

Approved by the Board of Trustees,
November 11, 2004

Board Meeting
November 11, 2004

ROLL CALL

AUTHORIZE THE REQUEST TO THE UNIVERSITY OF ILLINOIS FOUNDATION TO ACQUIRE REAL ESTATE AT 1543 WEST 15TH STREET, CHICAGO

Action: Authorize the Comptroller to Request the Foundation to Acquire Real Estate

Funding: Fiscal Year 2005 Institutional Funds Operating Budget of the Chicago Campus

The Chancellor at Chicago with the concurrence of the appropriate administrative officers, recommends that the comptroller be authorized to request the University of Illinois Foundation to acquire the property located at 1543 West 15th Street, Chicago, which is immediately contiguous to a warehouse facility already used by the University of Illinois at Chicago. On November 9, 2000, the Board of Trustees requested the University of Illinois Foundation to purchase a warehouse facility at 1515 West 15th Street, Chicago. The Foundation leases the property to the University for warehouse facilities that replaced the warehouse facilities vacated for the South Campus Development Project. The purchase contract gave the Foundation the right of first refusal to acquire adjacent property located at 1543 West 15th Street that was still in use by the owner. The owner has received an offer of \$40 per square foot for the purchase of approximately one-half of the property at 1543 West 15th Street with an option to purchase the other half at a later date at the same price. The Foundation's right of first refusal gives it the opportunity to acquire the entire property "upon the same terms and

conditions set forth in the offer.” Purchase price will be based upon \$40 per square foot of property, a price supported by University appraisal. The total square footage of the entire property has been verified by survey at 28,625 square feet. The total purchase price is \$1,145,000, subject to adjustment for normal and customary closing costs.

The University desires to lease the property from the Foundation for storage of equipment and vehicles assigned to the Facilities Management unit at Chicago. Space currently used for this function is in the South Campus Development Project area that will soon have to be vacated to make room for further development. The property will be leased to the University at a rate that will cover the Foundation’s carrying costs and the cost of acquisition. It is intended that the University will acquire both properties from the Foundation within ten years and in accordance with the Legislative Audit Commission Guidelines.

Funds for the lease are available from the Fiscal Year 2005 institutional funds operating budget of the Chicago campus.

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 for Administration concurs.

The President of the University recommends approval.