



Legislation Text

File #: 19-010-O, **Version:** 1

AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY IN DOWNTOWN DULUTH AT NO COST.

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 19-0168, which property is legally described as follows (the "Property"):

All those portions of Lots 9, 10, 11, 12 and 13, Block 26, PORTLAND DIVISION OF DULUTH, St. Louis County, Minnesota (the "Land"), EXCEPT, those portions described as follows:

- 1. Those portions of the Land lying at and below grade in the Northerly ten and one-half feet (10.5') of the Land, as shown on Attachment 1.*
- 2. All air rights lying above an elevation of Six Hundred Seventy-Seven feet (677'-0"), NAVD 1988.*

AND EXCEPT all of Grantor's right, title, and interest in and to those certain support columns (including footings) now existing as shown on ATTACHMENT 1 attached hereto located on the Air Rights Parcel and on the Ground Parcel, both described below, and used for the support of that certain parking ramp currently existing on the Air Rights Parcel (the "Parking Ramp");

AND EXCEPT the easements set forth in favor of Grantor in that certain deed recorded in the Office of the St. Louis County Recorder on _____, 2019 as Document No. _____.

Air Rights Parcel

All those portions of Lots 9, 10, 11, 12 and 13, Block 26, PORTLAND DIVISION OF DULUTH, St. Louis County, Minnesota (the "Land") described as follows:

- 1. Those portions of the Land lying at and below grade in the Northerly ten and one-half feet (10.5') of the Land, as shown on Attachment 1.*
- 2. All air rights lying above an elevation of Six Hundred Seventy-Seven feet (677'-0"), NAVD 1988.*

Ground Parcel

All those portions of Lots 9, 10, 11, 12 and 13, Block 26, PORTLAND DIVISION OF DULUTH, St. Louis County, Minnesota (the "Land") described as follows:

All of the Land and space lying below an elevation of Six Hundred Seventy-Seven feet (677'-0"), NAVD 1988, including all portions of the Land lying at and below grade, less and except those portions of the Land lying at and below grade in the Northerly ten and one-half feet (10.5') of the Land, as shown on Attachment 1.

(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.

(c) Pursuant to Section 2-176(c) of the Code, the St. Louis County Assessor determined that the estimated market value of the Property has a current estimated market value of \$144,900. However, the city's interest in the property is valued at \$0.00 and the city is giving a deed solely to clean up a title issue.

Section 2.

(a) Pursuant to Section 2-177.4 of the Code, the city council may convey property to a non-governmental entity at no cost or at less than market value if the council finds by ordinance that such conveyance will further other important city interests or objectives and that such conveyance is necessary to the accomplishment of such interests.

(b) The city and Voyageur Inn, LLC, a Minnesota limited liability company, are entering into a deed exchange solely to resolve title issues relating to certain portions of the parking ramp behind the Sheraton Hotel. In conjunction with the conveyance of the Property to Voyageur Inn, LLC, Voyageur Inn, LLC will execute a deed in favor of the city in the form attached as Exhibit A (the "Voyageur Deed"). The exchange of deeds will resolve title to certain portions of the parking ramp behind the Sheraton Hotel. No interest of value is being conveyed in the deed exchange, therefore the Property is being conveyed at no cost.

(c) The city council finds that the conveyance of the Property to the Voyageur Inn, LLC for no cost will further important city interests and objectives and such conveyance is necessary to the accomplishment of such interests. The important city interest and objective that will be furthered by this conveyance is the resolution of title defects relating to ownership of certain portions of the parking ramp behind the Sheraton Hotel.

Section 3. That, contingent on receipt of the Voyageur Deed, the proper city officials are hereby authorized to convey the Property to Voyageur Inn, LLC at no cost and execute the deed and all other documents necessary to effectuate the conveyance of the Property to Voyageur Inn, LLC. The proper city officials are also hereby authorized to disburse funds to pay for the deed tax and recording fees associated with the recordation of the quit claim deed, payable from Fund 110-700-1420-5441 (General Fund-Transfers and Other Functions-Capital Program-Other Services and Charges).

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 the Property to Voyageur Inn, LLC, a limited liability company under the laws of the State of Minnesota. The Property is located below the First Street level of the parking ramp behind the Sheraton Hotel.

Although the city does not have an interest in the Property, a deed must be recorded in the real estate records to evidence that the city does not claim any interest in the Property.

According to the St. Louis County assessor, the Property intended to be sold or conveyed has a current estimated market value of \$144,900. However, the city's interest in the Property is valued at \$0.00 because it will give a deed to solely clean up a title issue. The city does not believe it has an interest in the Property.