

**ILLINOIS INTERNATIONAL PORT DISTRICT  
REQUEST FOR PROPOSALS (“RFP”) FOR:  
MASTER LEASE OPPORTUNITY AT THE IIPD**

**DUE: September 13, 2018**

Required for use by:

**Illinois International Port District  
(IIPD)**



All proposals and other communications must be addressed and returned to:

Mr. Clayton Harris III  
Executive Director  
Illinois International Port District  
3600 E. 95<sup>th</sup> Street  
95<sup>th</sup> and the Lakefront  
Chicago, Illinois 60617-5193  
[director@IIPD.com](mailto:director@IIPD.com)

**PROPOSALS MUST BE RECEIVED NO LATER THAN 4:00 P.M., ON SEPTEMBER 13, 2018**

---

**MICHAEL K. FORDE  
CHAIRMAN**

**CLAYTON HARRIS III  
EXECUTIVE DIRECTOR**

---

**Illinois International Port District  
REQUEST FOR PROPOSALS (RFP)**

**RFP SCHEDULE**

<b>Event</b>	<b>Target Date</b>
RFP Issuance	August 10, 2018
Due Date for Sealed Proposals	September 13, 2018 at 4:00 pm (CST)
Opening of Sealed Proposals	September 14, 2018 at 10:00 am (CST)

Respondents are responsible for checking the IIPD’s website for clarifications and/or addenda. Failure to obtain clarifications and/or addenda from the IIPD’s website will not relieve the Respondent from being bound by any additional terms and/or conditions. For all information concerning this RFP, including questions from Respondent(s) and responses from IIPD, and any updates to this RFP, Respondent(s) are urged to frequently refer to IIPD's website at: <http://www.iipd.com>.

**COMMUNICATION DURING THE RFP PROCESS**

All questions or requests for clarification shall be in writing and must be sent by email to [director@iipd.com](mailto:director@iipd.com), and directed to the attention of Clayton Harris, III, Executive Director. Emails must clearly indicate “Questions and Requests for Clarification” in the subject line and must refer to “Request for Proposals (RFP) for Master Lease Opportunity at the IIPD.”

**CAUTION: DEADLINES AND PROCEDURES FOR SUBMITTING PROPOSALS**

To be assured of consideration, Proposals must be received by the Executive Director, at the immediately above-listed address, no later than 4:00 p.m. Central Standard Time on September 13, 2018. Respondent must submit one (1) hard copy original, five (5) duplicate hardcopies and an electronic copy in .pdf format on a USB-compatible flash drive, of the respondent’s Proposal(s). The original documents must be clearly marked as “ORIGINAL” and must bear the original signature of an authorized corporate agent on all documents requiring a signature. Respondent must enclose all documents in sealed envelopes or boxes.

When responses are delivered by mail or messenger to the Executive Director, the Respondent is responsible for their delivery BEFORE the due date and time. If delivery is delayed beyond the date and hour set for the receipt, said responses so delayed will not be considered and will be returned unopened at the expense of the Respondent.

Any false statement(s) made by the Respondent(s) will void the response and eliminate the Respondent(s) from further consideration.

The Executive Director reserves the right to reject any submittal that deviates from the submittal requirements. No additional or missing documents will be accepted after the due date and time except as may be requested by the Executive Director.

## **TABLE OF CONTENTS**

- I. Background
- II. General Information
- III. Response Requirements
- IV. Communication during RFP Process
- V. Deadline and Procedures for Submitting Proposals
- VI. Resident Businesses / M/WBE Participation / Hiring Practices
- VII. Rights / Reservations
- VIII. Miscellaneous

Attachment #1 – Company Profile Information

# REQUEST FOR PROPOSALS (RFP)

## I. Background

The Illinois International Port District (“IIPD” or “Port District”) is an Illinois municipal corporation created to promote the shipment of cargoes and commerce through its facilities. The IIPD is the owner and master landlord controlling two land areas in South Chicago: Iroquois Landing, an open paved terminal with 3,000 linear feet of ship and barge berthing space located at the mouth of the Calumet River in the southwest corner of Lake Michigan; and Senator Dan Dougherty Harbor (Lake Calumet) which encompasses approximately 1,600 acres of land and currently is home to various harbor operations and terminals located at the junction of the Grand Calumet and Little Calumet Rivers, situated six miles inland from Lake Michigan. The IIPD’s harbor facilities are served by rail facilities and are adjacent to three interstate highways and feature an abundance of warehouse facilities.

