



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 18, 2019

COMMITTEE ON REAL ESTATE

Mr. Brian A. Perkovich, Executive Director

Authorization to: (1) enter into an Intergovernmental Agreement with the Illinois State Toll Highway Authority ("ISTHA") relating to its I-294 Mile Long Bridge Project; (2) sell to ISTHA 17.033 acres of District real estate on Main Channel Parcel 31.01 adjacent to I-294 in Willow Springs, Illinois; (3) grant a permanent, 13.994-acre non-exclusive easement to ISTHA for the expanded I-294 right-of-way and for access thereto; and (4) grant a 5-year, 6.945-acre non-exclusive easement to ISTHA for barge loading and unloading and construction access and staging. Consideration shall be \$2,916,785.00 for the sale, \$456,946.00 for the permanent easement, and \$692,769.00 for the temporary easement for a total of \$4,066,500.00.

Dear Sir:

The Illinois State Toll Highway Authority ("ISTHA") is constructing system-wide repairs and improvements to the Tri-State Tollway (I-294) from Balmoral Avenue in Rosemont to 95th Street in Oak Lawn, including the reconstruction and widening of the Mile Long Bridge ("Bridge"), which spans the Main Channel, the Des Plaines River, and Main Channel Parcels 31.01 through 31.03 in Willow Springs, Illinois ("Project").

ISTHA has requested to acquire a 17.033-acre portion of Main Channel Parcel 31.01 adjacent to I-294. Main Channel Parcel 31.01 comprises approximately 35 acres. This acquisition is required for ISTHA to expand the number of lanes on I-294 and to provide a stormwater detention area in connection with the Project. Since 1958, ISTHA has maintained the existing I-294 right-of-way across District land under a perpetual easement.

ISTHA has also requested to obtain a permanent non-exclusive easement and a 5-year non-exclusive easement for the Project. The permanent easement comprises 13.994 acres of District real estate located on Main Channel Parcels 29.01, 30.01, 31.01, 31.02, 31.03, and 31.06. The permanent easement will provide the necessary right-of-way for the expanded Bridge overpass and allow ISTHA to reconstruct, maintain, and access the Bridge. The 5-year easement comprises 6.945 acres of District real estate located on Main Channel Parcel 31.01. The temporary easement will provide for construction access and staging and allow ISTHA to conduct barge loading and unloading.

ISTHA has also requested to enter into an Intergovernmental Agreement with the District to effectuate the sale of land and grant of easements required for the Project.

The technical departments have reviewed these requests and have no objections thereto, provided that the District continues to have access to all District parcels in this area during construction and after the Project is completed, and that the Project's construction staging area be restored to its original condition after construction is completed. A waiver of the District's policy of not selling its real estate contiguous to waterways is recommended in this instance because ISTHA is acquiring this land for a public works project and it is in the District's best interest to negotiate this sale rather than have it acquired through a condemnation action.

The District leases Parcels 29.01, 30.01, and 31.02 to the Forest Preserve District of Cook County ("Forest

Preserve”) for the maintenance, operation and removal of a paved bicycle path known as the John Husar I&M Canal Trail. Parcel 31.03 is leased to the Forest Preserve for maintaining public recreational facilities, including the operation and maintenance of the Centennial Trail. Both leases require the Forest Preserve to surrender possession of any part of these leaseholds required by a governmental agency engaged in the construction of highways and roadways, such as ISTHA. ISTHA has been coordinating directly with the Forest Preserve regarding the timing and impact of the Project. To that end, ISTHA and the Forest Preserve are also finalizing an IGA relating to the Project that addresses issues such as trail closures, fencing, and vegetation management.

In accordance with District policy, appraisals were obtained to establish the fair market value of the land and easements to be acquired. The appraisals are as follows:

<u>Appraiser</u>	<u>Value</u>
Polach Appraisal Group, Inc. Kenneth F. Polach, MAI (ISTHA Appraiser)	\$1,770,000.00
CohnReznick Patricia McGarr, MAI (District’s Appraiser)	\$6,363,000.00

It is recommended that the total fair market value of the property interests to be acquired by ISTHA be established at \$4,066,500.00, which represents the average of the two appraisals. This total amount would include \$2,916,785.00 for the sale; \$456,946.00 for the permanent easement; and \$692,769.00 for the 5-year easement. This total amount of compensation was negotiated between the parties after ISTHA rejected the District’s offer to sell the land and grant the easements for the District’s appraised value. ISTHA has agreed to split the difference between the two appraisals to arrive at the purchase price.

It is requested that the Executive Director recommend to the Board of Commissioners that it pass the following Orders:

1. That the 17.033-acre portion of Main Channel Parcel 31.01 adjacent to I-294 in Willow Springs, Illinois, be declared surplus and not needed for corporate purposes;
2. That a permanent, 13.994-acre non-exclusive easement on Main Channel Parcels 29.01, 30.01, 31.01, 31.02, 31.03, and 31.06 be granted to the Illinois State Toll Highway Authority for the expanded Bridge overpass and to allow ISTHA to reconstruct, maintain, and access the Bridge;
3. That a 5-year, 6.945-acre non-exclusive easement on Main Channel Parcel 31.01 be granted to the Illinois State Toll Highway Authority for barge loading and unloading and construction access and staging;
4. That the total fair market value of said property interests be established at \$4,066,500.00, which includes \$2,916,785.00 for the sale; \$456,946.00 for the permanent easement; and \$692,769.00 for the 5-year easement;
5. That it authorize the District to enter into an Intergovernmental Agreement, a Purchase and Sale of Real Estate Agreement, and Easement Agreements with the Illinois State Toll Highway Authority to effectuate the sale of the above-mentioned District real estate and grant of easements required for the I-294 Mile Long Bridge Project, with all agreements embodying the customary terms and conditions set forth above;

6. That the Chairman of the Committee on Finance and the Clerk be authorized and directed to execute said Intergovernmental Agreement, Purchase and Sale of Real Estate Agreement, Easement Agreements, the Deed, and any other documents necessary in effecting the aforesaid sale and grant of easements for said real estate after same have been approved by the General Counsel as to form and legality; and

7. That the General Counsel be authorized and directed to execute and deliver all other documents necessary to effectuate said sale and grant of easements.

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

Recommended, Brian A. Perkovich, Executive Director

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for April 18, 2019

Attachment