



# CITY OF SOUTH BEND

## REDEVELOPMENT COMMISSION

### Redevelopment Commission Agenda Item

DATE: 5/23/23  
FROM: Joseph Molnar  
SUBJECT: Option to Purchase former Salvation Army  
Parking Lots

\_\_\_\_\_ Pres/V-Pres

ATTEST: \_\_\_\_\_ Secretary

Date: \_\_\_\_\_

APPROVED  Not Approved

*SOUTH BEND REDEVELOPMENT COMMISSION*

Which TIF? (circle one) River West; River East; South Side; Douglas Road; West Washington

PURPOSE OF REQUEST: Approval of an Option to Purchase former Salvation Army Parking Lots

Specifics: On May 11<sup>th</sup> 2023 the RDC approved a Purchase Agreement with Momentum Development Group for the former Salvation Army Building on at 510 S Main Street in Downtown South Bend. Momentum desired to move as quick as possible to begin work on redeveloping the building. There were questions remaining about the use and design of any improvements to the parking lot areas of the site. To help the project proceed quickly, Momentum and City Staff felt it was appropriate to have separate agreements for the building and the remaining lots.

The proposed Real Estate Option Purchase Agreement and Memorandum of Real Estate Option Purchase Agreement grants Momentum an exclusive option on the parking lots until December 31<sup>st</sup> 2024. Momentum will pay \$1,000 for the right to the Option and if they exercise the Option will pay a further \$1,000. This allows Momentum to begin redevelopment of the building while working with City Staff to develop a complete plan for the parking lots.

City Staff recommends approval.

INTERNAL USE ONLY: Project Code: \_\_\_\_\_;

Total Amount new/change (inc/dec) in budget: \_\_\_\_\_; Break down:

Costs: Engineering Amt: \_\_\_\_\_; Other Prof Serv Amt \_\_\_\_\_;

Acquisition of Land/Bldg (circle one) Amt: \_\_\_\_\_; Street Const Amt \_\_\_\_\_;

Building Imp Amt \_\_\_\_\_; Sewers Amt \_\_\_\_\_; Other (specify) Amt: \_\_\_\_\_

\_\_\_\_\_ Going to BPW for Contracting? Y/N

Is this item ready to encumber now? \_\_\_\_ Existing PO# \_\_\_\_\_ Inc/Dec \$ \_\_\_\_\_

EXCELLENCE | ACCOUNTABILITY | INNOVATION | INCLUSION | EMPOWERMENT

## REAL ESTATE OPTION AGREEMENT

This Option Agreement (this “Option Agreement”) is made as of May 25, 2023 (the “Effective Date”) by and between the South Bend Redevelopment Commission, governing body of the City of South Bend Department of Redevelopment (the “Commission”), and Momentum Development Group, LLC, an Indiana limited liability company with offices at P.O. Box 815 South Bend, Indiana 46601 (the “Company”) (each a “Party” and collectively the “Parties”).

### RECITALS

A. The Commission exists and operates pursuant to the Redevelopment of Cities and Towns Act of 1953, as amended, being I.C. 36-7-14 (the “Act”).

B. In furtherance of its purposes under the Act, the Commission owns certain real property located in South Bend, Indiana, specifically, parcel numbers 018-3017-0615, 018-3017-0618, 018-3017-0620, 018-3017-0621, 018-3017-0622, and 018-3017-0623 (the “Offered Parcels”), containing the building commonly known as the former Salvation Army Building on Main Street (the “Building”) and its adjacent lots.

C. Pursuant to the Act, the Commission adopted Resolution Number 3570 on January 26, 2023, whereby the Commission established the minimum offering price of Six Hundred Seventy-One Thousand Five Hundred Dollars (\$671,500.00) for the Offered Parcels.

D. Pursuant to the Act, on January 16, 2023, the Commission authorized the publication on February 3, 2023, and February 10, 2023, respectively, of a notice of its intent to sell the Offered Parcels and its desire to receive bids for said Offered Parcels on or before February 23, 2023, at 9:00 A.M.

