



Legislation Text

File #: 2019-0136, Version: 1

Title/Name/Summary

Palos Hospital - Land Exchange Agreement Amendment related to the Fitness Center Full and Complete Release of Wetland Mitigation Obligations

History

On July 18, 2016, the Village of Orland Park ("Village") and St. George Corporation, St. George Wellness Center and Palos Community Hospital (collectively "St. George") executed a land exchange agreement. This agreement provides in Paragraph 4 thereof as follows:

"Notwithstanding the above, The VILLAGE shall be responsible for obtaining and shall pay the cost of a professional wetlands delineation with respect to the Exchange Properties, and if it has not done so, for the entire Campus. In the event said professional delineation determines and concludes that Exchange Properties, Parcel 3 or the entire Campus may be subject to wetlands protection under federal or state laws or regulations (including the Metropolitan Water Reclamation District of Greater Chicago), all wetland mitigation to the extent approved by the U.S. Army Corps of Engineers and the Metropolitan Water Reclamation District of Greater Chicago shall be promptly completed by the VILLAGE after the closing and the cost of wetland mitigation for all affected properties, including Parcels 2 and 3 shall be borne entirely by the VILLAGE."

The Village is interested in completing a masterplan for the Centennial Park in the near future and the above wetland mitigation condition makes it difficult to come up with the possible development options, its potential impact on wetland mitigations, and associated costs. Based on Village's engineering staff experience and input from Village's engineering consultants, it is estimated that the wetland mitigations could cost between \$750,000 and \$1.5 million.

To address the wetland mitigation challenges, staff reached out to Palos Hospital and discussed possibilities of getting a complete release from the wetland mitigation obligations. The staff has negotiated with Palos Hospital (St. George) that for \$450,000, the Hospital will give a full and complete release to the Village from any and all obligations regarding wetland mitigation costs as well as any other wetland related obligations of the Village set forth in the July 16, 2016 Agreement.

The staff believes this is a favorable financial and planning opportunity for the Village. The \$450,000 price saves the Village between \$300,000 and \$850,000 in wetland mitigation costs. The staff recommends that the Village accept this offer.

On February 18, 2019, this item was reviewed by the Development Services, Planning and Engineering Committee, recommended for approval and referred to the Village Board of Trustees for consideration.

Financial Impact

Funds are available and budgeted in the 2019 Water Fund.

Recommended Action/Motion

I move to approve the Village payment of \$450,000 to Palos Hospital (St. George) in exchange for a full and complete release of the Village from any and all obligations regarding wetland mitigation costs, as well as any other wetland-related obligations of the Village set forth in the July 16, 2016 Agreement.

And

Approve to authorize the Village Attorney and staff to amend the July 16, 2016 Land Exchange Agreement to reflect the release of wetland mitigation obligations.

And

Authorize the Village Manager to execute the necessary agreements.