



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 18-0710, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 12, 2018

COMMITTEE ON ENGINEERING

Mr. John P. Murray, Acting Executive Director

Authority to enter into an easement agreement with Indiana Harbor Belt Railroad Company to acquire permanent and temporary easements comprising approximately 1.28 acres for the Addison Creek Reservoir (Contract 11-186-3F) in Bellwood, Illinois. Consideration shall be a one-time fee of \$323,000.00, Account No. 501-50000-667340

Dear Sir:

On February 4, 2016, the Board of Commissioners adopted Ordinance R16-002 establishing the amended right-of-way for the construction, operation and maintenance of the Addison Creek Reservoir and Channel Improvement Project (Contract 11-186-3F) ("Project") in Melrose Park and Bellwood, Illinois, in parts of Sections 4 and 9, Township 39 North, Range 12, East of the Third Principal Meridian in Cook County, Illinois.

The Project includes the construction of an approximately 600 acre-foot stormwater storage facility in the Village of Bellwood ("Reservoir"). The Reservoir, along with the channel improvements, will provide flood reduction benefits to approximately 2,200 properties.

Said Ordinance authorized and directed the Executive Director to negotiate with the respective owners and parties in interest of the real estate within the established right-of-way for the purpose of acquiring fee simple title and permanent and temporary easements necessary for the Project. One such easement is needed on property owned by Indiana Harbor Belt Railroad Company ("Railroad") located west of the proposed Reservoir. The easement area comprises approximately 1.28 acres and is needed for the construction, operation, and maintenance of the Project. The 1.28 acres comprises a permanent easement area of 0.251 acres and two temporary easement areas for installing riprap and for construction purposes of 1.029 acres.

To determine the amount of consideration for the easement, the District obtained an appraisal from Patricia McGarr, MAI, of Cohn Reznick, LLP, who valued the easement at \$323,000.00. The Railroad did not obtain an appraisal and accepted the District's valuation. However, the Railroad requires that any rights granted to the District under the easement be subject to termination by the Railroad on 3-year's notice to the District. The Railroad has relayed that it is unlikely it will ever exercise such rights and that containing such termination rights is standard in all Railroad easement agreements. The Railroad has agreed that in the event such termination rights are ever exercised, the District shall retain the right to pursue condemnation to the fullest extent authorized by law, and to reasonable reimbursement from the Railroad of the easement fee paid by the District commensurate with the loss in value of the easement resulting from the Railroad's exercise of termination rights. It is the opinion of the Director of Engineering and General Counsel that this approach be accepted to avoid the expenses of condemning the property now, which would include legal, expert witness and appraisal fees. In addition, because the grantor of the easement is the Railroad, condemnation would require approval from the National Transportation Safety Board.

It is 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 Clerk to enter into an easement agreement with Indiana Harbor Belt Railroad Company to acquire permanent and temporary easements comprising approximately 1.28 acres for the Addison Creek Reservoir Project (Contract 11-186-3F) in Bellwood, Illinois. Consideration shall be \$323,000.00.

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 Clerk to execute said easement agreement on behalf of the District after it is approved by the Department of Engineering as to technical matters and by the General Counsel as to form and legality.

Funds are available in account 501-50000-667340

Requested, Catherine A. O'Connor, Director of Engineering, WSS:JK:vp

Recommended, John P. Murray, Acting Executive Director

Respectfully Submitted, Frank Avila, Chairman Committee on Engineering

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for July 12, 2018

Attachment