



## Legislation Text

**File #:** 21-008-O, **Version:** 1

AN ORDINANCE AUTHORIZING THE CONVEYANCE OF REAL PROPERTY IN THE CENTRAL HILLSIDE NEIGHBORHOOD TO THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FOR NOMINAL CONSIDERATION.

### 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 No. 19-0709, which property is legally described as (the "Property"):

Lots 9 and 10, Block 15, NORTON'S DIVISION OF DULUTH, according to the recorded plat thereof

AND

Lot 94, Block 122, DULUTH PROPER THIRD DIVISION, according to the recorded plat thereof.

(b) Pursuant to Section 2-177.3 of the Code, the city council finds that the conveyance to the Duluth Economic Development Authority, an economic development authority under Minnesota Statutes Chapter 469 ("DEDA"), of the Property is in the best interests of the citizens of the city and exceeds the needs of the city to retain the Property.

(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.

(d) 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 \$40,800.

Section 2. That the proper city officials are hereby authorized to convey the Property to DEDA for the sum of \$1.00 and execute the deed and all other documents necessary to effectuate the conveyance of the Property to DEDA.

Section 3. 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 "City Property") to the Duluth Economic Development Authority, an economic development authority under Minnesota Statutes Chapter 469 ("DEDA"). The City Property is located at the intersection of Sixth Avenue East and Ninth Street in the Central Hillside neighborhood. The City Property proposed to be sold or conveyed is vacant land and is outlined in red on the attached Exhibit A.

The City acquired the City Property in 2016 from the State of Minnesota, Department of Transportation ("MnDOT") under a conditional use deed for highway purposes, but the City has not used a majority of the City Property for this purpose and does not intend to. A portion of Sixth Avenue East goes through the City Property, and the City previously dedicated a street and utility easement for Sixth Avenue East in Resolution No. 19-0646. The street and utility easement was recorded in the office of the St. Louis County Recorder on February 19, 2020 as Document No. 1373817. City staff will work with MnDOT to obtain its approval to convey the City Property to DEDA for non-highway purposes.

In consideration of the City Property, DEDA is willing to convey property it owns located near the intersection of Central Entrance and Arlington Avenue (the "DEDA Property"). The City needs to acquire the DEDA Property so that it used toward the purchase of privately-owned property adjacent to 40<sup>th</sup> Avenue West (the "Kleiman Property"). The purchase price of the Kleiman Property is a payment of \$225,000, plus the conveyance of the DEDA Property. DEDA is willing to convey the DEDA Property to the City in exchange for the City Property.

The city's planning 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.

According to the St. Louis County assessor, the City Property intended to be sold or conveyed has a current estimated market value of \$40,800.