The IIPD is a significant driver of freight movement and economic activity through the region serving as a link with downstate waterways and the Mississippi and Illinois Rivers. The IIPD’s harbor facilities accommodate movement of an estimated 26,000,000 cargo tons annually between shipping, barge, rail and trucking intermodal activity.

In addition to the IIPD’s harbor facilities, the IIPD’s Lake Calumet property is home to Harborside International Golf Facility, a world renowned 36 hole Championship links golf course. Lake Calumet is located immediately east of the recently designated National Historic Landmark of Pullman and immediately south of the forthcoming Obama Presidential Library and Center.

In 2017, the IIPD recognized a substantial improvement in operating conditions, seeing greater than 10% in revenue growth while realizing a reduction in long-term debt of approximately 60% as compared to the prior year. In addition to improvements in the District’s financial condition, the IIPD has recently commenced infrastructure improvement projects including its Butler Drive Project for improvement of roadway and rail facilities at 130<sup>th</sup> Street.

## II. General Information

In June 2012, a Strategic and Capital Needs Study (the “2012 Study”)<sup>1</sup> was completed on behalf of the IIPD and made available to the public. The Study was published by the IIPD on its website [www.iipd.com](http://www.iipd.com). Alternative #2 of the Study recommended the IIPD pursue implementation of a use agreement/master lease process. Subsequent to the 2012 Study, from time to time, the IIPD has investigated various potential master lease opportunities however no

---

<sup>1</sup> The June 2012 Strategy & Capital Needs Study and the referenced report were prepared by an advisory team consisting of prepared by an advisory team including BMO Capital Markets GKST, Inc., Acacia Financial Group and Cabrera Capital Markets.

such prior investigation or effort has resulted in the award of, or entry into, any master lease agreements concerning the IIPD's real property assets and facilities.

Pursuant to this RFP, the IIPD hereby seeks proposals ("Proposals") from parties or firms interested in a master lease opportunity for the IIPD's maritime/industrial property under a long-term management and development contract ("Master Lease(s)/Use Agreement(s)") with the primary goal of enhancing regional growth and employment opportunities. While it is the preference for IIPD to select a single master lessee, IIPD is willing to consider alternative proposals for sub-components and explicitly reserves the right to structure partnership(s) that in IIPD's judgment are optimal.

All potential respondents are encouraged to review general background information regarding the IIPD and port operations which are published and available from the IIPD's website, [www.IIPD.com](http://www.IIPD.com). Specific financial operating information of the IIPD can be obtained from the website via the IIPD's annual budgets, annual financial statements and monthly financial reports. Of additional relevant note, respondents are also encourage to review information from the 2012 Study and the October 18, 2011 report entitled "The Economic Impacts of the Port of Chicago"<sup>2</sup>, which includes general information regarding the IIPD's industrial land holdings and maritime facilities, and identifies various strategic opportunities which could be available to potential respondents. While these reports include general information and discussion regarding the IIPD's real estate interests and strategic assets, respondents are cautioned that many of the facts, findings and suggestions in the report may not be accurate due to the elapse of time and change in circumstances for various lease matters referenced in the reports.

As generally described in the 2012 Study, the IIPD's land holdings generally can be categorized as follows:

1. Iroquois Landing – The IIPD's holdings at Iroquois Landing include both developed and undeveloped parcels. The developed site area at Iroquois landing is situated on approximately 79 acres and is subject to a long-term building lease and operating license with North American Stevedoring Company (NASCO) which incorporates payment obligations for rent, license fee and wharfage/dockage use. The undeveloped site area consists of an additional 103 acres of adjacent land area which is also subject to long-term license by NASCO.
2. Lake Calumet (East Side Area) – The East side of the Lake Calumet maritime area at the IIPD on its North end includes several "finger" shaped piers extending into Lake Calumet and on its South side includes a 177-acre area leased to a single tenant, Kinder Morgan, who sublets a substantial portion of the area to several separate subtenants. Discussion is included within the 2012 Report with respect to potential capital improvement opportunities with respect to the North portion of this East side of the Lake Calumet property.

---

<sup>2</sup> The October, 18 2011 report entitled "The Economic Impacts of the Port of Chicago" was prepared by Martin Associates, Lancaster, PA.

3. Lake Calumet (West Side Area) – The West side of the Lake Calumet maritime area includes the land area along the west and southwest currently subject to several warehouses, train spurs, open space and dock locations along the southwest dock wall of Lake Calumet. The area is subject to a number of mid-term leases with third party tenants for use of the IIPD facilities and infrastructure within the area.
4. Track Access Rights – Each of the general IIPD land areas noted above is serviced by one or more rail companies, however only Norfolk Southern has a current operating agreement at the Port. Respondents may include valuations of the rail charges expected to be imposed for each section in addition to the valuation from the collection of the NS charges.

