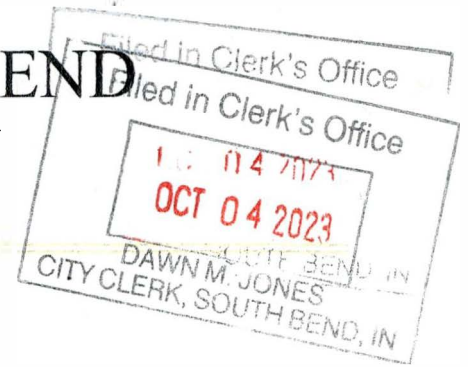




BILL NO. 23-60

CITY OF SOUTH BEND

COMMUNITY INVESTMENT



October 4, 2023

Council Member Rachel Tomas Morgan
Chairperson, Community Investment Committee
South Bend Common Council
County-City Building, 4th Floor
South Bend, Indiana 46601

RE: **Confirming Resolutions (2)**: Vacant Building Tax Abatement and Multi-Family Residential Development Real Property Tax Abatement for **Property Bros LLC**

Dear Council Member Tomas Morgan:

Please find the enclosed information pertaining to a tax abatement petition submitted by Property Bros LLC, an Indiana Limited Liability Company. This petition package includes:

- Department of Community Investment's summary report
- Petition for abatement
- Statement of Benefits forms (SB-1 / VBD and SB-1 / Real Property)
- Supporting information

The report contains the Department's findings relative to the above-mentioned petition. The petitioner intends to (a) renovate vacant residential properties at 542 N. Scott Street and 430 Cottage Grove Avenue and (b) build a new two-unit residential building at 616 Sherman Avenue. The buildings on Scott Street and Cottage Grove Avenue have been vacant for several years.

The total investment for this project is \$930,000. The project meets the qualifications for two abatements: a two-year (2) vacant building tax abatement and an eight-year (8) residential development real property tax abatement.

A representative from Property Bros LLC will be available to meet with the Committee on Monday, October 9th, 2023.

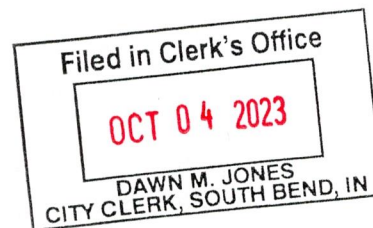
If you or any of the other Council members have questions concerning the report or need additional information, please feel free to call me at (574) 235-5838.

Sincerely,

Erik Glavich
Director, Growth and Opportunity

BILL NO. 23-60

RESOLUTION NO. 5057-23



A RESOLUTION CONFIRMING THE ADOPTION OF A DECLARATORY RESOLUTION DESIGNATING CERTAIN AREAS WITHIN THE CITY OF SOUTH BEND, INDIANA, COMMONLY KNOWN AS

542 N. Scott Street, South Bend, Indiana 46616

AND

430 Cottage Grove Avenue, South Bend, Indiana 46616

AN ECONOMIC REVITALIZATION AREA FOR PURPOSES OF A TWO-YEAR (2) VACANT BUILDING TAX ABATEMENT FOR

Property Bros LLC

WHEREAS, the Common Council of the City of South Bend, Indiana, has adopted a Declaratory Resolution designating certain areas within the City as an Economic Revitalization Area for the purpose of tax abatement consideration; and

WHEREAS, a Declaratory Resolution designated the area described as:

Key Number: 71-08-02-476-017.000-026
Commonly Known As: 542 N. Scott Street, South Bend, IN 46616
Legal Description: Lot 7 Kents Sub Bol 113 & 114

Key Number: 71-08-02-457-002.000-026
Commonly Known As: 430 Cottage Grove Avenue, South Bend, IN 46616
Legal Description: Lot 2 Klingels Sub Of Heinzmans Add 22-23-24

be designated as an Economic Revitalization Area under the provisions of Indiana Code 6-1.1-12.1 et seq., and South Bend Municipal Code Sections 2-76 et seq.; and

WHEREAS, notice of the adoption of a Declaratory Resolution and the public hearing before the Council has been published pursuant to Indiana Code 6-1.1-12.1-2.5; and

WHEREAS, the Council held a public hearing for the purposes of hearing all remonstrances and objections from interested persons; and

WHEREAS, the Council has determined that the qualifications for an economic revitalization area have been met.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of South Bend, Indiana, as follows:

SECTION I. The Common Council hereby confirms its Declaratory Resolution designating the area described herein as an Economic Revitalization Area for the purposes of tax abatement. Such designation is for vacant building tax abatement only and shall expire on December 31, 2026.

SECTION II. The Common Council hereby determines that the property owner is qualified for and is granted vacant building tax deduction for up to a period of two (2) years as shown by the schedule outlined below as well as the attachment pursuant to Indiana Code 6-1.1-12.1-17 and further determines that the petition, the Memorandum of Agreement between the Petitioner and the City of South Bend, and the Statement of Benefits comply with Chapter 2, Article 6, of the Municipal Code of the City of South Bend and Indiana Code 6-1.1-12 et seq.

Year 1 - 100%
Year 2 - 50%

SECTION III. This Resolution shall be in full force and effect from and after its adoption by the Common Council and approved by the Mayor.

