



Department of
Community Investment

Memorandum

Monday, February 09, 2015

TO: Redevelopment Commissioners

FROM: Chris Fielding

SUBJECT: Sale of Ardmore building

It was requested at the January 29, 2015 meeting of the commission that we exercise our Option to Purchase the Saint Vincent De Paul building on Ardmore Trail. The RDC had made 4 out of the 5 required payments towards the final purchase price of \$732,500 that was predetermined by the average of 2 appraisals completed in 2011. We plan to close on the building with SVDP on 2/18/15 with the last payment being handled via the tile company.

Enclosed in your packet is an executed purchase agreement, along with a Note and Mortgage, from the operators of the Career Academy to develop the facility into a K-5 elementary school. The proposed purchase price of the offer is \$732,500 to be paid in instalments over a period of 15 years after opening. The purchase agreement was accompanied by an earnest money deposit in the amount of \$15,000. The total estimated investment is approximately \$8 million for substantial renovation and potential extension of the building.

The RDC would hold a lien on the property for the unpaid balance secured by the enclosed Note and Mortgage with no pre-payment penalty.

It is estimated that this project will create approximately 20 new jobs and will serve as a catalyst for future investment in and around the neighborhood.

Staff is requesting approval of the terms outlined in the documents, execution of the purchase agreement, and approval to move forward with a dual closing on or after 2/18/2015.



PURCHASE AGREEMENT
By and Between
South Bend Redevelopment Commission
&
St. Vincent de Paul Society of St. Joseph County, Inc.
(3408 Ardmore Trail)

THIS PURCHASE AGREEMENT, dated as of the ____ day of _____, 20__, is made and entered into between the South Bend Redevelopment Commission, for and on behalf of the City of South Bend, Department of Redevelopment (the "City") and St. Vincent de Paul Society of St. Joseph County, Inc., as owner of the Property (the "Owner").

RECITALS

WHEREAS, the City desires to acquire a parcel of real property, including all improvements thereon, currently owned by the Owner for the redevelopment purposes of the City, which parcel is more particularly described at Exhibit A (the "Property"); and

WHEREAS, the Property is within the boundaries of the City, the South Bend Redevelopment District, and the Airport Economic Development Area; and

WHEREAS, the City has completed its acquisition procedures for the Property and has appropriated funds for the purchase of the Property; and

WHEREAS, the City has executed its option to purchase the Property for the amount of \$732,500.00, subject to credit for all option payments made heretofore; and

WHEREAS, the parties desire to complete the transaction pursuant to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the Parties hereby agree and represent as follows:

1. The Owner hereby agrees to sell the Property, more particularly described in Exhibit A, to the City for Seven Hundred Thirty Two Thousand Five Hundred Dollars (\$732,500.00) (the "Purchase Price"), less any payments made by City pursuant to that certain Real Estate Option Agreement between the parties hereto, and subject to the following terms:
 - (a) The City and the Owner shall close the transaction within sixty (60) days of the effective date of this Agreement (the "Closing Date").

- (b) The Owner shall continue to own and use the Property until the Closing Date and hereby covenants that the Owner will not alter the condition of the Property. Additionally, the Owner may not release any substances, hazardous or otherwise on or near the Property, or accumulate any other materials, goods, refuse or debris on or near the Property. The Owner further may not salvage or remove any fixtures or systems from the Property, unless specifically authorized by the City in writing. If the Owner takes any action in violation of this subsection (b), at closing the City may withhold a portion of the Purchase Price to pay for any repairs or clean up necessary to restore the Property to its condition as of the date of this Agreement. The Owner shall be entitled to remain in possession and to remove all of its personal property and appliances in an orderly manner consistent with all applicable law and regulations up to and until the Closing Date.
 - (c) At closing, the Owner shall deliver to the City a warranty deed in the form attached hereto as Exhibit B providing for the conveyance of the Property free and clear of all liens, mortgages and encumbrances. If necessary, the sale proceeds shall be applied to satisfy any mortgages, encumbrances, or due and owing taxes remaining on the Property as of the Closing Date. All taxes accrued on the Property prior to closing shall be the sole responsibility of the Owner and an estimated amount of the due and owing and accrued taxes shall be withheld from the sale proceeds.
- 2. The City shall be responsible for the recording costs and any other similar closing costs.
- 3. The parties each represent that no real estate commissions are due and owing to any party with respect to this transaction.
- 4. A. The Owner represents and warrants the following to be true and accurate as of the effective date of this Agreement:
 - (a) The Owner warrants and represents that it has no knowledge of: a) any hazardous substance at, under (including the groundwater) or upon the Property; or b) any hazardous substances released from the Property onto any other property or into the waters of the State, the groundwater or any publicly or privately owned well.

- (b) To the best of Owner's knowledge, neither the Property nor the Owner, due to any of the Owner's past operations on the Property, are subject to any judicial or administrative proceedings or to any order from, or agreement with, any Governmental Authority respecting: (i) any violation or alleged violation of any environmental laws or (ii) any remedial action or (iii) any claims arising from the release or threatened release of a hazardous substance to, at or from the Property.
- (c) The Owner has not received any written or, to the best of Owner's knowledge, any oral communications from any Governmental Authority informing the Owner of any investigation being or to be conducted by a Governmental Authority with regard to the release or threatened release of a hazardous substance to, at or from the Property.
- (d) No environmental lien has attached to or been asserted against all or any portion of the Property.

