



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

File #: 18-0628 **Version:** 1

Type: Agenda Item **Status:** Adopted

File created: 6/13/2018 **In control:** Real Estate Development Committee

On agenda: 6/21/2018 **Final action:** 6/21/2018

Title: Consent to sublease between ACBL Transportation Services, LLC and Russo Salt Supply, LLC on an 8.1 acre portion of the ACBL leasehold located at 15900 Des Plaines River Road in Lemont, Illinois; Main Channel Parcel 22.06. Consideration shall be a minimum annual fee of \$5,000.00

Sponsors:

Indexes:

Code sections:

Attachments: 1. 6-21-18 aerial of MCP 22.06-revised.pdf

Date	Ver.	Action By	Action	Result
6/21/2018	1	Board of Commissioners	Approved	Pass
6/21/2018	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JUNE 21, 2018

COMMITTEE ON REAL ESTATE

Mr. John P. Murray, Acting Executive Director

Consent to sublease between ACBL Transportation Services, LLC and Russo Salt Supply, LLC on an 8.1 acre portion of the ACBL leasehold located at 15900 Des Plaines River Road in Lemont, Illinois; Main Channel Parcel 22.06. Consideration shall be a minimum annual fee of \$5,000.00

Dear Sir:

On June 2, 2005, the Board of Commissioners awarded a 39-year lease to ACBL Transportation Services, LLC ("ACBL") on approximately 28 acres of District real estate located at 15900 Des Plaines River Road in Lemont, Illinois and known as Main Channel Parcel 22.06 ("Lease"). The site contains a barge slip. The Lease commenced June 6, 2005, and expires June 5, 2044. The current annual rent is \$551,697.75. ACBL uses the site for loading and unloading barges and storing shipping containers. The Lease allows ACBL to sublease, subject to the District's prior written consent.

ACBL has requested permission to sublease an 8.1 acre portion of its leasehold, including a portion of the barge slip, to Russo for a period of five (5) years, with the option to renew the sublease for another five (5) years. Russo proposes to load and unload barges, and to receive, store, and distribute bulk and packaged products, including salt, stone, sand, and mulch. In conjunction with such operations, Russo intends to construct a salt pad and surrounding berm and will follow best industry practices for handling and storing salt on the subleased portion, including covering any stored salt with a tarp.

Under the Lease, the District is entitled to 50% of the increment or value received by ACBL from any sublease in excess of what ACBL is paying with respect to its proportionate share of rent for the subleased area. ACBL's proportionate share of the annual rent for the subleased portion is currently \$159,598.28, whereas the proposed initial annual sublease fee from Russo is \$126,000.00. Because Russo's proportionate share does

not exceed ACBL's proportionate share, the District's standard minimum annual fee of \$5,000.00 shall be assessed. The technical departments have no objection to the proposed sublease to Russo.

It is requested that the Acting Executive Director recommend to the Board of Commissioners that it consent to the sublease between ACBL Transportation Services, LLC and Russo Salt Supply, LLC on an 8.1 acre portion of the ACBL leasehold located at 15900 Des Plaines River Road in Lemont, Illinois; Main Channel Parcel 22.06. Consideration shall be a minimum annual fee of \$5,000.00.

It is also requested that the Acting Executive Director recommend to the Board of Commissioners that it authorize and direct the Chairman of the Committee on Finance and the Clerk to execute the Consent to Sublease on behalf of the District after it is approved by the General Counsel as to form and legality.

Requested, Susan T. Morakalis, General Counsel, STM:CMM:JW:vp

Recommended, John P. Murray, Acting Executive Director

Respectfully Submitted, David J. Walsh, 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 June 21, 2018

Attachment