



## Legislation Text

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**File #:** 21-007-O, **Version:** 1

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AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY IN THE CENTRAL ENTRANCE NEIGHBORHOOD TO JOSEPH H. KLEIMAN AND ROSE A. KLEIMAN.

### CITY PROPOSAL:

The city of Duluth does ordain:

#### Section 1.

(a) Pursuant to Section 2-176(a) of the Duluth City Code, 1959, as amended (the "Code"), the city council stated its intention to sell or convey certain property in St Louis County, Minnesota, as set forth in Resolution 21-0186, legally described as follows (the "Property"):

The Southerly Twenty feet (S'ly 20') of Lots Thirteen (13) through Sixteen (16), inclusive, Block Thirty-two (32), and the Southerly Twenty feet (S'ly 20') of Lots One (1) through Five (5), inclusive, Block Thirty-three (33), all in DULUTH HEIGHTS, SIXTH DIVISION, according to the recorded plat thereof, including that part of vacated Maple Street as platted in said DULUTH HEIGHTS, SIXTH DIVISION, also known as Oregon Avenue and Niagara Street, accruing thereto by reason of the vacation thereof, reserving a utility easement under, over, upon, across, and along the Westerly Forty feet (W'ly 40') of said portion of vacated Maple Street; and

Lots Six (6) and Seven (7), Block Thirty-three (33), DULUTH HEIGHTS, SIXTH DIVISION, according to the recorded plat thereof; and

The Southerly Twenty feet (S'ly 20') of Lots Eight (8) through Sixteen (16), inclusive, Block Thirty-three (33), DULUTH HEIGHTS, SIXTH DIVISION, according to the recorded plat thereof.

(b) Pursuant to Section 2-176(b) of the Code, the City's planning department reviewed the proposed conveyance of the Property for conformity to the City's comprehensive plan and reported that the conveyance of the Property conforms with said comprehensive plan and is surplus to the City's future needs.

(c) Pursuant to Section 2-176(c) of the Code, the St. Louis County Assessor determined that the estimated market value of the Property is \$32,200.00.

(d) Pursuant to Resolution 21-0232, the city council authorized city officials to enter into a purchase agreement (the "Purchase Agreement") for the purchase of certain property (the "Kleiman Property") owned by Joseph Kleiman and Rose Kleiman (the "Kleimans"), in exchange for (i) a payment of \$225,000.00 AND (ii) conveyance of the Property to the Kleimans.

#### Section 2.

(a) Pursuant to Sections 2-177(d) and 2-177.4 of the Code, the City may convey property to a non-governmental entity at an amount at or less than market value in order to further city interests if the city council finds that such conveyance will further other important city interests or objectives and that such conveyance is necessary to the accomplishment of such interests.

(b) That the Kleimans are willing to sell the Kleiman Property to the City in exchange for the Property and a payment of \$225,000.00. Acquisition of the Kleiman Property is important to the City because it will be used as parking lot for vehicles impounded by the police department, which is critically needed for public safety purposes. The City owns property adjacent to the Kleiman Property that is used for parks maintenance operations.

(c) That the Kleimans own several lots adjacent to the Property, which the Kleimans will combine with the Property in order to re-develop the entire site.

(d) The city council finds that a conveyance of the Property to Kleiman supports the reuse of previously developed lands and promotes reinvestment in neighborhoods (Principles #1 and 5 of the Imagine Duluth 2035 Update to the Comprehensive Plan). Additionally, new taxable value will be added to the City with the Kleimans' ownership of the Property. These are important city objectives that will be accomplished by the conveyance of the Property to the Kleimans.

Section 3. That the proper city officials are hereby authorized to convey the Property to the Kleimans in accordance with the provisions of the Purchase Agreement. The proper city officials are further authorized to execute a deed and all other documents necessary to effectuate the conveyance of the Property to Kleiman.

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 Joseph Kleiman and Rose Kleiman (the "Kleimans"). The Property is located near the intersection of Central Entrance and Arlington Avenue. An aerial view of the Property is outlined in red on the attached Exhibit 1.

The sale of the Property shall be in accordance with the terms and conditions of the purchase agreement authorized under Resolution 21-0232. According to the purchase agreement, the City will purchase certain property owned by the Kleimans (the "Kleiman Property"), in exchange for (i) a payment of \$225,000.00 AND (ii) conveyance of the Property to the Kleimans. The Kleiman Property will be used by the City for a parking lot for vehicles impounded by the police department. The City's lease on its current impound lot is expiring at the end of 2021 and the City must find a new location. The City owns property adjacent to the Kleiman Property that is used for parks maintenance operations. The 2021 valuation of the Kleiman Property by the St. Louis County Assessor is \$424,900.

The St. Louis County Assessor estimated the market value of the Property is \$32,200. The City is in the process of acquiring the Property from the Duluth Economic Development Authority in exchange for other property adjacent to Sixth Avenue East.