Sharon McBride, Council President
South Bend Common Council

Attest:

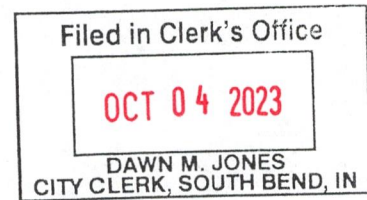
Dawn M. Jones, City Clerk
Office of the City Clerk

Presented by me, the undersigned Clerk of the City of South Bend, to the Mayor of the City of South Bend, Indiana, on the _____ day of _____, 2023, at _____ o'clock _____.m.

Dawn M. Jones, City Clerk
Office of the City Clerk

Approved and signed by me on the _____ day of _____, 2023, at ____ o'clock
____.m.

James Mueller, Mayor
City of South Bend



TAX ABATEMENT REPORT

TO: South Bend Common Council

FROM: Erik Glavich, Director, Growth and Opportunity

SUBJECT: Vacant Building Tax Abatement and Multi-Family Residential Development Real Property Tax Abatement for **Property Bros LLC**

DATE: October 4th, 2023

Filed in Clerk's Office

OCT 04 2023

JAWA M. JONES
CITY CLERK, SOUTH BEND, IN

On September 20, 2023, a petition for tax abatement from Property Bros LLC was filed with the Office of the City Clerk. The petition seeks consideration for (1) a vacant building abatement and (2) a multi-family residential development real property tax abatement. The vacant building abatement will apply to two existing structures that Property Bros LLC will rehabilitate, and the residential development abatement will apply to both the existing structures and a new duplex to be built on vacant land. All three affected parcels are in the Near Northwest Neighborhood.

Pursuant to Chapter 2, Article 6, Section 2-84.9 of the Municipal Code of the City of South Bend, the petition was referred to the Department of Community Investment for purposes of investigation and preparation of a report determining whether the area qualifies as an Economic Revitalization Area pursuant to Indiana Code 6 1.1-12.1 and all zoning requirements have been met.

The Department of Community Investment has reviewed the, investigated the area, and makes the following report.

Project Summary

- The developer, Property Bros LLC, is undertaking the *Legacy Project* to bring at least seven (7) affordable housing units online in the Near Northwest Neighborhood:
 - 542 N. Scott Street: Rehabilitate existing vacant real property to create one or two 3-bedroom units and two 2-bedroom units. (The number of units will depend on the condition of the building and how the project unfolds.)
 - 430 Cottage Grove Avenue: Rehabilitate existing vacant real property to create one 3-bedroom unit and one 2-bedroom unit.
 - 616 Sherman Avenue: Construct a new residential structure containing two 3-bedroom units.
- Total investment for the project is \$930,000.

Employment Impact

- Property Bros LLC plans to hire a part-time employee to manage and maintain the properties. The petitioner indicated that the pay for this type of position would be \$40-50 per hour, but the person would be "on call" most of the time and would be paid per job.

Tax Estimates

Vacant Building Tax Abatement: The petitioner qualifies for a two-year (2) vacant building tax abatement for the two existing structures:

- Current estimated combined annual taxes: \$2,721 (\$5,443 over the abatement period)
- Estimated combined taxes being abated during the abatement period: \$2,006
- Estimated total combined taxes to be paid during the abatement period: \$3,436

Multi-Family Residential Development Real Property Tax Abatement: The petitioner qualifies for an eight-year (8) multi-family residential development real property tax abatement for three properties, which includes two existing structures and new construction of a third residential building.

- Current estimated combined annual taxes: \$3,054
- Estimated combined annual taxes after the project's completion: \$20,808
- Total estimated combined taxes during the eight-year (8) abatement period: \$166,466
 - Estimated taxes being abated during the abatement period: \$107,675
 - Estimated total taxes to be paid during the abatement period: \$58,791

Abatement Qualification

1. A review of the tax abatements previously granted finds that the petitioner has not been granted or is associated with a previous abatement.
2. The properties are properly zoned for the proposed project.
3. Taxes on the properties have been paid in full.
4. A review of the South Bend Redevelopment designation areas finds that the property is in the River West Development Area.
5. A review of the Tax Abatement Ordinance No. 9394-03 finds that the petitioner meets the qualifications for the following:
 - Two-year (2) vacant building tax abatement under Division 9 (Miscellaneous Real Property Tax Abatement), Section 2-84 (Council's Authority to Enlarge Real Property Tax Abatement General Standards).
 - Eight-year (8) multi-family residential development real property tax abatement under Division 2, Section 2-77 (Multi-Family Residential Developments).

Property Bros LLC

*South Bend Portage Township
Vacant Building Tax Abatement Schedule **

Property Address: 430 Cottage Grove Avenue
Tax Key Number: 71-08-02-457-002.000-026

	<u>Current</u>	<u>Year 1</u>	<u>Year 2</u>
<i>Assessed Value (AV)</i>			
Land	\$ 8,800	\$ 8,800	\$ 8,800
Structure	45,400	45,400	45,400
Gross Assessed Value	54,200	54,200	54,200
<i>Abatement (100% of Structure)</i>			
Abatement Deduction		100% (45,400)	50% (22,700)
Net Assessed Value	54,200	8,800	31,500
<i>Property Taxes</i>			
Assume constant tax rate of 5.2897%			
Gross Tax (Tax Rate x Net AV)	2,867	465	1,666
Local Tax Credit (8.7112% of GT-DS)	(231)	(37)	(134)
Circuit Breaker Credit	(1,336)	-	(322)
Taxes Due	\$ 1,301	\$ 428	\$ 1,210
<hr/>			
	2%	2%	2%
<i>Circuit Breaker Cap</i>	1,084	1,084	1,084
<i>Debt Service (0.3997% of Net AV)</i>	217	35	126
Max Tax Under the Cap	1,301	1,119	1,210

Year	Taxes Due	Taxes Abated	Net Taxes Paid
1	\$ 1,301	\$ (873)	\$ 428
2	1,301	(91)	1,210
Total:	2,601	(963)	1,638

* This schedule is for estimation purposes only and assumes constant tax rates equal to those for 2022 Payable 2023. The true tax values will ultimately be determined by the actual assessed valuation and the then current tax rates.



