



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 16-1359, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 15, 2016

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Consent to an assignment of lease from an Assignee/Trustee, acting on behalf of and for the benefit of Olympic Oil, Ltd., to Olympic Petroleum Corporation of 8.67 acres of District real estate located at 5000 West 41st Street in Cicero, Illinois; Main Channel Parcel 39.10. Consideration shall be a \$5,000.00 document preparation fee

Dear Sir:

Olympic Oil, Ltd. ("Olympic Oil") leases 8.67 acres of District real estate located at 5000 West 41st Street in Cicero, Illinois, and known as Main Channel Parcel 39.10. Olympic Oil operates a bulk storage facility of petroleum products, including antifreeze. The lease commenced in 2005 and expires in 2043. Olympic Oil's annual rent is \$204,000.00. Olympic Oil's lease allows it to sublease or assign the lease subject to the District's consent.

On July 7, 2016, Olympic Oil executed an "Assignment for the Benefit of Creditors" that assigned all of its assets, including the lease, to an Assignee/Trustee ("Assignee") for liquidation purposes. As part of this liquidation, the Assignee has requested the District's consent to an assignment of the lease to Olympic Petroleum Corporation ("Olympic Petroleum"). Olympic Petroleum intends to use the leased premises for the same purposes as did Olympic Oil. The District's consent is subject to Olympic Petroleum posting an additional security deposit with the District in the amount of \$1,000,000.00 to ensure compliance with the environmental provisions under the lease, payable in five equal annual installments of \$200,000.00. The District's Finance Department has reviewed Olympic Petroleum's financial and company background information and reports that Olympic Petroleum has the financial resources to meet the annual rent obligation under the lease.

It is requested that the Executive Director recommend to the Board of Commissioners that it consent to an assignment of lease from an Assignee/Trustee, acting on behalf of and for the benefit of Olympic Oil, Ltd., to Olympic Petroleum Corporation of 8.67 acres of District real estate located at 5000 West 41st Street in Cicero, Illinois; Main Channel Parcel 39.10. Consideration shall be a \$5,000.00 document preparation fee.

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 said Consent to Assignment of Lease Agreement after it is approved by the General Counsel as to form and legality.

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

Attachment