



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 18-0084, Version: 1

TRANSMITTAL LETTER FOR BOARD MEETING OF FEBRUARY 1, 2018

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to advertise Contract 18-360-11 for public tender of bids a five (5) year lease on 2.5± acres of District real estate located at 15680 Canal Bank Road in Lemont, Illinois; Main Channel Parcel 23.10 (Western Portion). The minimum initial annual rental bid shall be established at \$50,000.00

Dear Sir:

On November 2, 2017, the Board of Commissioners ("Board") authorized the commencement of statutory procedures to lease 2.5± acres of District real estate located at 15680 Canal Bank Road in Lemont, Illinois; Main Channel Parcel 23.10 (Western Portion) for a five (5) year term. The site is currently occupied by Hicks Gas, LLC d/b/a Liberty Propane ("Hicks") pursuant to a lease that commenced June 1, 2013, and expires May 31, 2018. Hicks seeks to continue leasing the property for the purpose of operating a propane business. Hicks' rent under its current lease is \$36,165.53.

Pursuant to statute, the lead applicant, Hicks, 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)	\$500,000.00
SAS, Inc. Michael Gilligan, MAI	\$87,000.00
Argianas & Associates, Inc. Charles G. Argianas, MAI	\$80,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$500,000.00, and that the minimum initial annual rental bid be established at 10% of the property's fair market value or \$50,000.00.

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 2.5± acres of District real estate located at 15680 Canal Bank Road in Lemont, Illinois; Main Channel Parcel 23.10, 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 2.5± acres of real estate be established at \$500,000.00, and that the minimum initial annual rental be established at 10% thereof or \$50,000.00.
3. The Director of Procurement and Materials Management be authorized to advertise said 2.5± acres of real estate as available for lease for a term of five (5) years at the minimum initial annual rental bid of \$50,000.00, 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 18-360-11 for public tender of bids a five (5) year lease on 2.5± acres of District real estate located at 15680 Canal Bank Road in Lemont, Illinois; Main Channel Parcel 23.10 (Western Portion). The minimum initial annual rental bid shall be established at \$50,000.00.

Requested, Susan T. Morakalis, General Counsel, STM:CMM:npe
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 February 1, 2018

Attachment