



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Authority to issue a 5-day permit to Warner Bros. to use land commonly known as a portion of the "Stony Island Drying Beds" and SEPA Station #1 to film scenes for a major motion picture titled "Contagion", onsideration shall be a permit fee of \$7,500.00

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Date	Ver.	Action By	Action	Result
11/4/2010	1	Committee of the Whole	Recommended	Pass
11/4/2010	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 4, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authority to issue a 5-day permit to Warner Bros. to use land commonly known as a portion of the "Stony Island Drying Beds" and SEPA Station #1 to film scenes for a major motion picture titled "Contagion", onsideration shall be a permit fee of \$7,500.00

Dear Sir:

The District has received a request from Warner Bros. to use District land located west of Torrence Avenue and north of the Calumet River commonly known as a portion of the "Stony Island Drying Beds" and an approximately 1-acre graveled area, which is part of the District's SEPA Station #1 located east of the drying beds, for activities related to filming a major motion picture titled "Contagion".

Warner Bros. has requested to use a 5-acre portion of the drying beds designated "Cell #1 north" and approximately 1-acre adjacent to and north thereof for a staging area. It would like to use the land to locate its equipment, tents, and trailers required to film the movie and to accommodate the needs of its staff and actors. The actual movie scene will be filmed on and along the banks of the Calumet River. However, an additional approximately 1-acre graveled area of the District's SEPA Station #1 is needed for camera set-up and related staging.

Warner Bros. has already commenced filming the movie in the Chicago area and expect to move to the subject sites for filming in the first week of December, per its current schedule. The filming at the subject location is scheduled to be completed in one day. But, a 5-day permit is sought to allow for a day of set-up, a day of filming, and a day to restore and clean-up the site. The two additional days are in the event of unexpected delays.

By separate transmittal letter for the same meeting, the Board is requested to authorize the issuance of a 6-month permit to Ford Motor Company to allow it to use a portion of the Stony Island Drying Beds as well. Law Department staff has met in the field with M&O staff and representatives from Ford and Warner Bros. to determine if the needs of all the parties could be accommodated. The parties concurred that Warner Bros. needs were compatible with the District contractor's use of the easternmost cells and Ford's use of the cells south of Cell #1 north.

Warner has requested to use the site for a nominal fee and in support of its position it points to the economic benefit that flows to the Chicago area as a result of its filming activities. It notes that the positive economic impact to the area is so substantial that governmental entities offer incentives to entice movie companies to film in their jurisdictions. While the District is cognizant of such benefits, Warner was apprised that District policy requires that private for-profit corporate use of public lands must be for fair market value consideration - the policy makes no exception.

It is recommended that Warner Bros. be charged a permit fee of \$7,500.00 for the 5-day permit and that it reimburse the District for any incidental costs incurred such as utility and security costs, if any. The fee is calculated in accordance with District policy and recognizes that access to the site will require the use of more than the 7-acres contemplated for use.

The permit agreement will require that the District be indemnified and that it be named as an additional insured with respect to liability coverage in an amount of not less than \$4,000,000.00. The permittee will be required to restore the premises to no less than its former condition upon termination or expiration of the permit. The permit will further provide that Warner Bros. will endeavor to recognize in its closing credits the cooperation of the Metropolitan Water Reclamation District of Greater Chicago.

It is requested that the Executive Director recommend that the Board of Commissioners authorize and approve the issuance of a 5-day permit to Warner Bros. to use land commonly known as a portion of the "Stony Island Drying Beds" and SEPA Station #1 to film scenes for a major motion picture titled "Contagion". Consideration shall be a permit fee of \$7,500.00.

It is further requested that the Executive Director recommend to the Board of Commissioners that it authorize and direct the Chairman of its Committee on Finance and the Clerk to execute the permit agreement after it is approved by the General Counsel as to form and legality.

Requested, Frederick M. Feldman, General Counsel, FMF:CL:rg

Recommended, Richard Lanyon, Executive Director

Respectfully Submitted, Terrence J. O'Brien, 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 November 4, 2010

Attachment