



Department of
Community Investment

Memorandum

March 10, 2016

TO: Redevelopment Commission
FROM: David Relos, Economic Resources *DR*
SUBJECT: Approval of Bid Specifications and Design Considerations
122 S. Michigan St.

Attached are the Bid Specifications and Design Considerations for the disposition of property at 122 S. Michigan St. This site contains the South Bend Chocolate Café (SBCC), which the Commission entered in to a Lease and Development of Real Property (Lease) with in December 1997. The lease term is 20 years with two – five year consecutive irrevocable options to renew.

When the Lease was entered in to, the building needed significant improvements. SBCC made those improvements, and per Section 3.07 of the Lease, retained ownership rights in its improvements, and would be compensated the difference between the fair market value of the property in 1997 versus a future current appraised value, which these disposition documents set.

Because SBCC desires to stay at its downtown location and become the owner of the space it occupies, and to eliminate this potential liability for the Commission, it's desired to take this property through the disposition process to benefit both parties.

The Bid Specifications outline the uses and development requirements that will be considered for this site.

Staff requests approval of the Bid Specifications and Design Considerations for the eventual disposition of this property.



Bid Specifications & Design Considerations

**Sale of Redevelopment Owned Property
122 S. Michigan St.
River West Development Area**

1. All of the provisions of I.C. 36-7-14-22 will apply to the bidding process.
2. All offers must meet the minimum price listed on the Offering Sheet.
3. Proposals for redevelopment are required to be for projects that are permitted within the Central Business District zoning designation. All proposals must conform to the existing zoning provisions as outlined in the South Bend Zoning Ordinance Title 21 of the City of South Bend Municipal Code.
4. Proposals for the reuse of the property must include a basic reuse plan for the site and a project timeline detailing aspects of the site redevelopment and site improvements. During the review process, emphasis will be placed on compatibility with the goals and objectives of the surrounding downtown businesses; planning efforts of the Central Business District; the ability to support the current occupant, their lease and adjoining business; and the Development Plan for the River West Development Area.
5. Bidders are prohibited from the use of the property for speculation or land-holding purposes.
6. All other provisions of the River West Development Area Development Plan must be met.