ORDINANCE NO. 98-46

AN ORDINANCE APPROVING A PILOT PROGRAM FOR THE LONG TERM LEASE OF CONCESSION AREAS AT SIX RAIL STATIONS

WHEREAS, By Ordinance 97-72 the Transit Board authorized a contract between the Authority and LaSalle Partners to implement a station concession redevelopment plan to upgrade station concessions, entering into long term leases, and leasing vacant concession space; and

WHEREAS, The Authority's goal in approving this contract was to better serve its passengers and area residents through the development and operation of high quality concessions;

WHEREAS, High quality concessions will enhance the rail station environment and generate revenues to the Authority; and

WHEREAS, As part of this redevelopment plan, LaSalle Partners recommended utilizing long term leases for concession areas to encourage private investment in concession facilities; and

WHEREAS, Staff recommended that six rail stations be chosen for a pilot program to implement the proposal to have long term leases for concession areas: 95th Street, Belmont, Rosemont, Adams/Jackson, Forest Park and Logan Square; ("Stations"); and

WHEREAS, LaSalle Partners reviewed current license and lease agreements, conducted a market analysis, inspected the Stations and assisted the Authority in preparing a Request for Proposal ("RFP") to lease the Stations; and

WHEREAS, Pursuant to the RFP process, 44 proposal totaling 170 bids were received by the Authority; and

WHEREAS, All proposals were evaluated by the Authority based on concession design and quality of construction, plan of operations, experience and qualification, financial capability and proposed rent; and

WHEREAS, Staff now recommends that the Authority enter into concession leases with those persons/companies who ranked highest in the RFP process; now, therefore:

BE IT ORDAINED BY CHICAGO TRANSIT BOARD OF CHICAGO TRANSIT AUTHORITY:

SECTION 1. That the Chairman or her designee is authorized to negotiate with and execute agreements with the following people/entities for a pilot program for the long term lease of concession areas under the following term, location and rent amounts (rents are shown on a per month basis):

	SPACE A	TERM	RENT	CONSTRUCTION IMPROVEMENTS Approximate Dollar Amt.
95th Street	Tobmar Int'l Inc. d/b/a Gateway Newsstands	7 years	$360 s.f. first year 2.5 annual escalation	$ 30,000
Belmont	Urban Transit Services, Inc.	10 years	$39.47 s.f. first year cost-of-living annual (abatement first 6 months rent)	$167,200
Rosemont	Rosemont Catering, Inc.	10 years	See Rosemont "B" below which contains total price for both stations	$ 71,254
Adams/ Jackson	Plaza News and Snacks Co.	7 years	$41 s.f. first year 0% escalation	$ 16,910
Forest Park	Harshad Shad and Suverna Shah	7 years	$34 s.f. first year 3% annual escalation	$ 10,000
Logan	Not Leased	___	___	___

	SPACE B	TERM	RENT	CONSTRUCTION IMPROVEMENTS Approximate Dollar Amt.
95th Street	Forest Eatery d/b/a Dunkin Donuts & Baskin Robins	10 years	$143 s.f. first year 3% annual escalation	$ 80,000

	SPACE B	TERM	RENT	CONSTRUCTION IMPROVEMENTS Approximate Dollar Amt.
Belmont	Grace and Josh Java Corp./ John Jaworski	7 years	$74.71 s.f. 2% annual escalation	$ 59,000
Rosemont	Rosemont Catering, Inc.	10 years	$1,750 to $2,083.33 3% annual escalation	$ 16,265
Adams/ Jackson	Tobmar Int'l. d/b/a Gateway Newsstands	7 years	$59.91 s.f. first year 2.5% annual escalation	$ 35,000
Forest Park	Harshad Shah and Suverna Shah	7 years	$18.75 s.f. first year 3% annual escalation	$ 60,000
Logan Square	Mahesh Patel and Sunita Patel	5 years	$26.40 s.f. first year 3% annual escalation	$ 10,000

SECTION 2. Each lessee shall agree to commit to construction improvements for their respective concession area. The value of said improvements is set forth in Section 1 above.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

Chairman

May 13, 1998

PASSED:

Secretary

May 13, 1998