



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Authority to issue a 3-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 an initial monthly fee of \$1,800.00

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Date	Ver.	Action By	Action	Result
7/8/2010	1	Committee of the Whole	Recommended	Pass
7/8/2010	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 8, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authority to issue a 3-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 an initial monthly fee of \$1,800.00

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 it was seeking the City's approval of the construction work.

On July 9, 2009, the Fruit Market was granted an additional 5-months to vacate the site due to its continued inability to receive approval from the City of Chicago's Department of Transportation ("CDOT") on its final site re-development plans.

On January 7, 2010, the Fruit Market was granted additional time in which to vacate its permit premises as it still had not 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 would not approve the buildout plans.

The Fruit Market has now indicated that it cannot meet the City's requirements relating to building out its current building and is, therefore, making plans to demolish the portion of the building on District land and reconfiguring its store's interior to accommodate a smaller space. No buildout will be taking place.

A final 3-month permit extension is, therefore, being recommended to allow the Fruit Market the additional time to reconfigure its site due to the Fruit Market's inability to receive City approval of its construction plans. 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. Further requests for permit extensions will not be honored.

The initial monthly permit fee of \$1,800.00 is recommended as it represents 10% of the pro-rata share of \$21,425.00 which is the fair market value of the .13-acre site based upon appraisals of comparable sites plus a 3.5% inflation rate. The extension period commences July 1, 2010. Upon August 1, 2010, the monthly fee will be doubled to \$3,600.00 and on September 1, 2010, the fee will be doubled from the previous monthly fee to \$7,200.00. Such escalating fees are designed as an incentive to the Fruit Market to ensure the timely demolition of the portion of the building on District land.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and approve the issuance of a 3-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 an initial monthly fee of \$1,800.00.

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 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 July 8, 2010

Attachment