

Council Agenda Item 26-0349R



MEETING DATE: April 27, 2026

SUBJECT/TITLE: RESOLUTION APPROVING DEDA RESOLUTION 26D-12 AUTHORIZING CHANGE ORDER TO DEDA CONSTRUCTION CONTRACT NO. 24 860 043 WITH CARLETON COMPANIES, INC. FOR DEMOLITION OF THE SHOPPER’S RAMP FOR A NEW TOTAL NOT TO EXCEED \$3,122,683.24

SUBMITTED BY: Ben VanTassel – Director, Planning & Economic Development

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: DEDA voted to approve the change order on April 22, 2026.

PREVIOUS COUNCIL ACTION: 24-1013R – Council voted to authorize the construction contract for the demo of the Shopper’s Ramp and the stabilization and shoring of the New Garrick building. 25-0891R – Council voted to approve change order, authorizing a change to the existing construction contract to the existing construction contract with Carleton Companies, Inc. for the demolition of the Shopper’s Ramp.

BACKGROUND: The Shoppers Ramp, located at 18 N. 1st Ave W, had been closed since 2019 due to severe structural deterioration and ongoing safety concerns. In 2021, the Duluth Economic Development Authority (DEDA) formally certified the structure as *structurally substandard*, initiating the process for eventual removal. Because the ramp was physically connected to the historic New Garrick Building, any demolition required specialized engineering, shoring, and sequencing to protect the adjoining structure.

To ensure coordinated redevelopment of the block, DEDA acquired both the Shoppers Ramp and the New Garrick Building. In September 2024, DEDA approved funding for demolition and subsequently awarded the contract to the low bid, Carleton Companies, Inc. Demolition began in April of 2025, with work proceeding floor-by-floor due to the structural tie-in with the New Garrick. The contractor had to perform controlled removal, bracing, and stabilization to preserve the New Garrick while dismantling the ramp. Removal of the long-vacant ramp is a key step in addressing blight and advancing redevelopment opportunities along the First Street corridor. Clearing the site will support future mixed-use and housing development while maintaining the historic integrity of the New Garrick Building.

During the course of demolition activities for the Shoppers Ramp project, the contractor, Carleton Companies, encountered *urban fill* within the project area. Urban fill is a mixture of materials commonly found in previously developed sites and may include debris, construction remnants, and other non-native materials. Under state regulatory requirements, the presence of contaminated urban fill must be properly addressed, handled, and disposed of.

To comply with these requirements and ensure the site is restored to appropriate environmental and structural standards, the contractor has been directed to remove the identified urban fill and replace it with clean, suitable fill material. This work was not included in the original project scope and necessitates a second change order to cover the additional excavation, disposal, and backfilling activities. The proposed change order reflects the costs associated with completing this required work and allowing the project to move forward in compliance with state regulations.

BUDGET/FISCAL IMPACT: This resolution authorizes DEDA to expend the additional

OPTIONS: Approve and allow the project to proceed; Deny and risk life safety hazards with an unsecure and unstable building.

NECESSARY ACTION: Approve

ATTACHMENTS:

- Change Order Proposal