



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 5, 2018

COMMITTEE ON REAL ESTATE

Mr. David St. Pierre, Executive Director

Authority to issue a 4-month permit to Ford Motor Company on the eastern 24.5 acres of District real estate located at the Cal-Sag Channel and Ridgeland Avenue in Alsip, Illinois and known as the Ridgeland Avenue Drying Facility; Cal-Sag Channel Parcel 10.04 (portion) for storing motor vehicles. Consideration shall be a monthly permit fee of \$4,000.00 per acre, subject to upward adjustments in accordance with the terms and conditions stated herein

Dear Sir:

Ford Motor Company ("Ford") has requested a 4-month permit to store motor vehicles on the eastern 24.5 acres of District real estate located at the Cal-Sag Channel and Ridgeland Avenue in Alsip, Illinois and known as the Ridgeland Avenue Drying Facility ("Ridgeland Facility"); Cal-Sag Channel Parcel 10.04 (portion). Ford currently stores motor vehicles on the District's Stony Island Drying Beds site in Chicago, Illinois under a permit that commenced in 2010 and as extended expires May 3, 2020. Due to high demand for newly manufactured motor vehicles, Ford has requested use of the subject site as additional land for storing its motor vehicles. It is uncertain at this time how many acres Ford will need as such depends on the continued high demand for Ford motor vehicles. Ford has requested use of up to 24.5 acres. The monthly fee will be adjusted depending upon the acres used by Ford each month. Ford requests use of the site from April 6, 2018 to August 5, 2018.

On April 3, 2014, the Ridgeland Facility was designated by the Board of Commissioners as a U.S. Army Corps of Engineers ("Corps") confined disposal facility in conjunction with the Calumet River and Cal-Sag dredging projects. The Corps is not presently using the Ridgeland Facility for such purpose, but has the right to if ever needed. Christy Webber Landscapes ("Christy") currently uses the western 12 acres of the Ridgeland Facility under a District permit for mulching and storing leaves. The Ridgeland Facility contains sufficient acreage to allow both permits. Any permit issued to Ford would require Ford to coordinate its activities with Christy. United Parcel Service, Inc. ("UPS") uses the subject 24.5 acres under a District permit for storing and parking trucks and trailers, but only seasonally from September 1, 2018 to January 31, 2019, which is not in conflict with Ford's requested use.

The technical departments have no objections to making the Ridgeland Facility available for such use by Ford. A permit allows the District the right to terminate the agreement, if necessary, due to the Corps' potential needs.

The recommended permit fee of \$4,000.00 per acre, per month represents 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 and approve the issuance of a 4-month permit to Ford Motor Company on the eastern 24.5 acres of District real

estate located at the Cal-Sag Channel and Ridgeland Avenue in Alsip, Illinois and known as the Ridgeland Avenue Drying Facility; Cal-Sag Channel Parcel 10.04 (portion) for storing motor vehicles. Consideration shall be a monthly permit fee of \$4,000.00 per acre, subject to upward adjustments in accordance with the terms and conditions stated herein.

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 permit agreement after it is approved by the General Counsel as to form and legality.

Requested, Susan T. Morakalis, General Counsel, STM:CMM:nhb

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 April 5, 2018

Attachment