



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 OCTOBER 1, 2020

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authority to advertise Contract 20-362-11 for public tender of bids an 18 ½ year lease on 5,121± sq. ft. of District real estate located on the southeastern bank of the Collateral Channel at 3152 South California Avenue in Chicago, Illinois; Main Channel Parcel 42.09. The minimum initial annual rental bid shall be established at \$6,500.00

Dear Sir:

On August 6, 2020, the Board of Commissioners ("Board") authorized the commencement of statutory procedures to lease the subject District real estate located on the southeastern bank of the Collateral Channel at 3152 South California Avenue in Chicago, Illinois; Main Channel Parcel 42.09. The lead applicant, Lakeshore Recycling Systems, LLC ("Lakeshore"), has requested to lease the site for constructing and maintaining a barge dock for loading and unloading materials.

Lakeshore currently leases 6.79 acres of District real estate located at 3152 South California Avenue in Chicago, Illinois; Main Channel Parcels 42.08 and 42.12 under a lease that commenced July 15, 2000, and expires June 14, 2039. Under its lease, Lakeshore operates a municipal solid waste transfer station and a reprocessible construction/demolition material facility servicing the Chicagoland area. Parcel 42.08's western boundary line stops at the top of the southeastern bank of the Collateral Channel and does not extend to the water's edge. Lakeshore's current annual rent is \$233,010.00 (\$34,316.64/acre). The requested lease term is 18 ½ years to coincide with the expiration of its lease on the adjacent parcels.

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

<u>Appraiser</u>	<u>Value</u>
Appraisal Associates William J. Enright, MAI (District's appraiser)	\$65,000.00
Chicago Commercial Appraisal Group David J. Lehman, MAI	\$25,000.00
Praedium Valuation Group Mary Wagner, MAI	\$24,000.00

It is recommended that the subject real estate's fair market value be based upon the highest of the three

appraisals and established at \$65,000.00, and that the minimum initial annual rental bid be established at 10% of the property's fair market value or \$6,500.00.

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 5,121± sq. ft. located on the southeastern bank of the Collateral Channel at 3152 South California Avenue in Chicago, Illinois; Main Channel Parcel 42.09, 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 5,121± sq. ft. of real estate be established at \$65,000.00, and that the minimum initial annual rental be established at 10% thereof or \$6,500.00.
3. The Director of Procurement and Materials Management be authorized to advertise said 5,121± sq. ft. of real estate as available for lease for a term of 18 ½ years at the minimum initial annual rental bid of \$6,500.00, 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 20-362-11 for public tender of bids an 18 ½ year lease on 5,121± sq. ft. of District real estate located on the southeastern bank of the Collateral Channel at 3152 South California Avenue in Chicago, Illinois; Main Channel Parcel 42.09. The minimum initial annual rental bid shall be established at \$6,500.00.

Requested, Susan T. Morakalis, General Counsel, STM:EMA:CMM
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 October 1, 2020

Attachment