B. Notwithstanding anything to the contrary herein, the City agrees it shall not hold the Owner liable for any remediation costs or expenses incurred by the City in connection with any voluntary remediation undertaken by the City at the Property.

- 5. The Owner acknowledges that it has conducted its own due diligence and acknowledges that the Purchase Price is fair and reasonable and waives any right that the Owner may have to an appraisal or to contest or challenge the validity of compensation received under this Purchase Agreement.
- 6. This Purchase Agreement embodies the entire agreement between the parties and cannot be varied except by the written agreement of the parties. No representation, promise or inducement not included in this Agreement shall be binding upon the parties hereto.
- 7. All the terms and conditions of this Purchase Agreement are hereby made binding on the successors and permitted assigns of both parties hereto.
- 8. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Indiana and venue for any action shall be St. Joseph County, Indiana.
- 9. This Purchase Agreement shall not be effective or binding until fully executed by the parties hereto. This Purchase Agreement may be executed in counterparts.
- 10. This Purchase Agreement will survive closing.

11. If any provision of this Purchase Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Purchase Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
12. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to accomplish the actions contemplated by this Purchase Agreement and to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.
13. This Purchase Agreement was negotiated by the parties at arm's length and each of the parties hereto has reviewed the agreement and has had the opportunity to consult with independent counsel. Neither party shall maintain that the language in the Purchase Agreement shall be construed against any signatory hereto.
14. Words of any gender used in this Purchase Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.
15. The undersigned persons executing and delivering this Purchase Agreement on behalf of each of the parties respectively represent and certify that they are duly authorized and are fully empowered to execute and deliver this Purchase Agreement and that all necessary action has been taken and done.

(Remainder of page intentionally left blank)

Dated this _____ day of _____, 20_____.

**CITY OF SOUTH BEND,
DEPARTMENT OF REDEVELOPMENT**

Signature

Printed Name and Title

South Bend Redevelopment Commission

ATTEST:

Signature

Printed Name and Title

South Bend Redevelopment Commission

“OWNER”

St. Vincent DePaul Society of St. Joseph County,
Inc., a non-profit Indiana corporation



Executive Director

EXHIBIT A

Legal Description of the Property

Property Address: 3408 Ardmore Trail, South Bend, IN 46628

PARCEL I: A part of the Northeast Quarter of Section 4, Township 37 North, Range 2 East, of the Second P.M. Portage Township, City of South Bend, St. Joseph County, Indiana, described as follows: Commencing at the intersection of the West right-of-way line of Bendix Drive and the North right-of-way line of Prast Boulevard; thence North 89°19'44" West along the North right-of-way line of Prast Boulevard 626.58 feet to the point of beginning; thence continuing North 89°19'44" West along the North right-of-way line of Prast Boulevard 480.00 feet; thence North 00°00'39" East, 615.65 feet to the Southerly right of way of Ardmore Trail; thence North 65°07'07" East, along the Southerly right-of-way of Ardmore Trail, 266.37 feet; thence South 00°05'49" East 129.27 feet; thence South 89°44'48" East 238.10 feet; thence South 00°00'39" West, 603.00 feet to the Point of Beginning.

PARCEL II: A part of the Northeast Quarter of Section 4, Township 37 North, Range 2 East, of the Second Principal Meridian, Portage Township, City of South Bend, St. Joseph County, Indiana, described as follows: Commencing at the intersection of the West right-of-way line of Bendix Drive and the North right-of-way line of Prast Boulevard; thence North 89°19'44" West along the North right-of-way line of Prast Boulevard 626.58 feet; thence North 00°00'39" East 603.00 feet to the Point of Beginning; thence North 89°44'48" West, 238.10 feet; thence North 00°05'49" West, 129.27 feet to the Southerly right-of-way line of Ardmore Trail; thence North 65°07'07" East along the Southerly right-of-way line of Ardmore Trail 262.75 feet; thence South 00°00'39" West 240.87 feet to the Point of Beginning.

EXCEPTING THEREFROM THE FOLLOWING:

A parcel of land being a part of the Northeast Quarter of Section 4, Township 37 North, Range 2 East, City of South Bend, Portage Township, St. Joseph County, Indiana and being more particularly described as follows:

Commencing at the Southeast corner of said Northeast Quarter; thence North 00°00'00" East, (bearing assumed for this description) 11.80 feet to a point on the Easterly projection of the North right of way line of Prast Boulevard; thence North 89°19'44" West, along said projection and along said North right of way line, a distance of 686.58 feet; thence North 0°00'00" East, a distance of 617.82 feet along the West line of property conveyed to B.J. Realty, Inc. et al by Instrument Numbered 8017310 which is recorded in the Office of the Recorder of St. Joseph County, Indiana to a point marked by a 1" square iron pipe set at the Southwest corner of a tract of land conveyed to the St. Joseph County Public Library by a Warranty Deed recorded as Instrument Number 9866002 in said Recorder's Office and the point of beginning for this description; thence South 89°47'43" West a distance of 20.00 feet along the Westerly projection of the South line of said Public Library tract; thence North 0°00'00" East, parallel with the West line of said Public Library tract, a distance of 216.35 feet to a point on the Southerly right of way line of Ardmore Trail; thence North 65°07'27" East, along said Southerly right of way line of Ardmore Trail; a distance of 22.05 feet to the Northwest corner of said Public Library tract; thence South 0°00'00" West, along the West line of said Library tract, a distance of 225.55 feet to the place of beginning.