



Council Agenda Item 25-0564R

MEETING DATE: 07/28/2025

SUBJECT/TITLE: RESOLUTION APPROVING A GREATER MINNESOTA LEGACY GRANT APPLICATION TO THE GREATER MINNESOTA REGIONAL PARKS AND TRAILS COMMISSION AND MINNESOTA DEPARTMENT OF NATURAL RESOURCES FOR THE SPIRIT MOUNTAIN NORDIC CENTER.

SUBMITTED BY: Jim Filby Williams, Director of Properties, Parks and Libraries

RECOMMENDATION: Approve.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION: June 15, 2015 (15-0358R) – Approved the Grand Avenue Nordic Center Mini-Master Plan, in partnership with the Duluth Cross Country Ski Club and the Spirit Mountain Recreation Authority. The Nordic Center is envisioned as a 5 km cross country ski trail system with snowmaking and lighting to provide a dependable, season-long venue for recreational skiing, youth activities, and regional events.

October 10, 2022 (22-0828R) – Approved and authorized implementation of the Essential Spaces: Duluth Parks, Recreation, Open Space and Trails Plan. Among other action items, the Plan recommended renewal of the 0.5 percent increment in the City of Duluth food and beverage tax and the City of Duluth lodging tax (the “half-and-half” tax). The Plan also recommended support of the Spirit Mountain Recreation Authority’s implementation of the Spirit Mountain Master Plan.

January 23, 2023 (23-0095R) – This resolution expressed support for the Minnesota State Legislature to authorize the extension the half-and-half tax for the purpose of funding up to \$36 million in capital improvements to parks-based public athletic facilities in support of tourism and quality of life in northeast Minnesota.

September 25, 2023 (23-0745R) – Accepted the special law extending the half-and-half tax and authorized the revenues to be spent on capital improvements to parks-based public athletic facilities.

September 25, 2023 (23-0748R) – This resolution expressed support for moving forward with a preliminary slate of projects and funding levels for an array of capital improvement projects funded through the half-and-half tax extension. One of the projects identified in the preliminary project list was the Spirit Mountain Nordic Center, with an anticipated contribution of \$1.2 million from the half-and-half tax.

BACKGROUND: Development of the Nordic Center has been possible through collaboration between the City of Duluth, Spirit Mountain Recreation Authority, and the Duluth Cross Country Ski Club (DXC) over the past 10 years, with all three entities providing project funds towards realizing the vision for the Nordic Center. When complete, the Nordic Center will provide a dependable, season-long venue for recreational skiing, youth activities, and regional events. This includes opportunities for sports-based tourism.

BUDGET/FISCAL IMPACT: The City and the Duluth Cross Country Ski Club will provide a total \$700,000 local matching contribution in association with this grant. The Duluth Cross Country Ski Club intends to raise \$350,000 in community contributions to support completion of the project. The remaining \$350,000 portion of the local match will be sourced from the unspent remainder of \$1.2 million of City of Duluth Athletic Venue Reinvestment Initiative funds that were put aside by Council for this specific project. Athletic Venue Reinvestment Initiative funds are sourced from one-half-of-one-percent increments in Duluth’s tourism taxes that, per state law, may only be spent on public facilities that support sports tourism. Completion of the project will improve Spirit Mountain business performance so as to decrease the necessity for the City to provide ongoing operating support.

OPTIONS: Authorize submission of the grant application and commitment of the unspent \$350,000 remainder of \$1.2 million of City of Duluth Athletic Venue Reinvestment Initiative funds dedicated to this project and complete the project. Alternatively, forego authorization of the application and the matching contribution and Spirit Mountain will continue to struggle to operate a partially complete facility on a financially sustainable basis.

NECESSARY ACTION: Approve a Greater Minnesota Legacy Grant application and authorize the use of remaining project funds in an amount of \$350,000 to be used as matching funds for the Spirit Mountain Nordic Center.

ATTACHMENTS: None