



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

File #: 18-0529 **Version:** 1
Type: Agenda Item **Status:** Deleted
File created: 5/25/2018 **In control:** Procurement Committee
On agenda: 6/7/2018 **Final action:** 6/7/2018
Title: Authority to advertise Contract 18-363-11 for public tender of bids a sixty (60) year lease on 8.61 acres of District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions). The minimum initial annual rental bid shall be established at \$300,000.00

Sponsors:

Indexes:

Code sections:

Attachments: 1. PMM-Aut to Advertise Contract 18-363-11 Cal-Sag Channel Crestwood.pdf

Date	Ver.	Action By	Action	Result
6/7/2018	1	Board of Commissioners	Deleted	
6/7/2018	1	Committee of the Whole	Deleted	

TRANSMITTAL LETTER FOR BOARD MEETING OF JUNE 7, 2018

COMMITTEE ON PROCUREMENT

Mr. John P. Murray, Acting Executive Director

Authority to advertise Contract 18-363-11 for public tender of bids a sixty (60) year lease on 8.61 acres of District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions). The minimum initial annual rental bid shall be established at \$300,000.00

Dear Sir:

On August 31, 2017, the Board of Commissioners ("Board") authorized the commencement of statutory procedures to lease the subject District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions) for a sixty (60) year term. Parcel 11.04 comprises approximately 22 acres and is being divided into 3 separate leaseholds to allow for commercial development under leases acquired pursuant to the competitive bid process and one lease for public recreational use.

In conformance with such approach, on April 6, 2017, the Board authorized the District to lease to the Village of Crestwood ("Crestwood") an approximate 6 acre portion of Parcel 11.04 for public recreational purposes for use as a public park, a walking trail, and a detention basin. This lease contains a 30' wide setback area along the entire length of Parcel 11.04, adjacent to and parallel with the Cal-Sag Channel. On June 15, 2017, the Board awarded a competitive bid lease to Crestwood on the approximate eastern 7 acre portion of Parcel 11.04 for a mixed use retail development.

The two Crestwood leases are each for a 60-year term. Crestwood now requests to lease the remaining 8.61 acre portion of Parcel 11.04 for a 60-year term, which is presently vacant and comprises the western 3.60

acres and the middle 5.01 acres of the parcel. Crestwood seeks to use this remaining portion, which is bordered by the 30' open-space setback from the water's edge under Crestwood's public recreational lease, for a hotel and banquet hall development. The Board previously waived the remaining 30' of the 60' open-space setback requirement at its August 31, 2017 meeting.

Pursuant to statute, the lead applicant, Crestwood, submitted two appraisals and the Law Department obtained a third appraisal as follows:

<u>Appraiser</u>	<u>Value</u>
CohnReznick L.L.P. Patricia L. McGarr, MAI (District's Appraiser)	\$3,000,000.00
Associated Property Counselors, Ltd. Dale J. Kleszynski, MAI	\$1,385,000.00
William H. Metz & Associates, Inc. Sharon Metz-Gohla, SRA	\$1,910,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$3,000,000.00, and that the minimum initial annual rental bid be established at 10% of the property's fair market value or \$300,000.00.

It is further recommended that the Acting Executive Director recommend to the Board of Commissioners that it authorize and approve the issuance of the following orders:

1. The real estate comprising 8.61 acres of District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions), as depicted in the exhibit attached hereto, be declared surplus and not needed for the District's corporate purposes and available for lease as set forth herein.
2. The fair market value of the 8.61 acres of real estate be established at \$3,000,000.00, and that the minimum initial annual rental be established at 10% thereof or \$300,000.00.
3. The Director of Procurement and Materials Management be authorized to advertise said 8.61 acres of real estate as available for lease for a term of sixty (60) years at the minimum initial annual rental bid of \$300,000.00, and report the results of the bidding to the Board of Commissioners for further action.

It is requested that the Acting Executive Director recommend to the Board of Commissioners that it authorize the Director of Procurement and Materials Management to advertise Contract 18-363-11 for public tender of bids a sixty (60) year lease on 8.61 acres of District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions). The minimum initial annual rental bid shall be established at \$300,000.00.

Requested, Susan T. Morakalis, General Counsel, STM:CMM
Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management
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 June 7, 2018

Attachment