



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-0318, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 18, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authority to ratify the Executive Director's action of March 5, 2010 issuing a 2-month permit extension to Chevron Environmental Management Company for the period commencing March 1, 2010 and ending April 30, 2010, for the use of approximately 104 acres of District real estate located east of the Main Channel in unincorporated Will County, Illinois, and known as Main Channel Parcels 16.01, 16.02, 16.05, the southernmost portion of 16.03 and 15.07, Consideration shall be \$42,770.00

Dear Sir:

Chevron Environmental Management Company, f/k/a Texaco Refining & Marketing, Inc. ("Chevron") currently occupies 5 adjacent parcels comprising approximately 104 acres of District real estate located on the east bank of the Main Channel in unincorporated Will County, Illinois, and known as Main Channel Parcels 16.01, 16.02, 16.05, the southernmost portion of 16.03 and 15.07. Parcels 16.01 and 16.02 were previously leased by Chevron under two 50-year leases that expired simultaneously on September 30, 2000. They were used as part of Chevron's former refinery operations on adjacent land owned by Chevron. On September 21, 2000, the District's Board of Commissioners authorized the issuance of a permit to Chevron to allow it continued occupancy while environmental testing and remediation were taking place. Parcels 16.05 and the southern section of 16.03 were subsequently added to the permit to allow Chevron to monitor and remediate offsite migration. Parcel 15.07 was added to the permit in September 2009 to dredge that portion of Deep Run Creek that runs through Parcel 15.07. As extended and amended, the permit for the subject parcels expired February 28, 2010.

Chevron has dismantled its refinery site including all operations on the District leasehold sites but further remediation of the site is required.

On January 21, 2010, the Board of Commissioners declared subject land surplus (with the exception of Parcel 15.07) and not needed for corporate use and authorized the sale of the land to the City of Lockport. It was anticipated that the sale would close prior to the permit expiration date; however, there remained issues to be resolved. The sale documents are being finalized for signature and the sales transaction is now expected to close within the next few weeks. Therefore, a 2-month permit extension is being recommended to allow continued occupancy during the finalization of the sale documents and to allow continued remediation.

Chevron's permit extension fee shall be \$42,770.00, which represents 10% of the pro-rata share of the current fair market value rental for the site determined by recent appraisals compounded by the current inflation rate.

When the sale did not close by February 28th, the Executive Director issued the permit extension for continued occupancy after polling the Board of Commissioners and finding that it was amenable to its issuance.

It is requested that the Board of Commissioners ratify the Executive Director's March 5, 2010 action of issuing a 2-month permit extension to Chevron Environmental Management Company for the period commencing

March 1, 2010 and expiring April 30, 2010, for the use of approximately 104 acres of District real estate located east of the Main Channel in unincorporated Will County, Illinois, and known as Main Channel Parcels 16.01, 16.02, 16.05, the southernmost portion of 16.03 and 15.07. Consideration shall be \$42,770.00.

Requested, Frederick M. Feldman, General Counsel, FMF:CL:STM:DRJ:rg

Recommended, Richard Lanyon, Executive Director

Respectfully Submitted, Terrence J. O'Brien, 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 March 18, 2010

Attachments