



Legislation Details (With Text)

File #: 24-0473 **Version:** 2 **Name:**
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File created: 6/20/2024 **In control:** City Council
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Title: A Resolution authorizing the third amendment to the second amended and restated lease between Holcim-MAMR, Inc., formerly known as LaFarge Aggregates Illinois, Inc., and the City of Aurora.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
7/9/2024	2	City Council	approved	Pass
7/2/2024	2	Committee of the Whole	(PLACED ON UNFINISHED BUSINESS)	
6/27/2024	2	Finance Committee	recommended for approval	Pass

TO: Mayor Richard C. Irvin

FROM: Alex Alexandrou, Chief Management Officer
Ken Schroth, Director of Public Works/City Engineer
Robert Leible, Superintendent of Water Production

DATE: June 27, 2024

SUBJECT:

Third Amendment of the City's existing lease agreement with Holcim-MAMR, Inc. (Holcim), formerly known as LaFarge Aggregates Illinois, Inc.

PURPOSE:

To clarify specific language in the existing lease agreement as the Third Amendment to the Second Amended and Restated Lease between Holcim and the City of Aurora without needing to renegotiate any terms.

BACKGROUND:

The Holcim limestone mine is located at the intersection of Interstate 88 and IL Highway 25. The mine is approximately 200 to 400 feet below grade, is located in both Aurora and North Aurora, and is mainly used to produce limestone and dolomite aggregates for construction uses. The portion of the mine located in Aurora is typically referred to as the south mine and currently has two distinct levels with a third level to be constructed in the future. The first two levels of the mine are almost spent (completely excavated) and thus are longer useful for material production.

Lengthy discussions between Holcim and the City have produced two options for disposal of lime

residual material produced by the City's water treatment process. Initially the Illinois EPA issued an Underground Injection Control permit in 2015 to pump lime slurry to excavated areas of the south mine. This method was not implemented. Subsequently in 2016 an alternate transfer method to place dried lime residual material into the Holcim mine was conceived. Additional regulatory approvals were needed for the alternate transfer method. In 2023 legislative approval was received via House Bill 3095 and signed by the governor in July 2023. This approval requires the Illinois Pollution Control Board (IPCB) to adopt rules for the placement of municipal utility-generated limestone residuals in a limestone mine that is located in whole or in part below the municipality, effective January 1, 2024. The City and Holcim are proactively working with the IEPA to craft regulatory language for submittal to the IPCB.

The purpose of this amendment is to explicitly clarify that Holcim maintains the right to mine the 3rd level should the city not move forward or does not obtain the required regulatory approval. In addition, a lease extension through December 31, 2025, allows for the IPCB rule-making process to occur as well as related engineering/construction for the alternate transfer disposal method.

The recitals listed in the attached proposed third amendment (Exhibit A) clearly describe the pertinent history of this matter.

DISCUSSION:

The proposed resolution authorizes an amendment to the lease agreement which clarifies the city's position that Holcim may continue mining operations in the South Mine if for any reason lime residual disposal operations at the mine do not proceed. Approval of this resolution will extend the existing lease between the City and Holcim while both parties work cooperatively to pursue regulatory approval.

IMPACT STATEMENT:

None.

RECOMMENDATIONS:

That the Finance Committee recommend the resolution for approval.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution authorizing the third amendment to the second amended and restated lease between Holcim-MAMR, Inc., formerly known as LaFarge Aggregates Illinois, Inc., and the City of Aurora. WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the City and Holcim seek to clarify specific language in the existing lease agreement as the Third Amendment to the Second Amended and Restated Lease without needing to renegotiate any terms; and

WHEREAS, Holcim wishes to continue its operations and has no objection to affording the City additional time to obtain regulatory approval and the City will allow Holcim to continue mining operations in the South Mine if for any reason lime residual disposal operations at the mine do not proceed;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: that an amendment to the lease agreement with Holcim-MAMR, Inc., with terms consistent with the purposes of this resolution shall be and hereby is authorized; and further,

BE IT RESOLVED, that the Mayor shall be and hereby is authorized to execute an amended lease agreement that substantially confirms to the amendment set forth in Exhibit A to this resolution or a similar amendment or memoranda which accomplishes the purposes of this resolution and does not adjust any additional material term of the existing lease agreement.