UIUC groups that are outgrowing existing available space. The purchase price is to be the amount of remaining debt service on the building, reported as $3,654,626.80 as of March 17, 2025. This equates to $114.60 per square foot. An appraisal was performed by an MAI-certified appraiser, and the market value of the property was determined to be $3,740,000.

The above-referenced property is a 31,889-square-foot, three-floor office building located at the northeast corner of the UIUC campus. UIF previously owned the land at this site and sold it to the current building owner to develop a building that could serve as the gateway to the UIUC campus at that corner. UIUC leased a significant amount of space in the building from 2009 until April 2024, and now the developer has offered to sell the building to the university. The transaction would require UIUC to assume the two existing tenant leases, which would provide a revenue stream for the near future while still leaving adequate space for UIUC to occupy. One of the tenants is a retail shop occupied by Einstein Bagels. The parking lot behind the building would be included in the transaction.

There are no immediate plans for renovations or buildout at the property. The existing conditions of the building would suffice for the foreseeable future. A facility condition assessment has been performed, and the building is in good condition. The roof and HVAC systems will be due for replacement in the near future.

UIF would initially be the building purchaser whether or not the transaction is a bargain sale/gift. The building would be immediately added to the UIF Master Lease Agreement, giving the university all rights as landlord to the building and obligating the university to make payments twice yearly to UIF in at least the amount of the interest on the line of credit until the debt service is paid off at some point within ten years of purchase.

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.

Funds for this acquisition are available from the institutional funds operating budget of the University of Illinois Urbana-Champaign.

The president of the University of Illinois System concurs.