E. As of February 23, 2023 at 9:00 a.m., the Commission received no bids for the Offered Parcels.

F. Having satisfied the conditions stated in Section 22 of the Act, the Commission entered into a Real Estate Purchase Agreement with the Company on May 11, 2023 for one of the individual parcels, commonly known as 510 S. Main St., which contained the Building.

G. The Company has now expressed interest in purchasing the remaining five (5) parcels contained within the Offered Parcels, which are commonly known as 520 S. Main St. and more particularly described in attached **Exhibit A** (the “Property”).

H. The Commission now desires to grant the Company an option to purchase the Property on the terms stated in this Option Agreement.

NOW, THEREFORE, in consideration of the sum of One Thousand Dollars (\$1,000.00) (the “Option Amount”) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Exclusive Option to Purchase. In exchange for the Option Amount, the Commission hereby grants the Company an exclusive option to purchase the Property, subject to the terms and conditions stated in this Option Agreement (the “Option”).

2. Option Period. The Company must exercise the Option, if at all, on or after the Effective Date of this Option Agreement and no later than December 31, 2024 (the “Option Period”).

3. Exercise of Option. The Company may exercise the Option by giving to the Commission written notice (as provided in Section 11) of its intent to purchase the Property (the “Notice of Intent”). The Notice of Intent will include detailed site plans and specifications for the Company’s proposed development of the Property, which will comply with all applicable zoning and land use laws and regulations. Notwithstanding any provision herein to the contrary, the Company will not be deemed to have exercised the Option until the Commission adopts a resolution approving of such site plans and specifications delivered to the Commission with the Company’s Notice of Intent.

4. Purchase Price. In the event the Company exercises the Option, the Commission will sell the Property to the Company for One Thousand Dollars (\$1,000.00), (the “Purchase Price”), in consideration of the Company’s proposed use of the Property in accordance with the terms of this Option Agreement and the purchase agreement described in Section 5 below.

5. Purchase Agreement and Closing. If the Company exercises the Option, the Commission and the Company will promptly negotiate the terms of a purchase agreement for the Property. The Commission and its counsel shall be responsible for preparing the initial draft of the purchase agreement, which will be in a form customary for transactions of similar scope and significance to the Parties and will include customary representations, warranties, indemnities, covenants, conditions of closing, and other customary matters. In addition, the purchase agreement will require the Company to develop the Property in accordance with the Commission-approved site plans and specifications delivered to the Commission with the Company’s Notice of Intent. At closing, the Commission shall deliver to the Company a special warranty deed conveying the Property to the Company free and clear of all encumbrances, excepting and subject to all legal highways, applicable zoning ordinances, easements and other restrictions of record, and real estate taxes and assessments. The Company will pay all closing costs, recording fees, and title company charges arising out of the closing.

6. Recording of Memorandum. The Parties agree to execute and record in the Office of the Recorder of St. Joseph County, Indiana, a memorandum of this Option Agreement in the form attached hereto as **Exhibit C.**

7. Governing Law. This Option Agreement will be governed by and construed in accordance with the laws of the State of Indiana.

8. Attorneys’ Fees. In the event the Commission pursues any legal action (including arbitration) to enforce or interpret this Agreement, the Company shall pay Commission’s reasonable attorneys’ fees and other costs and expenses (including expert witness fees).

9. Benefit of the Parties. This Option Agreement is made solely for the benefit of the Parties, and no one else shall acquire or have any right under (or by virtue of) this Option Agreement.

10. Binding Effect and Assignment. This Option Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. The Company may not assign this Option Agreement to any other party without the Commission's prior written consent.

11. Amendment. This Option Agreement may be amended only by a written instrument signed by authorized representatives of both Parties.

