



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 19-365-11 Proposal to Lease for ninety-nine (99) years, 44.61 acres of District real estate located south of the Cal-Sag Channel between Cicero Avenue and Kostner Avenue in Crestwood, Illinois; Cal-Sag Channel Parcels 12.05, 12.07 and 12.08 from the Village of Crestwood in the amount of \$820,626.00

Sponsors:

Indexes:

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Attachments: 1. PMM - Authority to Accept Rental Bid Contract 19-365-11 Crestwood - Aerial.pdf

Date	Ver.	Action By	Action	Result
10/3/2019	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 3, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authorization to accept initial annual rental bid for Contract 19-365-11 Proposal to Lease for ninety-nine (99) years, 44.61 acres of District real estate located south of the Cal-Sag Channel between Cicero Avenue and Kostner Avenue in Crestwood, Illinois; Cal-Sag Channel Parcels 12.05, 12.07 and 12.08 from the Village of Crestwood in the amount of \$820,626.00

Dear Sir:

On August 9, 2019, the Board of Commissioners ("Board") authorized the advertisement of Contract 19-365-11 for the public tender of bids a 99-year lease on 44.61 acres of District real estate located south of the Cal-Sag Channel between Cicero Avenue and Kostner Avenue in Crestwood, Illinois; Cal-Sag Channel Parcels 12.05, 12.07 and 12.08 for a minimum initial annual rental bid of \$820,625.00. The minimum bid represented 6.5% of the highest of the three appraised values.

One bid was received for the subject proposal and was opened on September 17, 2019. The bid was received from the Village of Crestwood ("Crestwood") for an initial annual rental bid of \$820,626.00 (6.5% of the appraised fair market value). Crestwood is currently occupying Cal-Sag Channel Parcel 12.05 under a permit authorizing the removal of spoil therefrom. Crestwood anticipates all grading activities to be completed by the end of 2019. Cal-Sag Channel Parcels 12.07 and 12.08 are both vacant. Crestwood proposes to develop the site for commercial and entertainment development, including for the operation of a casino if Crestwood is selected as a future casino site by the Illinois Gaming Board, which will be decided on a date to be determined. In the event Crestwood is granted a gaming license and a casino is operated on the leasehold, it is recommended that in addition to annual rent, the District share in a percentage of the gambling revenue. Under the Illinois Gambling Act, if Crestwood is awarded a casino license, 2% of the gambling revenue would go to Crestwood and 3% of the gambling revenue would be divided equally by 43 municipalities. Crestwood

proposes to pay the District the same prorated share that these municipalities would receive of the 3% of the gambling revenue, or \$150,000.00 annually, whichever amount is greater.

The Finance Department has reviewed Crestwood'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 19-365-11 Proposal to Lease for ninety-nine (99) years, 44.61 acres of District real estate located south of the Cal-Sag Channel between Cicero Avenue and Kostner Avenue in Crestwood, Illinois; Cal-Sag Channel Parcels 12.05, 12.07 and 12.08 from the Village of Crestwood in the amount of \$820,626.00.

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, Susan T. Morakalis, General Counsel, STM:JJZ:CMM:vp

Recommended, Darlene LoCascio, Director of Procurement and Materials Management

Recommended, Brian A. Perkovich, 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 October 3, 2019

Attachment