Department of Community Investment
City of South Bend

Filed in Clerk's Office

OCT 04 2023

DAWN M. JONES
CITY CLERK, SOUTH BEND IN

Property Bros LLC

*South Bend Portage Township
Vacant Building Tax Abatement Schedule **

Property Address: 542 N. Scott Street
Tax Key Number: 71-08-02-476-017.000-026

	<u>Current</u>	<u>Year 1</u>	<u>Year 2</u>
<i>Assessed Value (AV)</i>			
Land	\$ 9,800	\$ 9,800	\$ 9,800
Structure	49,400	49,400	49,400
Gross Assessed Value	59,200	59,200	59,200
 <i>Abatement (100% of Structure)</i>			
Abatement Deduction		100% (49,400)	50% (24,700)
Net Assessed Value	59,200	9,800	34,500
 <i>Property Taxes</i>			
Assume constant tax rate of 5.2897%			
Gross Tax (Tax Rate x Net AV)	3,132	518	1,825
Local Tax Credit (8.7112% of GT-DS)	(252)	(42)	(147)
Circuit Breaker Credit	(1,459)	-	(356)
Taxes Due	\$ 1,421	\$ 477	\$ 1,322
 <i>Circuit Breaker Cap</i>			
	2% 1,184	2% 1,184	2% 1,184
<i>Debt Service (0.3997% of Net AV)</i>			
	237	39	138
Max Tax Under the Cap	1,421	1,223	1,322

Year	Taxes Due	Taxes Abated	Net Taxes Paid
1	\$ 1,421	\$ (944)	\$ 477
2	1,421	(99)	1,322
Total:	2,841	(1,043)	1,799

** This schedule is for estimation purposes only and assumes constant tax rates equal to those for 2022 Payable 2023. The true tax values will ultimately be determined by the actual assessed valuation and the then current tax rates.*



Department of Community Investment
City of South Bend

Filed in Clerk's Office

OCT 04 2023

DAWN M. JONES
CITY CLERK, SOUTH BEND, IN

City of South Bend Petition for Incentives

Instructions: Complete pages 1-3
AND the proper Form SB-1 for
the type of abatement (real
property or personal property)
for which you are applying.



Petition must include a \$250 filing fee payable to the
"City of South Bend" before processing can be complete

General Information		Project Name	The Legacy Project	Project Number	OCT 04 2023
Legal name as registered with Secretary of State		Property Bros LLC		DAWN M. JONES CITY CLERK, SOUTH BEND, IN	
Business structure		Domestic Limited Liability Company			
Company website		https://propertybrosllc.com/			
Proposed Project Information					
Proposed project address		Multiple addresses - See attached	Parent company name	Property Bros LLC	
City, State, Zip	South Bend, IN		Legal owner	Property Bros LLC	
Site acreage or acreage required	0.4		Is the real estate owned or leased?	Owned	
Square feet of facility	6400		if leased, by whom?		
Primary Contact Information					
Primary company contact name		Jordan Richardson	Title	CEO	
Address of company contact		1251 N. Eddy Street, Suite 200	Phone	574-904-5674	
City, State, Zip	South Bend, IN 46617		Email	jordan@propertybrosllc.com	
Senior Official Information					
Company senior official name		Same as above	Title		
Address of company contact (if different from above)			Phone		
City, State, Zip			Email		
Consultant Information/Agent					
Hired business consultant/agent name		N/A	Consultant release? (Y/N)		
Address			Local economic development partners approval? (Y/N)		
City, State, Zip			Email		
Project Overview					
Brief description of your company, project, and why the property is necessary for economic growth	<p>The Legacy Project is an ambitious initiative to provide high-quality affordable housing to the Near Northwest Neighborhood. Property Bros LLC will rehabilitate two vacant buildings: a 4-plex at 542 N. Scott St. and a duplex at 430 Cottage Grove Ave. The Scott Street property may be converted to a 3-unit building (its original layout) as the project develops. Moreover, we will build a brand-new duplex on vacant property at 616-618 Sherman Ave. At the project's conclusion, Property Bros will have brought at least 7 housing units online. These will be high-quality units that will add vibrancy to the neighborhood.</p> <p>Property Bros along with its partners, realized the impact that better housing has in our community. The more vacant lots and blighted housing that goes unloved, the more our streets become less traveled, walked and developed on. We have made it our core focus to improve our neighborhoods by rehabbing these unloved homes, offering more living options to those in need, and building a landscape for future development.</p>				
Certified Technology Park appropriate	N/A				
Is the project in a Tax Incremental Financing (TIF) area? If so, which?	River West				
Have Building Permits been issued? (Y/N) (Note-Not eligible for abatement if Yes)	N	Number of residential units created by project	7-8		
If this is a petition for personal property tax abatement, has the equipment been installed?	N/A				

