



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 19-0785, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 8, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authority to advertise Contract 19-365-11 for public tender of bids a 99-year lease on 44.61 acres of District real estate located south of the Cal-Sag Channel between Cicero Avenue and Kostner Avenue in Crestwood, Illinois; Cal-Sag Channel Parcels 12.05, 12.07 and 12.08. The minimum initial annual rental bid shall be established at \$1,262,500.00 "ADOPTED AS AMENDED REFER TO FILE ID# 19-0785A"

Dear Sir:

On July 11, 2019, the Board of Commissioners authorized the commencement of statutory procedures to lease the subject District real estate located south of the Cal-Sag Channel between Cicero Avenue and Kostner Avenue in Crestwood, Illinois; Cal-Sag Channel Parcels 12.05, 12.07 and 12.08 for a ninety-nine (99) year term. The lead applicant, the Village of Crestwood ("Crestwood"), has requested to lease the site for mixed use commercial development, including for the operation of a casino if Crestwood is selected as a future casino site by the Illinois Gaming Board, which will be decided on a date to be determined. Crestwood intends to lease the subject parcels regardless of whether it is successful in such efforts.

Since 2015, Crestwood has removed excess spoil and overburden from Cal-Sag Channel Parcel 12.05 to bring it to grade level pursuant to a permit from the District that expires December 31, 2020. The materials were placed on the site during the widening of the Cal-Sag Channel. Crestwood expects all grading activities will be completed by the end of this year. Cal-Sag Channel Parcels 12.07 and 12.08 are both vacant.

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

<u>Appraiser</u>	<u>Value</u>
CohnReznick, LLP Patricia L. McGarr, MAI (District's Appraiser)	\$12,625,000.00
Associated Property Counselors, Ltd. Dale J. Kleszynski, MAI	\$6,315,000.00
D.L. Dubois & Associates, Ltd. David L. DuBois, MAI	\$5,830,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three appraisals and established at \$12,625,000.00, and that the minimum initial annual rental bid be established at 10% of the property's fair market value or \$1,262,500.00.

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 comprising 44.61 acres of District real estate located south of the Cal-Sag Channel between Cicero Avenue and Kostner Avenue in Crestwood, Illinois; Cal-Sag Channel Parcels 12.05, 12.07 and 12.08, 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 44.61 acres of real estate be established at \$12,625,000.00, and that the minimum initial annual rental be established at 10% thereof or \$1,262,500.00.
3. The Director of Procurement and Materials Management be authorized to advertise said 44.61 acres of real estate as available for lease for a term of ninety nine (99) years at the minimum initial annual rental bid of \$1,262,500.00, 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 19-365-11 for public tender of bids a 99-year lease on 44.61 acres of District real estate located south of the Cal-Sag Channel between Cicero Avenue and Kostner Avenue in Crestwood, Illinois; Cal-Sag Channel Parcels 12.05, 12.07 and 12.08. The minimum initial annual rental bid shall be established at \$1,262,500.00.

Requested, Susan T. Morakalis, General Counsel, STM:JJZ: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 August 8, 2019

Attachment