



MEMORANDUM

TO: Community and Economic Development Committee

FROM: Matt Rehbein, Economic Development Specialist

DATE: July 22, 2020

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

The City received a request for a variance to the City's Deed Restrictions and Covenants related to repurchase rights and access to Evergreen Drive from the Luther Group, LLC on July 15, 2020 (attached). 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.

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 for \$1,578,832 (\$239,580/acre). Additionally, the Luther Group desires a variance to Deed Restriction 7, which prohibits access to Evergreen Drive. This has been reviewed by the City's Traffic Engineer as part of Site Plan approval. CEDD staff is recommending this be approved subject to the terms listed in section 12 of the site plan letter dated July 15, 2020.

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. This waiver of repurchase rights is not transferable, survivable, or assignable. The City's Repurchase Rights would remain on this property. Additionally, a variance to the Deed Restriction prohibiting access to Evergreen Drive be given to allow access as described in section 12 of the site plan review letter dated July 15, 2020.