



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 18-0167, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF FEBRUARY 15, 2018

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to grant to the Morton Grove Niles Water Commission: (1) a one year, 41,770 sq. ft. temporary construction easement and (2) a 70-year, 33,440 sq. ft. non-exclusive easement to construct, install, operate, maintain, repair and remove a pump station, access road, two subterranean 24-inch water mains, and one subterranean 30-inch water main, on or beneath North Shore Channel Parcels 3.02, 3.04 and 3.05 and the North Shore Channel in Evanston and Skokie, Illinois. Consideration shall be a fee of \$71,009.00 for the temporary construction easement and an initial annual fee of \$59,024.00 for the 70-year easement

Dear Sir:

On January 18, 2018, the Board of Commissioners ("Board") authorized the grant to the Morton Grove Niles Water Commission ("Commission") of: (1) an 18-month, 17,843 sq. ft. temporary construction easement and (2) a 70-year, 38,517 sq. ft. non-exclusive easement to construct, install, operate, maintain, repair and remove three subterranean 30-inch water mains on part of North Shore Channel Parcels 3.02, 3.03 and 3.05 and beneath the North Shore Channel ("Channel") in Evanston and Skokie, Illinois. The Commission requested these easements as part of its plan to purchase its potable water from the City of Evanston ("Evanston"), then sell it to its residents. Under this request, the corresponding pump station was to be located on non-District owned land located along Wade Street.

Subsequent to the January 18, 2018, Board meeting, a public meeting was held at Evanston's City Hall to allow the project to be vetted by the public. As a result, on January 30, 2018, the Commission submitted a revised request for easements to locate a pump station and access road on District land known as Parcel 3.04. Specifically, the Commission has now requested: (1) a one year, 41,770 sq. ft. temporary construction easement and (2) a 70-year, 33,440 sq. ft. non-exclusive easement to construct, install, operate, maintain, repair and remove a pump station, access road, two subterranean 24-inch water mains, and one subterranean 30-inch water main on or beneath North Shore Channel Parcels 3.02, 3.04 and 3.05 and the Channel in Evanston and Skokie, Illinois.

Parcel 3.04 is under lease to Evanston for public recreational purposes. The Evanston lease commenced February 1, 2018, and expires in 2068. The Commission's new request contains plans for the pump station building to contain public bathrooms, an outdoor patio area, and a mechanical room all for Evanston's use in conjunction with its leasehold operations. The operations portion of the pump station will at all times be inaccessible to the public. The two 24-inch water mains will connect to the pump station and will traverse Parcel 3.04, the bed of the Channel, and the southern portion of Parcel 3.05. The third water line, the 30-inch water main, will run north/south on the west side of the Channel, between Parcels 3.05 and 3.02 and beneath Emerson Street. Parcel 3.05 is presently leased to the Village of Skokie ("Skokie") for public recreational purposes. The Skokie lease commenced in 1994 and expires in 2032. Parcel 3.02 is presently leased to Evanston under a public recreational lease that commenced in 1966 and expires in 2032.

The District's technical departments have reviewed the Commission's new request and have no objections

thereto. It is recommended that a fee of \$71,009.00 be assessed for the one year temporary construction easement and an initial annual fee of \$59,024.00 be assessed for the 70-year easement, both of which represent 10% of the appraised fair market value. The fee is based upon the District's policy to assess the annual rent based on the fair market value when the easement is generating revenue. Because the Commission will derive revenue under this easement, an initial annual easement fee of 10% is recommended rather than a nominal fee. Also, because Parcels 3.02 and 3.04 are leased to Evanston, and Parcel 3.05 is leased to Skokie, the easements are subject to the consents of both municipalities. Evanston has indicated that it has preliminarily consented to the Commission's use of both of its leaseholds, but final approval is subject to final review of the Commission's plans.

In the event the Board approves this new easement location and if Evanston approves the Commission's final plans to construct the pump station on Parcel 3.04, then a corresponding transmittal letter seeking authority to rescind the Board's January 18, 2018 Orders will be placed on the Board's next agenda.

It is requested that the Executive Director recommend to the Board of Commissioners that it grant to the Morton Grove Niles Water Commission: (1) a one year, 41,770 sq. ft. temporary construction easement and (2) a 70-year, 33,440 sq. ft. non-exclusive easement to construct, install, operate, maintain, repair and remove a pump station, access road, two subterranean 24-inch water mains, and one subterranean 30-inch water main, on or beneath North Shore Channel Parcels 3.02, 3.04 and 3.05 and the North Shore Channel in Evanston and Skokie, Illinois. Consideration shall be a fee of \$71,009.00 for the temporary construction easement and an initial annual fee of \$59,024.00 for the 70-year easement.

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 easement agreements on behalf of the District after they are approved by the General Counsel as to form and legality.

Requested Susan T. Morakalis, General Counsel, STM:CMM:MLD: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 February 15, 2018

Attachment