

PLANNING & ECONOMIC DEVELOPMENT COMMITTEE

10-072-0

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

AN ORDINANCE AUTHORIZING THE ACQUISITION OF CERTAIN PROPERTY IN WEST DULUTH FROM THE DULUTH, WINNIPEG AND PACIFIC RAILWAY COMPANY AT NO COST AND THE CONVEYANCE OF THE SAME TO THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY AT NO COST RELATED TO THE TITLE CLEARANCE OF THE PLAT OF ONEOTA INDUSTRIAL PARK FIRST ADDITION.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the proper city officials are hereby authorized to acquire at no cost from the Duluth, Winnipeg and Pacific Railway Company (DW&P) by quit claim deed the following described property in St. Louis County, Minnesota, related to the title clearance of the plat of Oneota Industrial Park First Addition:

All parts of Block 58, Addition to Oneota; Lots 4 and 5, Block 25, Oneota; and Lots 7 and 8, Block 183, West Duluth Seventh Division; shown within the plat of Oneota Industrial Park First Addition including railroad right-of-way (the Property).

Section 2. The city council hereby finds that the Duluth economic development authority (DEDA) requires a conveyance of the above-described Property from the city to DEDA in order to resolve title registration issues related to the plat of Oneota Industrial Park First Addition and further finds that the need of DEDA to acquire the Property is greater in importance than the need of the city to retain said Property and that the best interests of the citizens of the city will be best served by accomplishing such conveyance.

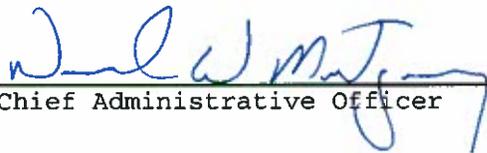
Section 3. That the proper city officials are hereby authorized to convey at no cost the above-described Property in St. Louis County, Minnesota, by quit claim deed to DEDA and to execute all documents necessary with regard to said conveyance.

Section 4. That this ordinance shall take effect 30 days after its passage and publication.

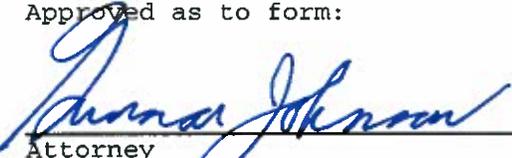
Approved:

  
Department Director

Approved for presentation to council:

  
Chief Administrative Officer

Approved as to form:

  
Attorney

Approved:

