

Proposed Changes to Ownership and Use of Public Green Space in the Lester Park and Enger Park Areas

Summary: The City proposes a series of linked actions in and around Lester Park and Enger Park designed to accomplish three goals:

1. **Protect Green Space** by expanding Lester Park by approximately 400 acres and expanding Enger Park by approximately 20 acres.
2. **Provide Workforce and Affordable Housing** by facilitating the development of up to 500 units of new multifamily housing at Enger and Lester spanning all price points including affordable.
3. **Preserve Public Golf** by renewing City golf infrastructure at Enger Park Golf Course and providing an additional three-year window in which to demonstrate the affordability of ongoing operation of 45 holes including operation and renewal of 18 holes at Lester.

Proposal Components

I. Green Space Ownership and Use

A. Lester Park – Expand Lester Park by approximately 400 acres

1. Attempt to develop 50-acre lower portion of Lester Park Golf Course for multifamily housing.
2. Continue operation of 18 holes on remaining 210 acres of Lester Park Golf Course during renewal of Enger.
3. If, in the future, a decision is made to cease operation of the remaining 18 holes at Lester, the City will retain the remaining 210 acres as a protected park and conduct a public process to decide how it shall be used and managed.
4. Purchase 450-acres of unprotected tax-forfeit land adjacent to Lester Park, formally designate it parkland which may only be sold by an 8-1 vote of City Council.

B. Enger Park – Expand Enger Park by approximately 20 acres

1. Reconfigure 16-acre driving range area to enable improvement of Skyline Parkway and sale of approximately 10 acres for multi-family development.
2. Purchase approximately 30-acres adjacent to Enger Park from St. Louis County and formally designate it as part of Enger Park.

II. Workforce and Affordable Housing Development

A. Lester

1. Attempt to develop roughly 50-acre portion of 260-acre golf course for mixed use residential including approximately 400 units of multifamily housing at a range of price points including affordable.

B. Enger

1. Attempt to develop driving range acreage for approximately 120 units of multi-family housing and complementary mixed-use development.

III. Preserve Public Golf

A. Implement Necessary Enger Golf Infrastructure Renewal as Funds Permit

1. Pursue renewal of failing Enger golf infrastructure.
2. Finance renewal with:
 - a. Proceeds of Enger and Lester property sales
 - b. Potential revenue bond financed by future golf revenues
 - c. Potential Billy Casper Golf contribution

- d. Potential community contributions
 - e. Potential Enger development contribution
 - 2. Focus course renewal on:
 - a. Replacement of clubhouse with low-cost modular building (if solely City-funded) or multi-use, year-round building (if Billy Casper Golf, Enger developer, and/or community also contribute).
 - b. Replace current 120-acre irrigation system with 40-to-50-acre system.
 - c. Repair the worst fairways, bunkers, and cart paths.
- B. Enhance Financial Sustainability of Duluth Public Golf
- 1. Waive one-half of the \$2.5 million Golf Fund debt to the General Fund
 - a. Plan to pay down remaining \$1.25 million debt at \$50,000 per year over 25 years. Annual debt payments will be made only after all other expenses have been paid, including payments on capital borrowing.
 - 2. Waive \$16,000 annual administrative charge from the General Fund to the Golf Fund.
 - 3. Dedicate \$25,000 per year from the Parks Fund to the Golf Fund for capital improvement.
 - 4. Ask Friends of Duluth Golf to commit to ongoing contributions of funds and services to support Duluth Golf operations.
 - 5. Following Enger renewal, provide limited tourism tax funding to golf for advertising to tourists.
- C. Evaluate future of 18 holes of golf at Lester
- 1. Continue to operate the original 18 holes at Lester through the end of the 2022 season. Following the 2022 season, choose one of the two following options based on the financial performance of Duluth Golf in those two seasons:
 - a. If golf revenue following completion of Enger renovation is insufficient to finance all Enger capital debt, the City would close Lester.
 - b. If golf revenue following completion of Enger renovation is sufficient to finance all Enger capital debt and there is sufficient additional golf revenue and community contributions to renew critical Lester golf infrastructure, the City would work with citizens to develop a viable Lester infrastructure renewal plan.
- D. Strengthen Partnership with Golfers
- 1. City-Friends Agreement - City and Friends of Duluth Public Golf enter a formal agreement encompassing all Duluth Golf leagues and clubs, committing City to ongoing consultation with Friends group, and committing Friends to contribute cash and in-kind support for Duluth Golf.
 - 2. Duluth Golf Advisory Board - Create permanent golf advisory group to foster communication, cooperation, and consultation between golf management, Parks and Recreation Commission, City administration, and golfers. The scope of the board's advisory responsibilities and the functional relationship of the board to the City administration, the Parks and Recreation Commission, and City Council will be determined in consultation with City administration, Parks and Recreation Commission, and golfers.