



# Board of Commissioners of Cook County

118 North Clark Street  
Chicago, IL

## Legislation Text

File #: 23-5619, Version: 2

### PROPOSED LEASE AGREEMENT

**Department:** Department of Real Estate Management

**Request:** Request to Approve Lease Assignment and Assumption Agreement

**Landlord:** Howard Brown Health, an Illinois not-for-profit

**Tenant:** County of Cook, a body politic and corporate by and through its operating unit Cook County Health and Hospitals doing business as Cook County Health

**Location:** 439-493 E. 31<sup>st</sup> Street, Chicago, Illinois 60637

**Term/Extension Period:** 1/1/2024 - 6/30/2033

**Space Occupied:** 26,704 square feet

**Monthly Rent:** Base Rent: 26,704 sq. ft. at \$28.70 psf with 2.5% escalations

**Fiscal Impact:** \$18,902,633.09 (includes buildout cost of \$8,545,280.00 and rent schedule detailed below)

Period	Months	Net Rent	Estimated Tax Expense
Jan 2024 - May 2024	5	\$319,335.37	\$55,633.33
June 2024 - Dec 2024	7	\$447,069.47	\$124,618.67
Jan 2025 - Dec 2025	12	\$785,631.72	\$218,972.80
Jan 2026 - Dec 2026	12	\$805,392.60	\$224,447.12
Jan 2027 - Dec 2027	12	\$825,420.60	\$230,058.30
Jan 2028 - Dec 2028	12	\$845,982.72	\$235,809.76
Jan 2029 - Dec 2029	12	\$867,078.84	\$241,705.00
Jan 2030 - Dec 2030	12	\$888,709.08	\$247,747.62
Jan 2031 - Dec 2031	12	\$910,873.44	\$253,941.31
Jan 2032 - Dec 2032	12	\$933,571.80	\$260,289.85
Jan 2033 - June 2033	6	\$478,402.14	\$133,398.55
		\$8,107,467.78	\$2,226,622.31

Improvements: The buildout cost of the facility is estimated to be \$8,545,280.00 (approximately \$320.00 per square foot). Landlord shall provide an allowance for improvements to the Premises in the amount of \$50.00 per square foot or \$1,335,200.00, with an additional \$195,512.00 allowance for restrooms, which the landlord shall pay upon Lease Assignment. Additionally, planned parking lot repairs are estimated to be \$23,263.00 and will be reimbursed by the landlord upon completion.

Upon the effective date of the assumption, Assignor shall pay to County the lump sum of \$918,621.28. This amount

includes \$731,137.28, which is the present value of the discounted rent from June 1, 2024 through the end of the term, and \$187,484.00, which is one half of the anticipated rent and operating expenses during the 5 month construction period. Additionally, the Assignor shall deposit \$50,000.00 with the County to be used to cover any necessary replacements during the lease term.

**Accounts:**

FY24-26: 11286.4897.67210.550130.00000.00000 (ARPA - TR011)

FY27-33: 41200.4891.13945.550130.00000.00000

**Option to Renew:** Two (2), Five (5) Year renewal options

**Termination:** Landlord shall have the option to terminate this Lease effective as of the last day of the seventh Lease year by giving written notice to Tenant not less than one (1) year prior to the Early Termination. Landlord shall pay to Tenant a fee in an amount equal to the unamortized portion of the costs of the Tenant Work reduced by the Tenant Improvements Allowance.

**Utilities Included:** Paid by Tenant

**Summary/Notes:** Requesting approval of a Lease Assignment and Assumption Agreement between Howard Brown Health Center, an Illinois not for profit corporation (“Assignor”) and County of Cook, a body politic, on behalf of Cook County Health (“Assignee”) for 26,704 square feet of leased space. The subject property is located at 467 E. 31<sup>st</sup> Street, Chicago, Illinois (commonly known as 439-493 E. 31<sup>st</sup> Street).

This assignment enables Cook County Health to occupy and build out clinic space to continue operations for Behavioral Health and Family Medicine and to expand services for Physical and Occupational Therapy programs. The continuation of these programs is essential to the area while future renovations take place at Provident Hospital.