



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 APRIL 20, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to advertise Contract 17-363-12 (RE-BID) for public tender of bids a 60-year lease on 7 acres of District real estate located south of the Cal-Sag Channel and west of Cicero Avenue in Crestwood, Illinois, eastern portion of Cal-Sag Channel Parcel 11.04 The minimum initial annual rental bid shall be established at \$156,000.00

Dear Sir:

On January 5, 2017, the Board of Commissioners ("Board") authorized the advertisement of Contract 17-363-11 for the public tender of bids a 60-year lease on 7 acres of District real estate located south of the Cal-Sag Channel and west of Cicero Avenue in Crestwood, Illinois and known as the eastern portion of Cal-Sag Channel Parcel 11.04 for a minimum initial annual rental bid of \$260,000.00. The minimum bid represented 10% of the highest of the three appraised values, pursuant to Board policy. The bid opening was on February 28, 2017, and no bids were received. As no bids were received, it is recommended that the site be re-advertised as available for lease at the statutory minimum of 6% of the highest of the three appraised values. The site is currently vacant.

Pursuant to statute, the lead applicant, Hamilton Partners, submitted two appraisals and the Law Department obtained a third appraisal as follows:

<u>Appraiser</u>	<u>Value</u>
CohnReznick Patricia McGarr, MAI (District's appraiser)	\$2,600,000.00
Landauer Valuation & Advisory Daniel Costello, MAI	\$1,500,000.00
Madison Appraisal, LLC Joseph J. Calvanico, MAI	\$1,050,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$2,600,000.00 and that the minimum initial annual rental bid be established at 6% of the property's fair market value or \$156,000.00.

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 7 acres located south of the Cal-Sag Channel and west of Cicero

Avenue in Crestwood, Illinois, and known as the eastern portion of Cal-Sag Channel Parcel 11.04 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 7 acres of real estate be established at \$2,600,000.00 and that the minimum initial annual rental be established at 6% thereof or \$156,000.00.

3. The Director of Procurement and Materials Management be authorized to advertise said 7 acres of real estate as available for lease for a term of sixty (60) years at the minimum initial annual rental bid of \$156,000.00 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 17-363-12 (RE-BID) for public tender of bids a 60-year lease of 7 acres of District real estate located south of the Cal-Sag Channel and west of Cicero Avenue in Crestwood, Illinois and known as the eastern portion of Cal-Sag Channel Parcel 11.04. The minimum initial annual rental bid shall be established at \$156,000.00.

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

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 April 20, 2017

Attachment