

Approved by the Board of Trustees  
March 11, 2009

Board Meeting  
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## ROLL CALL

### AUTHORIZE GROUND LEASE TO CITY OF ROCKFORD FOR GROUNDWATER WELL SITE

**Action:** Authorize Ground Lease on the Property of the College of Medicine-Rockford

**Funding:** No New Funding Required

The Chancellor at Chicago recommends that the University enter into a ground lease with the City of Rockford, Illinois, to permit expansion of the City's groundwater well site. The subject property is a 6,935 square foot vacant parcel located on the eastern side of the Pelham Road entrance into the campus of the College of Medicine at Rockford (the "Property"). The City has an existing well site on a parcel of land immediately adjacent to the subject Property, and has expressed a need to expand the existing site to accommodate municipal water needs by drilling a new well on the Property.

The lease would be for a fifty-year term, commencing approximately April 1, 2009. The City will also be granted an option to renew the lease for an additional twenty-five year term. In master planning for the COM-R, this Property is intended to be used only for landscaping and signage, and not for future development. The

improvements to be constructed on the Property by the City will mainly be underground well piping and infrastructure and will not affect or disfigure the campus or the approach to campus via the Pelham Road entrance drive.

The appraised value of the Property is \$16,644. The City would pay this amount to the University for the initial term of the ground lease in a single lump sum payment at the commencement of the lease. The option fee will be a nominal sum of \$10.00 because the entire fair market rent for the initial lease term, plus the option period, will be paid by the City at the commencement of the lease. In addition, the City will relocate the existing University sign on the Property at its expense to avoid any future interference between the well appurtenances and the University's sign and electrical conduit.

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 concurs.

The President of the University recommends approval.