



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

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**File #:** 19-0387, **Version:** 1

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### **TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 18, 2019**

#### COMMITTEE ON REAL ESTATE

Mr. Brian A. Perkovich, Executive Director

Authority to terminate easement agreement dated August 15, 1967, between the District and NP Avenue O, LLC on 78,914± sq. ft. of non-District land adjacent to the District's 122<sup>nd</sup> Street Pumping Station in Chicago, Illinois for constructing, operating and maintaining a District intercepting sewer. Consideration shall be \$15,544.00

Dear Sir:

On August 15, 1967, the District acquired a perpetual, 78,914± sq. ft. easement from Republic Steel Corporation (later known as Republic Engineered Steels, Inc. ("RES")) to construct, operate and maintain an intercepting sewer ("Interceptor Easement") on RES's land located adjacent to the District's 122<sup>nd</sup> Street Pumping Station ("Pumping Station") in Chicago, Illinois. A fee was not charged for the easement. Included in the Interceptor Easement was a temporary construction easement to build the intercepting sewer. The planned intercepting sewer was to provide additional sewer capacity to meet the perceived demands of additional development in the area. However, such development did not occur as projected and therefore the intercepting sewer was not built.

NP Avenue O, LLC ("NP") is the current owner of 197 acres of land surrounding the Pumping Station, including the land previously owned by RES that is subject to the Interceptor Easement. NP is developing the 197 acres for industrial use ("Avenue O Development"). To allow the Avenue O Development to proceed free and clear of the District's Interceptor Easement, NP has requested to terminate the Interceptor Easement.

The District's technical departments have reviewed this request and have no objections thereto, as use of the subject land for constructing an intercepting sewer is no longer needed for the District's corporate purpose and new development in the area can be served by current District infrastructure. However, the technical departments have requested to use a portion of NP's land for construction staging in the event the District needs to repair, replace or remove the Pumping Station. NP has agreed to accommodate this request by amending a separate easement agreement dated August 26, 1996, between the District and NP for constructing and maintaining nearby District TARP facilities ("TARP Easement"). A companion transmittal letter is on today's agenda seeking authority to amend the TARP Easement.

It is recommended that NP pay a fee to the District of \$15,544.00 for terminating the Interceptor Easement, including the temporary construction easement, which represents the current fair market value of the Interceptor Easement based upon a recent appraisal.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize the termination of the easement agreement dated August 15, 1967, between the District and NP Avenue O, LLC on 78,914± sq. ft. of non-District land adjacent to the District's 122<sup>nd</sup> Street Pumping Station in Chicago, Illinois for constructing, operating and maintaining a District intercepting sewer. Consideration shall be \$15,544.00.

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 said easement termination agreement, including terminating the temporary construction easement, after it is approved by the General Counsel as to form and legality.

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