



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 6, 2018

COMMITTEE ON PROCUREMENT

Mr. John P. Murray, Acting Executive Director

Authority to advertise Contract 18-365-11 for public tender of bids a sixty (60) year lease on 8.61 acres of District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions). The minimum initial annual rental bid shall be established at \$169,860.00

Dear Sir:

On June 21, 2018, the Board of Commissioners ("Board") authorized the advertisement of Contract 18-363-11 for the public tender of bids a sixty (60) year lease on 8.61 acres of District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions) for a minimum initial annual rental bid of \$283,100.00. The minimum bid represented 10% of the highest of the three appraised values, pursuant to Board policy. The bid opening was on July 31, 2018, and no bids were received. As no bids were received, it is recommended that the site be re-advertised as available for lease at the statutory minimum of 6% of the highest of the three appraised values. The site is currently vacant.

Cal-Sag Channel Parcel 11.04 comprises approximately 22 acres and has been divided into 3 separate leaseholds, including the requested 8.61 acres. The Village of Crestwood ("Crestwood") leases the eastern approximate 7-acre portion of Parcel 11.04 for mixed use retail development under a 60-year lease that commenced September 15, 2017 and expires September 14, 2077. The annual rent is \$158,000.00. Crestwood also leases an approximate 6-acre portion of Parcel 11.04 under a public recreational lease that also commenced September 15, 2017, and expires September 14, 2077. The rent is a \$10.00 nominal fee. This lease contains a 30' wide setback adjacent to the Cal-Sag Channel and running the length of Parcel 11.04, on which Crestwood will construct a public walking trail.

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

<u>Appraiser</u>	<u>Value</u>
CohnReznick L.L.P. Patricia L. McGarr, MAI (District's Appraiser)	\$2,831,000.00
Associated Property Counselors, Ltd. Dale J. Kleszynski, MAI	\$1,385,000.00
William H. Metz & Associates, Inc. Sharon Metz-Gohla, SRA	\$1,910,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$2,831,000.00, and that the minimum initial annual rental bid be established at 6% of the property's fair market value or \$169,860.00.

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 8.61 acres of District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions), 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 8.61 acres of real estate be established at \$2,831,000.00, and that the minimum initial annual rental be established at 6% thereof or \$169,860.00.
3. The Director of Procurement and Materials Management be authorized to advertise said 8.61 acres of real estate as available for lease for a term of sixty (60) years at the minimum initial annual rental bid of \$169,860.00, 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 18-365-11 for public tender of bids a sixty (60) year lease on 8.61 acres of District real estate located west of Cicero Avenue and south of the Cal-Sag Channel in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (western and middle portions). The minimum initial annual rental bid shall be established at \$169,860.00.

Requested, Susan T. Morakalis, General Counsel, STM:CMM: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 September 6, 2018

Attachment