



**Board of Commissioners of Cook County
Minutes of the Finance Committee**

Tuesday, May 10, 2016

1:00 PM

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

ATTENDANCE

Present: Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Butler, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri and Suffredin (14)

Absent: Commissioners Murphy, Steele and Tobolski (3)

PUBLIC TESTIMONY

Chairman Daley asked the Secretary to the Board to call upon the registered public speaker, in accordance with Cook County Code, Sec. 2-107 (dd):

1. George Blakemore, Concerned Citizen
2. Rev. Curtiss DeYoung, Executive Director, Community Renewal Society
3. Lindsay Hammond, Community Renewal Society
4. Ali Simmons, Community Benefits Coalition
5. Gale Lewis, Community Benefits Coalition
6. Charles Austin, Community Benefits Coalition
7. Janice Peters, Action Now
8. Lisa DiChiera, Director of Advocacy, Landmarks Illinois
9. J. Michael Carr Jr., Executive Director, Fathers for the Future
10. Lawrence Biondi, Progress Center
11. Clark Craig, Progress Center
12. Rev. Dr. William E. Crowder Jr., Park Manor Christian Church
13. Horacio Esparza, Progress Center for Independent Living
14. Clifton McFowler, BUILD
15. Kia Giles, Westside Health Authority
16. Quiwana Bell, Westside Health Authority
17. Dean Granger, Concerned Citizen
18. Phil Gregory, Brothers Standing Together
19. Benny Lee, NAEFI
20. Mary Bak, President, Ely Chapter, Lambda Alpha International
21. Dr. Nancy Quesada, Cook County Health and Hospital System
22. MarySue Barrett, Metropolitan Planning Council

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.

A motion was made by Commissioner Suffredin, seconded by Commissioner Silvestri, that this Contract Amendment be recommended for approval. The motion carried by the following vote:

Ayes: Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Butler, Gainer, García, Goslin, Morrison, Silvestri and Suffredin (10)

Nays: Commissioners: Boykin (1)

Absent: Commissioners Fritchey, Moore, Murphy, Schneider, Steele and Tobolski (6)

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.

A motion was made by Commissioner Suffredin, seconded by Vice Chairman Sims, that this Agreement be recommended for approval. The motion carried by the following vote:

Ayes: Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Butler, Gainer, García, Goslin, Morrison, Silvestri and Suffredin (10)

Nays: Commissioners: Boykin (1)

Absent: Commissioners Fritchey, Moore, Murphy, Schneider, Steele and Tobolski (6)

Chairman Daley requested that a memorandum from Elaine Lockwood Bean, Bureau Chief, Bureau of Asset Management, regarding the real estate development agreement and a letter from John Jay Shannon, MD, CEO, Cook County Health and Hospital System regarding the Central Campus Health Center be entered into the record.

ADJOURNMENT

A motion was made by Vice Chairman Sims, seconded by Commissioner García, to adjourn the meeting. The motion carried by the following vote:

Ayes: Chairman Daley, Vice Chairman Sims, Commissioners Arroyo, Boykin, Butler, Fritchey, Gainer, García, Goslin, Moore, Morrison, Schneider, Silvestri and Suffredin (14)

Absent: Commissioners Murphy, Steele and Tobolski (3)

Respectfully submitted,


Chairman


Secretary