

ROLL CALL

APPROVE LEASE OF SPACE, ILLINI CENTER IN CHICAGO,
URBANA

Action: Approve Lease of Space, Illini Center in Chicago

Funding: Institutional Funds Operating Budget

The Chancellor, University of Illinois at Urbana-Champaign, and Vice-President, University of Illinois with the concurrence of the appropriate administrative officers recommends approval, subject to satisfactory resolution of final contract terms, that the Comptroller be authorized to execute a lease agreement for 44,000 square feet of office and classroom space on the first, fourth, and nineteenth floors of 200 South Wacker Drive in Chicago, Illinois. The University has been at this location for 10 years. The primary landlord is John Hancock Manulife Financial Corporation, a publically traded company. During the first four years of the new term a portion of the nineteenth floor is in the form of a sublet agreement with Professional Trading Solutions, Inc., a Delaware Corporation.

The leased space would accommodate the University of Illinois Executive M.B.A. and M.S. Tax Program, Urbana campus Offices for Advancement, Division of Intercollegiate Athletics, Admissions and Records, the Office of Privacy and Information

Assurance, the College of Education, the Principal Scholar's Program, conferencing facilities, and the Alumni Career Center.

There are 50 employees located in the building and 400 students.

Currently, the campus units are located on the first, second, third, fourth, and thirty-ninth floors. The new lease more efficiently consolidates all uses on floors nineteen and four. Funding for the lease is supported by institutional funds operating budget of the Urbana-Champaign campus. The proposed lease space is more than 10,000 square feet and did require a Request for Information (RFI) pursuant to the Illinois Procurement Code.

The lease term would be for ten years with the right to terminate after five years, commencing July 1, 2015, through June 30, 2025. The total base gross rent for the first year will be \$1,550,000. The University's tenant improvement costs (after deducting the Landlord's tenant improvement allowance) to remodel the 19th floor is \$975,000. In addition the University will be responsible for its own electrical, telephone, internet, and janitorial costs. The University also has an option to lease additional space on the first floor at a later time.

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 and Comptroller concurs.

The President of the University recommends approval.