



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-0509, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 6, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authority to enter into an agreement with and make payment to Lakeshore Waste Services, LLC to purchase approximately 4.36 acres of vacant land located at 3535 Oakton Street in Skokie, Illinois, near North Shore Channel Parcels 5.01, 5.02, and 5.03 in the sum of \$2,067,500.00 (*Deferred from the April 15, 2010 Board Meeting*) (*As Revised*)

Dear Sir:

The Maintenance and Operations Department has recommended the purchase for corporate use of approximately 4.36 acres of land lying immediately north of the North Side Water Reclamation Plant near North Shore Channel Parcels 5.01, 5.02, and 5.03 on Oakton Street in Skokie, Illinois. The subject property is a rectangular shaped tract that runs north and south, and is located between Parcels 5.01, 5.02, 5.03, and the Skokie Park District leasehold site. The purchase of this property would consolidate the District's land holding into one continuous property. If acquired, this additional parcel would be available for corporate use by the proposed IT Data Center and/or future expansion of the North Side Water Reclamation Plant.

The subject property was initially listed for sale in 2008 for a sales price of \$2,400,000.00. The Law Department obtained a market value appraisal that valued the site at \$2,350,000.00. Subsequently, the owner sold the property to a third party. When contacted, the new owner initially requested \$4.3 million for the purchase of the property.

As this request was inconsistent with the earlier appraisals, the District and the seller obtained updated fair market value appraisals from Appraisal Associates, Inc. in the amount of \$2 million (District) and from Price Associates, Inc. in the amount of \$2,135,000.00 (seller). The seller has expressed a willingness to accept the difference between the two current appraised values, or \$2,067,500.00. The acceptance of the \$2,067,500.00 purchase price is recommended, as it is substantially less than the 2008 values.

In view of the foregoing, it is requested that the Executive Director recommend that the Board of Commissioners issue orders authorizing the District to enter into an agreement with and make payment to Lakeshore Waste Services, LLC to purchase approximately 4.36 acres of vacant land located at 3535 Oakton Street in Skokie, Illinois, near North Shore Channel Parcels 5.01, 5.02, and 5.03 in the sum of \$2,067,500.00.

It is further requested that the Executive Director recommend to the Board of Commissioners that it authorize the Chairman of the Committee on Finance and the Clerk to execute said purchase agreement and all other related documents once approved by the General Counsel as to form and legality.

Requested, Frederick M. Feldman, General Counsel, FMF:CL:STM:JCC: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 May 6, 2010

Attachment