Investment Details			
Public Infrastructure needs (Off-site of project in dollars)	Has any 504 funding been received?	What is the value of any equipment being purchased in Indiana for the project?	What is the value of any equipment being purchased from out of state for the project?
N/A	No	N/A	N/A

New Project Investments								
Calendar Year	2022	2023	2024	2025	2026	2027	2028	2029
Land Acquisition		\$ 15,000.00						
Building Lease Payments								
Building Purchase Costs		\$ 120,000.00						
New Building Construction			\$ 402,495.00					
Existing Building Improvements		\$ 392,362.00						
New Machinery & Equipment								
Special Tooling/Retooling								
New Furniture/Fixtures								
New Computer/IT Hardware								
New Software								
On-site Rail Infrastructure								
On-site Fiber Infrastructure								
TOTAL	\$ 0.00	\$ 527,362.00	\$ 402,495.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Full-Time Permanent Indiana-Resident Positions by Calendar Year						
Calendar Year	Jobs retained	Hourly average wage, w/o benefits or bonuses	Cumulative # of net NEW full time permanent jobs created at project	Hourly average wage, w/o benefits or bonuses, of cumulative net new jobs	Total training expenditure - not cumulative	Total # to be trained - not cumulative
2023						
2024			1	\$ 50.00		
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						

Provide hourly wage information for new employees in the following positions.

	Full time	Part time
Laborers		
Technical		
Managerial		
Administrative		

Who will be the individual responsible for coordinating with WorkOne on recruiting? N/A

Does your company have an EEO hiring policy? N/A Are you an EEO employer? N/A

Please list the number of full time and part time minority and/or female employees for the following years:						Please describe your commitment to diversity and inclusion by detailing your outreach and recruitment efforts for the last three years as well as current policies.
Year	2023		2022		2021	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Black						
Hispanic						
Asian						
Indian						
Female						
Other						

As a minority-owned business, Property Bros is committed to empowering people of all backgrounds for the purpose of bettering our community.

Complete the table below for Real Property Tax Abatement only.

***** Sign at the bottom for all requested incentives (real AND personal property). *****

Public Benefit Item:

Information is required on both the construction companies and the companies which will provide materials purchased for this project. Please complete the table below with the appropriate information. If you qualify for the points, please enter the full amount of available points.

		Qualify (Yes or No)	Earned Points	Available Points
1	<u>Construction Related (Contractors):</u>			
	A.	Employ Local Companies (75%)	Y	20
	B.	Purchase Materials from Local Companies (75%)	Y	20
	C.	Require Employees vs. Independent Contractors	N	0
	D.	Require Prevailing Wage	N	0
	E.	Require Health Benefits	N	0
	F.	Require Retirement Benefits	N	0
	G.	Maintain Affirmative Action Plan	N	0
		Sub-total Construction Related:		40
2	<u>Wage & Benefit Related (Owner):</u>			
	A.	Pay Target Wage Levels	N	0
	B.	Provide Health Benefits	N	0
	C.	Provide Retirement Benefits	N	0
	D.	Provide Training	Y	28
	E.	Provide Child Care	N	0
	F.	Provide Transportation Assistance	N	0
	G.	Provide Employer Assisted Housing program	N	0
	Sub-total Wage & Benefit Related:		28	
3	<u>Workforce Related:</u>			
	A.	Create New Jobs	Y	42
	B.	Retain Existing Jobs	Y	41
	C.	Maintain Affirmative Action Plan	N	0
	D.	Provide Targeted Hiring Preference	N	0
	Sub-total Workforce Related:		83	
4	<u>Support a Municipal Facility:</u>			
	A.	Support a SB Municipal Facility (donations to the zoo, conservatory, museum, etc.)	N	0
		Name of Facility		
	Sub-total Municipal Facility:		0	
Sub-total from Above:			151	539

The undersigned owner(s) of real property, located within the City of South Bend, hereby petition the Common Council of the City of South Bend for a real and/or personal property tax abatement consideration and pursuant to I.C., 6-1.1-12.1-1, et seq., and South Bend Municipal Code Sec. 2-76 et seq., for this petition state the above.

Submitted By: Jordau Richardson

Date: 2023-09-19

For Staff Use Only Below This Line

Land: \$28,400

What is the current assessed value? Real Property: Bdg: \$94,800 Personal Property:

What is the projected assessed value? Real Property: Bdg: \$838,720 Personal Property:

What is the tax key number for this project? 71-08-02-335-006.000-026

What is the six digit NAICS code? 71-08-02-476-017.000-026; 71-08-02-457-002.000-026

Please attach a Google map and street view of the location.

Please list the amount of real and personal property taxes paid for the last five years when applicable.

	Real Property Taxes:	Personal Property Taxes:
Year One <i>Pay 2022</i>	1258.00	
Year Two <i>2021</i>	1801.06	
Year Three <i>2020</i>	2684.68	
Year Four <i>2019</i>	3809.32	
Year Five <i>2018</i>	1229.30	

Please fill out the following Public Benefit Summary Information and add to total from above.

