



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 15-0465, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 7, 2015

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Consent to Sublease between Ozinga Ready Mix Concrete, Inc. and Premier Landscape Contractors, Inc. on a 5 acre portion of the Ozinga leasehold located at 11400 Des Plaines River Road, in Lemont, Illinois, Main Channel Parcel 23.02. Consideration shall be an annual fee of \$2,500.00

Dear Sir:

On April 19, 2012, the Board of Commissioners issued orders authorizing a 39-year lease to Ozinga Ready Mix Concrete, Inc. ("Ozinga") on approximately 10.72 acres of District real estate located at 11400 Des Plaines River Road in Lemont, Illinois, and known as Main Channel Parcel 23.02 ("Lease"). The Lease commenced in 2012 and expires in 2051. Ozinga uses the site for concrete production, barge fleeting, trans-loading, and storage of bulk materials. Ozinga's annual rent is \$135,550.00. The Lease allows Ozinga to sublease, subject to the District's prior written consent. Ozinga also leases, as part of its operations, the adjacent 11.71 acres known as Main Channel Parcel 23.08 under a lease that commenced in 2011 and expires in 2050, for an annual rent of \$145,000.00.

Ozinga has requested permission to sublease a 5 acre portion of its leasehold to Premier Landscape Contractors, Inc. ("Premier") for a three (3) year term. Premier proposes to store and handle landscaping and construction products, unload barges, and park vehicles, equipment, and a trailer on the site. Such is in conformity with the permitted uses under Ozinga's lease. The proposed rent under the sublease is \$48,000.00 per year.

Under the Lease, the District is entitled to 50% of the increment or value received by Ozinga from any sublease in excess of what Ozinga is paying with respect to its proportionate share of rent for the subleased area. Ozinga's proportionate share of the annual rent for the sublease area is \$66,420.00, whereas the proposed annual sublease fee from Premier is \$48,000.00. Because Ozinga will not be profiting from this sublease, the District's standard minimum fee of \$2,500.00 shall be assessed.

The technical departments have no objections to the proposed sublease to Premier.

It is requested that the Executive Director recommend to the Board of Commissioners that it consent to the sublease between Ozinga Ready Mix Concrete, Inc. and Premier Landscape Contractors, Inc. on a 5 acre portion of the Ozinga leasehold located at 11400 Des Plaines River Road, in Lemont, Illinois, Main Channel Parcel 23.02. Consideration shall be an annual fee of \$2,500.00.

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 the sublease agreement after it is approved by the General Counsel as to form and legality.

Requested, Ronald M. Hill, General Counsel, RMH:STM:BEB: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 May 7, 2015

Attachment