



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 FEBRUARY 7, 2019

COMMITTEE ON REAL ESTATE

Mr. Brian A. Perkovich, Executive Director

Authority to issue a six (6) month, 25 day permit to Ford Motor Company to store motor vehicles on 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 Facilities; Cal-Sag Channel Parcel 10.04 (eastern portion). 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:

On April 5, 2018, the Board of Commissioners ("Board") authorized the issuance of a four (4) month permit to Ford Motor Company ("Ford") to allow use of 24.5 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") to store motor vehicles. Under the permit, the site was divided into five cells, with Ford paying the District a monthly fee based on its use of each cell. The permit, issued for a monthly fee of \$4,000.00 per acre, commenced April 6, 2018, and expired August 5, 2018. Ford has requested a new six (6) month, 25 day permit for the period of February 7, 2019 through August 31, 2019.

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 Ridgeland Facilities 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 of \$4,000.00 per acre will be adjusted depending upon the acres used by Ford each month.

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 parking trucks and trailers. The Ridgeland Facilities contain 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 Ridgeland Facilities under a District permit for storing and parking trucks and trailers, but only seasonally from September to January, months Ford is not using the site.

The District's technical departments have reviewed Ford's request and have no objections thereto. The recommended permit fee is \$4,000.00 per acre, per month, which is the same per-acre fee as the prior permit

and represents the pro-rata share of 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 six (6) month, 25 day permit to Ford Motor Company to store motor vehicles on 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 Facilities; Cal-Sag Channel Parcel 10.04 (eastern portion). 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 the Chairman of the Committee on Finance and the Clerk be authorized and directed to execute said 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, Brian A. Perkovich, Executive Director

Respectfully Submitted, Marcelino Garcia, 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 7, 2019

Attachment