



Legislation Text

File #: RES PH 14-47, **Version:** 1

Awarding the sale of 1720 East Seventh Street (old Fire Station No. 24) to Brian Kjellberg, and approving a three-party sale and purchase agreement between the City, the Housing and Redevelopment Authority, and Mr. Kjellberg.

WHEREAS, on July 24, 2013 the City Council approved Resolution PH 13-23 authorizing the disposal of old Fire Station No. 24, located at 1720 7th Street East (the "City Property"); and

WHEREAS, in accordance with Sec. 51.01(1) of the Administrative Code, the City obtained an independent real estate appraisal of the City Property in the amount of \$142,500 and subsequently issued a Request for Proposals for the sale and purchase of the City Property under Sec. 51.01(5); and

WHEREAS, one proposal was received by the City, from Brian Kjellberg ("Buyer"), who desires to convert the property into his permanent residence; and

WHEREAS, staff reviewed the proposal and determined that the purchase offer was insufficient to recommend award under Sec. 51.01(5). However, because Buyer offered to make improvements to the City Property in which the estimated cost of those improvements, together with the cash offer, exceed the appraised value of the City Property, staff therefore recommend award of the proposal, with some modifications, and disposal of the City Property under Sec. 51.01(11), which permits sale to the HRA and does not require a minimum purchase amount. Staff have negotiated with Buyer and the HRA a Real Property Sale and Purchase Agreement ("Agreement"), as documented in Exhibit A attached hereto; and

WHEREAS, the Agreement accepts payment of \$75,000 for the City Property, with the following key conditions:

- 1) Buyer must invest \$67,500 in capital improvements within 12 months of purchase,
- 2) Buyer must use the City Property only for residential purposes, and
- 3) The City Property must at all times be owner occupied; and

WHEREAS, in accordance with Sec. 51.01(11) of the Administrative Code, the City Property is to be conveyed to the Housing and Redevelopment Authority ("HRA") for subsequent conveyance to Buyer; now, therefore be it

RESOLVED, that the Council of the City of Saint Paul does hereby award the City Property to Buyer per the terms of the Agreement; and further authorizes the proper city officials to execute said Agreement, accept Buyer's payment, pay agreed-upon closing costs, and convey the City Property by quitclaim deed to the HRA for subsequent sale to Buyer.