



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 1, 2022

COMMITTEE ON REAL ESTATE

Mr. Brian A. Perkovich, Executive Director

Consent to assignment of lease agreement dated June 25, 2015, between the District and ACBL Transportation Services, LLC on 16.77+/- acres of District real estate located north of the Main Channel and east of 9th Street in unincorporated Will County, Illinois and known as Main Channel Parcels 15.02 and 15.04 to Ducere LLC; consent to assignment of lease agreement dated December 17, 2015, between the District and ACBL Transportation Services, LLC on 22.38 acres of District real estate located north of the Main Channel and west of 9th Street in unincorporated Will County, Illinois and known as Main Channel Parcel 15.05 to Ducere LLC; and authority to grant a 32-year, 0.22±-acre, non-exclusive, subterranean easement to Ducere LLC to install, operate, repair, maintain, replace, and remove a 30" diameter pipeline segment beneath the Main Channel in unincorporated Will County, Illinois. Consideration shall be a document preparation fee of \$5,000.00 for each assignment and an initial annual fee of \$5,000.00 for the easement

Dear Sir:

ACBL Transportation Services, LLC ("ACBL") leases 16.77± acres of District real estate located north of the Main Channel and east of 9th Street in unincorporated Will County, Illinois and known as Main Channel Parcels 15.02 and 15.04 under a lease that commenced June 1, 2015, and expires May 31 2054 ("2015 Lease"), and also leases an adjacent site comprising 22.38± acres located north of the Main Channel and west of 9th Street in unincorporated Will County and known as Main Channel Parcel 15.05 under a lease that commenced January 1, 2016, and expires December 31, 2055 ("2016 Lease"). The leases are for the purpose of operating a barge transportation company and terminal for the storage and transportation of petroleum products. ACBL's current annual rent is \$166,479.09 under the 2015 Lease and \$69,396.45 under the 2016 Lease. ACBL is permitted to assign the leases subject to the District's written consent.

ACBL seeks to assign both leases to Ducere LLC ("Ducere") for the same purposes as authorized under the leases. In accordance with the terms of the leases, ACBL requests the District's consent to assign the leases to Ducere. This assignment will facilitate a development plan between Ducere and the City of Lockport ("Lockport") which Lockport has determined will promote health, safety and welfare and includes improvements in its downtown area. In the "Ducere Lockport Redevelopment Agreement", Lockport has granted easements and leasehold rights of city owned property to Ducere to enable the construction of a petroleum pipeline and related facilities within the City of Lockport. The project is supported by the City of Lockport, the City of Romeoville, and the Joliet Regional Port District.

Accordingly, to connect the pipeline to MCP 15.02, Ducere has requested a 32-year, 0.22± acre subterranean easement to install, operate, repair, maintain, replace, and remove a 30" diameter pipeline under the Main Channel. A 0.22± acre section of the proposed pipeline will be located on District land under the Main Channel. The requested term of 32-years coincides with the expiration of the 2015 Lease.

Ducere has received all necessary permits for the construction of the pipeline, including permits issued by the

US Army Corp of Engineers, the Illinois EPA Water Division and the Illinois Department of Natural Resources.

The District's Finance Department has reviewed Ducere's financial and company background information and determined that Ducere demonstrates the ability to meet its financial obligations under the leases. The District's technical departments have reviewed Ducere's request for the easement and have no objections thereto.

For the easement, an initial annual fee of \$5,000.00 is recommended, as the pro-rata share of 10% of the fair market value of the land would yield a fee less than the District's minimum fee of \$5,000.00. The District's standard document preparation fee of \$5,000.00 will be assessed for each consent to assignment of lease.

It is requested that the Executive Director recommend to the Board of Commissioners that it: (1) consent to assignment of lease agreement dated June 25, 2015, between the District and ACBL Transportation Services, LLC on 16.77± acres of District real estate located north of the Main Channel and east of 9th Street in unincorporated Will County, Illinois and known as Main Channel Parcels 15.02 and 15.04 to Ducere LLC; (2) consent to assignment of lease agreement dated December 17, 2015, between the District and ACBL Transportation Services, LLC on 22.38 acres of District real estate located north of the Main Channel and west of 9th Street in unincorporated Will County, Illinois and known as Main Channel Parcel 15.05 to Ducere LLC; and (3) grant a 32-year, 0.22±-acre, non-exclusive, subterranean easement to Ducere LLC to install, operate, repair, maintain, replace, and remove a 30" diameter pipeline segment beneath the Main Channel in unincorporated Will County, Illinois. Consideration shall be a document preparation fee of \$5,000.00 for each assignment and an initial annual fee of \$5,000.00 for the easement.

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 Consents to Assignment of Lease and Easement Agreement after they are approved by the General Counsel as to form and legality.

Requested, Susan T. Morakalis, General Counsel, STM:MTC:NOC:vp

Recommended, Brian A. Perkovich, Executive Director

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for September 1, 2022

Attachment