



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 15-0308, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 19, 2015

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to issue a three (3) year permit extension to Ameropan Oil Company for the continued use of approximately 11.88 acres of District real estate located at 3301 South California Avenue in Chicago, Illinois; Main Channel Parcel 42.03. Consideration shall be an annual fee of \$601,000.00

Dear Sir:

Ameropan Oil Company ("Ameropan") leased approximately 11.88 acres of District real estate located at 3301 South 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 March 31, 2015. 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 (current tenant) in the amount of \$607,010.00 and one from Gardner Gibson, Inc. in the amount of \$776,000.00. Both bidders were deemed responsible bidders. Thereafter, on March 5, 2015, the Board of Commissioners ("Board") authorized the Executive Director or his designee to solicit from the two bidders written amendments to their prior bids with the minimum annual acceptable bid being established at \$814,800.00 pursuant to the District's leasing statute.

In the event Ameropan is not the successful bidder, additional time will be necessary to allow Ameropan to complete certain environmental remediation work and to properly vacate the premises.

A three (3) year permit is, therefore, being recommended to properly vacate the premises. The permit will contain a provision that in the event Ameropan is the successful bidder, under the amended bid process, the permit will then be terminated at such time that the Board awards a new lease.

A permit fee of \$601,000.00 is recommended which represents 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 and approve the issuance of a three (3) year permit extension to Ameropan Oil Company for the continued use of approximately 11.88 acres of District real estate located at 3301 South California Avenue in Chicago, Illinois; Main Channel Parcel 42.03. Consideration shall be an annual fee of \$601,000.00.

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 the permit extension agreement on behalf of the District after it is approved by the General Counsel as to form and

legality.

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

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 March 19, 2015

Attachment