



MEMORANDUM

TO: Community and Economic Development Committee

FROM: Matt Rehbein, Economic Development Specialist

DATE: August 12, 2020

RE: Waiver of Repurchase Right for Tax Key #31-1-6510-51 Southeast corner of Evergreen Drive and Lightning Drive, Northeast Business Park

On July 22, 2020, the Community and Economic Development Committee approved a request to waive the City's Deed Restrictions and Covenants related to repurchase rights and access to Evergreen Drive from the Luther Group, LLC. This is Lot 1 of a larger parcel that was split via CSM 7369 and comprises approximately 6.59 acres located in the Northeast Business Park. Now the City has received a request to release the City's interest in the property and relinquish the City's repurchase rights. The requested waiver document is attached.

In 2005, Dr. John Gonis acquired the 7.73-acre site for \$347,850 (\$45,000/acre) with plans to construct a large upscale office building. It was his intent to construct a building with similar architecture as the Orthopedic & Sports Institute of the Fox Valley. In February of 2008, Dr. Gonis passed away before he was able to develop the property. Fox Valley Investment Properties LLC purchased the land from the estate in 2009 for \$423,500 (\$54,787/acre).

The Luther Group, LLC has asked the City to waive their right to repurchase allowing for the sale of Lot 1, comprising approximately 6.59 acres to for \$1,578,832 (\$239,580/acre). Typically, the City has retained the repurchase rights and awarded a variance to allow for a sale. Given the fact that the Luther Group would be the third private owner to take title since the City originally sold the land and the significant loss exposure they would face should the City repurchase the land, staff recommends a waiver to facilitate development on the site in this case only.

Staff Recommendation:

The Community and Economic Development Committee waive the City's Repurchase Rights for Lot 1, CSM 7369, in the Northeast Business Park, allowing the transfer from Fox Valley Investment Properties, LLC to Luther Group, LLC and/or assigns **BE APPROVED**.