



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

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**File #:** 14-0736, **Version:** 1

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### **TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 10, 2014**

#### COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to commence negotiations with the City of Chicago for the sale of approximately 4.35 acres of District real estate located at 31<sup>st</sup> Street and Sacramento Avenue in Chicago, Illinois and known as Main Channel Parcels 42.01 and 42.15

Dear Sir:

The District owns approximately 4.35 acres of District real estate located at 31<sup>st</sup> Street and Sacramento Avenue in Chicago, Illinois and known as Main Channel Parcels 42.01 and 42.15. The City of Chicago ("Chicago") leased the subject real estate from April 1, 1914, to March 31, 2013, for machine and vehicle repairs, carpentry shops, warehouses and municipal offices and other municipal purposes. In anticipation of its lease expiration, Chicago requested a new 10-year lease for continued use of the leasehold for the same purposes as under the former lease. On March 13, 2013, the District's Board of Commissioners ("Board") authorized the District to enter into a lease with Chicago for an annual rental fee of \$69,000.00. A lease agreement was not entered into, however, as Chicago thereafter requested to purchase the property.

The District then issued an 18-month permit to Chicago to document its occupancy and to allow it time to perform environmental testing on the site. The permit expires on September 30, 2014. The permit fee is \$103,500.00. Chicago recently submitted an Environmental Site Assessment report for the subject property which revealed certain environmental conditions due to historical operations at the site.

The District's technical departments have no objections to the sale of the property provided the District retains a permanent and temporary easement for certain possible District projects. In addition, Chicago will indemnify the District for the environmental problems associated with the site. A waiver of the District's policy of not selling surplus land adjacent to the waterways is recommended in this instance due to the site's historical operations and Chicago's desire to continue occupying this site.

Accordingly, it is requested that the Executive Director recommend to the Board of Commissioners that it issue orders authorizing the General Counsel to commence negotiations with the City of Chicago for the sale of approximately 4.35 acres of District real estate located at 31<sup>st</sup> Street and Sacramento Avenue in Chicago, Illinois, and known as Main Channel Parcels 42.01 and 42.15. Any such transaction will ultimately be subject to the approval by the District's Board of Commissioners.

Requested, Ronald M. Hill, General Counsel, Catherine A. O'Connor, Director of Engineering, Manju P. Sharma, Director of Maintenance and Operations, RMH:CAO:MPS:STM:MLD:Idl:ss

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, Mariyana T. Spyropoulos, 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 10, 2014

Attachment