



## Legislation Text

**File #:** 17-043-O, **Version:** 1

AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY IN THE DULUTH HEIGHTS NEIGHBORHOOD TO LAUNCH PROPERTIES, LLC OR ITS ASSIGNS FOR \$25,270.

### 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 as set forth in Resolution 17-0567 and legally described and depicted on the attached Exhibit A (the "Property").

(b) Pursuant to Section 2-178 of the Code, the city council finds that the Property is undevelopable and no building can legally be constructed on it.

(c) 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, as shown on the attached Exhibit B.

(d) Pursuant to Section 2-176(c) of the Code, the St. Louis County Assessor determined that the estimated market value of the Property is at least \$24,270.

Section 2. That the proper city officials are hereby authorized to execute the deed and all other documents necessary to effectuate the conveyance of the Property to Launch Properties, LLC, a Minnesota liability company or its assigns, for the sum of \$25,270. Funds to be deposited into 110-700-1420-4640 (General Fund, Transfers and Other Functions, Capital Program, Sale of Land).

Section 3. That the sale of the Property shall not occur unless and until Launch Properties, LLC or its assigns is an adjacent owner as defined in Section 2-178 of the Code.

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 on Exhibit A ("Property") to Launch Properties, LLC, a Minnesota liability company or its assigns. The Property is located near the intersection of Central Entrance and Myrtle Street, and an aerial view of it is depicted on the attached Exhibit C.

The city originally acquired this property in 1993 under a conditional use deed from the State of Minnesota, Department of Transportation ("MnDOT") exclusively for highway purposes, but the city does not have current or future needs for the Property that purpose. City staff worked with MnDOT to obtain its approval to convey the real property for non-highway purposes and to support future development. A copy of MnDOT's written approval is attached as Exhibit D.

Section 2-178 of the Code allows the city to directly sell a parcel of property to an adjacent property owner without competitive bidding if no building can legally be constructed on it. The Property is undevelopable on its own and no building can be legally constructed on it. Once the Property is combined with the adjacent parcels, Launch Properties LLC or its assign will develop a commercial building. The sale of the Property shall not occur unless and until Launch Properties, LLC or its assigns is an adjacent owner as defined in Section 2-178 of the Duluth City Code, 1959, as amended (the "Code").

Section 2-178 of the Code requires that the sale price of the Property must be at least equal to its market value as determined by the assessor. The St. Louis County Assessor estimated the market value of the Property is at least \$24,270. Launch Properties LLC agrees to purchase the Property for \$25,270 and bear all

costs incurred with the conveyance, including deed tax and recordation filing fees.