



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 16-1227, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 15, 2016

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to amend Lease Agreement dated February 4, 1988, with the City of Palos Heights on approximately 78 acres of District real estate located south of the Cal-Sag Channel between the Norfolk Southern Railway and Ridgeland Avenue in Palos Heights, Illinois; Cal-Sag Channel Parcels 8.08 and 9.04, and commonly referred to as the Lake Katherine Nature Center, to allow additional uses. Consideration shall be a nominal \$10.00 fee plus 25% of the net profits (*Deferred from the December 1, 2016 Board Meeting*) "ADOPTED AS AMENDED. REFER TO FILE ID #16-1227A"

Dear Sir:

The City of Palos Heights ("Palos") leases 78 acres of District real estate located south of the Cal-Sag Channel between the Norfolk Southern Railway and Ridgeland Avenue in Palos Heights, Illinois, and known as Cal-Sag Channel Parcels 8.08 and 9.04. The annual rent is \$1.00. The lease commenced in 1988 and expires December 31, 2038 ("Lease"). Under the Lease, Palos operates and maintains a public park and lake, public recreational facilities, roadways and public parking areas. The leasehold is commonly referred to as the Lake Katherine Nature Center.

Palos has requested to amend its lease to allow for the sale and consumption of alcohol at designated areas. A District tenant may serve and sell alcohol if approved by the Board of Commissioners and if a lease is for a term of at least 20 years. The designated areas are the clubhouse and the auditorium, including their attached balconies and structures, and an outdoor area known as the Festival Grounds, but only within the confines of a tent or other confined area. Palos has further requested that the Lease be amended to allow the leased premises to be used for hosting/giving educational tours and classes, fundraisers, banquets, receptions, festivals, and other similar events.

Such uses, if authorized, would be available at all times to the general public and would be ancillary to the primary uses under the lease of operating and maintaining a public park and lake. Pursuant to Board policy, it is recommended that the rental provisions under the Lease also be amended to require that the annual rent be \$10.00 plus 25% of the net annual revenues generated by Palos as a result of the leasehold activity.

The District's technical departments have reviewed this request to amend the lease and have no objections.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and direct the General Counsel to amend the Lease Agreement dated February 4, 1988, with the City of Palos Heights on approximately 78 acres of District real estate located south of the Cal-Sag Channel between the Norfolk Southern Railway and Ridgeland Avenue in Palos Heights, Illinois; Cal-Sag Channel Parcels 8.08 and 9.04, and commonly referred to as the Lake Katherine Nature Center, to allow additional uses. Consideration shall be a nominal \$10.00 fee plus 25% of the net profits.

Requested, Ronald M. Hill, General Counsel, RMH:STM:CMM: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 December 15, 2016

Attachments