



Legislation Text

File #: 22-035-O, **Version:** 1

AN ORDINANCE AUTHORIZING THE CONVEYANCE OF REAL PROPERTY IN THE ONEOTA NEIGHBORHOOD TO THE DULUTH SEAWAY PORT 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 as set forth in Resolution No. 22-0859, which property is legally described on Exhibit A to the attached Exhibit 1 (the "Property").

(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 and is surplus to the city's future needs.

(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 \$579,800. However, an independent appraisal of the Property was not obtained and, if so, the City presumes the Property would be appraised at a substantially less value.

(d) Pursuant to Section 2-177.3 of the Code, the city council finds that a conveyance of the Property to the Duluth Seaway Port Authority, a body politic and corporate, organized under the laws of the State of Minnesota ("DSPA"), is in the best interests of the citizens of the city and exceeds the needs of the city to retain the property.

(e) Pursuant to Resolution No. 22-0920, the city council authorized city officials to enter into a purchase agreement (the "Purchase Agreement") for the sale of the Property to DSPA.

Section 2. That the proper city officials are hereby authorized to: (i) convey the Property to DSPA in accordance with the terms of the Purchase Agreement for One and No/100 Dollars and (ii) execute the deed, substantially in the form attached as Exhibit 1, and all other documents necessary to effectuate the conveyance of the Property to DSPA.

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 "Property") to the Duluth Seaway Port Authority, a body politic and corporate, organized under the laws of the State of Minnesota ("DSPA"). The Property is located in the Oneota neighborhood south of I-35. An approximate depiction of the Property is outlined in red on the attached Exhibit 2.

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 under the terms and conditions of the Purchase Agreement approved under Resolution No. 22-0920.