

Board Meeting
March 23, 2011

ROLL CALL

APPROVE LEASE OF SPACE, 1817 SOUTH NEIL STREET, CHAMPAIGN,
ILLINOIS, FOR UNIVERSITY ADMINISTRATION

Action: Approve Lease of Space, Located at 1817 South Neil Street, Champaign, Illinois

Funding: Institutional Funds Operating Budget

The President of the University with concurrence of the appropriate University officers recommends, subject to the availability of funds and the resolution of final lease terms satisfactory to the University, that the Vice President/Chief Financial Officer and Comptroller be authorized to execute a lease of approximately 22,000 square feet of office space on the second floor of the building located at 1817 South Neil Street, Champaign, Illinois, for the period of July 1, 2011, through June 30, 2016. The landlord is Illini Plaza LLC and the property is managed by Ramshaw Real Estate. The leased space would accommodate the Purchasing, Account Payables, and Strategic Procurement departments. The proposed lease space is more than 10,000 square feet and the annual rent is more than \$100,000, consequently, the lease necessitated the publication of a Request for Information (RFI) and review of market opportunities pursuant to the Illinois Procurement Code. A RFI was published on September 14, 2010; and three landlords responded. A selection committee evaluated the three responses. The proposed location

at 1817 South Neil Street, Champaign, represents the lowest cost and the most suitable space for the three departments at a considerable savings compared to the present lease.

The term of the proposed lease is five years, with an option to renew for an additional five-year period. Annual base rental costs will start at \$13.76 per square foot, escalating by \$.30 per square foot annually on July 1 of each year. The annual first year base cost is \$302,720. The lease rate is full service and includes rubbish removal, common area maintenance, free parking, and insurance costs. The University will be responsible for its own electrical, telephone, and internet charges.

Funds for Fiscal Year 2012 will be made available from the Institutional Funds Operating Budget of the University Administration. For future fiscal years, funds for the lease agreement will be included in the University Administration's Institutional Funds Operating Budget authorization requests to be submitted to the Board of Trustees.

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.