



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 18-0661, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 12, 2018

COMMITTEE ON PROCUREMENT

Mr. John P. Murray, Acting Executive Director

Authority to advertise Contract 18-364-11 for public tender of bids a ten (10) year lease on approximately 4.46 acres of District real estate located at 4035 S. Cicero Avenue in Chicago, Illinois; Main Channel Parcel 40.02. The minimum initial annual rental bid shall be established at \$140,000.00

Dear Sir:

On October 5, 2017, the Board of Commissioners ("Board") authorized the commencement of statutory procedures to lease approximately 4.46 acres of District real estate located at 4035 S. Cicero Avenue in Chicago, Illinois; Main Channel Parcel 40.02. The site is currently occupied by ExxonMobil Oil Corporation ("ExxonMobil") under a permit that commenced October 30, 2016, and expires October 29, 2018. ExxonMobil uses the site for truck parking, weighing of packaged and drummed lubricants in conjunction with its adjacent distribution center, and performing environmental testing. ExxonMobil seeks to lease the property for these same purposes and for maintaining a guard house and gate. ExxonMobil previously had requested a 39-year lease, but now seeks only a 10-year lease.

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

<u>Appraiser</u>	<u>Value</u>
Appraisal Associates William Enright, MAI (District's Appraiser)	\$1,400,000.00
JLL Valuation & Advisor Services, LLC Tim Fitzgibbons, MAI	\$1,300,000.00
CBRE, Inc. Les Linder	\$680,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$1,400,000.00, and that the minimum initial annual rental bid be established at 10% of the property's fair market value or \$140,000.00.

It is further recommended that the Acting Executive Director recommend to the Board of Commissioners that it authorize and approve the issuance of the following orders:

1. The real estate comprising approximately 4.46 acres of District real estate located at 4035 S. Cicero Avenue in Chicago, Illinois; Main Channel Parcel 40.02, 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 approximately 4.46 acres of real estate be established at \$1,400,000.00, and that the minimum initial annual rental be established at 10% thereof or \$140,000.00.

3. The Director of Procurement and Materials Management be authorized to advertise said approximately 4.46 acres of real estate as available for lease for a term of ten (10) years at the minimum initial annual rental bid of \$140,000.00, and report the results of the bidding to the Board of Commissioners for further action.

It is requested that the Acting Executive Director recommend to the Board of Commissioners that it authorize the Director of Procurement and Materials Management to advertise Contract 18-364-11 for public tender of bids a ten (10) year lease on approximately 4.46 acres of District real estate located at 4035 S. Cicero Avenue in Chicago, Illinois; Main Channel Parcel 40.02. The minimum initial annual rental bid shall be established at \$140,000.00.

Requested, Susan T. Morakalis, General Counsel, STM:CMM:MLD: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 July 12, 2018

Attachment