



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 17-0396, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 20, 2017

COMMITTEE ON REAL ESTATE

David St. Pierre, Executive Director

Authority to enter into a 39-year lease agreement with the Village of Lemont on approximately 0.97 acres of District real estate located on the southwest corner of the District's Lemont Water Reclamation Plant property, Main Channel Parcel 23.11. Consideration shall be \$10.00

Dear Sir:

The Village of Lemont ("Lemont") currently leases 0.97 acres of District real estate located on the southwest corner of the District's Lemont Water Reclamation Plant property, Main Channel Parcel 23.11, under a lease that commenced May 1, 1997, and expires May 31, 2017. The current rent is a nominal fee of \$10.00.

Under its current lease, "Safety Village" operated on the site which provided safety care instructions to children. Safety Village ceased operations at the site in 2015. Lemont has requested a new lease upon the expiration of its current lease for use as a visitor center promoting the I & M Canal Trails and the Heritage Quarry Recreational Area, and for certain Lemont community meetings. Lemont has represented that any use of the space for the community meetings will be available to the public free of charge.

The District's technical departments have reviewed this request and have no objections. A nominal fee of \$10.00 is recommended since the site will be used for public access in furtherance of Lemont's public recreational trail system. In the event revenue or profits are ever derived from the leasehold, the lease will contain a provision requiring the rent to be an additional annual fee of 25% of the net profits derived from the site. This recommendation is customary under leases to municipal and governmental entities generating revenues under their leases. The "annual revenue" will allow for deductions such as certain operating expenses, capital improvement expenditures and bond repayments, if any.

Under 70 Illinois Compiled Statutes 2605/8c(11), the lease would be terminable upon the service of a one-year notice if the property becomes essential to the District's corporate needs.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize the District to enter into a 39-year lease agreement with the Village of Lemont on approximately 0.97 acres of District real estate located on the southwest corner of the District's Lemont Water Reclamation Plant property, Main Channel Parcel 23.11. Consideration shall be \$10.00.

It is also 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 said lease agreement after it is approved by the General Counsel as to form and legality.

Requested, Ronald M. Hill, General Counsel, RMH:STM:MM:vp

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, David J. Walsh, 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 April 20, 2017

Attachment