Public Benefit Item:		(Y or N)	Points	Points	
<u>Project Related:</u>					
5	A. Redevelop a Site that has Special Needs	Y	49	49	
	B. Develop Based on Local University Research	N	-	35	
	C. Achieve a Physical Element of a Plan	Y	36	36	
	Sub-total Project Related:			85	120
	<u>Super Size Projects (point values are cumulative):</u>				
6	A. 100% to 199%	Y	25	25	
	B. 200% to 299%	Y	08	68	
	C. 300% to 399%	N	-	65	
	D. 400% and Over	N	-	52	
	Sub-total Super Size Projects:			93	210
7	<u>Pay for Municipal Infrastructure:</u>				
	A. Pay for Oversizing or Upgrading			14	
	B. Pay for 26-50% of Extension Cost			26	
	C. Pay for 51-75% of Extension Cost			39	
	D. Pay for 76-100% of Extension Cost			52	
Sub-total Infrastructure Related:			-	131	
Total from Applicant Section:			151	539	
Total from Staff Section:			178	461	
Total Public Benefit Points:			329	1000	

Filed in Clerk's Office
 151
 178
 OCT 04 2023
 DAWN M. JONES
 CITY CLERK, SOUTH BEND, IN



STATEMENT OF BENEFITS VACANT BUILDING DEDUCTION

State Form 55182 (R2 / 1-21)
Prescribed by the Department of Local Government Finance

20 23 PAY 20 24

FORM SB-1 / VBD

This statement is being completed for real property that qualifies as an "eligible vacant building" as defined by IC 6-1.1-12.1-1(17).

Filed in Clerk's Office

OCT 04 2023

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body BEFORE the occupation of the eligible vacant building for which the person wishes to claim a deduction.
2. To obtain a vacant building deduction, a Form 322/VBD must be filed with the county auditor before May 10 in the year in which the property owner or his tenant occupies the vacant building or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between January 1 and May 10 of a subsequent year.
3. A property owner who files the Form 322/VBD must provide the county auditor and the designating body with a Form CF-1/VBD to show compliance with the approved Form SB-1/VBD. The Form CF-1/VBD must also be updated each year in which the deduction is applicable.

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer Property Bros LLC			
Address of taxpayer Number and Street: 1251 N. Eddy Street, Suite 200		City: South Bend	State: IN ZIP: 46617
Name of contact person First Name: Jordan Last Name: Richardson	Telephone number (574) 904-5674	E-mail address jordan@propertybrosllc.com	

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Common Council of the City of South Bend		Resolution number
Location of property Number and Street: 430 Cottage Grove Ave. City: South Bend State: IN ZIP: 46616	County St. Joseph	DLGF taxing district number 026 (South Bend-Portage)
Description of eligible vacant building that the property owner or tenant will occupy (use additional sheets if necessary). Vacant 2-unit residential building		Estimated occupancy date (month, day, year) 2024-03-01
		Estimated date placed-in-use (month, day, year) 2024-03-01

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED PROJECT

Current Number 0	Salaries \$ 0	Number Retained 0	Salaries \$ 0	Number Additional 0	Salaries \$ 0
----------------------------	-------------------------	-----------------------------	-------------------------	-------------------------------	-------------------------

SECTION ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
Current values	\$ 30,000	\$ 45,400
Plus estimated values of proposed project	\$ 235,300	\$ 188,240
Less values of any property being replaced	\$ 0	\$ 0
Net estimated values upon completion of project	\$ 265,300	\$ 233,640

SECTION 5 EFFORTS TO SELL OR LEASE VACANT BUILDING

Described efforts by the owner or previous owner to sell, lease, or rent the building during period of vacancy:
Current owner recently purchased the building and will rehabilitate the property. It is been vacant for several years and is currently in no shape to be rented.

Show amount for which the building was offered for sale, lease, or rent during period of vacancy.
\$30,000

List any other benefits resulting from the occupancy of the eligible vacant building.

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative Jordan Richardson	Title CEO	Date signed (month, day, year) 2023-09-19
--	---------------------	---

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

A. The designated area has been limited to a period of time not to exceed n/a calendar years* (see below). The date this designation expires is 12/31/2026 . NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

B. The amount of the deduction applicable is limited to \$ n/a .

C. Other limitations or conditions (specify) n/a

D. Number of years allowed: Year 1 Year 2 Year 3 Year 4 Year 5 (* see below)
 Year 6 Year 7 Year 8 Year 9 Year 10

E. For a statement of benefits approved after June 30, 2013, did the designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
 Yes No

If yes, attach a copy of the abatement schedule to this form.

If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-1

(17) "Eligible vacant building" means a building that:

(A) is zoned for commercial or industrial purposes; and

(B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

IC 6-1.1-12.1-17

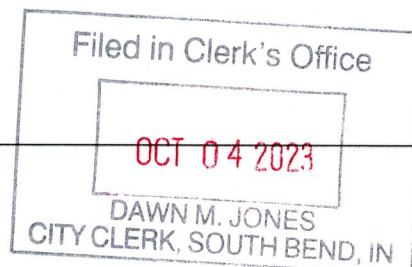
Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.





STATEMENT OF BENEFITS VACANT BUILDING DEDUCTION

State Form 55182 (R2 / 1-21)
Prescribed by the Department of Local Government Finance

20 23 PAY 20 24

FORM SB-1 / VBD

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

This statement is being completed for real property that qualifies as an "eligible vacant building" as defined by IC 6-1.1-12.1-1(17).

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body BEFORE the occupation of the eligible vacant building for which the person wishes to claim a deduction.
2. To obtain a vacant building deduction, a Form 322/VBD must be filed with the county auditor before May 10 in the year in which the property owner or his tenant occupies the vacant building or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between January 1 and May 10 of a subsequent year.
3. A property owner who files the Form 322/VBD must provide the county auditor and the designating body with a Form CF-1/VBD to show compliance with the approved Form SB-1/VBD. The Form CF-1/VBD must also be updated each year in which the deduction is applicable.

