

records, the proper city officials are hereby authorized to convey the Property to DEDA for the sum of \$1.00 and execute a quit claim deed and all other documents necessary to effectuate the conveyance of the Property to DEDA.

Section 3. That the subsequent sale(s) of the Property, or any portion thereof, by DEDA must occur via a public sale as required in Section 1 of 1955 Minn. Laws, Chapter 82.

Section 4. That this ordinance shall take effect 30 days after its passage and publication.

STATEMENT OF PURPOSE: The purpose of this ordinance is to authorize the conveyance of real property legally described above (the "Property") to the Duluth Economic Development Authority, an economic development authority under Minnesota Statutes Chapter 469 ("DEDA"). The Property is comprised of approximately 37 acres of park property located within Lester Park Golf Course, which specific area is generally outlined in red on the attached Exhibit B. Through the Resolution of Intent to Convey passed on November 22, 2021 ("Resolution No. 21-0888"), the City Council stated certain objectives relating to the development of the Property, including but not limited to new housing opportunities and dedication of sale proceeds to Enger Park Golf Course. As an economic development entity with experience in site development and redevelopment, DEDA is appropriately equipped to facilitate development of the Property in accordance with the City's goals and objectives for the site.

The sale of the Property shall be in accordance with the terms and conditions of the development agreement authorized under Resolution No. 21-0988. The development agreement will set forth, with specificity and clarification, the requirements contained in Resolution No. 21-0888. Once the development agreement is executed, it-not Resolution No. 21-0888-will set forth the minimum conditions for development of the Property. Once the Property is conveyed to DEDA, DEDA will work to develop it for housing and commercial purposes under the parameters set forth in the development agreement. The full parameters of the development agreement will be available in advance of this ordinance's second reading.

The City's planning and economic development department reviewed the proposed sale or conveyance for conformity to the City's comprehensive plan and determined that a sale or conveyance of the Property conforms with said comprehensive plan and the Property is surplus to the City's future needs. The letter of conformity is attached as Exhibit C.

According to the St. Louis County Assessor, the Property has a current estimated market value of \$72,000 for a two-acre site, as evidenced by the letter attached Exhibit D. A simple calculation of that value across 37 acres equates to approximately \$1.3 million. However, as noted in the letter attached as Exhibit D, there are several factors to consider when valuing real property and the City should engage with a licensed appraiser to obtain a more accurate analysis of the estimated market value. In circumstances when valuation is established for larger sites, there is a lower valuation on a per square foot basis.