This Request for Proposals provides the conceptual framework of the proposed transaction(s) and solicits your response on key valuation, structure and due diligence considerations.

### **III. Response Requirements**

Respondents are advised to adhere to the submittal requirements of the RFP. Failure to comply with the instructions of this RFP will be cause for rejection of the non-compliant Proposal. Respondents must provide information in the appropriate areas throughout the RFP.

The detailed Proposal evaluated by the IIPD must include a response to all requirements in this RFP. The Selected Respondent and IIPD will enter into a contract memorializing their rights and obligations for any Master Lease opportunity. By submitting a response to this RFP, you are acknowledging that if your Proposal is accepted by the IIPD, the Proposal and related submittals may become part of the contract and thus, responses should be considered and treated as “committed,” subject to (i) confirmatory due diligence; (ii) negotiation of Master Lease(s)/Use Agreement(s) documentation; (iii) finalization of transaction documentation; and (iv) final corporate and City approvals, as needed.

**A. *Mandatory Response Requirements:*** In order to be considered, all Respondent(s) proposals must meet the following Minimum Requirements:

1. Information must be received by the stated deadline, any Proposals received after this deadline may not be considered.
2. Information must be complete, in conformance with the specifications and other requirements of this RFP and include all documentation, evidence or verification requested.
3. Respondent(s) must agree to comply with applicable local, state and federal laws and regulations governing the conduct of firms in business with the State of Illinois.
4. Respondents are required to provide a listing of any litigation they have

been involved in for the past five (5) years, as well as any debarment or disciplinary actions taken in the past five (5) years against respondent (or any anticipated joint venture partner, contractor and/or subcontractor). For purposes of this disclosure respondents should include such information with respect to any parent, subsidiary or affiliate.

**B. *Required Content of the Proposal:*** Proposals should be as thorough and as detailed as possible so that IIPD may properly evaluate a respondent(s)' capabilities, and should affirmatively acknowledge that Respondents understand and have relevant skills to perform the services sought by IIPD, if selected, and at a minimum, the Proposal should include the following items:

1. **Cover Letter** - Respondent(s) must submit a cover letter signed by an authorized representative of the entity committing Respondent as described in this RFP in accordance with the terms and conditions of any contract awarded pursuant to the RFP process, and indicating any expected conditions precedent (e.g. confirmatory due diligence). The cover letter must:
  - a. Outline the number of years the entity has been in business, and provide an overview of the experience and background of the entity and its key personnel.
  - b. Identify the legal name of the entity, its headquarters address, its principal place of business, its legal form (i.e., corporation, joint venture, limited partnership, etc.), and the names of its principals or partners and authority to do business in Illinois.
  - c. Indicate the name and telephone number(s) of the principal contact for oral presentation, or negotiations.
2. **Executive Summary** - Respondent must provide an executive summary which explains its understanding of the IIPD's intent and objectives and how their Proposal would achieve those objectives. The summary must discuss Respondent's plan and objectives for any Master Lease opportunity being proposed.
3. **Company Profile Information** – Please submit the Company Profile Information for the primary respondent along with each joint venture partner and subcontractor(s), as applicable.
4. **Committed Financial Proposal** – Respondents should provide a detailed set of committed financial terms and conditions pertaining to the Respondent's Proposal, including:
  - a) **Initial Cash Payment** – Respondents should propose an initial

upfront cash payment amount, which would be directed at current IIPD's debt and pension obligations, closing costs anticipated in relation to any Master Lease opportunity and other obligations, each at the IIPD's discretion;

- b) **Annual Fixed Rent** – Respondents should propose a minimum fixed rent payment to address general IIPD overhead costs which will likely remain in place notwithstanding the assumption of operation and maintenance obligations by Respondent under any Master Lease. Fixed rent obligations should be proposed to be subject to adjustment under an annual inflationary index; and,
  - c) **Revenue Sharing** – Respondents should propose a manner of gross revenue sharing.
5. **Capital Investment Plans** – Respondents shall provide details on plans for capital investment, including the specific amount of guaranteed minimum investment and a schedule for such investment targeted over the initial ten (10) year term of any Master Lease, as well as additional projected capital investment scheduled over the remaining term of any Master Lease, indicating for both any proposed contingencies or conditions precedent to funding.
  6. **Plans for New Users** – Respondents should include general details as to any new tenants, partners or users which are being included as part of any new capital investment and any proposed strategic planning and marketing for new users of IIPD facilities subject to any Master Lease.
  7. **Anticipated Job Creation** – Respondents should provide details concerning the anticipated opportunities for job creation in the regional economy relating to any Master Lease opportunity proposed, including discussion on the number of new full-time equivalents (FTEs) anticipated within the first ten (10) years of any Master Lease proposed. Subject to confirmatory due diligence, Respondents should be prepared to enter contractual commitments on the number of FTEs provided within any submission hereunder.
  8. **Operations & Maintenance Plans** – Respondents should include a detailed discussion as to its plans for operations and management of IIPD assets under any Master Lease, including all relevant maintenance, security, utility and general personnel liabilities, and specifying any proposed exclusions to O&M liabilities.
  9. **Identification of any Key Personnel** - Provide the name of the personnel who would be envisioned to work directly with IIPD's team on any initial Master Lease transaction and provide relevant experience information for each.

