



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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Title: Authority to advertise Contract 19-364-11 for public tender of bids a 15-year lease on approximately 14.494 acres of District real estate located at 3426 South Kedzie Avenue in Chicago, Illinois; Main Channel Parcel 41.07. The minimum initial annual rental bid shall be established at \$280,000.00

Sponsors:

Indexes:

Code sections:

Attachments: 1. Authority to Advertise Contract 19-364-11 - MCP 41.07 - Aerial.pdf

Date	Ver.	Action By	Action	Result
7/11/2019	1	Board of Commissioners	Deleted	

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 11, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authority to advertise Contract 19-364-11 for public tender of bids a 15-year lease on approximately 14.494 acres of District real estate located at 3426 South Kedzie Avenue in Chicago, Illinois; Main Channel Parcel 41.07. The minimum initial annual rental bid shall be established at \$280,000.00

Dear Sir:

On December 20, 2018, the Board of Commissioners ("Board") authorized the advertisement of Contract 19-360-11 for the public tender of bids a 39-year lease on approximately 14.494 acres of District real estate located at 3426 South Kedzie Avenue in Chicago, Illinois; Main Channel Parcel 41.07, for a minimum initial annual rental bid of \$350,000.00. The minimum bid represented 10% of the highest of the three appraised values, pursuant to Board policy. The bid opening was on January 29, 2019, and no bids were received.

As no bids were received, it is recommended that the site be re-advertised as available for lease at 8% of the highest of the three appraised values for a 15-year period. The site is currently vacant. The lead applicant, Quality Truck & Trailer Repair, Inc. ("Quality Truck"), had requested to lease the site for truck parking and equipment storage.

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

Appraiser

Value

Appraisal Associates
William I. Enright, MAI
(District's Appraiser)

\$3,500,000.00

LaSalle Appraisal Group, Inc. Joseph M. Ryan, MAI	\$625,000.00
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Praedium Valuation Group Mary Wagner, MAI	\$2,030,000.00
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It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$3,500,000.00, and that the minimum initial annual rental bid be established at 8% of the property's fair market value or \$280,000.00.

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

1. The real estate comprising approximately 14.494 acres of District real estate located at 3426 South Kedzie Avenue in Chicago, Illinois; Main Channel Parcel 41.07, 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 approximately 14.494 acres of real estate be established at \$3,500,000.00, and that the minimum initial annual rental be established at 8% thereof or \$280,000.00.
3. The Director of Procurement and Materials Management be authorized to advertise said approximately 14.494 acres of real estate as available for lease for a term of 15 years at the minimum initial annual rental bid of \$280,000.00, and report the results of the bidding to the Board of Commissioners for further action.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize the Director of Procurement and Materials Management to advertise Contract 19-364-11 for public tender of bids a 15-year lease on approximately 14.494 acres of District real estate located at 3426 South Kedzie Avenue in Chicago, Illinois; Main Channel Parcel 41.07. The minimum initial annual rental bid shall be established at \$280,000.00.

Requested, Susan T. Morakalis, General Counsel, STM:JJZ:BJD:vp

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 July 11, 2019

Attachment