



CITY OF SOUTH BEND REDEVELOPMENT COMMISSION

Redevelopment Commission Agenda Item

DATE: 6/11/24
FROM: Erik Glavich, Director, Growth & Opportunity
SUBJECT: Purchase Agreement (Property Bros LLC)

[Signature] Pres/V-Pres

ATTEST: Virvian D. Sallie Secretary

Date: 6/13/24

Approved Not Approved

SOUTH BEND REDEVELOPMENT COMMISSION

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

PURPOSE OF REQUEST: Purchase Agreement for three parcels (619, 620 Sherman Ave. and 1021 1/2-1023 1/2 Lincoln Way West) with Property Bros LLC

SPECIFICS: Through a transfer agreement with the Board of Public Works (Resolution No. 3590, February 22, 2024), the Commission acquired certain property—27 parcels total—to encourage its redevelopment. Commission staff now presents a Real Estate Purchase Agreement with Property Bros LLC (the “buyer”) for 3 of the parcels. This Agreement will be considered with a separate development agreement in support of the buyer’s efforts.

The buyer is a small-scale developer committed to providing high-quality affordable housing in South Bend. In September 2023, the Commission entered into Development Agreement with the buyer to provide financial support (\$150,400) for the rehabilitation of a 4-plex on Scott St., the rehabilitation of a duplex on Cottage Grove Ave., and the construction of a new duplex on Sherman just north of Lincoln Way West. The two rehabs are currently nearing completion, and the Developer recently began construction on the new duplex.

The properties for which this Agreement applies are adjacent to the new duplex the buyer is constructing. By acquiring the properties, the buyer can incorporate the parcels into his larger project to build new residential units near the Sherman-Lincoln Way West intersection.

The Agreement commits the buyer to the following:

- Sale price of \$1,000
- Complete construction of 5 duplexes, which includes the duplex on Sherman that the buyer has already begun constructing
- Expend no less than \$1.575 million on the project

EXCELLENCE | ACCOUNTABILITY | INNOVATION | INCLUSION | EMPOWERMENT

- Begin construction within 12 months of closing and complete construction within 36 months of closing

The buyer is committed to supporting South Bend residents in need of quality affordable housing, particularly on the west side of the City.

Staff recommends approval of this Purchase Agreement.

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 \$ _____