



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-0855, Version: 1

TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 12, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authorization to declare as surplus and not required for corporate purposes and to sell to the Forest Preserve District of Will County approximately 400 acres of District real estate located in Will County and known as Main Channel Parcels 1.01 (northern 2/3), 14.01, 14.03, 15.01, 15.03, 15.06 and 15.07. Consideration is \$2,555,465.00

Dear Sir:

At its meeting of June 18, 2009, the District's Board of Commissioners authorized the commencement of negotiations with the Forest Preserve District of Will County ("Forest Preserve") for the sale of certain District parcels located in Will County not required for the District's corporate purposes. During negotiations, the parcels to be sold were identified and a two phase sale was proposed. Phase I would comprise approximately 400 acres and encompass Main Channel Parcels 1.01 (the northern 2/3), 14.01, 14.03, 15.01, 15.03, 15.06 and 15.07. These parcels are referred to as the Lockport Prairie, the Lockport Loop Trail and the Rock Run Rookery. The parcels contain wetlands, dedicated prairie lands or critical habitats for endangered species.

Phase II would comprise those parcels located between 135th Street and the Will/Cook County line (near the I-355 extension). A two phase sale has been proposed because the U.S. Army of Corps of Engineers ("Corps of Engineers") has identified much of that land for installation of the Asian Carp barrier. The Forest Preserve proposed delaying the purchase of those parcels until the exact location and amount of land to be used by the Corps of Engineers is delineated since a portion of it may ultimately be unusable or inaccessible for public use due to the installation of the fish barrier (criteria vital to the Forest Preserve's Board authorizing a purchase because its mission and purpose is to manage large tracts of land for public access and forest preserve use). Phase II is estimated to comprise approximately 744 acres (the District owns a total of 1,533 acres in Will County).

Out of the Phase I parcels, the Forest Preserve currently leases Parcels 14.01, 15.01 and 15.06 for the Lockport Prairie under a lease that expires in 2028. The annual rent under this lease is \$1.00. Out of the proposed Phase II parcels, the Forest Preserve leases Parcels 19.05, 19.06, 19.07, 20.05, 20.06, 20.07, 20.09, 21.03, 21.04, 21.05, 21.08 under leases that expire in 2033. The total acreage under all leases is approximately 400 acres.

In accordance with District policy, appraisals were obtained to establish the fair market value of the Phase I parcels. The appraisal results are as follows:

Appraiser

Appraisal Associates, Inc.
William J. Enright, MAI
(District's appraiser)

Appraised Fair Market Value

\$2,675,000.00

Polach Appraisal Group, Inc.
Kenneth F. Polach, MAI
(Forest Preserve's appraiser)

\$2,435,913.00

It is recommended that the fair market value of the land be established at \$2,555,465.00, which represents the middle between the two appraisals. This fee was arrived at after the Forest Preserve rejected the District's offer to sell for the District's full appraised value and the District rejected two offers by the Forest Preserve at prices lower and at its appraised value. The Forest Preserve has indicated its willingness to accept splitting the difference between the two appraisals to arrive at the purchase price.

The District's technical departments have reviewed this proposed sale and have no objections thereto. Because the land is in Will County, the sale will not conflict with District policy prohibiting the sale of waterway lands located in Cook County. There previously have been other sales of Will County properties.

It is requested that the Executive Director recommend to the Board of Commissioners that it pass the following Orders:

1. That the 400± acres of District real estate located in Will County, known as Main Channel Parcels 1.01 (northern 2/3), 14.01, 14.03, 15.01, 15.03, 15.06, and 15.07, be declared surplus and not needed for corporate purposes.
2. That the fair market value of said real estate be established at \$2,555,465.00.
3. That the sale of said real estate to the Forest Preserve District of Will County at a price of \$2,555,465.00 pursuant to an Agreement for Purchase and Sale of Real Estate embodying customary terms and conditions and the conditions set for the above be authorized and approved.
4. That the Chairman of the Committee on Finance and the Clerk be authorized and directed to execute said Agreement for Purchase and Sale of Real Estate, the deed and any other document necessary in effecting the aforesaid sale after same have been approved by the General Counsel as to form and legality.
5. That the General Counsel be authorized and directed to execute and deliver all other documents necessary to effectuate said sale.

Requested, Frederick M. Feldman, General Counsel, FMF:CL:SM: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 August 12, 2010

Attachments