



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 DECEMBER 18, 2014

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authorization to declare as surplus and not required for corporate purposes to sell to the City of Chicago approximately 4.35 acres of District real estate located at 31st Street and Sacramento Avenue in Chicago, Illinois; Main Channel Parcels 42.01 and 42.15. Consideration is \$1,250,000.00 plus closing and title costs

Dear Sir:

At its meeting of July 10, 2014, the Board of Commissioners ("Board") authorized the commencement of negotiations with the City of Chicago ("Chicago") for the sale of District real estate located at 31st Street and Sacramento Avenue in Chicago, Illinois and known as Main Channel Parcels 42.01 and 42.15 ("Site").

Chicago leased the Site from April 1, 1914, to March 31, 2013, for machine and vehicle repairs, carpentry shops, warehouses, municipal offices and other municipal purposes. In anticipation of its lease expiration, Chicago requested to purchase the Site.

Chicago is currently occupying the Site under a permit that, as extended, expires March 31, 2015. The permit was issued to allow Chicago to continue to occupy the Site while it performed environmental testing thereon and for the District to obtain an appraisal of the Site. Chicago recently submitted an Environmental Site Assessment report which revealed certain environmental conditions due to historical operations at the Site. An appraisal was performed by the District's appraiser, Appraisal Associates, who valued the land at \$1,250,000.00.

The District's technical departments have no objections to the sale of the Site provided the District retains permanent and temporary easements for possible future 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 it.

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

1. That the 4.35 acres of District real estate located at 31st Street and Sacramento Avenue in Chicago, Illinois, known as Main Channel Parcels 42.01 and 42.15 be declared surplus and not needed for corporate purposes; and
2. That the fair market value of said real estate be established at \$1,250,000.00; and
3. That the sale of said real estate to the City of Chicago at a price of \$1,250,000.00 pursuant to an Agreement for Purchase and Sale of Real Estate embodying customary terms and conditions and the conditions set for the above be authorized and approved; and

4. That the Chairman of the Committee on Finance and the Clerk be authorized and directed to execute said Agreement for Purchase and Sale of Real Estate, the deed and any other documents necessary in effecting the aforesaid sale of land after same have been approved by the General Counsel as to form and legality; and

5. That the General Counsel be authorized and directed to execute and deliver all other documents necessary to effectuate said sale.

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

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 December 18, 2014

Attachment