



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 18, 2014

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to issue a three (3) month permit extension to Ameropan Oil Company for the continued use of approximately 11.88 acres of District real estate located at 3301 S. California Avenue in Chicago, Illinois; Main Channel Parcel 42.03. Consideration shall be \$150,250.00 (*As Revised*)

Dear Sir:

Ameropan Oil Company ("Ameropan") leased approximately 11.88 acres of District real estate located at 3301 S. California Avenue in Chicago, Illinois, and known as Main Channel Parcel 42.03 under a lease that commenced October 1, 1915, and expired September 30, 2014. Ameropan is currently occupying the site under a permit that expires December 31, 2014. Ameropan's current permit fee is \$150,250.00 for a three month period. The parcel is improved with docks, warehouses and above ground storage tanks. Ameropan operates a bulk liquid asphalt facility. Ameropan requested a new 39-year lease upon expiration of its former lease.

The site was made available for lease pursuant to the District's statutory leasing procedures for a minimum annual rental bid of \$601,000.00. Two bids were received on November 18, 2014; one from Ameropan Oil Company (current tenant) in the amount of \$607,010.00 and one from Gardner Gibson, Inc. in the amount of \$776,000.00.

The Board of Commissioners was recently advised that both bidders were notified to submit their financial information to determine whether each bidder is considered a "responsible bidder". If both bidders are deemed responsible bidders, authorization will be requested from the Board that the District exercise its statutory right to seek amended bids from the two companies increasing their bids by at least 5% pursuant to Section 8c(4) of the District's leasing statute.

A three (3) month permit is being recommended to allow for continued occupancy of the site during the remainder of the bidding process for this parcel of land. A three (3) month permit fee of \$150,250.00 is recommended which represents the pro-rata share of 10% of the current appraised value of the property.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize the issuance of the three (3) month permit extension to Ameropan Oil Company for the continued use of approximately 11.88 acres of District real estate located at 3301 S. California Avenue in Chicago, Illinois; Main Channel Parcel 42.03. Consideration shall be \$150,250.00.

It is further requested that the Executive Director recommend to the Board of Commissioners that the Chairman of the Committee on Finance and the Clerk be authorized and directed to execute said permit extension agreement after it is approved by the General Counsel as to form and legality.

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

Recommended, David St. Pierre, Executive Director

Respectfully submitted, Mariyana T. Spyropoulos, Chairman Committee on Real Estate Development

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for December 18, 2014

Attachment