



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 16-0219, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 3, 2016

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to grant a 0.11 acre, non-exclusive easement to K.A. Steel Chemicals, Inc. to operate, maintain, repair, and remove a water intake system on a portion of District Main Channel Parcel 24.10, in Lemont, Illinois. Consideration shall be an initial annual fee of \$5,000.00

Dear Sir:

K.A. Steel Chemicals, Inc. ("K.A. Steel") occupies 8.24 acres of District real estate at 15185 Main Street in Lemont, Illinois and known as Main Channel Parcel 24.02 under a lease that commenced July 1, 1966, and expires June 30, 2016. K.A. Steel also occupies Main Channel Parcel 24.10, comprising approximately 1.0 acre, under an easement that commenced January 1, 1988, and expires June 30, 2016. The current annual easement fee is \$5,611.00.

K.A. Steel operates a chemical manufacturing and bulk storage facility with barge loading and unloading facilities. The leasehold site is improved with a barge dock, office and warehouse buildings and storage tanks. K.A. Steel also occupies an approximate 1.0 acre easement area referenced as Main Channel Parcel 24.10 to operate a tanker truck loading area and to maintain railroad tracks and a pump house to withdraw water from the adjacent Consumers Quarry on Main Channel Parcel 24.06. Parcel 24.06 is under lease to Ozinga Ready Mix, Inc ("Ozinga"). Accordingly, this easement is subject to Ozinga's consent.

A companion letter is on today's agenda seeking authority to award a 39-year lease to K.A. Steel on 9.20+/- acres. A portion of the easement premises (the loading area and railroad tracks) was combined with the current leasehold area to become a 9.20+/- acre area under the new lease being awarded at today's meeting and the remaining easement area (0.11 acres) will remain as an easement for the purpose of operating the water intake system. K.A. Steel withdraws water for non-contact cooling purposes from the adjacent quarry under its NPDES permit and has requested to continue to do so for the duration of its new lease term.

A thirty-nine year easement is recommended in this instance to allow for the easement to expire simultaneously with K.A. Steel's lease in 2055. The District's technical departments have no objections to granting the easement. Due to the easement's reduced size, a fair market value fee of the easement premises would yield a fee less than the District's minimum \$5,000.00 fee. The District's standard initial minimum fee of \$5,000.00 is therefore recommended.

It is requested that the Executive Director recommend to the Board of Commissioners that it grant a 0.11 acre, non-exclusive easement to K.A. Steel Chemicals, Inc. to operate, maintain, repair, and remove a water intake system on a portion of District Main Channel Parcel 24.10, in Lemont, Illinois. Consideration shall be an initial annual fee of \$5,000.00.

Requested, Ronald M. Hill, General Counsel, RMH:STM: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 March 3, 2016

Attachment