



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-1440, Version: 1

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 18, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authorize and approve: (1) the Village of Stickney's early surrender of its leases for Main Channel Atlas Parcels 38.01, 38.02, 38.05, 38.06, and (2) authorize and approve the consolidation of the surrendered parcels and Main Channel Atlas Parcels 38.04 and 38.08 into one 5-year lease totaling approximately 63.7 acres of District land located east of Ridgeland Avenue and south of 39th Street in Stickney, Illinois, for use as public park and recreational purposes. Consideration shall be a nominal fee of \$10.00

Dear Sir:

The Village of Stickney ("Village") has requested a long term lease that will consolidate its current occupancy agreements for Main Channel Atlas Parcels 38.01, 38.02, 38.05, and 38.06 and add additional adjacent Parcels 38.04 and 38.08. In order to consolidate the existing agreements into one comprehensive agreement, the early surrender of the existing occupancy agreement on each parcel is necessary. The Village currently occupies the following parcels for park and public recreational purposes and requests to surrender same and have them consolidated into a single lease:

- (1) 10.81 acres on Parcel 38.01, a 49-year lease dated August 1, 1962, expiring July 31, 2011.
- (2) 10.35 acres on Parcel 38.02, a 5-year permit dated April 4, 2006, expiring April 3, 2011.
- (3) 3.5 acres on Parcel 38.05, a 21-year lease dated July 6, 1990, expiring July 1, 2011.
- (4) 8,840 square feet on Parcel 38.06, a 5-year permit for a Veteran's War Memorial dated June 1, 2006, expiring May 31, 2011.

In addition to the surrendered parcels, the new lease will include the remainder vacant portion of Parcel 38.06 consisting of 21.04 acres and Parcel 38.08 consisting of 10.0 acres. The new lease will further include Parcel 38.04 consisting of 8.0 acres, which was previously used by the South Cicero Little League and Morton Junior College, that permit is now expired. The new lease will form one contiguous parcel.

The consolidation of the lease is consistent with the District's goal of ensuring greater public use and access of its land set aside for public recreational purposes by issuing leases to governmental entities instead of private not-for-profit entities. Additionally, the consolidation reduces the District's administrative costs by reducing the number of operative agreements to one from five.

The Village requested that the new agreement be granted with the same terms and conditions as the previous agreements which included a nominal fee, a waiver of the environmental insurance and indemnity bond, and general liability insurance of \$4 million.

The proposed lease term is for five years instead of the requested longer term. Due to the parcels proximity to

the Stickney Water Reclamation Plant, the District's technical departments concluded that the possibility of future corporate need would preclude a lease term of more than five years.

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

- (1) The Village of Stickney's early surrender of a 49-year lease for 10.81 acres of District land c/k/a Main Channel Atlas Parcel 38.01, lease agreement dated August 1, 1962, and set to expire July 31, 2011.
- (2) The early surrender of a 5-year permit dated April 4, 2006, on 10.35 acres and expiring April 3, 2011 (Parcel 38.02).
- (3) The early surrender of a 21-year lease dated July 6, 1990, between the District and the Village of Stickney on 3.5 acres, expiring July 1, 2011 (Parcel 38.05).
- (4) The early surrender of a 5-year permit dated June 1, 2006, issued to the Village of Stickney expiring May 31, 2011, for 8,840 square feet, the site of a Veteran's War Memorial for Parcel 38.06.
- (5) The issuance of a 5 year lease to the Village of Stickney for Main Channel Atlas Parcels 38.01, 38.02, 38.04, 38.05, 38.06, and 38.08, totaling approximately 63.7 acres of District land located east of Ridgeland Avenue and south of 39th Street in Stickney, Illinois, for use for public park and recreational activities. Consideration shall be a nominal fee of \$10.00.

It is also requested that the Executive Director recommend to the Board of Commissioners that it authorize and direct the Chairman of the Committee on Finance and the Clerk to execute said surrender documents and Lease after they are approved by the General Counsel as to form and legality.

Requested, Frederick M. Feldman, General Counsel, FMF:CL:STM:BEB: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 18, 2010

Attachment