



Board of Commissioners of Cook County

Finance Committee

Tuesday, May 10, 2016

1:00 PM

**Cook County Building, Board Room, 569
118 North Clark Street, Chicago, Illinois**

NOTICE AND AGENDA

There will be a meeting of the Committee or Subcommittee of the Board of Commissioners of Cook County at the date, time and location listed above to consider the following:

PUBLIC TESTIMONY

According to the Cook County Board's Rules of Organization and Procedure, public testimony will be permitted at regular and special meetings of the Board and at committee meetings of the Board. Authorization as a public speaker shall only be granted to those individuals who have submitted in writing, their name, address, subject matter, and organization (if any) to the Secretary 24 hours in advance of the meeting. Duly authorized public speakers shall be called upon to deliver testimony at a time specified in the meeting agenda. Public testimony must be germane to a specific item(s) on the meeting agenda, and the testimony must not exceed three minutes; the Secretary will keep track of the time and advise when the time for public testimony has expired. Persons authorized to provide public testimony shall not use vulgar, abusive, or otherwise inappropriate language when addressing the Board; failure to act appropriately; failure to speak to an item that is germane to the meeting, or failure to adhere to the time requirements may result in expulsion from the meeting and/or disqualify the person from providing future testimony.

16-2503

Presented by: ELAINE LOCKWOOD BEAN, Chief, Bureau of Asset Management

PROPOSED CONTRACT AMENDMENT

Department(s): Bureau of Asset Management

Vendor: Clayco, Chicago, Illinois

Request: Authorization for the Office of the System Director-Supply Chain Management to extend and amend contract

Good(s) or Service(s): Developer Service

Original Contract Period: 11/18/2015 - 6/30/2016 (Phase #1)

Proposed Contract Period Extension: 7/1/2016 - 09/30/2018

Total Current Contract Amount Authority: \$946,410.00

Original Approval (Board or Procurement): 11/18/2015

Previous Board Increase(s) or Extension(s): N/A

Previous Chief Procurement Officer Increase(s) or Extension(s): N/A

This Increase Requested: \$112,640,000.00

Potential Fiscal Impact: FY 2016 \$13,027,729, FY 2017 \$81,895,138, FY 2018 \$17,717,133

Accounts: 1619

Contract Number(s): H15-25-126

Concurrences:

The vendor has met the Minority and Women Owned Business Enterprise Ordinance.

The Chief Procurement Officer concurs.

Summary: The County and CCHHS have determined that Clayco, Inc. (Developer) has completed Phase 1 of the Agreement, which included programming, feasibility and schematic design services to meet CCHHS administrative and clinical needs. A new 9-story, 282,000 square foot ambulatory and administrative office building is proposed for the corner of West Polk Street and South Damen Avenue. This building will allow CCHHS to decommission nearly 680,000 square feet of real estate (including the Fantus Clinic, Polk Administration Building, and Hektoen Auditorium and Office). This new building will allow CCHHS to compete in current and future healthcare markets, improve outpatient services, reduce operating costs, avoid costly capital renewals for obsolete buildings, and increase clinical and administrative efficiency.

The Agreement provides that upon completion of Phase 1 the County and CCHHS may elect to engage the Developer for Phase 2 Services which will include the elaboration of the schematic design into design development, construction documents and construction. The Construction Contract with the County and CCHHS will be added as an amendment and modification to the Agreement.

The County and CCHHS seek authority to enter into a Construction Contract with the Developer which will be added as an amendment and modification to the Agreement. The Clayco contract budget shall not exceed \$112,640,000.00 which includes: 1) \$108,500,000.00 to design and construct the new buildings and related site work; and 2) \$4,140,000.00 as the owner's contingency. The Agreement will be extended to September, 2018 to allow for Phase 2 Services to be completed.

Legislative History: 4/13/16 Board of Commissioners referred as amended in the errata to the Finance Committee

16-2198

Presented by: ELAINE LOCKWOOD BEAN, Chief, Bureau of Asset Management
JESSICA CAFFREY, Director, Real Estate Management Division

PROPOSED AGREEMENT

Department(s): Real Estate Management

Other Part(ies): Civic Health Development Group ("CHDG"), CHDG is a joint venture development team of MB Real Estate Services, Inc., Walsh Investors, LLC, Plenary Group USA Ltd and Granite Companies LLC, Chicago, Illinois.

Request: Authorization for the Director of Real Estate Management to enter into a redevelopment agreement and associated ground leases on behalf of the County of Cook with the Civic Health Development Group ("CHDG").

Good(s) or Service(s): CHDG will serve as the County’s market rate development team of the Old Cook County Hospital site and adjoining real estate within the Cook County Hospital campus which is also known as the Hospital Campus Redevelopment

Agreement period: Ninety-nine year ground lease, with (2) twenty-five year

Fiscal Impact: Revenue Generating

Accounts: N/A

Agreement Number(s): N/A

Summary/Notes: CHDG was selected following the issuance of a Request for Proposal (“RFP”) by the Cook County Bureau of Asset Management Department of Real Estate in January of 2015. The RFP solicited a master developer for the redevelopment of the Old Cook County Hospital site and adjoining real estate, which includes the Hektoen and Durand buildings in Chicago, Illinois. The redevelopment will be implemented by utilizing market rate ground leases. The Redevelopment Agreement (“RDA”), will provide the County with a plan for efficient use of the County’s real estate assets and long range improvements for these identified real estate assets. The RDA will enable the preservation and reuse of the historic Old Cook County Hospital building. Upon completion, the project is also expected to enhance the hospital campus with new residential units, hotel rooms and additional commercial space. The project buildings associated with the RDA will have a sustainability goal of LEED Silver. Upon Board approval, the Director of Real Estate Management shall be authorized to (a) execute the redevelopment agreement and the associated market rate ground leases with CHDG on behalf of the County of Cook in the form submitted and on terms no less favorable than those set forth therein; and (b) execute such additional documents as may be necessary to implement the foregoing. The Director of Real Estate shall be further charged to deliver any and all notices under the RDA, including but not limited to any notice to terminate the RDA in the event unsatisfactory matters are discovered during the due diligence period.

Legislative History: 4/13/16 Board of Commissioners referred as amended in the errata to the Finance Committee.

Matthew B. DeLeon
Secretary

Chairman: Daley
Vice-Chairman: Sims
Members: Committee of the Whole