

RESOLUTION OF THE CITY OF DULUTH PLANNING COMMISSION FINDING THAT MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 17 AND A TAX INCREMENT FINANCING PLAN FOR THE DULUTH MILL (SOFIDEL) TAX INCREMENT FINANCING HOUSING DISTRICT CONFORM TO THE GENERAL PLANS FOR THE DEVELOPMENT AND REDEVELOPMENT OF THE CITY.

WHEREAS, the Duluth Economic Development Authority ("DEDA") and the City of Duluth (the "City") have proposed to adopt a Modification to the Development Program for Development District No. 17 (the "Development Program Modification") and a Tax Increment Financing Plan for the Duluth Mill (Sofidel) Increment Financing Economic Development District (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program and Plan") and have submitted the Program and the Plan to the City Planning Commission (the "Commission") pursuant to Minnesota Statutes, Section 469.175, Subd.3, and

WHEREAS, the Commission has reviewed the Program and the Plan to determine their conformity with Imagine Duluth 2035, which is the general plan for the development and redevelopment of the City, and finds the Program and the Plan particularly aligned with Imagine Duluth 2035 Governing Principles #1 (Reuse of Previously Developed Lands), #3 (Support existing economic bases), and #4 (Support economic growth sectors), and WHEREAS, the future land use designation of the development site is General Industrial (G-I), which is appropriate for the proposed development, and WHEREAS, the development site is currently zoned I-G, which is appropriate for the proposed development.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the Program and the Plan conforms to the general plans for the development and redevelopment of the City as a whole.

Dated: \_\_\_\_\_, 2024 \_\_\_\_\_ Chair

ATTEST:

\_\_\_\_\_

\_\_\_\_\_

Secretary



**Planning & Development Division**  
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# MEMO: PLOR-2406-0001

**FROM:** Emily Nygren, Economic Developer City of Duluth

**DATE:** June 26th, 2024

**RE:** PLOR-2406-0001 – Conformance of TIF Redevelopment District for Duluth Mill (Sofidel) to Comprehensive Plan

In order to facilitate the expansion of the Duluth Mill (the “Project”), recently purchased by Sofidel America, the City needs to create a new Tax Increment Financing (TIF) Economic Development District. The role of the Planning Commission is to make sure the proposed development and its uses are consistent with the Comprehensive Plan and Unified Development Chapter (UDC). Tax Increment Financing (TIF) is a financing tool that uses the increase in property taxes generated from this project and site improvements to pay for a portion of those improvements.

The Project will involve the construction of two new buildings connecting to the existing footprint, a converting facility and an automated warehouse. Sofidel anticipates that there will be an increase of 160 new jobs, and an investment of over \$180 million.

The future land use designation of the development site is General Industrial (G-I). According to the Imagine Duluth 2035 Comprehensive Plan, G-I areas are intended for the manufacturing, processing, and other activities that may have off-site impacts and are generally isolated or buffered from other uses. Sites should have direct access to major regional transportation. The proposed development meets the intent of this future land use.

The currently property is zoned as special purpose district Industrial General, I-G. An amendment to allow a height variance for the automated warehouse was approved by Planning Commission on June 11<sup>th</sup>, 2024. According to City’s Unified Development Code (UDC), I-G zoned buildings should be located away from residential development and close to transportation corridors.

This project implements the following Comprehensive Plan Governing Principles:

Principle #1 Reuse previously developed lands. Reuse of previously developed lands, including adaptive reuse of existing building stock and historic resources, directs new investment to sites which have the potential to perform at a higher level than their current state. This strengthens commercial corridors and neighborhoods and is preferred to a dispersed development pattern with associated alteration of natural landscapes and extensions of public services. Site preparation or building modification costs are



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offset by savings in existing public infrastructure such as streets and utilities, and transit, fire, and police services. This project remains on current parcels in use by the current paper mill.

Principle #3 Support existing economic base. Supporting Duluth's existing economic foundation maintains jobs, tax base, and opportunity. Economic activity with specific location requirements may be subject to displacement or site competition with changes in real estate values. This traditional economic activity faces change as a result of global economic patterns, changing markets, new regulation, and aging of extensive infrastructure. Nevertheless, fundamentals remain and the economic contribution, sometimes taken for granted, is significant. This project ensures the continued use of the paper mill, as well as expanding with 160 new jobs.

Principle #4 Support economic growth sectors. Emerging and growing economic sectors add economic, cultural, and social diversity. These include higher education, medical, value-added manufacturing, commercial outdoor recreation, historic resources interpretation, arts and music, information technology and visitor services. Encourage and foster locally owned and entrepreneurial ventures to enhance the economic base.

City staff believe that the proposed development conforms to and implements the Comprehensive Plan principles. City staff ask that the Planning Commission review this item, and following discussion, make a finding that it conforms to the Imagine Duluth 2035 Comprehensive Plan.