12. Notices. All notices and other communications required or permitted under this Option Agreement will be in writing and will be furnished by hand delivery or by registered or certified mail to the Parties at the addresses set forth below. Any such notice shall be duly given upon the date it is delivered to the addresses shown below, addressed as follows:

Commission: South Bend Redevelopment Commission  
1400 S. County-City Building  
227 W. Jefferson Blvd.  
South Bend, IN 46601  
Attn: Joseph Molnar, Property Manager

With a copy to: South Bend Legal Department  
1200 S. County-City Building  
227 W. Jefferson Blvd.  
South Bend, IN 46601  
Attn: Corporation Counsel

Company: Momentum Development Group, LLC  
P.O. Box 815  
South Bend, IN 46624  
Attn: Kristopher Priemer

13. Severability. If any term, provision, covenant, or restriction contained in this Option Agreement that is intended to be binding and enforceable is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, provisions, covenants, and restrictions contained in this Option Agreement will remain in full force and effect and will in no way be affected, impaired, or invalidated.

14. Waiver. Neither the failure nor any delay on the part of a Party 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 right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of any 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.

15. Entire Agreement. This Option Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous written or oral agreements or understandings of any kind between the Parties with respect to the subject matter hereof.

16. Authority. The undersigned persons executing and delivering this Option Agreement on behalf of each of the Parties represent and certify that they are the duly authorized officers of such respective Party and have been fully empowered to execute and deliver this Option Agreement on behalf of such Party and that all necessary action to execute and deliver this Option Agreement has been taken by such Party.


17. Counterparts; Facsimile Signatures. This Option Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Any electronic version of a manually executed original shall be deemed a manually executed original.

IN WITNESS WHEREOF, the Parties have executed this Real Estate Option Agreement to be effective as of the Effective Date.

**SOUTH BEND REDVEVELOPMENT  
COMMISSION**

**MOMENTUM DEVELOPMENT GROUP,  
LLC**

\_\_\_\_\_  
Marcia Jones, President

  
\_\_\_\_\_  
*Signature*  
Kristopher Priemer, President  
*Printed Name and Title*

ATTEST:

\_\_\_\_\_  
Vivian Sallie, Secretary

**Exhibit A**

**Description of Property**

Tax ID No. 018-3017-0615  
Parcel Key No. 71-08-12-306-008.000-026  
Legal Description: E 37 FT LOT 31 MARTINS ADD  
Commonly known as: 114 MONROE

Tax ID No. 018-3017-0620  
Parcel Key No. 71-08-12-306-002.000-026  
Legal Description: N ½ LOT 34 & S ½ VAC ALLEY N & ADJ MARTINS ADD  
Commonly known as: 520 S MAIN

Tax ID No. 018-3017-0621  
Parcel Key No. 71-08-12-306-003.000-026  
Legal Description: S ½ LOT 34 MARTINS ADD  
Commonly known as: 524 S MAIN

Tax ID No. 018-3017-0622  
Parcel Key No. 71-08-12-306-004.000-026  
Legal Description: 32 FT NO SIDE LOT 35 MARTINS ADD  
Commonly known as: 528 S MAIN

Tax ID No. 018-3017-0623  
Parcel Key No. 71-08-12-306-005.000-026  
Legal Description: S 34 FT LOT 35 MARTINS ADD  
Commonly known as: 530 S MAIN

**Exhibit B**

**South Bend Redevelopment Commission Resolution Number 3570**

[See attached.]

**Exhibit C**

**Memorandum of Option Agreement**



**MEMORANDUM OF REAL ESTATE OPTION AGREEMENT**

This Memorandum of Real Estate Option Agreement (this “Memorandum”) is entered into as of May 25, 2023 (the “Effective Date”), by and between the South Bend Redevelopment Commission, governing body of the City of South Bend Department of Redevelopment (the “Commission”), and Momentum Development Group, LLC, an Indiana limited liability company with offices at P.O. Box 815, South Bend, Indiana 46624 (the “Company”) (each a “Party” and collectively the “Parties”).

