



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 17-1189, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 16, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to advertise Contract 17-367-11 for public tender of bids a seven (7) year lease on 1.38 acres of District real estate located east of the North Shore Channel and north and south of the CTA Yellow Line tracks in Skokie, Illinois; part of North Shore Channel Parcel 6.14. The minimum initial annual rental bid shall be established at \$46,500.00

Dear Sir:

On July 6, 2017, the Board of Commissioners ("Board") authorized the commencement of statutory procedures to lease 1.38 acres of District real estate located east of the North Shore Channel and north and south of the CTA Yellow Line in Skokie, Illinois; part of North Shore Channel Parcel 6.14 for a seven (7) year term. In granting such authorization, the Board waived the Comprehensive Land Use Policy's requirement that District land located along the North Shore Channel between Devon Avenue and the Wilmette Harbor be leased only for green-space and public recreational use. The site is currently vacant. The lead applicant, Builder's Asphalt, LLC ("Builder's"), leases 6.04 acres of adjacent District real estate located at 3216 Oakton Street in Skokie, Illinois and known as North Shore Channel Parcels 6.06 and 6.11 under a lease that commenced on July 1, 2014, and expires June 30, 2024 ("Lease"). Builder's uses this land under the Lease for operating an asphalt plant and for purposes incident thereto. The annual rent is \$173,400.00. Builder's has requested to lease this 1.38 acre portion of Parcel 6.14 for recycling concrete and stockpiling of materials used in its asphalt business. The requested lease term is seven (7) years so that it can expire simultaneously with its lease on Parcels 6.06 and 6.11 in 2024.

Pursuant to statute, Builder's 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)	\$343,000.00
Kelly Appraisal Consultants, Inc. Patrick M. Kelly, MAI	\$ 70,000.00
MaRous & Company Lee F. Canel, MAI	\$465,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$465,000.00, and that the minimum initial annual rental bid be established at 10% of the property's fair market value or \$46,500.00.

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 1.38 acres of District real estate located east of the North Shore Channel and north and south of the CTA Yellow Line tracks in Skokie, Illinois, and known as part of North Shore Channel Parcel 6.14, 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 1.38 acres of real estate be established at \$465,000.00, and that the minimum initial annual rental be established at 10% thereof or \$46,500.00.
3. The Director of Procurement and Materials Management be authorized to advertise said 1.38 acres of real estate as available for lease for a term of seven (7) years at the minimum initial annual rental bid of \$46,500.00, 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 17-367-11 for public tender of bids for a seven (7) year lease on 1.38 acres of District real estate located east of the North Shore Channel and north and south of the CTA Yellow Line tracks in Skokie, Illinois; part of North Shore Channel Parcel 6.14. The minimum initial annual rental bid shall be established at \$46,500.00.

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