



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 18-0148, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF FEBRUARY 15, 2018

COMMITTEE ON PROCUREMENT

David St. Pierre, Executive Director

Authorization to accept initial annual rental bid for Contract 17-366-11 Proposal to Lease for 10-years, 5.95 acres of District real estate located at 3154 S. California Avenue in Chicago, Illinois; Main Channel Parcels 42.05 and 42.16 from Connelly-GPM, Inc. in the amount of \$117,000.00

Dear Sir:

At its meeting of October 19, 2017, the Board of Commissioners ("Board") authorized the Director of Procurement and Materials Management to advertise Contract 17-366-11 Proposal to Lease for 10-years, 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. The minimum acceptable initial annual rental bid was established at \$117,000.00, 6% of the appraised fair market value. By way of background, the Board previously authorized advertising this site as available for lease on March 16, 2017, for 6% of the appraised fair market value, but the successful bidder elected not to proceed with a lease. The site was then again advertised as available for lease.

One bid was received for the subject proposal under Contract 17-366-11 and was opened on November 28, 2017. The bid was received from Connelly-GPM, Inc. ("Connelly") for a minimum initial annual rental bid of \$117,000.00 (6% of the appraised fair market value). Connelly currently occupies this site under a permit that commenced May 1, 2017, and, as extended, expires April 30, 2018. The permit fee is \$16,250.00 per month. Connelly previously leased the site under two separate leases. The lease on Parcel 42.05 comprised 4.63 acres, commenced May 1, 1918, and expired April 30, 2017. The annual rent was \$1,410.00. The lease on Parcel 42.16 comprised 1.32 acres, which commenced February 1, 1999, and expired April 30, 2017. The annual rent under this lease was \$41,004.00. Under the new lease, Connelly proposes to continue to operate and maintain an iron sponge/aggregate manufacturing business and a building products manufacturing business.

The Finance Department has reviewed Connelly's financial and company background information and has reported that it demonstrates the ability to meet its financial obligations under the new lease.

It is requested that the Executive Director recommend to the Board of Commissioners that it accept the initial annual rental bid for Contract 17-366-11 Proposal to Lease for 10-years, 5.95 acres of District real estate located at 3154 S. California Avenue in Chicago, Illinois; Main Channel Parcels 42.05 and 42.16 from Connelly-GPM, Inc. in the amount of \$117,000.00.

It is also requested that the Executive Director recommend to the Board of Commissioners that it authorize and direct the chairman of the Committee on Finance and the Clerk to execute the lease agreement after it has been approved by the General Counsel as to form and legality.

Requested, Susan T. Morakalis, General Counsel, STM:CMM:vp

Recommended, Darlene LoCascio, Director of Procurement and Materials Management

Recommended, David St. Pierre, Executive Director

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 15, 2018

Attachment