

INTERGOVERNMENTAL RELATIONS COMMITTEE

10-011-0

ORDINANCE NO. _____

AN ORDINANCE AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN CITY PROPERTY IN THE UPPER RIVERSIDE AREA TO THE SPIRIT VALLEY LAND COMPANY, LLC, FOR \$67,000.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the city council hereby finds that:

(a) As per Section 2-176(a), of the Duluth City Code, 1959, as amended (the Code), the manager of the city's physical planning division has reviewed these proposed conveyances and found conveyance thereof to be in conformity with the city's comprehensive land use plan;

(b) As per Section 2-176(b) of the Code, the city assessor has provided an estimate of the market value to be \$67,000 for the listing of parcels as is shown in Section 2 below, which estimated market value is hereby established as the price for the property involved.

Section 2. That the proper city officials are hereby authorized to sell and convey the following described property, by quit claim deed, to the Spirit Valley Land Company, LLC, for the amount of \$67,000:

Ironton Second Division (former DWP railroad right-of-way)

Block 25, Lots 1-13 (lying within 50 feet on either side of the centerline of the DWP railroad right-of-way) (2530-04350)

Block 26, Lots 1-28 (lying within 50 feet on either side of the centerline of the DWP railroad right-of-way) (2530-04672)

Block 27, Lots 1-9 (2530-04990)

Block 27, Lots 10-27 (lying within 50 feet on either side of the centerline of the DWP railroad right-of-way) (2530-05082)

Block 29, Lots 4-19 (except that part lying northerly of a line parallel to and 50 feet northerly of the centerline of the former DWP railroad right-of-way) (2530-05680)

Block 30, Lots 22-29 (except that part lying northerly of a line parallel to and 50 feet northerly of the centerline of the former DWP railroad

right-of-way) (2530-06050)

Block 35, Lots 1-20 (except that part lying northerly of a line parallel to and 50 feet northerly of the centerline of the former DWP railroad right-of-way) (2530-06740)

Block 36, Lots 1-8 (2530-06940)

Block 38, Lots 1-20 (2530-07460)

Block 43, Lots 20-32 (lying within 50 feet on either side of the centerline of the DWP railroad right-of-way) (2530-08802)

with funds received to be deposited into Fund 110, Agency 700, Organization 1420, Object 4640-02 and further to execute all documents necessary with regard to said conveyances.

Section 3. The authorization granted by this ordinance shall be subject to the Spirit Valley Land Company, LLC, entering into a contract for private development with the Housing and Redevelopment Authority of Duluth, Minnesota, in a form acceptable to the city's attorney, committing said company to develop a mixed commercial residential master planned development or other legally permissible development on property which includes the property to be conveyed.

Section 4. The aforesaid deed of conveyance shall include a condition requiring that should such development project not commence within ten years from the approval date of this ordinance that the property sold shall revert to the city with the sale price to be refunded to the buyer.

Section 5. The deed of conveyance authorized by this ordinance shall reserve to the city an easement for utility and trail purposes over, across and under the northerly 50 feet of the former Duluth, Winnipeg and Pacific Railway as measured from the centerline of said rail line and being more specifically described as:

Commencing at the southwest corner of said IRONTON SECOND DIVISION; thence on an assumed bearing of north 89 degrees 37 minutes 07 seconds east, along the south line of said IRONTON SECOND DIVISION, a distance of 10.31 feet to the center line of existing trail as traveled upon the former Duluth Winnipeg

and Pacific Railroad right-of-way to Winnipeg Canada also known as Canadian Northern Railroad the point of beginning of said southeasterly line; thence north 30 degrees 17 minutes 11 seconds east, along said centerline, a distance of 1,350.92 feet; thence northeasterly, a distance of 818.75 feet, along said centerline, along a tangential curve, concave to the southeast, having a central angle of 37 degrees 31 minutes 44 seconds and a radius of 1,250.00 feet; thence north 67 degrees 48 minutes 55 seconds east, along said centerline; a distance of 188.80 feet; thence northeasterly, a distance of 1,061.76 feet, along said centerline, along a tangential curve concave to the northwest, having a central angle of 62 degrees 42 minutes 57 seconds and a radius of 970.00 feet; thence north 05 degrees 05 minutes 58 seconds east, along said centerline, a distance of 73.68 feet to the north line of said IRONTON SECOND DIVISION and there terminating.

The northwest sideline of said easement shall be prolonged or shortened to terminate on the west line of said IRONTON SECOND DIVISION and on the said north line of IRONTON SECOND DIVISION.

Section 6. 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

PROP MGMT TH:cp 6/16/2010

STATEMENT OF PURPOSE: The purpose of this ordinance is to authorize the sale and conveyance of those properties described to the Spirit Valley Land Company, LLC.

All properties were evaluated by the city staff and determined to be surplus to the city's future needs. These properties are part of a larger land assemblage of private and tax forfeited lands for a combined residential and commercial development.

The city assessor's office evaluated this property and established the sale price of \$67,000.

The parks and recreation commission on November 18, 2009, and the planning commission on December 8, 2009, have reviewed and approved the sale of this property.

At this point in time, the exact nature of the final development is not known and it is anticipated that the time frame for the development will involve a number of years of development, depending on market conditions. Therefore it is not possible to predict the tax impact of the project at this time. However, it is anticipated that when the entire project has been completed, the tax impact will be positive and substantial.