



Council Agenda Items 25-0422R and 25-009-O

MEETING DATE: May 27, 2025

SUBJECT/TITLE: RESOLUTION AUTHORIZING THE EXECUTION OF A PURCHASE AGREEMENT WITH THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA FOR THE SALE OF PROPERTY IN THE LINCOLN PARK NEIGHBORHOOD FOR NOMINAL CONSIDERATION.

AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY IN THE LINCOLN PARK NEIGHBORHOOD TO THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA FOR NOMINAL CONSIDERATION

SUBMITTED BY: Danielle Erjavec, Senior Property Services Specialist

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION: 25-0304R; RESOLUTION OF INTENT TO SELL OR CONVEY CERTAIN REAL PROPERTY IN THE LINCOLN PARK NEIGHBORHOOD

BACKGROUND: The City desires to convey certain real property (the "Property") to The Housing and Redevelopment Authority of Duluth, Minnesota, a public body corporate and politic under the laws of Minnesota (the "HRA"). The Property is located in the Lincoln Park neighborhood on W. Fourth St. between 20th and 21st Avenues West. HRA desires to acquire the Property to facilitate the development of an affordable housing project (the "Project"). The HRA owns an adjacent lot and desires to combine it with the Property to create a larger site for the Project (the "Site"). The HRA is currently working with non-profit corporation to construct two duplexes on the Site.

The sale of the Property will be authorized under Ordinance No. 25-009 and the purchase agreement setting forth the terms and conditions of the Property will be approved under Resolution No. 25-0422. The City Charter requires all ordinances, except emergency ordinances, to have two public readings and a 30-day waiting period before its effective date. The purchase agreement can be approved under Resolution No. 25-009 in advance of the passage of Ordinance No. 25-009, which would enable the parties to enter into the purchase agreement and allow the HRA to conduct its due diligence on the Property and begin working with a local non-profit corporation on the Project.

The St. Louis County Assessor estimated the current market value of the Property at \$31,800. The City desires to convey the Property to the HRA for \$1.00 and other good and valuable consideration. The City acquired the Property via donation in 2021 intending it to be redeveloped for housing purposes. Despite the estimated market value of the Property, the City desires to convey it to the HRA for nominal consideration because of the public benefit of the Project. HRA will be responsible for all costs incurred with the conveyance, including deed tax and recordation fees.

BUDGET/FISCAL IMPACT: No fiscal impact

OPTIONS: Approve resolution and ordinance or the City will not convey the Property to the HRA; if not approved, the HRA will not facilitate the development of the Project

NECESSARY ACTION: Authorize acquisition of the Property to the HRA

ATTACHMENTS: Resolution: Purchase Agreement (Exhibit 1) and Map (Exhibit 2)
Ordinance: Map (Exhibit 1)