

32 W Randolph, Chicago

Dept. of Healthcare and Family Services

1. Who is the owner/lessor of the 32 W. Randolph property that DHFS is moving from? Lessor is 32 W. Randolph Street Limited Partnership. Owners are Barbara Kalish, Dani Kalish and Pedro Lucina.

a. Briefly outline the current/expiring lease for this property.

- The existing lease expires 8/31/12; a six-month lease is in process which will expire 2/28/13.
- 142,643 rentable square feet
- Base Rent Cost: \$26.23/rsf FY12 TCO Cost: \$28.76/rsf

2. What is the market rate per square foot for leased space in Chicago?

Building Owners and Managers Association Range, Downtown Chicago: \$22.63 to \$30.01 psf. (full service cost)

Building Owners and Managers Association, All Chicago: \$15.86 to \$24.89 psf. (full service cost)

Full service cost leasing includes base rent, property taxes, property insurance, common area maintenance, electrical, and janitorial costs.

FY12 CMS Portfolio Range, All Chicago: \$12.76 to \$32.17 psf. (TCO)

Total Cost of Ownership (TCO) is the cost per square foot to lease a property. Below is an example of how CMS calculates its TCO cost for a lease.

| | | | |
|--------------------|----------|--------------------|----------------|
| Base Rent | \$11.89 | Pest Control | \$0.03 |
| Amortization | N/A | Snow/Ice Removal | Included |
| Operating Expenses | Included | Landscaping | Included |
| Taxes | Included | Mat Service | \$0.06 |
| Rent Subtotal | \$11.89 | Air Freshening | N/A |
| Gas | \$0.37 | Alarms | Included |
| Electric | \$1.04 | Parking | Included |
| Water/Sewer | \$0.06 | Other/Misc | \$0.00 |
| Lamps | Included | Total Direct Costs | \$15.05 |
| Ballasts | Included | Security | N/A |
| Janitorial | \$1.51 | CMS Indirect Costs | \$1.59 |
| Garbage | \$0.09 | TCO | \$16.64 |

3. Briefly describe the lease terms and owners of the four properties that the employees are being transferred to.

a. 155 Lake Cook Road, Deerfield (under lease to purchase option)

- Lessor: Chicago Title Land Trust Company, as Trustee
- Term: 5 Years
- Proposed premises 12,000 sq. ft., Building 124,000 sq. ft.
- Base Rent: \$27.84 psf (\$27,840 per month)
- The State is purchasing the building pursuant to Certificates of Participation (COP). After June 30, 2013 the COPs will be paid off, thereby reducing the shared expenses upon which the rent is based.

b. 401 S. Clinton, Chicago (under lease to purchase option)

- Lessor: Public Asset Services Corp.
- Proposed lease terms not available at this time
- Building 163,900 sq. ft.
- Cost of Lease = \$19.92 psf
- The State is purchasing the building pursuant to an installment purchase agreement and financed through the issuance of Certificates of Participation. The term of the agreement ends as of June 30, 2017.

c. 36 S. Wabash, Chicago

- Lessor: One South State Street, LLC which is owned 99.99% by the Sherwin Williams Company, a publicly traded corporation.
- Term: January 21, 2004 – January 20, 2014
- 242,831 rentable square feet
- Base Rent: \$23.73 yr 9 (current), \$24.28 yr 10 FY12 TCO Cost: \$24.64

d. 6201 S. Emerald, Chicago

- Lessor: North Star Trust Company as Trustee u/t/a dated July 12, 2002 and known as Trust Number 02-4807. Owners: William O’Kane and Karen O’Kane.
- Term: April 1, 2012 – March 31, 2017
- 47,854 rentable square feet
- Base Rent: \$17.75, \$18.02, \$18.29, \$18.56, \$18.84 plus \$4.01 amortization years 1-5; Estimated FY13 TCO Cost: \$27.26

DRL/BV:dkb

W/S/32 W Randolph Lease Questions