

From: [Russell, Kathryn](#)
To: [Constantino, Mike](#)
Cc: [Kenney, Annette](#)
Subject: [External] RE: email message
Date: Friday, June 12, 2020 4:42:02 PM

Hi Mike, per your request I have included details by category related to the FMV of the lease rate determination. Also, the rental constant was not negotiated for this Project as it is based on market conditions. The lease rate per square foot is consistent with other EEH MOB's within our real estate portfolio and other properties in the area. Let me know what other questions you may have.

Have a nice weekend!
 Katie

TABLE NINE
 FMV of Lease Space

Category	Cost Per SF	Detail
1 Core/Shell Building	\$182	This includes site work, stormwater treatment, parking, and utilities, as well as the structure, walls, floors & roof of the building.
2 Tenant Improvement Allowance	\$100	This is an allowance applied towards the total cost of the interior build out.
3 Soft Costs	\$50	These costs include commissions, legal, environmental, due diligence, and zoning approvals.
4 Contingency	\$20	Contingency for cost overruns on the core/shell building or soft costs.
5 Development Fee	\$17	Fee by Ryan Companies as developer.
6 Land	\$65	Cost to acquire the property.
7 Total Project Cost	\$434	Summary of #1-#6
8 Rental Constant	6.60%	Market rate established by the developer that is used to determine lease rate
9 Lease Rate	\$28.50	Total project cost multiplied by rental constant

From: Constantino, Mike <Mike.Constantino@Illinois.gov>
Sent: Friday, June 12, 2020 6:12 AM
To: Russell, Kathryn <Kathryn.Russell@EEHealth.org>
Subject: RE: email message

I am sorry Katy I missed your call. Are you free today? if so give me your number and time and I will call you.

Thank you..

From: Russell, Kathryn <Kathryn.Russell@EEHealth.org>
Sent: Thursday, June 11, 2020 4:44 PM
To: Constantino, Mike <Mike.Constantino@Illinois.gov>
Subject: [External] RE: email message

Mike, I left you a voicemail. Call me when you have a moment so we can discuss the answers to the below questions. 6307304937
 Talk soon!
 Katie

From: Constantino, Mike <Mike.Constantino@Illinois.gov>
Sent: Wednesday, June 10, 2020 7:24 AM
To: Russell, Kathryn <Kathryn.Russell@EEHealth.org>; Kenney, Annette <Annette.Kenney@EEHealth.org>
Subject: HELP

Ladies:

I need more help....i know Ms Kenney...it is not surprising.... but Ms. Russell is new and does not as familiar with my stupidity

How was the 6.6% rental constant determined? and based upon this table how was the initial lease rate of \$28.50 determined?

there are no findings on the report. I do not know yet if the Chair will be approving this Application before the Board meeting. I will need to let you know.

have a lovely day.

TABLE NINE
 FMV of Lease Space

	Cost Per SF
Core/Shell Building	\$182
Tenant Improvement Allowance	\$100
Soft Costs	\$50
Contingency	\$20
Development Fee	\$17
Land	\$65
Total Project Cost	\$434
Rental Constant ⁽¹⁾	6.60%
Lease Rate	\$28.50

Use of the Rent Constant pricing approach to determine the initial annual rent is often used in a Build to Suit lease. The developer and tenant agree on a factor (Rent Constant) to be multiplied by the total development cost of the project (Rental Base) to determine the initial annual rent. For example, if the Rent Constant is 6.60% and the Rental Base is \$434 sq. ft., then the initial rent would be \$28.50

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