**Illinois State**

**University**

**Board of**

**Trustees**

 **Resolution No. 2015.10/28**

 Authorization to Lease Alumni Center

 at 1101 N. Main, Normal, IL

## ResolutionWhereas, the Board of Trustees of Illinois State University has the authority to lease real property, and

Whereas, the Illinois State University Foundation formed a limited liability corporation known as Launching Futures, LLC, which owns real property located at 1101 North Main Street, Normal, Illinois that fulfills the University’s specifications to house certain administrative offices, and

Whereas, the Board of Trustees of Illinois State University previously entered into an agreement with Launching Futures, LLC, in July of 2008 to lease such real property located at 1101 North Main Street, Normal, Illinois for an annual lease cost of $230,004 plus related operational, insurance and maintenance costs, and

Whereas, Illinois State University desires to renew this lease agreement with Launching Futures, LLC, for a new lease term of five years with an option to renew for an additional five years at the current annual lease cost of $230,004 plus operational, insurance and maintenance costs:

Therefore, be it resolved by the Board of Trustees that:

1. The Board authorizes the President of the University to renew the agreement with Launching Futures, LLC, to lease the aforementioned real property subject to the following conditions: (a) the lease term shall be for a period of five years plus the option to renew for an additional five years; (b) the annual lease payments, excluding any additional payments for leasehold improvements, shall not exceed $230,004 per year; (c) the University will be responsible for all related operational, insurance and maintenance expense.

2. The Chairperson, the Secretary and the Treasurer of the Board and the members, officers, agents and employees of the Board are hereby authorized and directed to do all such acts and to execute all such documents as may be necessary to carry out and comply with the provisions of this resolution and with the actions of the members, officers, agents and employees of the Board, which are in conformity with the intent and purposes of this resolution, whether heretofore or hereafter taken or done, which actions shall be and are ratified, confirmed and approved.

Board Action on: Postpone:

 Motion by: Amend:

 Second by: Disapprove:

 Vote: Yeas: Nays: Approve: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 ATTEST Board Action: October 23, 2015

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 Secretary/Chairperson

**Board of Trustees**

**Illinois State University**

**Authorization to Lease Alumni Center at 1101 N. Main, Normal, IL**

**Supplemental Information**

The Illinois State University Foundation created a limited liability corporation several years ago known as, Launching Futures LLC, for the purpose of pursuing alternative investment opportunities, including real estate. Launching Futures, LLC, provides both the University and the Foundation opportunities to partner and achieve greater flexibility in pursuing their respective missions. The University has in selected circumstances, the option to access use of real property without the ownership restrictions imposed by the State of Illinois Property Control Act. Similarly, the Foundation has the option of investing in real property with a reliable tenant that also aligns with the Foundation’s mission to support the University.

This partnership was employed in July of 2008 when available property located at 1101 North Main in Normal, now commonly known as the **Alumni Center***,* was acquired and improved by the Foundation. It then leased the property to the University for a five-year period, with the option to renew for an additional five-year period, as permitted within the State’s procurement rules. This current agreement is now in the third year of the renewal option period.

The Foundation has offered the University the opportunity to fix the lease rate at the current annual amount of $230,004 for a ten year period by entering into a new agreement for five years with the University’s option to renew for an additional five years. The University would also continue to be responsible for the cost of any new leasehold improvements and all related operational costs.

The property contains various features and improvements that specifically address the needs of the administrative offices located at that facility. The current University tenants, *University Advancement, Alumni Relations* and *Conference Services* are among those units that have significant interactions with external clientele and require greater visibility, easy access and convenient parking. The property is located one mile from the center of campus and consists of a 45,000 square foot building that has been improved to accommodate the specific functions of the those offices. It is situated on approximately 3.7 acres with 200 parking spaces and access to an additional 200 parking spaces on adjacent properties. Its location on North Main Street provides a high degree of visibility. During the past several years the facility has experienced significant utilization by both internal and external constituencies.

Source of Funding: General Revenue Operating