



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 4, 2014

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to: (1) enter into an Intergovernmental Agreement with the Illinois State Toll Highway Authority ("ISHTA") and the Mt. Prospect Park District relating to the Elgin O'Hare Expansion Project; (2) to sell ISHTA 5.858 acres of District real estate located along and near I-90 and at the Majewski Reservoir Site, Majewski Park and within the Kirie Water Reclamation Plant premises and (3) grant one permanent .064 acre easement and 2 temporary easements totaling 0.575 acres. Consideration is \$2,672,850.00

Dear Sir:

The Illinois State Toll Highway Authority is in the process of improving the Elgin O'Hare Expressway, improving portions of Interstate I-90 and constructing the Western Access to connect I-90 with I-294 (the "Project"). Certain construction work affects District real estate and facilities in the Project area. Such work includes the excavation and removal of earth and facilities near the I-90 and Elmhurst Road interchange, the widening of I-90 and Elmhurst Road and the relocation of an approximately 1,000 ft. section of the District's sludge line extending under I-90 near Elmhurst Road. The District real estate affected by the Project include the western portion of the Kirie Water Reclamation Plant ("Kirie Plant"), Majewski Park and the Majewski Reservoir site and other land in the immediate area. ISHTA has requested to purchase certain parcels of District real estate at these locations for construction of the Project.

The land at the Majewski Reservoir and Majewski Park are under lease to the Mt Prospect Park District ("Mt. Prospect") under 2 separate leases; the Majewski Reservoir lease that commenced in 2000 and expires in 2050 and the Majewski Park lease that commenced in 2012 and expires in 2051, both for public recreational use. The Majewski Reservoir site contains approximately 2,400,000 cubic yards of fill and spoil and ISHTA has requested to export approximately 25% of that spoil and fill that is suitable for the construction of the Project. Because the removal of the spoil and fill is beneficial to the District and ultimately to the development of the site by Mt. Prospect under its lease for public recreational purposes, it is recommended that ISHTA be allowed to export it for its road building purposes as part of the consideration under the proposed Intergovernmental Agreement.

ISHTA has also requested certain permanent and temporary easements during the Project. The permanent easement of .064 acres includes a portion of Higgins Creek at the Majewski Reservoir site that will be used for Creek maintenance and the two temporary easements are located within the Kirie Plant premises; one for sidewalk construction purposes and the other for grading and drainage during construction of the Project.

Authority to enter into an Intergovernmental Agreement ("IGA") with ISHTA and Mt. Prospect is requested to effectuate the sale of the District real estate that is required for the Project. Because Mt. Prospect is a tenant and therefore has property interests in some of the land being acquired and because the spoil and fill to be removed is located within its leasehold, it is a necessary party to the IGA. ISHTA requested to purchase 3.515 acres at the Majewski Reservoir site, 1.919 acres at Majewski Park, 0.424 acres of land located east of Elmhurst Road between Wille Road and Oakton Street within the Kirie Plant premises.

The technical departments have reviewed ISHTA's request to acquire certain real estate from the District and to relocate a portion of the sludge line and have no objections thereto. A waiver of the District's policy of not selling its real estate is recommended in this instance as ISHTA is acquiring this land for a public works project and it is in the District's best interest to negotiate this sale rather than have it acquired through a condemnation action.

In accordance with District policy, appraisals were obtained to establish the fair market value of the land to be acquired, the temporary construction easements and certain improvements. The appraisals are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>
Patricia McGarr, MAI CohnReznick (District's appraiser)	\$3,402,700.00
Nicholas Solano, MAI Chicago Metro Realty Valuation Corp.	\$1,943,000.00

It is recommended that the fair market value of the property interests being acquired be established at \$ 2,672,850.00, which represents the middle between the two appraisals. This fee was arrived at after ISHTA rejected the District's offer to sell for the District's full appraised value. ISHTA has indicated its willingness to accept splitting the difference between the two appraisals to arrive at the purchase price.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and approve the District to: (1) enter into an Intergovernmental Agreement with the Illinois State Toll Highway Authority and the Mt. Prospect Park District relating to the Elgin O'Hare Expansion Project; (2) sell to ISHTA 5.858 acres of District real estate located along and near I-90 and at the Majewski Reservoir Site, Majewski Park and within the Kirie Water Reclamation Plant premises and (3) grant one permanent .064 acre easement and 2 temporary easements totaling 0.575 acres. Consideration is \$2,672,850.00.

It is further requested that the Executive Director that the Executive Director recommend to the Board of Commissioners that it pass the following Orders:

1. That the 5.858 acres of District real estate located along and near I-90 and at the Majewski Reservoir Site, Majewski Park and within the Kirie Water Reclamation Plant premises be declared surplus and not needed for corporate purposes;
2. That one permanent .064 acre easement and 2 temporary easements totaling 0.575 acres be granted to the Illinois State Toll Highway Authority;
3. That the fair market value of said real estate, including the value of the permanent and temporary easements be established at \$2,672,850.00;
4. That it authorize and approve the District to enter into an Intergovernmental Agreement with the Illinois State Toll Highway Authority and the Mt. Prospect Park District relating to the Elgin O'Hare Expansion Project, which includes terms and conditions relating to the sale of 5.858 acres of District real estate located along and near I-90 and at the Majewski Reservoir Site, Majewski Park and within the Kirie Water Reclamation Plant premises and the grant of one permanent and two temporary easements to the Illinois State Toll Highway Authority;

5. That the sale of said real estate and granting of said easements to the Illinois State Toll Highway Authority at a price of \$2,672,850.00 pursuant to an Intergovernmental Agreement embodying the customary terms and conditions set forth above be authorized and approved;
6. That the Chairman of the Committee on Finance and the Clerk be authorized and directed to execute the Intergovernmental Agreement, the deeds, the easement grants and any other document necessary in effecting the aforesaid sale and easement grants after same having been approved by the General Counsel as to form and legality and the Executive Director.
7. That the General Counsel be authorized and directed to execute and deliver all other documents necessary to effectuate said sale and easement grants.

Requested, Ronald M. Hill, General Counsel, RMH:SM:bh

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 September 4, 2014

Attachment