



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Authority to issue a 6-month permit extension to Northeastern Fruit Market, Inc. to use .13 acres of District land located at 6000 North Lincoln Avenue, Chicago, Illinois, and identified as North Shore Channel Atlas Parcel 8.08. Consideration shall be \$10,712.25

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Attachments: 1. NE FRUIT MARKET.Map.pdf

Date	Ver.	Action By	Action	Result
1/7/2010	1	Committee of the Whole	Recommended	Pass
1/7/2010	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JANUARY 7, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authority to issue a 6-month permit extension to Northeastern Fruit Market, Inc. to use .13 acres of District land located at 6000 North Lincoln Avenue, Chicago, Illinois, and identified as North Shore Channel Atlas Parcel 8.08. Consideration shall be \$10,712.25

Dear Sir:

The Northeastern Fruit Market, Inc. ("Fruit Market") has been occupying .13 acres of District land located at 6000 North Lincoln Avenue in Chicago, Illinois, since 1983 under a series of permits for a nominal fee. The permits were originally issued to the Fruit Market to maintain a fence to combat trespassers and illegal dumping along that portion of the waterway. However, at some juncture the Fruit Market also began to use a portion of the permit premises for its business purposes. Instead of continuing the nominal fee permit, on September 23, 2004, a new 5-year permit was issued and an annual permit fee of \$20,000.00 was established. The permit was set to expire November 30, 2008. The Fruit Market requested, and was granted, a 4-month extension to vacate the permit premises. It indicated it was undergoing a construction project so that the entire produce business would be located solely on its own adjacent property. The construction work involved removing the portion of the building located on the District's property and relocating that section of the business to its own property. Prior to its March 30, 2009 expiration date, the Fruit Market requested and was granted a second 4-month extension to July 31, 2009; as the construction was not completed.

On July 9, 2009, the Fruit Market was granted a final 5-months to vacate the site due to its inability to receive approval from the City of Chicago's Department of Transportation ("CDOT") on its final site re-development plans. The Fruit Market has been unable to receive CDOT's approval and has therefore been unable to complete construction on its site. Its inability to build out on its own property has impacted the timing on its demolition of the building on District property. CDOT has confirmed that it is working on the final site plans

with the Fruit Market regarding these issues.

The Fruit Market is again requesting additional time in which to vacate its permit premises. It has indicated that it still has not yet obtained approval from CDOT to make certain modifications to its property involving the number of driveways and the number of parking spaces at its site. Without CDOT's approval on the driveway/parking space issues, the City Department of Building cannot approve the buildout plans. The Fruit Market reported that it cannot vacate from the permit premises prior to the buildout without resulting in a negative impact to its business.

A six-month permit is, therefore, being recommended to allow the Fruit Market the additional time to workout its issues with CDOT and ultimately receive its building permit. Such a course of action is the preferable approach so that the District is not left with the task of enforcing the permit terms to demolish the structure on its land and restoring the permit premises to its original conditions. Rather, all the construction work can be completed at the time of the buildout if approved by the City. A provision will be contained in the permit extension agreement that this permit will not be extended any further and that all removal work must be completed by the expiration date. A schedule for the commencement of demolition work on the area encroaching on District land will be built into the permit and a security deposit in the amount of \$6,500.00 will be required, which represents an estimate of the proposed demolition costs.

The permit fee of \$10,712.25 is recommended as it represents 10% of the pro-rata share of \$20,700.00 which is the fair market value of the .13-acre site based upon appraisals of comparable sites plus a 3.5% inflation rate.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and approve the issuance of a 6-month permit extension to Northeastern Fruit Market, Inc. to use .13 acres of District land located at 6000 North Lincoln Avenue, Chicago, Illinois, and identified as North Shore Channel Atlas Parcel 8.08 for consideration of \$10,712.25.

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 said permit extension after same is approved by the General Counsel as to form and legality.

Requested, Frederick M. Feldman, General Counsel, FMF:CL:STM: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 January 7, 2010

Attachment