



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 16-0191, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 3, 2016

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to accept initial annual rental bid for Contract 16-360-11 Proposal to Lease for 39-years 9.20+/- acres of District real estate located at 15185 Main Street in Lemont, Illinois; Main Channel Parcel 24.02 and Part of 24.10 from K.A. Steel Chemicals, Inc., in the amount of \$480,000.00

Dear Sir:

At its meeting of December 3, 2015, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise Contract 16-360-11 Proposal to Lease for 39-years 9.20+/- acres of District real estate located at 15185 Main Street in Lemont, Illinois; Main Channel Parcel 24.02 and part of 24.10. The minimum acceptable initial annual rental bid was established at \$291,500.00.

One bid was received for the subject proposal and was opened on January 26, 2016. The bid was received from K.A. Steel Chemicals, Inc. ("K.A. Steel") for a minimum initial annual rental bid of \$480,000.00 (16.4666% of the appraised fair market value). K.A. Steel's proposed use of the site under a lease is to continue to operate a chemical storage facility.

The Finance Department has reviewed K.A. Steel'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 recommended to the Board of Commissioners that it accept the initial annual rental bid for Contract 16-360-11 Proposal to Lease for 39-years 9.20+/- acres of District real estate located at 15185 Main Street in Lemont, Illinois; Main Channel Parcel 24.02 and part of 24.10 from K.A. Steel Chemicals, Inc., in the amount of \$480,000.00.

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

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

Recommended, David St. Pierre, Executive Director

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for March 3, 2016

Attachment