WITNESSETH

A. The Commission owns certain real property located in South Bend, Indiana, and more particularly described as follows (the “Property”):

Tax ID No. 018-3017-0615  
Parcel Key No. 71-08-12-306-008.000-026  
Legal Description: E 37 FT LOT 31 MARTINS ADD  
Commonly known as: 114 MONROE

Tax ID No. 018-3017-0620  
Parcel Key No. 71-08-12-306-002.000-026  
Legal Description: N 1/2 LOT 34 & S 1/2 VAC ALLEY N & ADJ  
MARTINS ADD  
Commonly known as: 520 S MAIN

Tax ID No. 018-3017-0621  
Parcel Key No. 71-08-12-306-003.000-026  
Legal Description: S 1/2 LOT 34 MARTINS ADD  
Commonly known as: 524 S MAIN

Tax ID No. 018-3017-0622  
Parcel Key No. 71-08-12-306-004.000-026  
Legal Description: 32 FT NO SIDE LOT 35 MARTINS ADD  
Commonly known as: 528 S MAIN

Tax ID No. 018-3017-0623  
Parcel Key No. 71-08-12-306-005.000-026  
Legal Description: S 34 FT LOT 35 MARTINS ADD  
Commonly known as: 530 S MAIN

B. As of the Effective Date hereof, the Commission and the Company entered into a Real Estate Option Agreement (the “Option Agreement”) whereby the Commission granted the Company an exclusive option (the “Option”) to purchase the Property upon terms and conditions more particularly stated in the Agreement.

C. The Parties desire to place their interests in the Property as a matter of record.

NOW, THEREFORE, the Parties state as follows:

1. The initial term of the Option will commence on the Effective Date and conclude on December 31, 2024, unless earlier terminated pursuant to the terms of the Agreement.
2. This Memorandum may be executed in any number of counterparts, each of which counterpart, when so executed and delivered, shall be an original, but all such counterparts when taken together shall constitute but one and the same Memorandum.
3. The recitals set forth above are hereby incorporated herein by reference.

SOUTH BEND  
REDEVELOPMENT COMMISSION

\_\_\_\_\_  
Marcia Jones, President

ATTEST:

\_\_\_\_\_  
Vivian Sallie, Secretary

STATE OF INDIANA            )  
  ) SS:  
ST. JOSEPH COUNTY         )

Before me, the undersigned, a Notary Public, in and for said County and State, personally appeared Marcia Jones and Vivian Sallie, known to me to be the President and Secretary, respectively, of the South Bend Redevelopment Commission and acknowledged the execution of the foregoing Memorandum of Real Estate Option Agreement.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the \_\_\_\_ day of \_\_\_\_\_, 2023.

My Commission Expires:

\_\_\_\_\_  
Notary Public  
Residing in St. Joseph County, Indiana

Momentum Development Group, LLC

Kristopher Priemer  
Kristopher Priemer, President

STATE OF INDIANA            )  
  ) SS:  
ST. JOSEPH COUNTY         )

Before me, the undersigned, a Notary Public, in and for said County and State, personally appeared Kristopher Priemer, known to me to be President of Momentum Development Group and acknowledged the execution of the foregoing Memorandum of Real Estate Option Agreement.

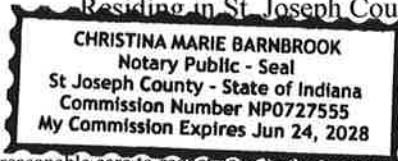
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the 23<sup>rd</sup> day of May, 2023.

My Commission Expires:

June 24<sup>th</sup> 2028

Christina Marie Barnbrook

Notary Public  
Residing in St. Joseph County, Indiana



I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. /s/ Danielle Campbell Weiss

This instrument was prepared by Danielle Campbell Weiss, Assistant City Attorney, 1200 S. County-City Building, 227 W. Jefferson Blvd., South Bend, Indiana 46601.