

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

09-037-0

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AUTHORIZING A DEVELOPMENT AGREEMENT WITH DIAMOND WILLOW, LLC, PROVIDING FOR THE SALE OF CERTAIN PROPERTY AND FOR CONSTRUCTION OF A RESIDENTIAL CARE FACILITY AND A MEDICAL CLINIC IN LESTER PARK.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the city of Duluth finds that the sale of the property described below to Diamond Willow, LLC (the developer) furthers important city interests and objectives including providing needed senior and assisted living housing, providing needed medical facilities for the community and up the North Shore, furthering the city's general plan for economic development in the area, providing construction jobs, and increasing the city's tax base, and further finds that such sale is necessary to accomplish such interests and objectives.

Section 2. That the proper city officials are hereby authorized to enter into a development agreement, substantially in the form of that on file in the office of the city clerk as Public Document No. \_\_\_\_\_, with the developer pursuant to which the city will acquire certain tax forfeited property in Lester Park from the state of Minnesota through St. Louis County and thereafter convey to the developer without bids for the amount of \$28,840.38, payable into Fund 110-700-1420-4640, by quit claim deed the above-described tax forfeited property and adjacent city-owned property, all of which property is located in St. Louis County, Minnesota, and described below, for the purposes of constructing a residential care facility on the property and a medical clinic on adjacent privately-owned property and further, that the proper city officials are authorized to execute all documents necessary with regard to said conveyance:

Lots 1 through 8, that part of Lots 28, 29 and 30 lying southerly of a line beginning at the most easterly corner of said Lot 28 and terminating at the most easterly corner of said Lot 8, Lots 31 through 37, Block 64, Lester Park Fourth Division, St. Louis County.

Section 3. That this ordinance shall take effect 30 days after its passage and publication.

Approved:

Approved for presentation to council:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

PLNG/ATTY JMC:blj 7/6/2009

STATEMENT OF PURPOSE: This ordinance authorizes a development agreement with the developer for the sale of certain property at market value in Lester Park adjacent to the Lester Park Golf Course. This resolution is a companion resolution to Resolution 09-0445.

The developer desires to acquire this property and adjacent privately owned property in order to construct a one-story residential care facility of approximately 14,500 square feet and a medical clinic of approximately 10,000 square feet. On December 11, 2007, the planning commission recommended a special use permit for a 10,000 square foot medical clinic (File No. 07153) and a special use permit for a 20-person residential care facility (File No. 07154). On February 11, 2008, the city council adopted the planning commission's recommendation pursuant to resolutions 08-0087 and 08-0093. The project complies with the city of Duluth comprehensive plan. The city assessor's written estimate of market value of this property is \$10,000 per acre.

Using taxes payable in 2009, the tax base impact for the conveyance of the state and city-owned property over which the residential care facility is being constructed is estimated to be \$52,636.34 of which the city's share is estimated to be \$8,309.21. The tax base impact of the entire project which includes the medical clinic is estimated to be \$121,091.04 of which the city's share is estimated at \$19,122.87.