10. **Discussion of Experience and Capabilities** –

- a) Respondents should provide a general description and background concerning Respondent's organization, including size and structure of firm or firms that will be proposed as the counterparty to any Master Lease with the IIPD, and provide an completed Company Profile Information Sheet (See Form in Attachment #1).
- b) State whether respondent will anticipate including any joint venture arrangements. If joint venture, discuss portions of the work to be performed by each joint venture partner, contractor and/or subcontractor.
- c) Provide a statement of relevant experience and/or qualifications relevant to any role in any Master Lease opportunity proposed, including any role in similar master lease operations with public or government entities.
- d) Respondents should identify all licensures, certifications and/or accreditations that Respondent has received or attained. Respondents should demonstrate understanding of all applicable standards for performance applicable to this RFP and explain plans for compliance with applicable standards.
- e) Please submit any additional information which you believe would be useful to the directors of IIPD in evaluating your performance on similar transactions as well as your qualifications to serve as underwriter.

**C. *Changes by Respondent(s).*** If Respondent(s) changes any element(s) of its bid, IIPD, in its discretion, may disqualify the Respondent(s).

**D. *Confidentiality / Proprietary Information.*** Respondent(s) are hereby advised that the IIPD is subject to the Illinois State Freedom of Information Act, ("FOIA"), (5 ILCS 140/1, et seq.). Confidential information will be treated as such to the extent consistent with the Port District's legal obligations under FOIA and other applicable laws, regulation or legal process and the provisions of any Confidentiality Agreement between IIPD and Respondent(s). Upon the request of a Respondent(s), IIPD will entertain reasonable confidentiality agreements concerning confidential or proprietary information a Respondent(s) wishes to protect from public disclosure, provided, however, any such agreement shall be subject to FOIA and other applicable legal requirements as set forth above.

Additionally, Respondents may designate those portions of the Proposal which contain trade secrets or other proprietary data that must remain confidential. If a Respondent includes data that is not to be disclosed to the public for any purpose or

used by the IIPD except for evaluation purposes, the Respondent must:

1. Mark the title page as follows: “This RFP Proposal includes trade secrets or other proprietary data (“data”) that may not be disclosed outside the IIPD and may not be duplicated, used or disclosed in whole or in part for any purpose other than to evaluate this Proposal. The data subject to this restriction are contained in sheets (insert page numbers or other identification).”

The IIPD, for purposes of this provision, will include any consultants assisting in the evaluation of Proposals. If, however, a contract is awarded to this Respondent as a result of or in connection with the submission of this data, the IIPD has the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the IIPD’s right to use information contained in the data if it is obtained from another source without restriction.

2. Mark each sheet or data to be restricted with the following legend: “Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this Proposal.”

#### **IV. Communication during RFP Process**

IIPD’s contact person for this solicitation is Clayton Harris, III, who can be reached at:

Clayton Harris, III, Executive Director  
[director@iipd.com](mailto:director@iipd.com)

All questions or requests for clarification shall be in writing and must be sent by email to [director@iipd.com](mailto:director@iipd.com), and directed to the attention of Clayton Harris, III, Executive Director. Emails must clearly indicate “Questions and Requests for Clarification” in the subject line and must refer to “Request for Proposals (RFP) for Master Lease Opportunity at the IIPD.”

**Unless otherwise agreed in advance with TBD, Respondent(s) must not communicate directly or indirectly with any IIPD Trustee, officer, employee, or other representative of IIPD or its advisors or customer or their advisors on matters related to this RFP other than the contact person specified above or his designee.**

Answers to questions of general interest, updates and addenda will be posted on the IIPD website: <http://www.iipd.com>

The Port District will review all properly submitted responses and if necessary, may request additional information (in writing and/or through presentations or interviews) or written clarification.

