



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 17-1145, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 2, 2017

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to amend permit agreement issued to United Parcel Service, Inc. on 20.5 acres of District real estate located at the Cal-Sag Channel and Ridgeland Avenue in Alsip, Illinois and known as the Ridgeland Avenue Drying Facilities; Cal-Sag Channel Parcel 10.04 (eastern portion) for storing and parking trucks and trailers, to add 4+/- acres to the permit premises for the period of November 2, 2017, to January 31, 2018. Consideration shall be \$827,000.00

Dear Sir:

On September 14, 2017, the Board of Commissioners ("Board") authorized the issuance of a 9 ½ month permit to United Parcel Service, Inc. ("UPS") to allow seasonal use during certain months in the years 2017 through 2019. The permit is for the use of the eastern 20.5 acres of the District's Ridgeland Avenue Drying Facility ("Ridgeland Facility"); Cal-Sag Channel Parcel 10.04 (eastern portion), for storing and parking trucks and trailers. UPS uses the site under the permit from September 15, 2017 to January 31, 2018, and September 1, 2018 to January 31, 2019. These months represent the time of year when UPS requires additional land for parking trucks and trailers due to demands related to the holiday season. UPS's permit fee is \$779,000.00.

UPS has requested to add 4+/- acres to the permit premises for the period from November 2, 2017 through January 31, 2018, for a total permit area of 24.5 acres during such time period to be used for the same purposes set forth in the permit. The current permit fee will therefore be increased by \$48,000.00 for a new total permit fee of \$827,000.00. From September 15, 2018 to January 31, 2019, the permit premises will be its original acreage of 20.5 acres. The District's technical departments have no objections to making this additional acreage available for such use by UPS.

The recommended permit fee for the revised permit premises is \$827,000.00, which represents the pro-rata share of over 10% of the fair market value of the land, based upon recent appraisals of nearby comparable sites.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize an amendment to the permit agreement issued to United Parcel Service, Inc. on 20.5 acres of District real estate located at the Cal-Sag Channel and Ridgeland Avenue in Alsip, Illinois and known as the Ridgeland Avenue Drying Facilities; Cal-Sag Channel Parcel 10.04 (eastern portion) for storing and parking trucks and trailers, to add 4+/- acres to the permit premises for the period of November 2, 2017, to January 31, 2018. Consideration shall be \$827,000.00.

It is also requested that the Executive Director recommend to the Board of Commissioners that the Chairman of the Committee on Finance and the Clerk be authorized to execute said permit agreement amendment on behalf of the District after it is approved by the General Counsel as to form and legality.

Requested, Susan T. Morakalis, General Counsel, STM:CMM:BJD:vp

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, David J. Walsh, 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 November 2, 2017

Attachment