



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 14-1504, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 18, 2014

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Consent to an assignment of sublease from Acme Refining Company d/b/a Acme Refining Scrap Iron & Metal Company to Pure Metal Recycling, LLC of approximately 23.5 acres of District real estate located west of the Des Plaines River and south of the CN Railroad in Crest Hill, Will County, Illinois; Main Channel Parcel 12.01. Consideration shall be a \$2,500.00 document preparation fee

Dear Sir:

Sheffield Steel Corporation ("Sheffield") leases 38 acres of District real estate located west of the Des Plaines River and south of the Canadian National Railway and identified as Main Channel Parcels 12.01 and 13.01 under a lease that commenced in 1954 and expires in 2053. Sheffield produces forged steel and fabricated metal products. Sheffield's annual rent is \$3,500.00. Sheffield's lease allows it to sublease or assign the lease subject to the District's consent.

Sheffield currently subleases 23.5 acres to Acme Refining Company ("Acme"). Acme uses the sublease area for loading and unloading scrap iron and metal, a permitted use under the Sheffield lease. The sublease agreement is subject to decennial reappraisals. Acme currently pays an annual sublease rent of \$72,000.00, all of which is paid directly to the District. Such fee is based upon a March 2014 reappraisal.

Acme has requested the District's consent to its assignment of its sublease to Pure Metal Recycling, LLC ("Pure Metal"). Pure Metal intends to use the sublease area for the same purposes as does Acme: unloading and loading scrap iron and metal.

Pure Metal is a newly formed company and therefore has no historical financial information to review. To reassure the District that Pure Metal will be able to meet these obligations, Pure Metal has agreed to provide the District with one year's worth of rent as a security deposit in the amount of \$72,000.00. Additionally, Sheffield, the prime tenant, and Acme will continue to remain liable for all obligations under the lease and sublease agreements, including rental payments.

It is requested that the Executive Director recommend to the Board of Commissioners that it consent to an assignment of sublease from Acme Refining Company d/b/a Acme Refining Scrap Iron & Metal Company to Pure Metal Recycling LLC, of approximately 23.5 acres of District real estate located west of the Des Plaines River and south of the CN Railroad in Crest Hill, Will County, Illinois; Main Channel Parcel 12.01. Consideration shall be a \$2,500.00 document preparation fee.

It is also requested that the Executive Director recommend to the Board of Commissioners that it authorize and direct the Chairman of the Committee on Finance and the Clerk to execute said Consent to Assignment of Sublease after it is approved by the General Counsel as to form and legality.

Requested, Ronald M. Hill, General Counsel, RMH:STM:CMM: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