



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 3, 2015

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to issue a six (6) month permit extension to the City of Chicago on approximately 4.35 acres 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 for municipal purposes. Consideration shall be \$37,500.00

Dear Sir:

The District owns approximately 4.35 acres 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. 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, municipal offices and other municipal purposes. The annual rent under the lease at the time it expired was \$1,200.00. 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. However, a lease agreement was not entered into as Chicago, thereafter, requested to purchase the property.

The District then issued a permit to Chicago to allow continued occupancy to perform environmental testing on the site and to negotiate a sale. The permit, as extended, expires September 30, 2015.

On July 10, 2014, the Board authorized the General Counsel to commence negotiations for the sale of the subject property. District staff, in conjunction with Chicago, ordered an appraisal of the property from Appraisal Associates which valued the land at \$1,250,000.00. On December 18, 2014, the Board authorized the sale of the property to Chicago. A sales contract is still being finalized and a survey has been ordered but has not yet been completed. Until the final details of the sale are worked out, a permit extension is required.

District policy is to charge 6% of the appraised value of the site to municipalities utilizing District land for municipal purposes other than public recreational use. A permit fee of \$37,500.00 is, therefore, recommended which represents 6% of the pro rata share of the appraised value of the site for the six (6) month period.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and approve the issuance of a six (6) month permit extension to the City of Chicago on approximately 4.35 acres 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 for municipal purposes. Consideration shall be \$37,500.00.

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 permit extension agreement on behalf of the District after it is approved by the General Counsel as to form and legality.

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 September 3, 2015

Attachment