

ORDINANCE NO. 97-103

AN ORDINANCE AUTHORIZING AN
AGREEMENT WITH LASALLE
PARTNERS FOR SERVICES OF A
MASTER REAL ESTATE MANAGER
FOR PHASE II SERVICES

WHEREAS, By Ordinance No. 96-100, passed September 11, 1996, the Transit Board declared Authority-owned property located at 2650-2684 North Clark Street, Chicago, Illinois, known as the Limits bus garage until its closure in 1992, as surplus and eligible for sale; and

WHEREAS, LaSalle Partners has previously identified twenty (20) others properties ("Pooled Assets") that may be eligible for sale in order to generate revenue for the Authority; and

WHEREAS, Some of these Pooled Assets have previously been declared surplus by the Chicago Transit Board and staff will seek a declaration for the remaining properties to be declared surplus at a future Transit Board meeting; and

WHEREAS, By Ordinance No. 96-114 the Transit Board authorized retention of LaSalle Partners to perform the services of a master real estate manager to develop, dispose of, trade, manage and maximize revenues on all Authority-owned properties/concessions; and

WHEREAS, The services of the master real estate manager were to be completed in two phases, the second phase being implemented only if the Authority could recognize significant value from the first phase; and

WHEREAS, Under Part A of Phase I, LaSalle Partners conducted an inventory and analysis of the Authority's properties; and

WHEREAS, Under Part B of Phase I, LaSalle Partners advised the Authority as to which of its properties should be sold and which should be redeveloped; and

WHEREAS, By Ordinance No. 97-22 the Transit Board authorized Phase II, Part A of LaSalle Partner's services whereby it implemented a station redevelopment plan; and

WHEREAS, Staff recommends that the services of LaSalle Partners as master real estate manager be retained for the final element of Phase II; and

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WHEREAS, In Phase II, Part B, as to Limits garage, staff recommends that, among other things, LaSalle Partners meet with neighborhood/community groups to obtain community concurrence on a development plan and marketing document; engage an appraisal firm to value the site; finalize a marketing plan; perform due diligence; prepare a sealed bid package; and, act as a consultant for the sale of the property; and

WHEREAS, In Phase II, Part B, as to the Pooled Assets, staff recommends that LaSalle Partners act as a consultant for the sale of the properties; now, therefore:

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

SECTION 1. That the Chairman of the Board, or her designee, is authorized to execute an agreement with LaSalle Partners to act as master real estate manager in connection with the Limits garage site for a fee of three hundred thousand dollars (\$300,000.00), payable as follows:

- a. one hundred fifty thousand dollars (\$150,000.00) at such time that LaSalle Partners prepares a sealed bid package, completes due diligence, and completes certain other marketing activities as directed by the Authority; and
- b. one hundred fifty thousand dollars (\$150,000.00) payable only if Limits garage is sold and the Authority receives payment for the property.

SECTION 2. Also, with respect to the sale of Limits garage, LaSalle Partners shall be entitled to an additional payment equal to the lesser of:

- a. fifty thousand dollars (\$50,000.00); or
- b. ten percent (10%) of the net purchase price payable to the Authority in excess of six million five hundred thousand dollars (\$6,500,000.00).

LaSalle Partners shall be entitled to the payment set forth in this Section only if it obtains a contract for the sale of Limits garage by December 31, 1997 and funds are ultimately distributed to the Authority pursuant to said contract.

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SECTION 3. That the Chairman of the Board, or her designee, is also authorized to execute an agreement with LaSalle Partners to act as master real estate agent in connection with the sale of up to twenty (20) Pooled Asset properties which have already been declared surplus or which may be declared surplus at a later date by the Transit Board, at a fee of one hundred twenty thousand dollars (\$120,000), payable as follows:

- a. sixty thousand dollars (\$60,000.00) upon preparation of the sealed bid package and completion of certain marketing activities;
- b. sixty thousand dollars (\$60,000.00) payable only if the Pooled Asset properties are sold and the Authority receives payments for the properties.

SECTION 4. That, if the net proceeds from the sale of the Pooled Assets exceeds three million dollars (\$3,000,000.00), LaSalle Partners may receive up to ten percent (10%) of incremental net revenue in excess of three million dollars (\$3,000,000.00).

SECTION 5. The Authority will reserve in its agreement with LaSalle Partners the right in its sole discretion to reject any and all offers for Limits garage and the Pooled Assets.

SECTION 6. This ordinance shall be in full force and effect from and after its passage.

APPROVED:


Chairman

PASSED:


Secretary

August 6, 1997

August 6, 1997