  
Auditor

PLNG/ATTY JC:dma 12/10/2010

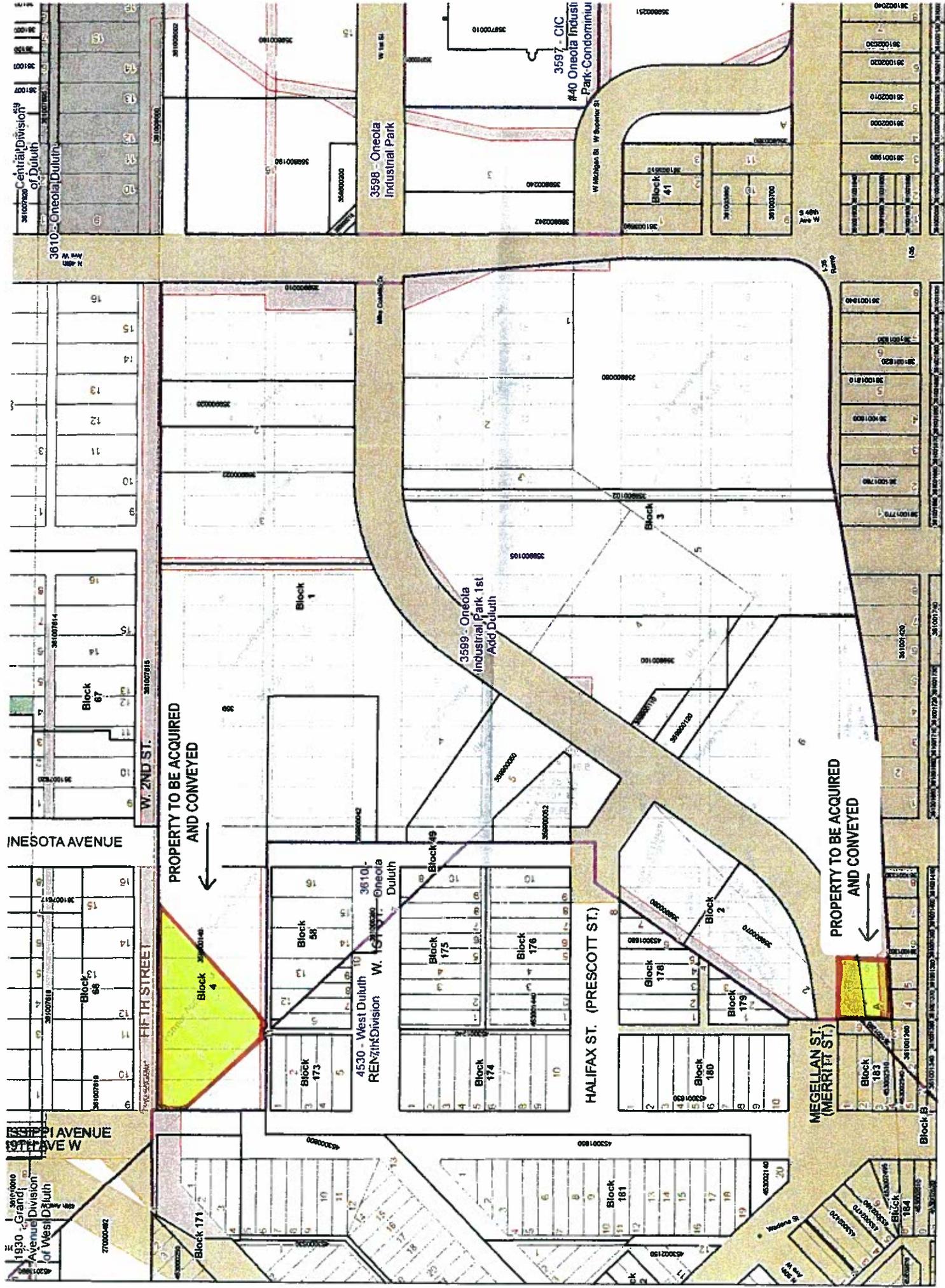
STATEMENT OF PURPOSE: This ordinance authorizes the City to acquire certain property from DW&P Railway Company at no cost related to title clearance of property in what was originally called the "Oneota Noise Pocket," now commonly referred to as Oneota II and formally known as Oneota Industrial Park First Addition, a project which has been ongoing for a number of years because of the significant number of properties involved and the great complexity in dealing with a number of title issues which have arisen.

Property in this area was originally acquired by the City of Duluth to foster additional industrial development in the West Duluth area; it was considered ideally situated due to the availability of rail service and easy access to Interstate 35. Originally platted for residential property, it was necessary to replat the property for industrial park purposes. In order to make the replatting acceptable to the Examiner of Titles, it was necessary for the City to commit to the Examiner of Titles that the entire replat area would be registered under the Torrens system of land registration. The purpose of registration under the Torrens system is to secure title to property which is impregnable against any attack. Subsequently, when DEDA was created the City conveyed that property, along with other properties, to DEDA. Along with the property came the implicit commitment made to the Examiner of Titles to register it.

The Examiner of Titles has identified a break in the chain of title relating to the property shown on the attached map. Since the title registration proceedings were initiated by DEDA, DEDA needs to acquire title to this property. This property was conveyed in 1984 by DW&P to the City, but was in a format which was not accepted by the County Recorder's Office for recording. Therefore, a new deed in recordable form is required from DW&P. Since the property was originally conveyed to the City, DW&P is requiring that the new deed be in favor of the City as opposed to DEDA. By this ordinance, the City is acquiring the property from

DW&P and then conveying the property to DEDA. The deed to the City contains an indemnification clause as a requirement of DW&P which will also be contained in the deed to DEDA. Since DW&P previously conveyed the property to the City in the unrecordable 1984 deed, DW&P is not charging any amount for the new deed.

There will be no tax impact by virtue of this transaction.



Central Division of Duluth  
 3610 - Oneota Duluth  
 1930 Grand Avenue Division of West Duluth  
 4530 - West Duluth  
 RENZI Division W. 1st St. Oneota Duluth  
 3598 - Oneota Industrial Park  
 3599 - Oneota Industrial Park 1st Add Duluth  
 3597 - CIC #40 Oneota Industrial Park-Condominium

PROPERTY TO BE ACQUIRED AND CONVEYED

PROPERTY TO BE ACQUIRED AND CONVEYED