



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 19-0978, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 3, 2019

COMMITTEE ON REAL ESTATE

Mr. Brian A. Perkovich, Executive Director

Authority to amend the permit agreement issued to United Parcel Service, Inc. 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) for storing and parking trucks and trailers, to add 4+/- acres to the permit premises for the remaining permit period of October 3, 2019 to January 31, 2020, and September 1, 2020 to January 31, 2021. Consideration shall be \$144,000.00

Dear Sir:

On January 24, 2019, the Board of Commissioners ("Board") authorized a 10-month permit extension 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 extension includes 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. UPS's existing permit fee is \$820,000.00.

UPS has requested to add 4+/- acres to the permit premises for the remaining nine months of the permit term, for a total permit area of 24.5 acres that will be used for the same purposes as set forth in the permit. The permit fee will therefore be increased by \$144,000.00 using the same per-acre fee. The District's technical departments have no objections to making this additional acreage available for such use by UPS.

With this addition, the total permit fee for the revised permit premises will be \$964,000.00, which 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 an amendment to the permit agreement issued to United Parcel Service, Inc. 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) for storing and parking trucks and trailers, to add 4+/- acres to the permit premises for the remaining permit period of October 3, 2019 to January 31, 2020, and September 1, 2020 to January 31, 2021. Consideration shall be \$144,000.00.

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 to execute said permit agreement amendment 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: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 October 3, 2019

Attachment