



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 16-0868, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 1, 2016

COMMITTEE ON PROCUREMENT

David St. Pierre, Executive Director

Authority to advertise Contract 16-365-11 for public tender of bids a 20-year lease on 11.97 acres of District real estate located at 3151 South California Avenue in Chicago, Illinois; Main Channel Parcel 42.06. The minimum initial annual rental bid shall be established at \$385,000.00

Dear Sir:

On February 18, 2016, the Board of Commissioners authorized the commencement of statutory procedures to lease 11.97 acres of District real estate located at 3151 South California Avenue in Chicago, Illinois, and known as Main Channel Parcel 42.06. The site is currently leased by 3151 S. California, LLC ("3151 LLC") under a 99-year lease that expires on May 31, 2017. 3151 LLC subleases the western half of the site to Lakeshore Recycling Systems, LLC ("Lakeshore") for storing containers. The remaining area of the leasehold is unoccupied. Lakeshore has requested to lease the entire 11.97 acre site upon expiration of the 3151 LLC lease to operate a maintenance yard and construction-material-recycling facility, and to store roll-off containers and clean aggregate material.

Pursuant to statute, Lakeshore 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)	\$3,850,000.00
Borysow Appraisal Paul Borysow, MAI	\$3,355,000.00
The Gorman Group Robert C. Gorman, MAI	\$2,000,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$3,850,000.00, and that the minimum initial annual rental bid be established at 10% of the property's fair market value or \$385,000.00.

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 11.97 acres of District real estate located at 3151 South California Avenue in Chicago, Illinois, known as Main Channel Parcel 42.06, as 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 11.97 acres of District real estate be established at \$3,850,000.00, and that the minimum initial annual rental be established at 10% thereof or \$385,000.00.
3. The Director of Procurement and Materials Management be authorized to advertise said 11.97 acres of District real estate as available for lease for a term of twenty (20) years at the minimum initial annual rental bid of \$385,000.00, 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 16-365-11 for public tender of bids for a 20-year lease on 11.97 acres of District real estate located at 3151 South California Avenue in Chicago, Illinois; Main Channel Parcel 42.06. The minimum initial annual rental bid shall be established at \$385,000.00.

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

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for September 1, 2016

Attachment