

An aerial photograph of the Cook County Hospital Central Campus. The image shows a dense urban area with various buildings and streets. Two specific areas are highlighted with semi-transparent colored overlays: a red outline around a large, multi-story building complex in the upper right, and a yellow outline around a large, rectangular area in the lower left, which includes a parking lot and a large open space. The overall scene is a mix of existing infrastructure and planned redevelopment.

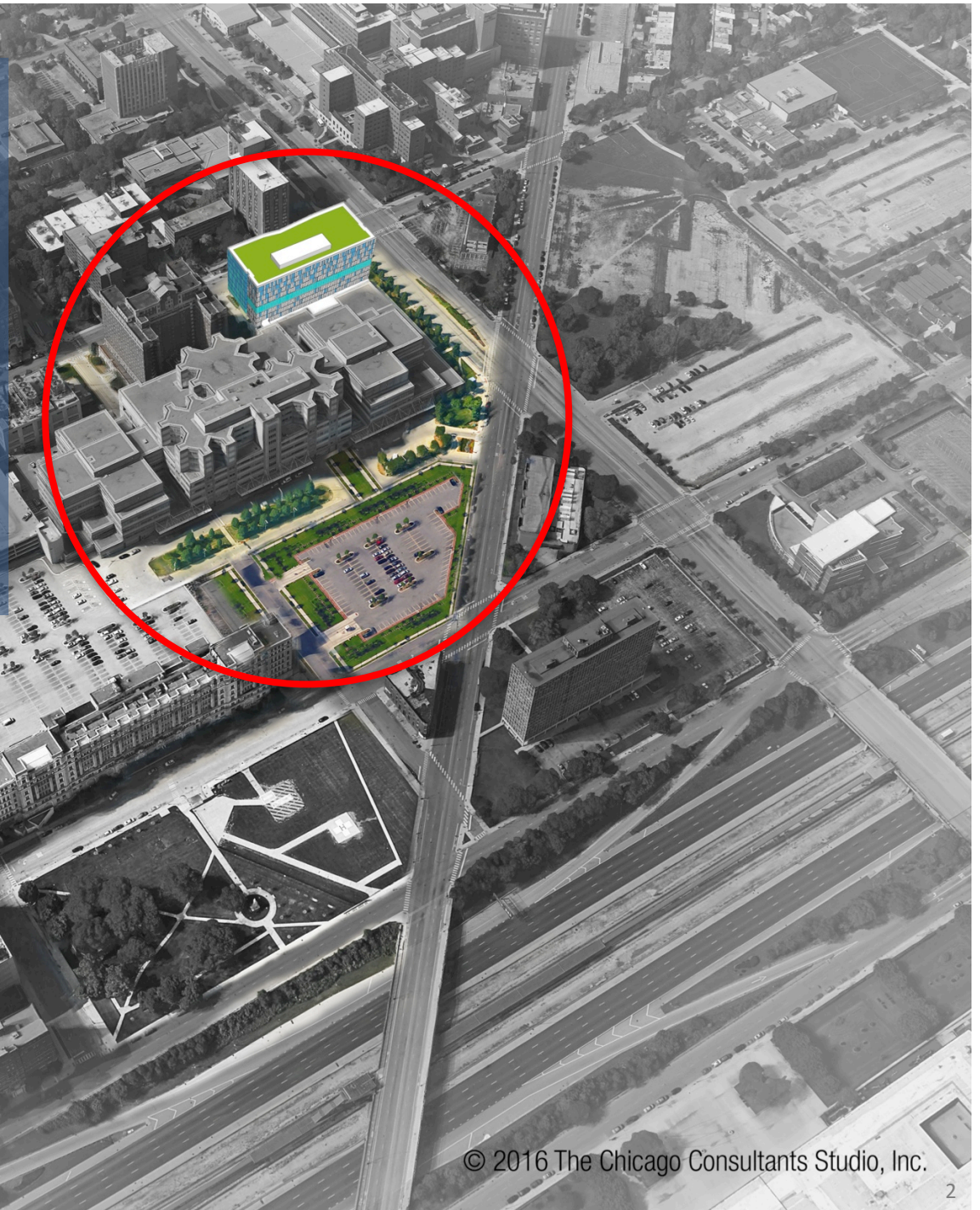
# COOK COUNTY HOSPITAL

## CENTRAL CAMPUS REDEVELOPMENT

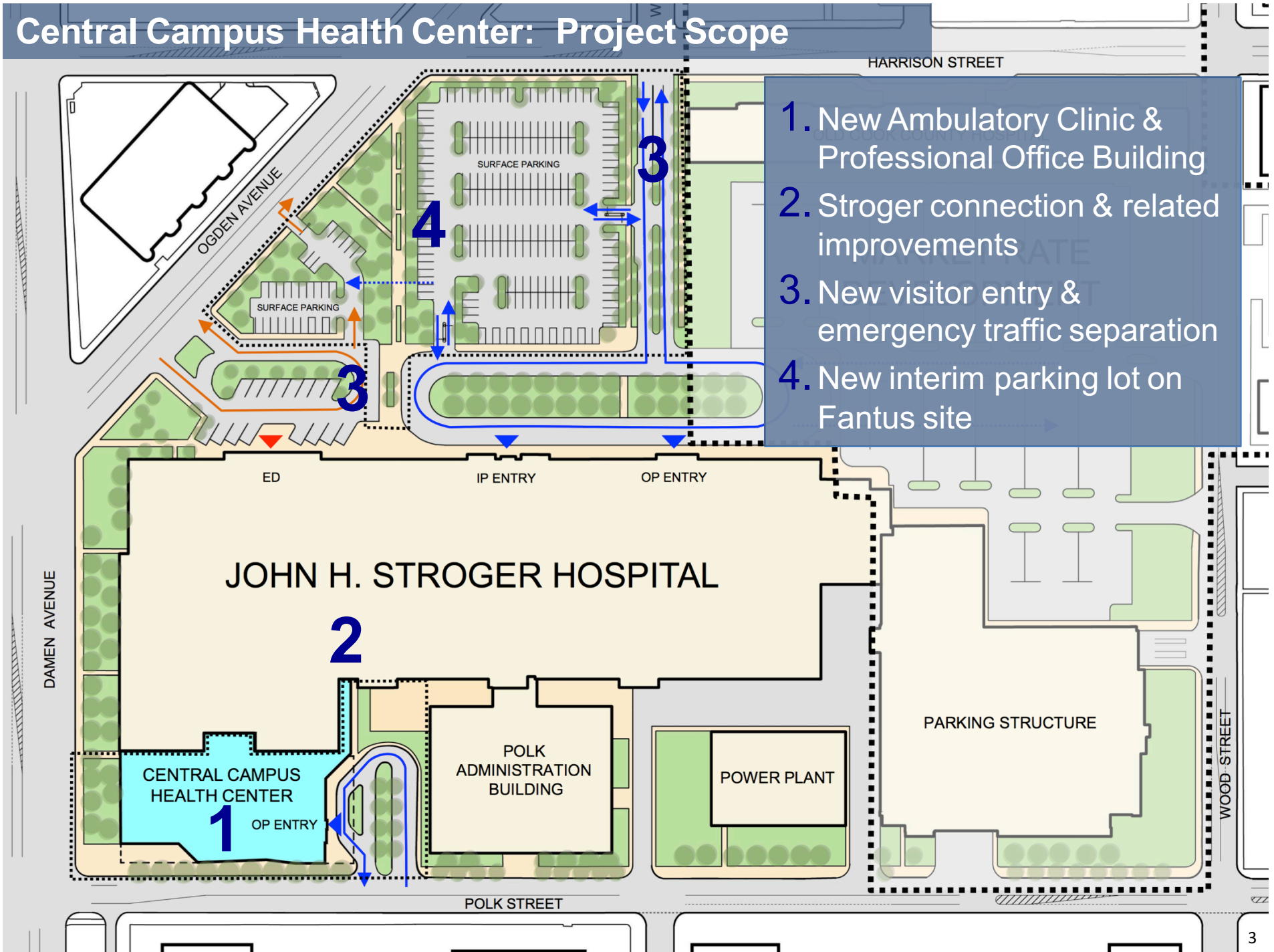
FINANCE COMMITTEE BRIEFING PACKET  
MAY 10, 2016

