



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 16-0719, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 7, 2016

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Consent to Sublease between Vulcan Construction Materials, LLC and Ozinga Materials, Inc. on a 2,000 sq. ft. barge dock area on a portion of the Vulcan leasehold located north of the Main Channel and west of Lawndale Avenue in Summit, Illinois; Main Channel Parcel 34.07. Consideration shall be an annual fee of \$5,000.00

Dear Sir:

On September 4, 2003, the Board of Commissioners issued orders authorizing a 39-year lease to Vulcan Construction Materials, LLC ("Vulcan") on approximately 2.86 acres of District real estate located north of the Main Channel, west of Lawndale avenue in Summit, Illinois and known as Main Channel Parcel 34.07 (the "Lease"). The Lease commenced in 2003 and expires in 2042. Vulcan uses the site for crane storage. Vulcan's annual rent is \$103,959.42. The Lease allows Vulcan to sublease, subject to the District's prior written consent.

Vulcan has requested permission to sublease the barge dock comprising a 2,000 sq. ft. area to Ozinga Materials, Inc. ("Ozinga") for a period of five (5) years. Ozinga proposes to use the dock to tie-off and park up to six barges. Such is in conformity with the permitted uses under Vulcan's lease. The proposed rent under the sublease is \$6,500.00 per year.

Under the Lease, the District is entitled to 50% of the increment or value received by Vulcan from any sublease in excess of what Vulcan is paying with respect to its proportionate share of rent for the subleased area. Vulcan's proportionate share of the annual rent for the sublease area is \$1,668.94, whereas the proposed annual sublease fee from Ozinga is \$6,500.00. Because Vulcan's profit is \$2,415.53, the District's standard minimum annual fee of \$5,000.00 shall be assessed.

The technical departments have no objection to the proposed sublease to Ozinga.

It is requested that the Executive Director recommend to the Board of Commissioners that it consent to the sublease between Vulcan Construction Materials, LLC and Ozinga Materials, Inc. on a 2,000 sq. ft. barge dock area on a portion of the Vulcan leasehold located north of the Main Channel and west of Lawndale Avenue in Summit, Illinois; Main Channel Parcel 34.07. Consideration shall be an annual fee of \$5,000.00.

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 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