



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 19-0083, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF JANUARY 24, 2019

COMMITTEE ON REAL ESTATE

Mr. Brian A. Perkovich, Executive Director

Authority to issue a ten (10) month permit extension to United Parcel Service, Inc. to continue to store and park trucks and trailers 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). Consideration shall be \$820,000.00

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 of 20.5 acres of District Cal-Sag Channel Parcel 10.04 located at the Cal-Sag Channel and Ridgeland Avenue in Alsip, Illinois and known as the Ridgeland Avenue Drying Facilities ("Ridgeland Facilities") for storing and parking trucks and trailers. The permit, issued for a fee of \$779,000.00, commenced September 15, 2017, and expires January 31, 2019.

UPS has requested a ten (10) month extension to the permit for the five-month periods of September 1, 2019, to January 31, 2020, and September 1, 2020 to January 31, 2021. 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. The District's technical departments have no objections to extending the permit for such use by UPS.

A permit is recommended in this instance due to the designation by the Board on April 3, 2014 of the Ridgeland Facilities as a potential regional sediment management facility for the U.S. Army Corps of Engineers ("Corps") in connection with the Cal-Sag Navigation Project. The District may also need the site for other corporate purposes, such as biosolids management and related activities. A permit allows the District to terminate the agreement, if necessary, to accommodate the Corps' or the District's use of the site.

Christy Webber Landscapes ("Christy") currently uses the western 12 acres of the Ridgeland Facilities under a District permit for mulching and storing leaves, and storing and parking trucks and trailers. The Ridgeland Facilities contain sufficient acreage to allow both permits. Any permit issued to UPS will require UPS to coordinate its activities with Christy.

The recommended permit fee is \$820,000.00, which is the same per-acre fee as the existing permit, and 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 and approve the issuance of a ten (10) month permit extension to United Parcel Service, Inc. to continue to store and park trucks and trailers 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). Consideration shall be \$820,000.00.

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 extension agreement 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, Brian A. Perkovich, Executive Director

Respectfully Submitted, Kari K. Steele, Vice 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 January 24, 2019

Attachment