



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 19-0985, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 3, 2019

COMMITTEE ON REAL ESTATE

Mr. Brian A. Perkovich, Executive Director

Consent to sublease between ACBL Transportation Services, LLC and Consolidated Grain and Barge Co. on an approximate 12.98-acre portion of the ACBL leasehold located at 16100 Des Plaines River Road, Main Channel Parcel 22.08, in Lemont, Illinois. Consideration shall be a minimum annual fee of \$5,000.00

Dear Sir:

On December 15, 2005, the Board of Commissioners authorized a 39-year lease ("Lease") to ACBL Transportation Services, LLC ("ACBL"), on 30.1 acres, known as Barge Slip 4, located at 16100 Des Plaines River Road in Lemont, Illinois, Main Channel Parcel 22.08. The Lease commenced December 16, 2005, and expires December 15, 2044. Parcel 22.08 is improved with a warehouse. ACBL's current annual rent is \$1,210,649.38. ACBL loads and unloads barges and stores shipping containers and calcium chloride. The District's consent is required before ACBL may sublease any portion of the leasehold to another entity.

ACBL has requested the District's consent to sublease 12.98 acres to Consolidated Grain and Barge Co. ("Consolidated Grain"). The initial sublease term would be for two years, with options for up to four additional terms of two years each. If approved, Consolidated Grain intends to use the sublease premises to operate the existing warehouse, load and unload barge freight, store steel, shipping containers, bulk packages of calcium chloride and non-hazardous dry materials.

Under the Lease, the District is entitled to 50% of the increment or value received by ACBL from any sublease in excess of what ACBL is paying with respect to its proportionate share of rent for the subleased area. ACBL's current proportionate share of its annual rent for the sublease premises is \$522,067.41, whereas the proposed initial annual sublease rent from Consolidated Grain is \$100,000.00. Because Consolidated Grain's annual sublease fee does not exceed ACBL's proportionate share of the sublease premises, the District's standard minimum annual fee of \$5,000.00 shall be assessed. The technical departments have no objection to the proposed sublease by ACBL to Consolidated Grain.

It is requested that the Executive Director recommend to the Board of Commissioners that it consent to a sublease between ACBL Transportation Services, LLC and Consolidated Grain and Barge Co. on an approximate 12.98-acre portion of the ACBL leasehold located at 16100 Des Plaines River Road, Main Channel Parcel 22.08, in Lemont, Illinois. Consideration shall be a minimum annual fee of \$5,000.00.

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 Consent to Sublease 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:JJZ: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 October 3, 2019

Attachment