



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-1078, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 7, 2010

COMMITTEE ON REAL ESTATE

Mr. Richard Lanyon, Executive Director

Authority to issue a 6-month permit extension to LaBarge Propane, Inc. for the continued use of 1.5 acres of District land located at 15680 Canal Bank Road in Lemont, Illinois; part of Main Channel Parcel 23.01, consideration shall be \$4,660.00

Dear Sir:

Reclamation Construction Corporation previously occupied approximately 52 acres of District land under a Lease that commenced May 1, 1954, and expired April 30, 2004. The leasehold site was located on the north side of the Main Channel, east and west of Lemont Road, in Lemont, Illinois, and known as Main Channel Atlas Parcel 23.01. The leasehold site contained several subleases. Reclamation Construction's annual rent was \$7,388.89 for the entire 52-acre site.

One sublease comprised a 1.5-acre portion of the site and was subleased to LaBarge Propane, Inc. to operate a propane business. The site contains one 30,000-gallon storage tank, pumps, and a raised dock with a building in which propane cylinders are filled.

The sublease commenced August 1, 1984, and expired April 30, 2004. Since the expiration of the sublease, LaBarge Propane has occupied the site under a Permit which expires October 31, 2010. LaBarge has continuously requested to lease the site. However, this site has not previously been made available for lease due to the Village of Lemont's previous request that the District not issue leases on this property and the surrounding property until its long-term plans and goals for the area were devised. In response to Lemont's request, the District placed the subject parcel and adjacent parcels on hold for several years and allowed LaBarge Propane to occupy the site under a short-term occupancy permit during the interim. Lemont has now indicated that it has no objections to making the site available for leasing through the statutory leasing process.

A 6-month permit is therefore recommended to allow LaBarge Propane to continue to occupy the site during the statutory leasing process for a new lease on this site.

A Phase I was conducted on the permit premises which did not reveal any environmental concerns.

LaBarge Propane currently pays an annual permit fee of \$8,876.00 based upon the District's standard formula for calculating permit fees, i.e. 10% of the site's fair market value. The permit extension fee for the 6-month period shall be \$4,660.00 which represents the pro-rata share of 10% of the site's fair market value plus 5% for inflation.

It is requested that the Executive Director recommend to the Board of Commissioners that it authorize and approve the issuance of a 6-month permit extension to LaBarge Propane, Inc. on approximately 1.5 acres of District land located at 15680 Canal Bank Road in Lemont, Illinois; part of Main Channel Parcel 23.01.

Consideration shall be \$4,660.00.

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 and directed to execute said permit extension after it is approved by the General Counsel as to form and legality.

Requested, Frederick M. Feldman, General Counsel, FMF:CL:STM: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 October 7, 2010

Attachment