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer Property Bros LLC					
Address of taxpayer Number and Street: 1251 N. Eddy Street, Suite 200 City: South Bend State: IN ZIP: 46617					
Name of contact person First Name: Jordan Last Name: Richardson		Telephone number (574) 904-5674		E-mail address jordan@propertybrosllc.com	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body Common Council of the City of South Bend					Resolution number
Location of property Number and Street: 542 N. Scott St. City: South Bend State: IN ZIP: 46616			County St. Joseph		DLGF taxing district number 026 (South Bend-Portage)
Description of eligible vacant building that the property owner or tenant will occupy (use additional sheets if necessary). Vacant 4-unit residential building					Estimated occupancy date (month, day, year) 2024-01-31
					Estimated date placed in-use (month, day, year) 2024-01-31
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED PROJECT					
Current Number 0	Salaries \$ 0	Number Retained 0	Salaries \$ 0	Number Additional 0	Salaries \$ 0
SECTION ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
Current values		\$ 90,000		\$ 49,400	
Plus estimated values of proposed project		\$ 277,100		\$ 171,680	
Less values of any property being replaced		\$ 0		\$ 0	
Net estimated values upon completion of project		\$ 367,100		\$ 221,080	
SECTION 5 EFFORTS TO SELL OR LEASE VACANT BUILDING					
Described efforts by the owner or previous owner to sell, lease, or rent the building during period of vacancy: Current owner recently purchased the building and will rehabilitate the property. It is been vacant for several years and is currently in no shape to be rented.					
Show amount for which the building was offered for sale, lease, or rent during period of vacancy. \$90,000					
List any other benefits resulting from the occupancy of the eligible vacant building.					
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>Filed in Clerk's Office</p> <p style="color: red; font-weight: bold; font-size: 1.2em;">OCT 04 2023</p> </div>					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature: Jordan Richardson		Title: CEO		Date signed (month, day, year) 2023-09-19	

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed n/a calendar years* (see below). The date this designation expires is 12/31/2026. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.
- B. The amount of the deduction applicable is limited to \$ n/a.
- C. Other limitations or conditions (specify) n/a
- D. Number of years allowed:

<input type="checkbox"/> Year 1	<input checked="" type="checkbox"/> Year 2	<input type="checkbox"/> Year 3	<input type="checkbox"/> Year 4	<input type="checkbox"/> Year 5 (* see below)
<input type="checkbox"/> Year 6	<input type="checkbox"/> Year 7	<input type="checkbox"/> Year 8	<input type="checkbox"/> Year 9	<input type="checkbox"/> Year 10
- E. For a statement of benefits approved after June 30, 2013, did the designating body adopt an abatement schedule per IC 6-1.1-12.1-17?
 Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-1

- (17) "Eligible vacant building" means a building that:
- (A) is zoned for commercial or industrial purposes; and
 - (B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

IC 6-1.1-12.1-17

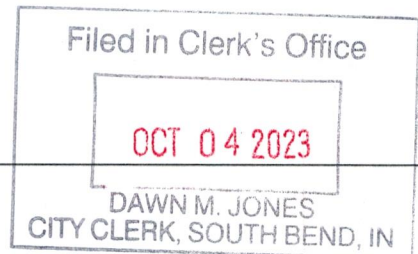
Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

