



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 18-0538, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF JUNE 7, 2018

COMMITTEE ON REAL ESTATE

Mr. John P. Murray, Acting Executive Director

Consent to a partial assignment of lease from the Village of Crestwood to the Village of Crestwood and Chick-Fil-A as co-tenants with respect to 2.04 acres of the Village's 5.01 acre leasehold located south of the Cal-Sag Channel and west of Cicero Avenue in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (Eastern Portion). Consideration shall be an initial annual fee of \$13,147.00

Dear Sir:

The Village of Crestwood ("Village") leases 7.61 acres of District real estate located south of the Cal-Sag Channel and west of Cicero Avenue in Crestwood, Illinois and known as Cal-Sag Channel Parcel 11.04 (Eastern Portion). The lease commenced in 2017 and expires in 2077 and was procured through the statutory leasing process ("Lease"). The Village's current annual rent is \$158,000.00. The Lease allows for mixed use retail development. Any sublease or partial assignment of the Lease requires the District's written consent.

Accordingly, on December 21, 2017, the Board of Commissioners consented to the assignment of a 2.60 acre portion of the Village's leasehold from the Village to the Village and Aldi Inc. as co-tenants for the construction and operation of an Aldi retail store. The leasehold's remaining 5.01 acres continue to be leased exclusively by the Village.

The Village is requesting the District's consent to assign a 2.04 acre portion of its remaining 5.01 acre leasehold from the Village to the Village and Chick-Fil-A as co-tenants ("2.04 Acre Portion"). Chick-Fil-A requires such partial assignment of the Lease as a pre-condition to its agreeing to construct and operate a Chick-Fil-A restaurant on the 2.04 Acre Portion.

Under the Lease, the District is entitled to 15% of the increment or value the Village receives from the Village in excess of what the Village is paying with respect to its proportionate share of rent for the 2.04 Acre Portion. The Village's proportionate share of such annual rent is \$42,351.95, whereas the proposed annual fee from Aldi to the Village is \$130,000.00. The initial annual fee that is therefore owed to the District is \$13,147.00. The Village will continue to be solely liable for the remaining 2.97 acre portion of the Lease.

It is requested that the Acting Executive Director recommend to the Board of Commissioners that it consent to a partial assignment of lease from the Village of Crestwood to the Village of Crestwood and Chick-Fil-A as co-tenants with respect to 2.04 acres of the Village's 5.01 acre leasehold located south of the Cal-Sag Channel and west of Cicero Avenue in Crestwood, Illinois; Cal-Sag Channel Parcel 11.04 (Eastern Portion). Consideration shall be an initial annual fee of \$13,147.00.

It is also requested that the Acting 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 Partial Assignment of Lease Agreement after it is approved by the General Counsel as to form and legality.

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

Recommended, John P. Murray, Acting 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 June 7, 2018

Attachment