



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Details (With Text)

**File #:** 16-0710      **Version:** 1

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**On agenda:** 7/7/2016      **Final action:** 7/7/2016

**Title:** Authority to grant a 25-year, 0.79 acre non-exclusive easement to BP Pipelines (North America), Inc. for the continued operation, maintenance, repair and removal of an 8" petroleum pipeline through District Main Channel Parcel 37.01 in Forest View, Illinois. Consideration shall be an initial annual fee of \$17,220.00

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Aerial Map.Parcel 37.01.pdf

Date	Ver.	Action By	Action	Result
7/7/2016	1	Board of Commissioners	Approved	Pass
7/7/2016	1	Committee of the Whole	Recommended	Pass

### TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 7, 2016

#### COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to grant a 25-year, 0.79 acre non-exclusive easement to BP Pipelines (North America), Inc. for the continued operation, maintenance, repair and removal of an 8" petroleum pipeline through District Main Channel Parcel 37.01 in Forest View, Illinois. Consideration shall be an initial annual fee of \$17,220.00

Dear Sir:

BP Products North America, Inc., an affiliate of BP Pipelines (North America), Inc. ("BP") previously leased approximately 33.07 acres of District real estate at 4811 South Harlem Avenue in Forest View, Illinois, and known as the Main Channel Parcels 37.01 and 37.02 under two leases that expire in 2039. The subject leaseholds were used by BP to operate an oil storage terminal and are known as BP's Forest View Terminal. The lease on Parcel 37.01 commenced in 1940 and the lease on Parcel 37.02 commenced in 2001. The current annual rent under the 1940 lease is \$258,400.00 and the current annual rent under the 2001 lease is \$304,939.06. In January 2016, the Board of Commissioners consented to the assignment of the two BP leases to KM Phoenix Holdings, LLC ("KM Phoenix"). At the time of the assignment of the leases to KM Phoenix, an 8-inch petroleum pipeline that was built in 1955 existed on the leaseholds and is part of the current terminal infrastructure. BP has requested to continue to operate the pipeline located on its former leaseholds. As Parcel 37.01 is under lease to KM Phoenix, this easement is subject to its written consent.

An initial annual easement fee of \$17,220.00 is recommended as such represents 10% of the fair market value of the easement premises based upon a recent appraisal of the property. The District's technical departments have no objections to BP's request to continue to operate its pipeline.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and

approve the grant of a 25-year, 0.79 acre non-exclusive easement to BP Pipelines (North America), Inc. for the continued operation, maintenance, repair and removal of an 8" petroleum pipeline through District Main Channel Parcel 37.01 in Forest View, Illinois. Consideration shall be an initial annual fee of \$17,220.00.

It is further requested that the Executive Director recommend to the Board of Commissioners that the Chairman of the Committee on Finance and the Clerk be authorized and directed to execute the easement agreements after they are approved by the General Counsel as to form and legality.

Requested, Ronald M. Hill, General Counsel, RMH:SM:vp

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, Mariyana T. Spyropoulos, Chairman Committee on Real Estate Development

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for July 7, 2016

Attachment