



Legislation Text

File #: 22-0920R, **Version:** 1

RESOLUTION AUTHORIZING THE EXECUTION OF A PURCHASE AGREEMENT WITH THE DULUTH SEAWAY PORT AUTHORITY FOR THE SALE OF PROPERTY IN THE ONEOTA NEIGHBORHOOD FOR NOMINAL 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 Seaway Port Authority, a body politic and corporate, organized under the laws of the State of Minnesota ("DSPA"), through Ordinance No. 22-035;

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 DSPA 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 DSPA for the sale of the Property for One and No/100 Dollars.

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. 22-035 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 Duluth Seaway Port Authority, a body politic and corporate, organized under the laws of the State of Minnesota ("DSPA") for the sale of certain real property located in the Oneota neighborhood that is used as a contained disposal facility (the "Erie Pier Property"). The Property is located southeast of I-35 and an approximate depiction of the Erie Pier Property is outlined in red on the attached Exhibit 3.

The Erie Pier Property, together with other real property already owned by the Duluth Seaway Port Authority ("DSPA"), make up a site that is more commonly known as the "Erie Pier Contained Disposal Facility." The Erie Pier Contained Disposal Facility manages dredged material from the federal navigation channel, a part of the Great Lakes/St. Lawrence Seaway System deep-draft waterway. It was constructed in 1978-79 to serve both the Wisconsin and Minnesota portions of the Harbor. The Erie Pier Contained Disposal Facility has switched from operating as a confined disposal facility to a processing and reuse facility. The dredged material processed at the site is used for habitat restoration, construction projects, mine-land reclamation, and other uses.

The Erie Pier Property is proposed to be transferred to the DSPA to facilitate the long-term operation of the Erie Pier Contained Disposal Facility. DSPA's ownership of the Erie Pier Property will allow the DSPA to negotiate access agreements and liability releases for the beneficial use of dredged material, provide for transportation of the dredged material to offsite locations, and to make necessary capital improvements to promote beneficial use of dredged material that will extend the operating life of the facility. The DSPA will assume the city's role in the existing agreement between the United States of America, the City and DSPA for Local Cooperation at Duluth Harbor, Minnesota dated April 25, 1978, which governs current operations.

Conveyance of the Erie Pier Property to DSPA will provide for the continued success of the U.S. Army Corps of Engineers' maintenance of the navigable channel in the Duluth-Superior Port and allow for an increase in the capacity of the site to process dredged material. In light of the substantial public benefit associated with conveying the Erie Pier property to the DSPA, the City intends to convey the Erie Pier Property for nominal consideration.

The sale of the Erie Pier Property will not occur unless and until: (a) the city council authorizes the sale of the Erie Pier Property through Ordinance No. 22-035 and (b) all terms and conditions contained in the purchase agreement attached as Exhibit 2 have been completed.