

MELTZER, PURTILL & STELLE LLC

ATTORNEYS AT LAW

1515 E. WOODFIELD ROAD  
SECOND FLOOR  
SCHAUMBURG, IL 60173-5431  
PHONE (847) 330-2400  
FAX (847) 330-1231

MPSLAW

300 S. WACKER DRIVE  
SUITE 3500  
CHICAGO, IL 60606-6704  
PHONE (312) 987-9900  
FAX (312) 987-9854

File Number: 34187-005  
Direct Dial: (312) 461-4302  
E-mail: sbauer@mpsllaw.com

January 18, 2018

VIA E-MAIL

Sam Hubbard  
Development Planner  
Department of Planning and Community Development  
Village of Arlington Heights  
33 S. Arlington Heights Road  
Arlington Heights, IL 60005

RECEIVED  
OCT 08 2018  
PLANNING & COMMUNITY  
DEVELOPMENT DEPARTMENT

Re: Floor & Decor Subdivision Proposal at Southpoint Shopping Center

Dear Mr. Hubbard:

On behalf of 600 Rand Road, LLC (“Applicant”), as owner of the Floor & Décor property located at 600 East Rand Road (“Subject Property”), we are pleased to submit this request for Concept Plan Review Committee consideration of a unique opportunity to enable redevelopment of a portion of surplus parking for the future development of a multi-tenant retail building. More specifically, Applicant proposes to subdivide the Subject Property to create a new 53,590 square-foot outlot (“Outlot”) generally in the manner depicted by the attached Existing Conditions/Proposed Outlot Exhibit for the purpose of enabling its sale and, subject to Village approval, contemplated redevelopment generally in the manner depicted by the attached Proposed Site Plan exhibits (collectively, “Site Plan”) as a catalyst for revitalization of the Southpoint Shopping Center (“Center”) of which the Subject Property is a part.

Recognizing the importance of that effort toward the Center’s renewed vitality for the benefit of itself, the owners of other portions of the Center and the Village, Applicant has entered into a contract to sell the Outlot to a developer with a track record of converting underutilized property such as that from which the Outlot is proposed into successful retail tenant space that (i) enhances and supports existing retail development through a fresh means of attracting and capturing customer patronization opportunities and (ii) fosters further redevelopment interest in older retail centers suffering from high vacancy, obsolescence and deterioration such as the Center. In fact, Applicant has received multiple inquiries from parties expressing an interest in acquiring the balance of

Sam Hubbard  
Village of Arlington Heights  
January 18, 2018  
Page 2

the Subject Property for renovation or redevelopment as a result of the Outlot's proposed creation and its contemplated redevelopment generally as depicted by the Site Plan. This is significant in that no redevelopment of any portion of the Center has occurred in the nearly 13-year period since the Village approved Redevelopment Plan and Project No. 5 and designated the Center as lying within a Redevelopment Project Area.

Similar to the Southpoint Resubdivision approved in 2017, which subdivided the Olive Garden, Chili's and multi-tenant building southeasterly thereof into three new lots of record, Applicant proposes to subdivide the Subject Property to both enhance capital investment in the Center through introduction of new ownership and facilitate redevelopment opportunity. In furtherance of those objectives, Applicant seeks to create the Outlot at this time to enable its sale and, subject to prior Village approval, redevelopment independent of Applicant's current evaluation of the interests expressed by prospective purchasers for the balance of the Subject Property. Regardless of whether those interests materialize into a sale of that balance at this time, creation of the Outlot as currently proposed will preserve the opportunity for the Outlot's redevelopment as a means of rejuvenating the Center.

As previously stated, Applicant's intent regarding the Outlot is limited to its creation from subdivision of the Subject Property to provide an ability, if approved by the Village, for the Outlot's future redevelopment by the contract purchaser thereof. In evaluating the ultimate impact of the proposed subdivision, it is important to note that preliminary Village review concluded that redevelopment of the Outlot in conjunction with the construction of approximately 40 new parking spaces on and immediately east of the existing triangularly-shaped landscape island on the Subject Property (all in general accordance with the Site Plan) will yield a total parking supply of approximately 493 parking spaces by comparison to the 320 parking spaces required by the Village zoning ordinance. As a result, it is clear that a dramatic surplus of approximately 173 parking spaces will remain on the Subject Property following such redevelopment of the Outlot, which demonstrates the appropriateness of Applicant's request to subdivide the Subject Property to create the Outlot in contemplation of the contract purchaser's intent to purchase and redevelop it in general accordance with the Site Plan. The Village will retain authority over any such proposed redevelopment due to all relevant entitlements requiring Village review and approval.

It is also important to note that the so-called "REA," which, as you are aware contains various covenants, restrictions and easements recorded against the Center approximately 30 years ago, both (i) granted perpetual easements for shared parking and integrated use of the Center and (ii) contemplated changes to the Center without need for either an amendment to the REA or approval by the owners of other portions of the Center. For example, Sections 1.01(b) and 1.02(b) of the REA reference the location of "roadways, parking areas and islands...*from time to time*" in the discretion of the owner of that

*Sam Hubbard  
Village of Arlington Heights  
January 18, 2018  
Page 3*

portion of the Center to which such changes are proposed. (emphasis added). Additionally, Section 3.01 of the REA clearly indicates that the owners of one portion of the Center “have no right to approve the location, type or design of any additional improvements to be constructed” on another portion of the Center as long as adequate parking is provided. Needless to say, adequate parking is a nonissue due to the substantial surplus described above. These facts are significant to demonstrate the actual viability of the Outlot’s redevelopment.

We greatly appreciate your time and assistance to date in evaluating this exciting project and related considerations. We look forward to both presenting this request to the Concept Plan Review Committee on January 24<sup>th</sup> and further working with you and the Village to capitalize on this opportunity to bring revitalization to the Center.

Sincerely,

**MELTZER, PURTILL & STELLE LLC**



Steven C. Bauer

Enclosures