

Approved by the Board of Trustees
March 11, 2021

Board Meeting
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ROLL CALL

DELEGATE AUTHORITY TO COMPTROLLER TO APPROVE LEASE OF SPACE AT 2209 WILLOW ROAD, URBANA, ILLINOIS

Action: Delegate Authority to Approve Lease of Space at 2209 Willow Road, Urbana, Illinois

Funding: Grainger College of Engineering Unrestricted Gift Funds

The Chancellor, University of Illinois Urbana-Champaign, 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 5,360 square feet of specialized laboratory space at 2209 Willow Road, Urbana, Illinois.

The University of Illinois Grainger College of Engineering has a need for leased space for a Plasmatron X ICP Facility for Center for Hypersonics and Entry Systems Studies (CHESS). The term of the new lease will be for five years commencing August 1, 2021, through July 31, 2026. There will be one five-year renewal option included in the lease. The landlord is Creative Thermal Solutions (“CTS”).

The Center for Hypersonics and Entry Systems Studies (CHESS) is a multidisciplinary team of researchers in the College of Engineering. CHESS is executing

a strategic plan to establish the national reference academic test center for hypersonic thermal protection systems (“TPS”). CHES needs a leased laboratory space to house a unique inductively coupled plasma (ICP) wind tunnel (“Plasmatron X”). This will be the largest ICP wind tunnel in the U.S. for testing TPS materials under extreme conditions that simulate hypersonic environments, including high temperature (>5,000 K), high speeds (up to Mach 3), and dusty atmospheres. The facility will be used to conduct industrial and federally funded research by staff, graduate students, and faculty.

The proposed cost of the lease and improvements is more than \$100,000 per year and required issuance of a Request for Information (RFI) pursuant to the Illinois Procurement Code. There was one respondent with the successful respondent being CTS.

The annual base rent is \$16.32 per square foot for the first year, and the rent will increase 1.6 percent per year in accordance with the Core CPI for 2020. The gross rent for the first five years is \$451,590.72, and the gross rent for the 5-year renewal is \$488,849.16. The equipment to be installed would require significant upgrades to the space. The upgrades would include electrical/power, industrial cooling, Argon gas supply and compressed air. The total cost of the upgrades is priced at \$1,094,139. Fifty percent of the cost of the upgrades will be due after lease signing, and the remaining 50 percent will be due upon completion of commissioning of the Plasmatron X with demonstrated functionality. The lease gross rental rate includes maintenance and repairs of structural components of the building, 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 concurs.