



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 FEBRUARY 18, 2016

COMMITTEE ON PROCUREMENT

David St. Pierre, Executive Director

Authority to advertise Contract 16-362-11 for public tender of bids a 10-year lease on 9.44 acres of District real estate located at 6400 Canal Bank Road in Forest View, Illinois; Main Channel Parcel 37.07. The minimum initial annual rental bid shall be established at \$160,000.00

Dear Sir:

On November 19, 2015, the Board of Commissioners authorized the commencement of statutory procedures to lease the subject District real estate located at 6400 Canal Bank Road in Forest View, Illinois, and known as Main Channel Parcel 37.07. The site is currently occupied by Northfield Block Company ("Northfield") under a lease that commenced March 1, 2007, and expires February 28, 2017. The lead applicant, Northfield, seeks to continue to lease the property for the purpose of operating a concrete block manufacturing and distribution facility.

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

<u>Appraiser</u>	<u>Value</u>
Appraisal Associates William J. Enright, MAI (District's Appraiser)	\$1,600,000.00
LaSalle Appraisal Group, Inc. Joseph M. Ryan, MAI	\$ 650,000.00
Sterling Valuation Thomas W. Grogan, MAI	\$1,115,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$1,600,000.00, and that the minimum initial annual rental bid be established at 10% of the property's fair market value or \$160,000.00.

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 consisting of 9.44 acres located at 6400 Canal Bank Road in Forest View, Illinois, and known as Main Channel Parcel 37.07 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 9.44 acres of real estate be established at \$1,600,000.00 and that the minimum initial annual rental be established at 10% thereof or \$160,000.00.

3. The Director of Procurement and Materials Management be authorized to advertise said 9.44 acres of real estate as available for lease for a term of ten (10) years at the minimum initial annual rental bid of \$160,000.00 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 16-362-11 for public tender of bids for a ten (10) year lease on 9.44 acres of District real estate located at 6400 Canal Bank Road in Forest View, Illinois; Main Channel Parcel 37.07. The minimum initial annual rental bid shall be established at \$160,000.00.

Requested, Ronald M. Hill, General Counsel, RMH:SM:CMM:vp

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement and Materials Management

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for February 18, 2016

Attachment