## **V. Deadline and Procedures for Submitting Proposals**

To be assured of consideration, Proposals must be received by the Executive Director, at the immediately above-listed address, no later than 4:00 p.m. Central Standard Time on September 13, 2018.

Respondent must submit one (1) hard copy original, five (5) duplicate hardcopies and an electronic copy in .pdf format on a USB-compatible flash drive, of the respondent's Proposal(s). The original documents must be clearly marked as "ORIGINAL" and must bear the original signature of an authorized corporate agent on all documents requiring a signature. Respondent must enclose all documents in sealed envelopes or boxes.

## **VI. Resident Businesses / M/WBE Participation / Hiring Practices**

Preference will be given to Illinois resident businesses and M/WBE certified businesses, when possible. IIPD seeks to reach goals of (26%) Minority Business Enterprise ("MBE") participation and (6%) Women Business Enterprise ("WBE") participation in goods and/or services relating to its contracting matters. Respondent shall indicate any plans to address the IIPD's M/WBE goals.

Respondent should indicate any plans to incorporate local resident hiring, and subject to confirmatory due diligence, should be prepared to enter contractual commitments incorporating local hiring requirements.

The Respondent shall agree to comply with the constitution of the United States, the Civil Rights Act of 1964 (42 U.S.C. 1971, et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, et seq.), the Americans With Disabilities Act of 1990 (42 U.S.C. 1210, et seq.), the Fair Labor Standards Act of 1938 (29 U.S.C. 201, et seq.), the Constitution of the State of Illinois, the Illinois Human Rights Act (Ill. Comp. Stat. 1992, Ch. 775, Sec. 5/1-101 et seq.), the Cook County Human Rights Ordinance.

## **VII. Rights / Reservations**

The IIPD reserves the right to accept or reject any and all Responses or Proposals and is not obligated to award any contract pursuant to this solicitation. The IIPD reserves the right to concurrently negotiate agreements with any one or more selected prospective investors and will not be under any legal obligation or duty of any kind whatsoever by virtue of this transaction process, any submission of a Proposal, or any acceptance or rejection of a Proposal.

The IIPD reserves the right to modify, terminate, or restart the process at any time, without giving any reason, including entering into or continuing negotiations with one or

more existing tenants prior to the due date of this RFP. The receipt of responses in no way obligates the IIPD to enter into any contract with Respondents or existing tenants.

The IIPD reserves the right to amend the solicitation, reject any or all Proposals and waive minor defects. This competitive process may require that Respondents provide additional information and otherwise cooperate with the IIPD. The IIPD may request a clarification, interview staff, request a presentation, or otherwise verify the contents of a Proposal, including information concerning subcontractors and suppliers.

The IIPD will make all decisions on compliance, evaluation, and terms and conditions, and shall make decisions in the best interests of the IIPD and in accordance with its policies and applicable statutes and regulations.

The IIPD is not responsible for costs or damages incurred by Respondents, member(s), partners, subcontractors or other interested parties in connection with the RFP process, including but not limited to costs associated with preparing the Proposal and of participating in any conferences, site visits, product /system demonstrations, oral presentations or negotiations.

## **VIII. Miscellaneous**

Respondent(s) are urged to refer frequently to IIPD's website. IIPD will post questions from Respondent(s) and IIPD's responses as well as corrections, addenda and updates to this RFP, if any on IIPD's website located at: [www.iipd.com](http://www.iipd.com)

**ATTACHMENT # 1**

**COMPANY PROFILE INFORMATION**

**Submit a completed company profile information sheet for prime, each joint venture partner and subcontractor(s), as applicable.**

- (1) Legal Name of Firm: \_\_\_\_\_
- (2) Doing Business under Other Company Name?  
If yes, Name of Company: \_\_\_\_\_
- (3) Headquarters Address: \_\_\_\_\_
- (4) City, State, Zip Code: \_\_\_\_\_
- (5) Web Site Address: \_\_\_\_\_
- (6) Proposed Role:     Prime             Subcontractor/Subconsultant     Joint Venture Partner  
                           Supplier or     Other: \_\_\_\_\_
- (7) Number of Years in Business: \_\_\_\_\_
- (8) Total Number of Employees: \_\_\_\_\_
- (9) Total Annual Revenues separated by last 3 full fiscal years: \_\_\_\_\_
- (10) Major Products and/or Services Offered:  
\_\_\_\_\_  
\_\_\_\_\_
- (11) Other Products and/or Services: \_\_\_\_\_  
\_\_\_\_\_