

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

12-063-0

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING CONVEYANCE OF PROPERTY TO THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY FOR \$50,000.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. The Duluth economic development authority ("DEDA") desires to acquire the below described property for the purpose of reconveying the same to Novos Development, LLC, for the construction of a general store, which is a commercial business, at the site.

Section 2. The city's planning agency has reviewed the proposed conveyance and finds it to be in conformity with the city's comprehensive plan.

Section 3. The city has no need for below described property and therefor, the city council finds that the need of DEDA is greater in importance than the need of the city to retain said property and the best interests of the neighborhood and of the citizens of the city will be best served by accomplishing such conveyance.

Section 4. That the proper city officials are hereby authorized to convey to DEDA by quitclaim deed the below-described property in St. Louis County, Minnesota, for the sum of \$50,000; payable into the General Fund, Fund 110 (general fund), Agency 700 (other functions), Object 1420 (capital programs), Revenue Source 4640 (sale of land):

Lots 6 through 21, Block 41, NEW DULUTH FIRST DIVISION.

Section 5. That the city council finds, upon advice from the city assessor, that the sale is for fair market value.

Section 6. 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

DEDA JC:bel 09/28/2012

STATEMENT OF PURPOSE: The purpose of this ordinance is to authorize the conveyance of land to DEDA which will reconvey the land to Novos Development, LLC for construction of a General Store. Pursuant to Section 2-177.3 of the Duluth City Code, the City may convey city property to another governmental unit by sale or exchange where the Council finds that the needs of said unit are greater in importance than the need of the city to retain the property and that the best interests of the neighborhood and citizens of the city will be best served by accomplishing such conveyance.

The property being conveyed is currently tax exempt. The property will remain tax exempt when it is conveyed to DEDA, and therefore the tax impact of the conveyance to DEDA is neutral. When DEDA conveys the property to Novos Development, LLC, the property will return to the tax rolls.