# CENTRAL CAMPUS HEALTH CENTER — AMBULATORY CLINICS AND OFFICE BUILDING

- NEW AMBULATORY CLINICS
- PROFESSIONAL OFFICE
- INTERIM PARKING AND ACCESS IMPROVEMENTS



# Central Campus Health Center: Project Scope



1. New Ambulatory Clinic & Professional Office Building
2. Stroger connection & related improvements
3. New visitor entry & emergency traffic separation
4. New interim parking lot on Fantus site

# Central Campus Health Center: The Need to be Competitive

**Fantus Building**  
c.1959  
Ambulatory Clinics

**Stroger Hospital**

**Polk Bldg.**  
c.1931  
Offices

**Hektoen**  
c.1964  
Lab/Office/  
Auditorium  
(Durand  
c.1914  
Vacant)

- Fantus, Polk Admin & Hektoen Buildings are **extremely costly to maintain and operate**
- Minimum **\$128M for repairs alone, another \$60M in improvements** vs. \$118.5M for new (*less expensive and more competitive*)
- And are **functionally obsolete and inflexible** in today's health care marketplace
- **CCHHS cannot compete without modern health care facilities**

## Central Campus Health Center: A New Image and Invitation

- New **competitive** 282,000 SF clinic & office building
- **Operational /maintenance savings** with new facility and reduction of 400K SF (Fantus, Polk, Hektoen)
- Key Damen & Polk site creates **separate “invitation” and new image / value** for CCHHS health care brand
- **Critical proximity and connectivity** to Stroger, clinics and inpatient facilities
- **Flexible, modular floor plan** with Clinics floors 1 – 4, 5<sup>th</sup> Floor Conference/Education, & Professional Office floors 6 – 9
- **New facility will vastly improve efficiencies and Environment of Care**

# Central Campus Health Center: Board Action



## Project Costs:

Building (Clayco contract)	\$108,500,000
Owner's Contingency	\$ 4,140,000
Soft Costs	\$ 5,860,000
	<hr/>
	\$ 118,500,000

## Seeking Board Approval:

- **Project Budgets:**

1. **Project Costs:**

\$ 108,500,000

- Design Costs
- Construction Costs
- Site & Infrastructure

2. **Owner's Contingency:**

\$ 4,140,000

- **Proceed into Phase 2  
Design and Construction**

# Central Campus Health Center: Timeline

- Phase 2 Design / CD Advancement thru January 2017
- January 2017 Construction Start / Ground Breaking
- Third Quarter 2018 New Building Completion and Occupancy





## MARKET RATE REDEVELOPMENT

**\$600M PRIVATE  
DEVELOPMENT  
INVESTMENT**

- 10-15 YEAR BUILD-OUT
- 1.6 M SF MIXED-USE  
(HOSPITALITY, OFFICE,  
RESIDENTIAL, RETAIL,  
DINING)



## Master Developer:

Civic Health Development Group (CHDG): MB Real Estate, Walsh Investors, Plenary Group & Granite Companies

