

Approved by the Board of Trustees
July 23, 2020

Board Meeting
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ROLL CALL

DELEGATE AUTHORITY TO COMPTROLLER TO APPROVE LEASE OF SPACE FOR MILE SQUARE HEALTH CENTER, CICERO, ILLINOIS

Action: Delegate Authority to Approve Lease of Space for Mile Square Health Center at 4747-51 West Cermak Road, Cicero, Illinois

Funding: Grant Funds and Clinical Revenue

The Chancellor, University of Illinois at Chicago, and Vice President, University of Illinois with the concurrence of the University of Illinois at Chicago Vice Chancellor for Health Affairs on behalf of Mile Square Health Center (MSHC) and appropriate administrative officers recommends approval, subject to satisfactory resolution of final contract terms, that the Comptroller be authorized to execute a lease for approximately 6,762 square feet of medical clinic space at 4747-51 West Cermak Road, Cicero, Illinois.

MSHC has operated a Federally Qualified Health Center (FQHC) at this location for the last ten years. The term of the new lease will be for ten years commencing August 1, 2020, through July 31, 2030, with termination options at 5 and 7 years. The landlord is Hawthorne Works DE, LP.

MSHC opened their first clinic in 1967 and has grown to include 13 clinical site locations. MSHC cares for over 42,000 people a year and is a one-stop location for

medical, behavioral health, substance abuse, and dental services. As an FQHC, MSHC has contracted with the Department of Health Resources and Human Services Administration (HRSA) to provide these services to residents in the Chicagoland area.

The proposed lease space is more than \$100,000 per year in cost and required issuance of a Request for Information (RFI) pursuant to the Illinois Procurement Code. There were two respondents with the successful respondent being Hawthorne Works DE, LP with a lowest overall cost of occupancy when considering out-of-pocket costs to relocate to and renovate the other respondent's location.

The term of the proposed lease is ten years, with an option to terminate after years five and seven. The proposed lease includes a \$135,240 landlord allowance towards tenant improvements or rent abatement. The annual base rent is \$37.50 per square foot with 2 percent annual escalations. The first year's rent is \$253,575. The lease rental rate is semi-gross and includes rubbish removal, common area maintenance, operating expenses and insurance costs, and the proportionate share of the property tax increases over a 2021 base year. 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.