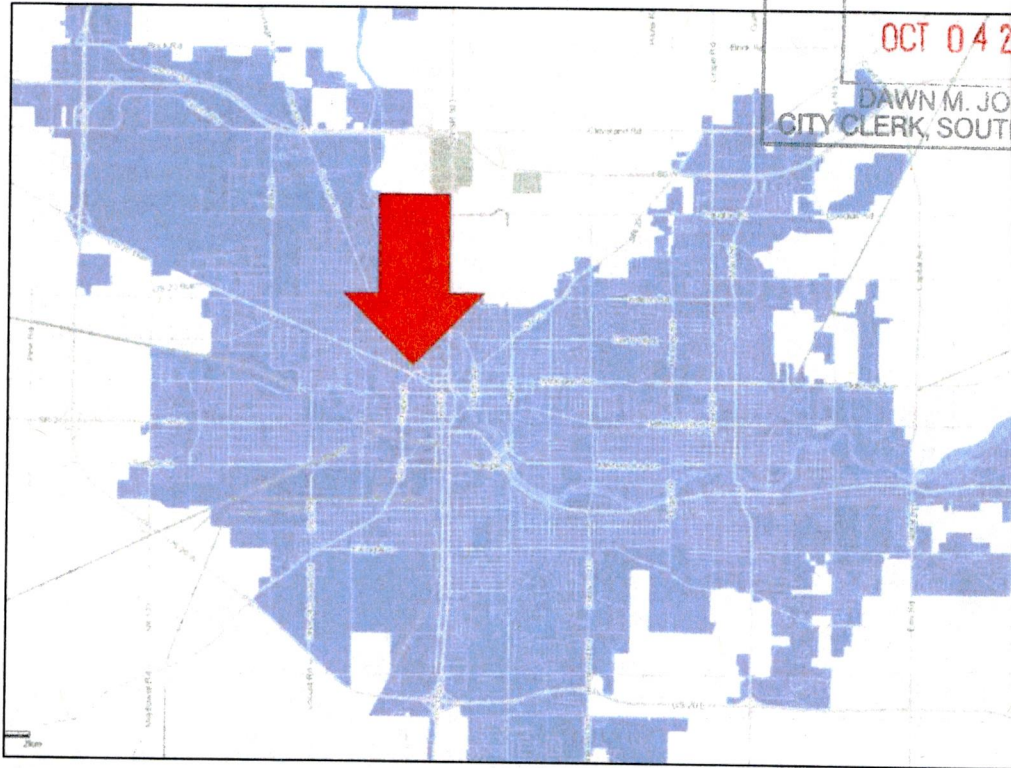


Aerial and Street Views

Filed in Clerk's Office

OCT 04 2023

DAWN M. JONES
CITY CLERK, SOUTH BEND, IN



542 N. Scott St.



Filed in Clerk's Office

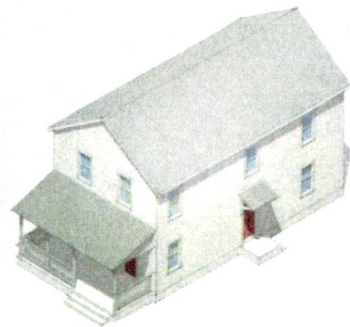
OCT 04 2023

DAWN M. JONES
CLERK, SOUTH BEND, IN

430 Cottage Grove Ave.



616 Sherman Ave.



MEMORANDUM OF AGREEMENT

(VACANT BUILDING TAX ABATEMENT)

This Memorandum of Agreement (Agreement) dated as of September 28, 2023, serves as confirmation of a commitment by **Property Bros, LLC** (the “Applicant”), pending an October 9th, 2023, public hearing, to comply with the project description, job creation and retention (and associated wage rates and salaries) figures contained in its petition, Statement of Benefits, and attachments and this Agreement.

1. Property Associated with the Abatement and Responsibilities of the Applicant. At the time of this Agreement, the properties are located at;

542 N Scott Street, South Bend, IN 46616 and 430 Cottage Grove Avenue, South Bend, IN 46616

and have Key Numbers;

71-08-02-476-017.000-026 and 71-08-02-457-002.000-026, respectively.

Throughout the duration of the abatement, the Applicant shall promptly report any changes in the address or Key Number of the property receiving the abatement to the Department of Community Investment and to the Office of the City Clerk. Moreover, the Applicant also shall report any material changes or improvements made to the property subject to the abatement including changes as the result of subdividing, replatting, or otherwise. The Applicant agrees that failure to promptly report changes can result in a finding of noncompliance on behalf of the Applicant under the commitments of this Agreement.

2. Commitments of City and Applicant. Subject to the adoption of a Declaratory Resolution and a Confirmatory Resolution by the South Bend Common Council (the “SBCC”), the City of South Bend, Indiana, (the “City”) commits to provide a **two-year (2) vacant building tax abatement** for the Applicant, based on the Applicant’s commitment set forth in its Application. The Applicant commits to the following (the “Commitments”):

(a) making total combined real property expenditures of no less than Nine Hundred Thirty Thousand dollars (\$930,000.00) for the renovation of real property at a parcel identified in Section 1 of this Agreement;

(b) creating approximately one (1) permanent part-time job with a with an average hourly wage of between \$40-\$50 per hour; and

(c) acting in good faith to complete the project as described in its Application.

3. Applicant’s Compliance with City and State Laws. During the term of the abatement, the Applicant shall comply with Chapter 2, Article 6, of the South Bend Municipal Code, entitled “Tax Abatement Procedures,” and all governing provisions of the Indiana Code. During the term of this abatement, the City may annually request information from the Applicant concerning the nature of the Project, the approved capital expenditure of the Project, the number of full-time permanent positions

newly created by the Project, and the average wage rates and salaries (excluding benefits & overtime) associated with the positions, and the Applicant shall provide the City with adequate written evidence thereof within fifteen (15) days of such request (the "Annual Survey"). The City shall utilize this information and the information required to be filed by the Applicant in the CF-1 Compliance with the Statement of Benefits form to verify that the Applicant has at all times complied with the Commitments after the Commitment Date and during the duration of the abatement and for no other purpose. The Applicant further agrees to provide the City with such additional information as requested by the City to determine Applicant's compliance with the Commitments and with local and state requirements within twenty (20) days following any such request. Notwithstanding anything herein to the contrary, the Applicant acknowledges that the City may be required to disclose certain documents provided by the Applicant as required by a court order or applicable law.

4. Substantial Compliance and Rights of Termination. The City, by and through the SBCC, reserves the right to terminate the Economic Revitalization Area designation and associated property tax abatement deductions if it reasonably determines that the Applicant has not made reasonable efforts to substantially comply with all the Commitments, as defined in Section 2 of this Agreement, and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its reasonable control, as described in Section 5 below.

5. Factors Beyond Control. As used in this Agreement, factors beyond the control of the Applicant shall only include factors not reasonably foreseeable at the time of designation application and submission of Statement of Benefits which are not caused by any act or omission of the Applicant, and which materially and adversely affect the ability of the Applicant to substantially comply with this Agreement. Applicant has the burden to communicate to the City any such factors in which it believes is beyond its control and impacting its ability to fulfill the terms of this Agreement or any tax abatement benefit provided to the City. The City reserves the right to investigate the factors cited by Applicant under this Section 5 to the fullest extent possible and may deny Applicant's request upon the completion of the City's investigation.

