



Legislation Text

File #: 23-0740R, **Version:** 1

RESOLUTION AUTHORIZING THE EXECUTION OF A PURCHASE AGREEMENT WITH THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FOR THE SALE OF PROPERTY IN THE DOWNTOWN NEIGHBORHOOD FOR \$27,500.00 AND OTHER GOOD AND VALUABLE CONSIDERATION.

CITY PROPOSAL:

WHEREAS, pursuant to Section 2-177.3 of the Duluth City Code, 1959, as amended (the "Code"), the city proposes to sell the real property legally described on the attached Exhibit 1 (the "Property") to the Duluth Economic Development Authority, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota ("DEDA"), through Ordinance No. 23-034;

WHEREAS, pursuant to Section 11 of the Duluth City Charter, 1913, as amended ("Charter"), every ordinance, other than an emergency ordinance, shall have two public readings;

WHEREAS, pursuant to Section 15 of the Charter, most ordinances enacted by the council shall take effect 30 days after the date of their last publication ("Effective Date"); and

WHEREAS, the parties need to enter into a purchase agreement to address certain terms and conditions regarding the conveyance of the Property to DEDA in advance of the Effective Date.

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials are hereby authorized to enter into a purchase agreement, substantially the same as the agreement attached as Exhibit 2, with DEDA for the sale of the Property for Twenty Seven Thousand Five Hundred and no/100ths Dollars and other good and valuable consideration.

FURTHER RESOLVED, that the sale of the Property will not occur unless and until: (a) the city council authorizes the sale of the Property through Ordinance No. 23-034 and (b) all terms and conditions contained in the purchase agreement attached as Exhibit 2 have been completed.

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the execution of a purchase agreement with the Duluth Economic Development Authority, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota ("DEDA") for the sale of certain real property located in the Downtown neighborhood located at the southeast corner of the intersection of Fifth Ave. West and Superior St. (the "Property"). The Property is more commonly known as the Ordean Plaza.

The City acquired the Property, along with other real property, in 1967 in connection with the Fifth Avenue West Mall Gateway Renewal Project. The Project was developed and has been used as a public plaza for many years. In 1996, under Ordinance No. 9308, the City severed the sidewalk deck attached to the Ordean Building from the Property and conveyed it to the Ordean Foundation, together with an easement for the use and maintenance of the sidewalk deck, to avoid future maintenance and repair costs of the sidewalk deck. The City now desires to sell the Property to DEDA for economic development purposes.

The southwesterly 19 feet of the Property is already dedicated for highway purposes. A part of the sidewalk used in connection with Fifth Ave. West exists on the Property. A part of the sidewalk of Superior Street, as well as a bus shelter, also lies within the Property. To account for existing and future right-of-way needs, additional areas will be retained in the deed conveying the Property to DEDA. A map depicting the Property and current and future right-of-way is attached as Exhibit 3.

The area of the Property not needed for current or future right-of-way purposes will be restricted in the following ways:

- (1) DEDA, and its successors and assigns, must maintain it as undeveloped open space and shall not construct or place temporary or permanent buildings, structures or storage containers on the Property except for the installation of landscaping and fencing or in connection with the repair or replacement of the sidewalk deck conveyed in 1996.
- (2) DEDA, and its successors and assigns, shall not allow anyone to leave or park a motor vehicle on the Property; however, motor vehicles are not prohibited from entering and crossing the Property, if permitted by City Code and other applicable law. This restriction does not apply to bicycles or other non-motorized vehicles. The intent of this restriction is to prohibit parking on the Property, but allow for the passage of vehicles.

The City obtained an appraisal of the Property to determine its market value. The appraisal valued the Property at \$27,500, which value was determined on the assumption that the site will be restricted from development with buildings or parking. The City desires to sell the Property for its appraised value to DEDA. DEDA will be responsible for all other costs associated with the transaction. It is the intention that the City will not incur any out-of-pocket costs.

The sale of the Property will not occur unless and until: (a) the city council authorizes the sale of the Property through Ordinance No. 23-034 and (b) all terms and conditions contained in the purchase agreement attached as Exhibit 2 have been completed.