



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 17-1186, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 16, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to advertise Contract 17-368-11 for public tender of bids a 50-year lease on 0.074 acres of District real estate located at the northwest corner of Route 83 and 127th Street in Alsip, Illinois; Cal-Sag Channel Parcel 11.03 (Portion). The minimum initial annual rental bid shall be established at \$5,000.00

Dear Sir:

On October 5, 2017, the Board of Commissioners ("Board") authorized the commencement of statutory procedures to lease 0.074 acres of District real estate located at the northwest corner of Route 83 and 127th Street in Alsip, Illinois, and known as Cal-Sag Channel Parcel 11.03 (Portion). This portion of Parcel 11.03 was previously under lease to the Alsip Park District ("Alsip") for public recreational use and for the construction, operation and maintenance of the Cal-Sag Trail, a bicycle/pedestrian path. Also on October 5, 2017, the Board approved an amendment to Alsip's lease to allow for the partial surrender of Parcel 11.03 totaling 0.074 acres. A private lease on this portion of Parcel 11.03 will not affect the existing operation of the Cal-Sag Trail. The lead applicant, SMK3, LLC ("SMK3"), owns an adjacent restaurant establishment and has requested to lease the subject site for use as a driveway in conjunction with the restaurant's operations. The requested lease term is 50-years.

Pursuant to statute, the lead applicant, SMK3, submitted two appraisals and the Law Department obtained a third appraisal as follows:

<u>Appraiser</u>	<u>Value</u>
Cohn Reznick Patricia McGarr, MAI (District's Appraiser)	\$ 6,500.00
Argianas & Associates, Inc. Charles G. Argianas, MAI	\$10,000.00
McCann Appraisal & Consulting, LLC Michael S. McCann, CRA	\$10,500.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$10,500.00. Because the District's customary assessment of 10% of the fair market value would yield a minimum bid of less than the minimum initial annual fee of \$5,000.00, it is recommended that the minimum initial annual rental bid be established at 47.7% of the property's fair market value or \$5,000.00.

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 0.074 acres of District real estate located at the northwest corner of Route 83 and 127th Street in Alsip, Illinois; Cal-Sag Channel Parcel 11.03 (Portion), 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 0.074 acres of real estate be established at \$10,500.00, and that the minimum initial annual rental be established at 47.7% thereof or \$5,000.00.
3. The Director of Procurement and Materials Management be authorized to advertise said 0.074 acres of real estate as available for lease for a term of 50 years at the minimum initial annual rental bid of \$5,000.00, and report the result 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 17-368-11 for public tender of bids a 50-year lease on 0.074 acres of District real estate located at the northwest corner of Route 83 and 127th Street in Alsip, Illinois; Cal-Sag Channel Parcel 11.03 (Portion). The minimum initial annual rental bid shall be established at \$5,000.00.

Requested, Susan T. Morakalis, General Counsel, STM:CMM:PS: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 November 16, 2017

Attachment