



ILLINOIS

JB Pritzker, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Janel L. Forde, Acting Director

February 15, 2019

Dear Honorable Members of the General Assembly:

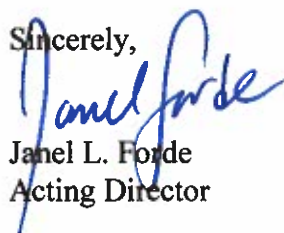
In compliance with 20 ILCS 405/405-300, requiring CMS to report new installment/lease purchase agreements executed in the previous year, we submit that Department of Central Management Services, Bureau of Property Management, has no new installment/lease purchases to report for the 2018 calendar year.

Under this statute, CMS is also required to provide an analysis of all leases that meet both of the following criteria: (1) the lease contains a purchase option clause; and (2) the third full year of the leases has been completed. This analysis is to include, without limitation, a recommendation of whether it is in the State's best interest to exercise the purchase option or to seek to renew the lease without exercising the clause. To provide this analysis, CMS engaged Jones Lang LaSalle (JLL) to analyze 20 properties throughout the state that met the criteria noted above. Their analysis consisted of two key parts: a market analysis and a financial analysis. Their analysis did not contain any determination of the usage of the properties for a programmatic fit with the user agency. This analysis would need to be conducted before a final determination is to be made to purchase a property.

Based on its analysis, JLL recommends that the State consider acquisition of 18 of the 20 properties if they can be purchased within the range outlined in the report and the State considers the inherent risks associated with each property as acceptable. This consideration would require additional investigation of the programmatic requirements of the using agencies. The remaining two properties should continue to be leased.

The full report is attached for your review and consideration. If you have questions or require further information, please contact Alyson Grady, CMS Bureau of Property Management at (217) 524-0535.

Sincerely,



Janel L. Forde
Acting Director

JF:ag

CC: Honorable Frank Mautino, Auditor General