



Department of  
**Community Investment**

**Memorandum**

Friday, July 24, 2015

TO: Redevelopment Commission  
FROM: Chris Fielding  
SUBJECT: Blackthorn Lot 4P - NGC&E Option

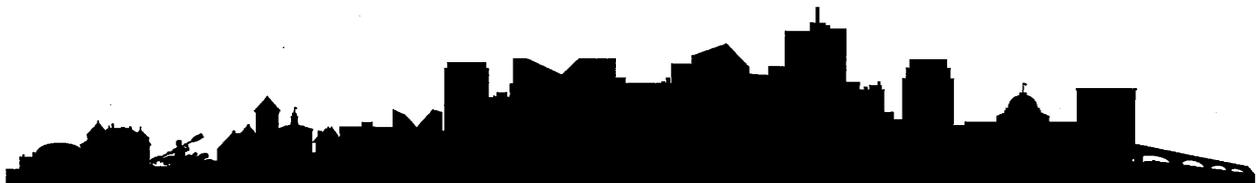
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Included in the Commission packet is an executed Release of Option along with a purchase agreement between Cohn & Cohn Investments, LLC and the RDC. This Purchase Agreement outlines the negotiated terms for the Release of the Option and concurrent sale of Lot 4P in Blackthorn Corporate Park.

Cohn & Cohn will be the developer of a 20,000 square foot Distribution Center that will be leased and operated by Unifirst. Unifirst is a publically traded company with approximately \$1.5 billion in annual revenue generated largely by their Garment and uniform rental division.

Newmark Grubb, Cressy & Everett have an Option to Purchase on the 104 acres in Blackthorn that are under RDC ownership. DCI staff were able to directly sell the parcel to Unifirst at a reduced rate under the agreement that the company will not receive any TIF funding for the project. In order for the closing to occur it would require that the DCI work with NGC&E to negotiate the terms for the release of their Option on this parcel. The final terms are outlined in the attached Release.

Staff is requesting the acceptance and execution of the release under the outlined terms.



## PARTIAL RELEASE OF OPTION CONTRACT

This Partial Release of Option Contract (this "Release") is made and entered into effective July \_\_, 2015, (the "Effective Date") by and between the City of South Bend, Indiana, Department of Redevelopment, by and through its governing body, the South Bend Redevelopment Commission (the "Commission"), and CE Capital Group, LLC (the "Purchaser") (each a "Party" and together the "Parties").

### Background

A. The Parties entered into that certain Option Contract dated August 27, 2007, as amended and supplemented by the Addendum to Option Contract dated September 5, 2007, the Second Addendum to Option Contract dated July 18, 2008, and the Option Extension Agreement dated September 27, 2011 (collectively, the "Option Contract"), under which the Commission granted the Purchaser an option to purchase certain real estate (the "Property") situated within the Blackthorn Corporate Park located in South Bend, Indiana (the "City"), which Property the Commission owns pursuant to I.C. 36-7-14 (the "Act"); and

B. In furtherance of its public purposes under the Act, the Commission desires to sell to a third-party purchaser (that is not a party to the Option Contract) a certain parcel of the Property ("Lot 6," which is more particularly described in attached Exhibit A) that is subject to the Option Contract, and the Purchaser desires to release its option to purchase Lot 6 under the Option Contract for the consideration stated herein.

NOW, THEREFORE, in accordance with Section 27 of the Option Contract, the Parties agree as follows:

1. In exchange for the Commission's promise to pay the Purchaser the sum of Twenty-Five Thousand Dollars (\$25,000.00) on the date the Commission conveys Lot 6 to a third-party purchaser, the Purchaser hereby releases its option under the Option Contract to purchase Lot 6 from the Commission.

2. All terms and conditions of the Option Contract remain in full force and effect unless expressly modified by this Release.

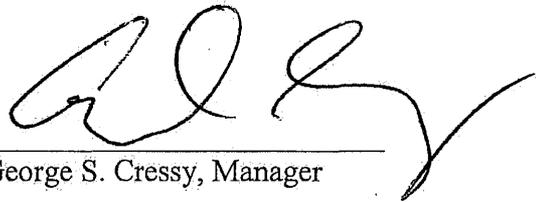
3. This Release may be executed in separate counterparts, each of which when so executed shall be an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Commission and the Purchaser have executed this Release as of the Effective Date.

CITY OF SOUTH BEND, INDIANA,  
DEPARTMENT OF REDEVELOPMENT,  
BY AND THROUGH THE SOUTH BEND  
REDEVELOPMENT COMMISSION

CE CAPITAL GROUP, LLC



\_\_\_\_\_  
Marcia I. Jones, President

\_\_\_\_\_  
George S. Cressy, Manager

ATTEST:

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Donald E. Inks, Secretary

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**EXHIBIT A**

**Description of Lot 6**

Lot Numbered Six (6) as shown on the recorded plat of Blackthorn Corporate Office Park Minor Subdivision #7, recorded July 13, 1998, as Document No. 9836274 in the Office of the Recorder of St. Joseph County, Indiana. [Parcel Key No. 025-1018-062208]