



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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Title: Authorization to accept initial annual rental bid for Contract 16-366-12 (Re-Bid) Proposal to Lease for 39-years portions of the ground floor and outdoor plaza consisting of approximately 10,751 sq. ft. of the 101-111 East Erie Street building in Chicago, Illinois, from GIC 101 Erie LLC in the amount of \$60,000.00

Sponsors:

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Attachments: 1. Survey Map.GIC 101 Erie.pdf

Date	Ver.	Action By	Action	Result
2/16/2017	1	Board of Commissioners	Approved	Pass
2/16/2017	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF FEBRUARY 16, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to accept initial annual rental bid for Contract 16-366-12 (Re-Bid) Proposal to Lease for 39-years portions of the ground floor and outdoor plaza consisting of approximately 10,751 sq. ft. of the 101-111 East Erie Street building in Chicago, Illinois, from GIC 101 Erie LLC in the amount of \$60,000.00

Dear Sir:

At its meeting of September 15, 2016, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise Contract 16-366-11 Proposal to Lease for 39-years portions of the ground floor and outdoor plaza consisting of approximately 10,751 sq. ft. of the 101-111 East Erie Street building in Chicago, Illinois ("101-111 Building"). The minimum acceptable annual rental bid was established at \$45,000.00.

On October 25, 2016, no bids were received. The contract was re-advertised on November 9, 16 and 23, 2016. One bid was received for the subject proposal and was opened on November 29, 2016. The bid was received from GIC 101 Erie LLC ("GIC") for a minimum initial annual rental bid of \$60,000.00 (13.33% of the appraised fair market value).

GIC is a developer that owns and operates a hotel on floors 8-20 of the 101-111 Building. Floors 1-7, the outdoor plaza, and the underground parking areas are all owned by the District, with GIC having certain easement rights to use them. This includes exclusive easement rights to use the 101 East Erie ground floor lobby ("101 lobby") and a ground floor storage room on the 111 East Erie side of the building ("111 storage room"). It also includes a non-exclusive easement allowing use of the outdoor plaza surrounding the 101 lobby ("101 plaza") for ingress and egress purposes. GIC's easements do not include the right to sell alcohol

thereon, and it therefore requested a 39-year lease. GIC proposes to use the leased premises as a restaurant, outdoor arcade with seating for the restaurant, kitchen, and support facilities for the hotel on floors 8-20, with alcohol to be sold and served in the restaurant and arcade.

The Finance Department has reviewed GIC's financial and company background information and has reported that it demonstrates the ability to meet its financial obligations under the new proposed lease.

It is requested that the Executive Director recommend to the Board of Commissioners that it accept the initial annual rental bid for Contract 16-366-12 (Re-Bid) Proposal to Lease for 39-years portions of the ground floor and outdoor plaza consisting of approximately 10,751 sq. ft. of the 101-111 East Erie Street building in Chicago, Illinois, from GIC 101 Erie LLC in the amount of \$60,000.00.

It is also requested that the Executive Director recommend to the Board of Commissioners that it authorize and direct the chairman of the Committee on Finance and the Clerk to execute the lease agreement after it has been approved by the General Counsel as to form and legality.

Requested, Ronald M. Hill, General Counsel, RMH:STM:CMM:vp

Recommended, Darlene LoCascio, Director of Procurement and Materials Management

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for February 16, 2017

Attachment