

*Randall, Goodrich & Haag, P.L.C.*

# Memo

**To:** Kurt Ulrich, Ramsey City Administrator

**From:** William K. Goodrich, City Attorney

**Date:** May 2, 2013

**Re:** HRA Land Sales/Right of Reverter

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At the most recent Ramsey Housing and Redevelopment Authority (“HRA”) meeting the question was asked as to how long a buyer of HRA land has to develop/redevelop the land before title would revert back to the HRA. In other words, what is the right of reverter term for HRA land sales? The answer to this question is governed by Minn. Stat. §469.029, subd 5- Disposal of Property. Said subd. 5 provides as follows:

subd. 5. **Limitation upon disposal by purchaser.** Until the authority certifies that all building constructions and other physical improvements specified to be done and made by the purchase of the area have been completed, the purchaser shall not convey the area, or any part thereof, without the consent of the authority. Consent shall not be given unless the grantee or mortgagee of the purchaser is obligated by written instrument to the authority to carry out that portion of the redevelopment plan which falls within the boundaries of the conveyed property, and also that the grantee, the grantee’s heirs, representatives, successors, and assigns, shall not convey, lease, or let the conveyed property or any part thereof, or erect or use any building or structure erected thereon, except in conformance with the approved project area redevelopment plat or approved modifications thereof.

As can be seen the regulatory statute does not prescribe any specific right of reverter time limitations leaving that public policy decision to the HRA when drafting the redevelopment plan which could be at the time of sale. The statute grants maximum flexibility by also providing the HRA the opportunity to require different right of reverter time frames for different parcels, including the ability to require no right of reverter.

Please advise if you require further clarification on this question.