



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-0618, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 20, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authority to commence statutory procedures for a 39-year lease on approximately 15.50 acres of improved District land located along the south bank of the Main Channel and west of Harlem Avenue in Chicago, Illinois, and c/k/a Main Channel Parcel Number 35.04 (*Deferred from the May 6, 2010 Board Meeting*)

Dear Sir:

Authority is requested to commence statutory procedures for a 39-year lease on approximately 15.50 acres of improved District land located along the south bank of Main Channel and the west of Harlem Avenue in Chicago, Illinois, and c/k/a Main Channel Parcel 35.04. Access to the subject parcel is obtained from the southbound entrance of the Stevenson Expressway from Harlem Avenue. The subject parcel is improved with two warehouse buildings approximately 42,000 and 75,000-square feet in size. The buildings are in a state of disrepair due to the fact that they have been vacant for a substantial period of time due to litigation related to the site and subject to vandalism.

The parcel is one of several parcels previously leased to Lake River Terminal. Upon expiration of the leases, it was determined that the parcels had been environmentally impacted. Lake River's insolvency resulted in the District suing its parent corporation, North American Galvanizing Company, for remediation of the environmental conditions resulting from Lake River's tenancy. The case was settled by the payment of 1.4 million dollars to the District.

Since the case has been settled, the subject parcel has been determined to be minimally impacted by Lake River's occupancy and has been cleared for leasing by the District's Engineer of Site Remediation. The lead applicant proposes to use the site to operate a dry storage facility, if it is the successful bidder. It contemplates storing boats, trailers, cars, and heavy equipment on the site. The request for a lease has been reviewed by the District's technical departments.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize the commencement of statutory procedures of a 39-year lease on approximately 15.50 acres of District improved land located along the south bank of the Main Channel and west of Harlem Avenue in Chicago, Illinois, and c/k/a Main Channel Parcel Number 35.04.

Requested, Frederick M. Feldman, General Counsel, FMF:CL: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 May 20, 2010

Attachment