## Phasing *(latest completion)*

### Phase 1A *(Feb 2020)*

- Ground Floor Retail
- Hospitality / Lodging
- Residential
- Office

### Phase 1B *(May 2021)*

- Technology / Research Office

### Phase 2 *(August 2023)*

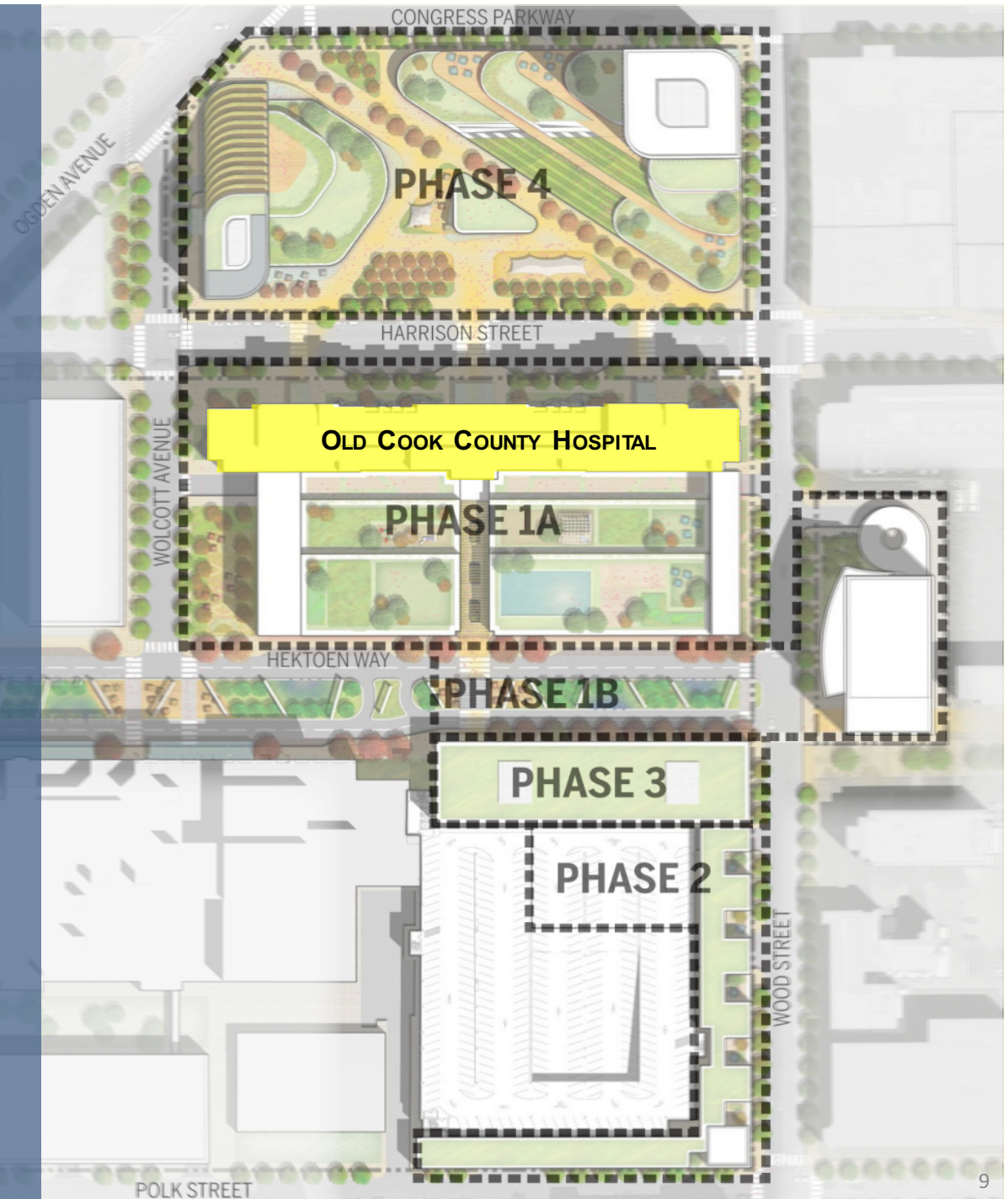
- Retail / Residential
- Parking Expansion

### Phase 3 *(Nov 2025)*

- Professional Office

### Phase 4 *(Feb 2028)*

- Retail
- Office / Hotel / Residential
- Park / Open Space



## Market Rate Redevelopment: Key Deal Highlights

- Commitment to Phase 1 renovation of Old Cook County Hospital
- 99-year ground lease & two 25 year options w/ base rent of \$ 2.0M /year at full build-out
- Rent exceeds current appraised value of land under conservative parameters
- Rent escalation of CPI + 0.5% maintains “market” value of rent over term of lease
- Safeguards cap County risk for unknown subsurface environmental (some remediation & assessment already complete)
- Standard Developer due diligence period
- RDA guarantees performance and protects County in all phases in event of default

## Market Rate Redevelopment: Key Benefits

- Restores a historic icon through Old Cook County Hospital reuse and redevelopment
- Improves the character, quality and offerings for the hospital, the central campus and the broader IMD district through much needed commercial development
- Major economic benefits beyond rent alone including new jobs, taxes and collateral development
- ***A truly transformational and “community-building” vision***



# COOK COUNTY CENTRAL CAMPUS REDEVELOPMENT

