



MEMORANDUM

"...meeting community needs...enhancing quality of life."

TO: Community and Economic Development Committee
FROM: Matt Rehbein, Economic Development Specialist
DATE: July 16, 2014
RE: Request for Waiver of Repurchase Rights for Lot 2, CSM no. 5726 Northeast Business Park

Gateway of Appleton, LLC, a Wisconsin Limited Liability Corporation whose registered agent is Steve Winter, acquired Lot 30 of the Northeast Business Park Plat No. 3 in June 2005 at a price of \$100,000 per acre. The original Lot 30 was approximately 16.59 acres. This lot was split via Certified Survey Map (CSM) in September 2007. The portion of the original Lot 30 remaining is now identified as Lot 2 of CSM No. 5726 (See attached Property Survey Map) and comprises approximately 5.9 acres.

To date, Gateway of Appleton, LLC has secured development in excess of the \$15,000,000 assessed value as required in the Development Agreement. Recently, Gateway of Appleton, LLC received an offer to purchase Lot 2, CSM No. 5726. The proposed use for Lot 2 is a two story, high end medical building of approximately 60,000 square feet which is in accordance with the Business Park Deed Restrictions for both use and size. (A complete copy of the Development Agreement between the City of Appleton and Gateway of Wisconsin, LLC is attached)

Gateway of Appleton, LLC is requesting a waiver of the City's repurchase rights according to Section 14 of the Declaration of Protective Covenants and Restrictions to allow for the sale of the property directly. (A complete copy of the Declaration of Protective Covenants and Restrictions and written request for Waiver from gateway of Appleton, LLC is attached)

Staff Recommendation:

The Community and Economic Development Committee waive the City's Repurchase Rights for Lot 2, CSM 5726 in the Northeast Business Park for the specific Offer made to Gateway of Appleton, LLC as referenced in the letter signed by Steven Winter as Vice President of American Management Group, Inc. dated July 15, 2014. If this transaction does not proceed, the City of Appleton shall retain all the repurchase rights according to the Declaration of the Covenants and Restrictions for Lot 2, CSM 5726. This waiver of repurchase rights is not transferable, survivable, or assignable.



**AMERICAN
MANAGEMENT GROUP**

A PROPERTY MANAGEMENT FIRM

July 15, 2014

Mr. Matthew Rehbein
Economic Development Specialist
City of Appleton
100 North Appleton Street
Appleton, WI 54911-4799

Dear Matt:

**RE: GATEWAY OF APPLETON, LLC
LOT 2 OF CSM NO. 5726**

Please consider this letter our formal request for the City to waive its repurchase rights according to Section 14 of the Declaration of Covenants and Restrictions for Northeast Business Park #3, specifically to allow for the sale of our property related to an Offer to Purchase dated April 23, 2014. I've attached a survey showing the parcel to be sold. The buyer has requested that their project remain confidential at this point in time.

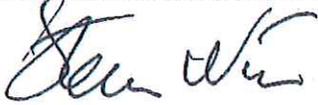
As you know, we have been working with the City of Appleton on the development of the corner of Ballard Road and Evergreen Drive for many years. As provided for in our Development Agreement with the City, we've acquired and razed homes for the development of the Dental Associates and Shopko Express projects. We've jointly worked with the City and DOT on an access road for the Park-and-Ride. We've paid taxes to the City of Appleton on undeveloped land to meet the Minimum Real Estate Tax Valuation provided for in the Development Agreement. In summary, we've spent a great deal of time and money making sure we develop a highly desirable corner that best serves the City of Appleton and ourselves.

The buyer of our land will be constructing a 2-story, approximate 60,000 square foot high end medical building. It is an approved use, will be a signature building that adds to the tax base in the park, and will complement all of the development that has already occurred.

Please let me know if there is any additional information you will require to consider this request.

Sincerely,

AMERICAN MANAGEMENT GROUP, INC.

A handwritten signature in black ink, appearing to read "Steve Winter". The signature is fluid and cursive, with the first name "Steve" written in a larger, more prominent script than the last name "Winter".

Steve Winter, CCIM
Vice President

Enclosure

