



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 16-0658, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 7, 2016

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to issue a 3-year permit extension to Ford Motor Company for the continued use of District land c/k/a "Stony Island Drying Beds" for the temporary storage of new vehicles manufactured at the Ford Motor Company Assembly Plant located at 12600 S. Torrence Avenue in Chicago, Illinois. Consideration shall be a monthly permit fee of \$70,400.00; said monthly fee subject to upward adjustments in accordance with the terms and conditions stated herein.

Dear Sir:

At its meeting of November 4, 2010, the Board of Commissioners authorized the issuance of a 6-month permit for Ford Motor Company ("Ford") to use a portion of District land c/k/a "Stony Island Drying Beds" for the temporary storage of new vehicles manufactured at the Ford Assembly Plant located at 12600 S. Torrence Avenue in Chicago, Illinois. The District's Stony Island Drying Beds are located west of Torrence Avenue and north of the Calumet River, and historically the site has been used by the District for activities related to processing bio-solids, including drying, topsoil blending and "cake" storage. For operational and identification purposes, the site is divided into seven cells with six of the cells further divided into north and south sections. The permit, as extended, expires May 3, 2017, and the current monthly permit fee is \$70,400.00.

Since the District's solids operations are evolving with the addition of resource recovery initiatives, we cannot commit to allowing a long-term lease of this site.

Ford anticipates extended need for temporary storage of newly manufactured vehicles because of the continued high demand for its vehicles. The proximity of the subject District land to the Ford Plant, the size of the parcel and its flat surface, have resulted in Ford being quite satisfied with its experience at the subject location. It had requested a long term lease of the property. However, a long-term lease is not feasible due to the possibility that the site may be required for the District's corporate use in the future. As an alternative to a long-term lease, Ford has requested that the existing permit be extended for three years, with a 6-month right of cancellation by either Ford or the District. A permit extension is a more viable option as it would allow the flexibility to terminate same for any reason. Additionally, a permit provides the District with the flexibility to coordinate Ford's usage with the District's needs, if required.

The fee will continue to be \$2,200.00 per acre, per month. It is anticipated that the permit extension will result in revenue of a minimum of \$70,400.00 per month because Ford contemplates use of a minimum of 32 acres. However, as before, the fee will be adjusted upward if Ford's needs increase and the technical departments determine that the need can be accommodated without interference with the District's activities at the site.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and approve the issuance of a 3-year permit extension for Ford Motor Company's continued use of a portion of District land c/k/a "Stony Island Drying Beds" for the temporary storage of new vehicles manufactured at the Ford Assembly Plant at 12600 S. Torrence Avenue in Chicago, Illinois. Consideration shall be a monthly

permit fee of not less than \$70,400.00, and subject to the terms and conditions stated herein.

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:NHB: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 July 7, 2016

Attachment