



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 18-0942, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 20, 2018

COMMITTEE ON PROCUREMENT

John P. Murray, Acting Executive Director

Authorization to accept initial annual rental bid for Contract 18-364-11 Proposal to Lease for ten (10) years, approximately 4.46 acres of District real estate located at 4035 South Cicero Avenue in Chicago, Illinois; Main Channel Parcel 40.02 in the amount of \$140,000.00

Dear Sir:

At its meeting of July 12, 2018, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise Contract 18-364-11 Proposal to Lease for ten (10) years, approximately 4.46 acres of District real estate located at 4035 South Cicero Avenue in Chicago, Illinois; known as Main Channel Parcel 40.02. The minimum acceptable annual rental bid was established at \$140,000.00.

A bid was received for the subject proposal and was opened on August 21, 2018, from ExxonMobil Oil Corporation ("ExxonMobil") for a minimum initial annual rental bid of \$140,000.00 (10% of the appraised fair market value). ExxonMobil currently occupies the site under a permit that commenced October 30, 2016 and expires October 29, 2018. The current annual permit fee is \$90,500.00. ExxonMobil previously occupied the site under a sublease from Peoples Gas Light and Coke Company from 1943 to October 29, 2016. ExxonMobil uses the site for the purpose of truck parking, weighing of packaged materials and drummed lubricants in conjunction with its adjacent distribution center, and maintaining a guard house and gate. ExxonMobil seeks to lease the site for these same purposes.

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

It is requested that the Acting Executive Director recommend to the Board of Commissioners that it accept the initial annual rental bid for Contract 18-364-11 Proposal to Lease for ten (10) years, approximately 4.46 acres of District real estate located at 4035 South Cicero Avenue in Chicago, Illinois; Main Channel Parcel 40.02 in the amount of \$140,000.00.

It is also requested that the Acting 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:MLD:vp
Recommended, Darlene LoCascio, Director of Procurement and Materials Management
Recommended, John P. Murray, Acting 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 September 20, 2018

Attachment