

THE CITY OF



OWATONNA

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DATE: July 30, 2020
TO: Mayor and City Council
FROM: Community Development Dept. - Troy Klecker
SUBJECT: 140 East Fremont Street

Purpose:

City Council to authorize purchase of the property at 140 East Fremont Street.

Background:

As redevelopment is one of the City Council's priorities in the strategic plan, the Economic Development Authority (EDA) and the Housing and Redevelopment Authority (HRA) have been pursuing opportunities to redevelop blighted properties and transitional areas. The 100 block of East Fremont has been identified as one of these transitional areas. There are a number of older residential homes amongst commercial and industrial businesses on this block. This is a good area to redevelop into commercial. The City has purchased and demolished 3 homes already on this block. The property at 140 East Fremont has been listed for sale since March.

The EDA voted to pursue purchasing the property at their July 15th meeting. The City now has a purchase agreement on the property contingent upon City Council approval. The purchase price is \$68,000 and up to \$3,000 in closing costs, which would be paid for by the EDA. The house can be rented out to recoup costs until there is a redevelopment project for the site.

The house is a small house built in 1885. The house sits across the street from Alexander Lumber and across the alley from commercial buildings. The area is zoned B-3 Central Business District and is in a good location to redevelop. There are businesses in the area that has expressed interested in additional space. This block is in a good position to transition from residential to commercial.

Budget Impact:

All expenses would be covered by the EDA. The house would be rented out and that revenue would reimburse the EDA until a project is identified for the property.

Staff Recommendation:

Approval to purchase the property at 140 East Fremont Street.

