



Legislation Details (With Text)

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Title: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE PURCHASE AGREEMENT WITH JAMES D. MCCAULEY TO ACQUIRE CERTAIN REAL PROPERTY IN THE LINCOLN PARK NEIGHBORHOOD FOR \$5,000.

Sponsors:

Indexes:

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Attachments: 1. Exhibit 1-Resolution re First Amendment, 2. Exhibit 2-Resolution re First Amendment

Date	Ver.	Action By	Action	Result
5/28/2024	1	City Council	adopted	

RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE PURCHASE AGREEMENT WITH JAMES D. MCCAULEY TO ACQUIRE CERTAIN REAL PROPERTY IN THE LINCOLN PARK NEIGHBORHOOD FOR \$5,000.

CITY PROPOSAL:

WHEREAS, under Resolution No. 24-0268, the city council authorized the purchase of the following described real property in St. Louis County, Minnesota (the "Property") from James D. McCauley for \$5,000 (the "Purchase Price"):

Southerly 29 feet of Lot 15, MYERS REARRANGEMENT OF BLOCK 70, DULUTH PROPER SECOND DIVISION

Northerly 27 feet of Lot 10, MYERS REARRANGEMENT OF BLOCK 70, DULUTH PROPER SECOND DIVISION, including 5 feet of adjacent vacated alley

Northerly 25 feet of Lot 14, MYERS REARRANGEMENT OF BLOCK 70, DULUTH PROPER SECOND DIVISION

WHEREAS, the closing for the purchase of the property was to occur by April 30, 2024; however due to title and other issues, the parties need to amend the purchase agreement to: (i) extend the closing to May 31, 2024 and (ii) re-allocate some of the costs associated with the Property.

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials are hereby authorized to enter into a first amendment to purchase agreement, substantially the same as that on file with the office of the City Clerk, with James D. McCauley authorizing the purchase of the Property for the Purchase Agreement, subject to the terms and conditions of that certain purchase agreement authorized under Resolution No. 24-0268, as amended by the first amendment authorized by this resolution; funds to acquire the Property and associated costs shall be paid from Fund 210-030-3132-5441 (special projects, finance, vacant building registration, other services and charges).

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize a first amendment to a purchase

agreement (the "First Amendment") with James D. McCauley ("McCauley") to acquire that certain real property described above (the "Property") for \$5,000 (the "Purchase Price"). The Property is located in the Lincoln Park neighborhood on Park Avenue above W. First Street and east of Piedmont Avenue. A map depicting an aerial view of the Property is attached as Exhibit 2.

The structure located on the Property was condemned for human habitation on January 23, 2014 due to a lack of utilities and structure deterioration. No restoration has been completed since the initial condemned for human habitation order in 2014, and the building has been rendered unrecoverable over the last decade. Additionally, there was a fire to the house in 2022. The current structure is in an uninhabitable condition that is unsafe, dilapidated, unsightly and has been vacant ever since the condemnation for human habitation order. The City has identified CDBG funding to pay for the demolition of the structure once the Property has been conveyed to the City.

The purchase agreement setting forth the terms and conditions of acquisition of the Property was approved by the city council on April 8, 2024 under Resolution No. 24-0268 (the "Original Agreement"). The parties desire to amend the Original Agreement to: (i) extend the closing to May 31, 2024 and (ii) re-allocate some of the costs associated with the Property.

Under the terms of the Original Agreement, the city was responsible to pay for the costs to acquire the Property (e.g., title commitment, deed tax, recording fees), as well as real estate taxes in 2024 and beyond (the Property will become tax-exempt as of January 1, 2025). However, the parties have negotiated to re-allocate the responsibility to pay for the delinquent real estate taxes, and the City is now responsible for this item under the First Amendment. The City has previously assessed the Property due to non-payment of vacant building registration fees and administrative fines, but intends to write off those costs after acquiring the Property.

The total cost to acquire the Property, including the Purchase Price, closing costs, and delinquent real estate taxes, is approximately \$10,000.