



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 17-0375, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 6, 2017

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to issue a two (2) month permit to Connelly-GPM, Inc. on approximately 5.95 acres of District real estate located at 3154 S. California Avenue in Chicago, Illinois; Main Channel Parcels 42.05 and 42.16. Consideration shall be \$32,500.00

Dear Sir:

Connelly-GPM, Inc. ("Connelly") leases approximately 5.95 acres of District real estate located at 3154 S. California Avenue in Chicago, Illinois and known as Main Channel Parcels 42.05 and 42.16 under two separate leases. The lease on Parcel 42.05 comprises 4.63 acres, commenced May 1, 1918, and expires April 30, 2017. The annual rent is \$1,410.00. The lease on Parcel 42.16 comprises 1.32 acres, commenced February 1, 1999, and expires April 30, 2017. The current annual rent under this lease is \$41,004.00. Connelly uses the sites to operate an iron sponge manufacturing business. Connelly requested to continue leasing Parcels 42.05 and 42.16 upon expiration of the leases thereon for a ten (10) year term.

As a result of Connelly's request to continue leasing the property, the Board of Commissioners ("Board") authorized the advertisement of Contract 17-360-11 for the public tender of bids a 10-year lease on the subject property for a minimum initial annual rental bid of \$195,000.00 which represented 10% of the site's established fair market value. The bid opening was January 24, 2017, and no bids were received. As no bids were received, on March 16, 2017, the Board authorized the re-bid of the site at the statutory minimum initial annual rental bid of 6% of the highest of the three appraised values and established the minimum initial annual rental bid amount at \$117,000.00. The bid opening is scheduled for April 18, 2017. As Connelly's two leases expire April 30, 2017, a two (2) month permit allowing continued occupancy of the site is recommended. This two (2) month extension will provide for the re-bid process to be completed and will provide Connelly the additional time to vacate the site should it elect not to submit a bid or is not the successful bidder during this re-bid process.

A permit fee of \$32,500.00 is recommended as such fee represents the pro-rata share of 10% of the site's current appraised fair market value of \$1,950,000.00.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize the issuance of a two (2) month permit to Connelly-GPM, Inc. on approximately 5.95 acres of District real estate located at 3154 S. California Avenue in Chicago, Illinois; Main Channel Parcels 42.05 and 42.16. Consideration shall be \$32,500.00.

It is further requested that the Executive Director recommend to the Board of Commissioners that it authorize and direct the Chairman of the Committee of Finance and the Clerk to execute the permit agreement after it is approved by the General Counsel as to form and legality.

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

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, David J. Walsh, 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 April 6, 2017

Attachment