6. Repayment of Tax Abatement Savings. If at any time during the term of this Agreement the Applicant shall: (a) be delinquent or in default with respect to any tax payment in St. Joseph County, Indiana; or (b) cease operations at the facility for which the tax abatement was granted; or (c) announce the cessation of operations at such facility, then the City may immediately terminate the Economic Revitalization Area designation and associated tax abatement deductions, and upon such termination, require Applicant to repay all of the tax abatement savings received through the date of such termination.

7. Notice/Hearing of Termination. In the event that the City determines that the Economic Revitalization Area designation and associated tax abatement deductions should be terminated or that all or a portion of the tax abatement savings should be repaid, it will give the Applicant notice of such determination, including a written statement calculating the amount due from the Applicant, and will provide the Applicant with an opportunity to meet with the City's designated representatives to show cause why the abatement should not be terminated and/or the tax savings repaid. Such notice shall state the names of the person with whom the Applicant may meet and will provide that the Applicant shall have thirty (30) days from the date of such notice to arrange such meeting and to provide its evidence concerning why the abatement termination and/or tax savings repayment should not occur.

If, after giving such notice and receiving such evidence, if any, the City determines that the abatement termination and/or the tax repayment action is proper, the Applicant shall be provided with written notice and a hearing before the SBCC before any final action shall be taken terminating the abatement and/or requiring repayment of tax benefits. The Applicant shall be entitled to appeal that determination to a St. Joseph County Superior or Circuit Court.

8. Repayment. In the event the City requires repayment of the tax abatement savings as provided hereunder, it shall provide Applicant with a written statement calculating the amount due (the "Statement"), and Applicant shall make such repayment to the City within one hundred twenty (120) days of the date of the Statement. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys' fees incurred in the enforcement of this Agreement and the collection of the tax abatement savings required to be repaid hereunder.

9. Modification/Entire Agreement. This Agreement and the schedules attached hereto as Exhibit A contain the entire understanding between the City and the Applicant with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements, and conditions, expressed or implied, oral, or written, except as herein contained. This Agreement may not be modified or amended other than by an agreement in writing signed by the City and the Applicant. The Applicant understands that any and all filings required to be made or actions required to be taken to initiate or maintain the abatement are solely the responsibility of the Applicant.

10. Waivers. Neither the failure nor any delay on the part of the City to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or of any other right, remedy, power, or privilege with respect to any occurrence or be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

11. Governing Laws of Indiana. This Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by the laws and decisions of the courts of the State of Indiana.

12. Applicant's Consent to Jurisdiction. The Applicant hereby irrevocably consents to the jurisdiction of the Courts of the State of Indiana and of the St. Joseph County Circuit or Superior Court in connection with any action or proceeding arising out of or relating to this Agreement or any documents or instrument delivered with respect to any of the obligations hereunder, and any action related to this Agreement shall be brought in such County and in such Court.

12. Notices. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been received when delivered by hand or by facsimile (with confirmation by registered or certified mail) or on the third business day following the mailing, by registered or certified mail, postage prepaid, return receipt requested, thereof, addressed as set forth below:

If to Applicant:	Property Bros LLC 1251 N Eddy St, Suite 200 South Bend IN 46617 Attn: Jordan Richardson
If to the City:	City of South Bend, Indiana 227 W. Jefferson Boulevard, Suite 1400S South Bend, Indiana 46601 Attn: Executive Director of Community Investment

13. Assignment and Transfer Prohibited. This Agreement shall be binding upon and inure to the benefit of the City and the Applicant and their successors and assigns, except (a) that no party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party hereto, in which consent shall not be unreasonably withheld, and (b) Applicant may assign and transfer its rights under this Agreement to the Permitted Assign without prior written consent. "Permitted Assign" means the affiliated single purpose entity created for purposes of designing, constructing, owning, operating, and maintaining the project which is the subject of this Agreement.

14. Valid and Binding Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. By executing this Agreement, each person so executing affirms that he has been duly authorized to execute this Agreement on behalf of such party and that this Agreement constitutes a valid and binding obligation of the party.

15. Severability. The provisions of this Agreement and of each section or other subdivision herein are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part unless this Agreement is rendered totally unenforceable thereby.

16. No Personal Liability. No official, director, officer, employee, or agent of the City shall be charged personally by the Applicant, its employees, or its agents with any liabilities or expenses of defense or be held personally liable to the Applicant under any term or provision of this Agreement or because of the execution by such party of this Agreement or because of any default by such party hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.


<p>“Applicant”</p> <p>Property Bros LLC</p> <p>By: <u>Jordau Richardsson</u></p> <p>Jordan Richardson Chief Executive Officer Property Bros, LLC</p> <p>Approved as to Legal Adequacy and Form this _____ day of _____, 2023.</p> <p>Counsel, South Bend Common Council</p> <p>_____</p> <p>Counsel for Applicant</p> <p>_____</p>	<p>“City”</p> <p>City of South Bend, Indiana</p> <p>By: _____</p> <p>Sharon McBride President, South Bend Common Council</p> <p>By: _____</p> <p>Rachel Tomas Morgan Chairperson, Community Investment Committee</p> <p></p> <p>By: _____</p> <p>Erik Glavich Department of Community Investment</p> <p>By: _____</p> <p>James Mueller Mayor</p>
--	--

EXHIBIT A

Abatement Schedule

Subject to the adoption by the SBCC of a resolution confirming the adoption of Declaratory Resolution No. 5054-23, the property owner is qualified for and is granted a vacant building tax abatement for a period of two (2) years as shown by the schedule outlined below.

Year 1 - 100%

Year 2 - 50%