



MEMORANDUM

TO: Community and Economic Development Committee

FROM: Mayor Timothy Hanna

DATE: June 30, 2017

RE: Waiver of Repurchase Rights for Tax Id #31-1-6510-52, Lot 2 of CSM 7369
Located at the Southeast Corner of Evergreen Drive and Lightning Drive in the
Northeast Business Park

The City Attorney received an email request to waive the City's Deed Restrictions and Covenants related to repurchase rights from Fox Valley Investment Properties, LLC on June 27, 2017 for a close scheduled on June 30, 2017. This is Lot 2 of a larger parcel that was split via CSM 7369 and comprises 1.13 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).

Fox Valley Investment Properties, LLC asked the City to waive their right to repurchase allowing for the sale of Lot 2, comprising approximately 1.13 acres to Lightning Office, LLC for \$196,891 (\$174,240/acre). Time was of the essence as the scheduled closing date was June 30, 2017. The City Attorney reviewed the applicable Deed Restrictions and Covenants and determined the Mayor had authority to waive this repurchase right due to the cancellation of the Common Council meeting on July 5, 2017. Lightning Office, LLC has committed to beginning construction on a new 8,400 square foot office building on this site by mid to late August. **For the reasons listed above, I have signed the attached Waiver of Deed Restrictions to allow the sale in this case only.**

Additionally, within the Deed Restrictions and Covenants, Section #14, Subdivision of Lots: "After a lot has been purchased, such lot shall not be further subdivided without the written consent of the Community Development Committee." The CSM dividing this lot was approved administratively and not taken to Committee and Council for approval. Procedures have been put in place to ensure CSM approvals within the business parks are reviewed against the Deed Restrictions and Covenants to prevent this in the future.