

CITY OF MITCHELL

City Council Meeting
Agenda Item Request



The deadline for agenda items is Wednesday at noon, prior to the City Council Meeting

Meeting Date Requested: Requested By:

Desired Action of City Council: Authorization Approval Resolution
 Ordinance Citizen Request Discussion

Amount Budgeted in current fiscal year for this item (if applicable):

Agenda Item:

Explanation/Background of Agenda Item Requested:

This agreement is for the purpose of transferring the 223 North Main property to the Mitchell Area Development Corporation. The City first acquired this property as part of a nuisance case. At the time the City originally entered into the nuisance settlement for the building, the City intended to abate the nuisance conditions and then resell the property. MADC later became interested in helping redevelop this property after they helped the City resolve another nuisance at 301 N Main. When MADC became involved with the 223 North Main property in fall 2019, the intention became for the City to transfer the property to MADC along with enough money to abate the nuisance conditions and then MADC would then find someone to redevelop the building. Unfortunately, a lawsuit delayed that process until recently when that case was resolved.

After the lawsuit was resolved, MADC issued a request for proposals to try and find the best redevelopment opportunity. Once MADC believed they had the best candidate, the City and MADC negotiated this transfer agreement which transfers the property from the City to MADC for them to pursue this economic development opportunity. The process took longer than usual because the City's lead and asbestos removal projects were in flux and the budget impacts needed to be known for the Deadwood grant and this transfer itself.

Since before the lawsuit was filed, the City has been working on fixing the nuisance conditions. This transfer agreement also calls for the City to transfer \$9,576 to MADC which represents the remainder of the old \$150,000 which the City has not yet applied towards nuisance abatement.

MADC has considerable flexibility on when the closing will take place in order to best accommodate their intended redevelopment schedule. The conceptual plans for the redevelopment recently went in front of the Planning Commission and there was general approval although the Commission did not have enough members present to vote. The property is also in a historic district which involves additional hurdles for redevelopment. Currently, MADC and the redeveloper hope to finish most of the renovations before mid 2022.