



**Planning & Development Division**  
*Planning & Economic Development Department*

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# MEMO

**TO:** Planning Commission

**FROM:** Adam Fulton, Deputy Director of Planning and Development

**DATE:** May 11, 2021

**RE:** Conformance of Development District #17 for Zenith Historic Old Central High School Development to Comprehensive Plan

In order to facilitate development of Zenith Historic Old Central High School, located at 200 N 1<sup>st</sup> Ave E (the “Project”), the City needs to modify Development District #17. 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 Code (UDC). Tax Increment Financing (TIF) is a financing tool that uses the increase in property taxes generated from site improvements to pay for a portion of those improvements.

The Project will consist of renovation of the historic old high school to host approximately 87,000 square feet of multi-family residential space, resulting in approximately 125 apartment units, of which no less than 10% will be available at 60% area median income or less. Certain areas of the building will remain quasi-public space through preservation of the roughly 10,000 square foot auditorium to be utilized for co-working space, events, or potential public meetings/gatherings. The project also includes a surface parking lot.

The future land-use designation of the development site is Central Business Secondary (CBS). According to the Imagine Duluth 2035 Comprehensive Plan, CBS areas are intended for medium density neighborhood retail, employment centers, public spaces, and residential development. This land use is designated for the entire Lincoln Park commercial corridor east of highway 53 and transitional areas surround Downtown. The proposed development meets the intent of this future land use.

The property is zoned F-5; according to the Unified Development Chapter, “The F-5 District is applied to both the West Superior Street study area (Lincoln Park) and the transitional areas surrounding Downtown, including Canal Park and Central Hillside (Second Street from Sixth Avenue West to Third Avenue East). These areas consist of a combination of traditional mixed use buildings and office buildings.” F-5 is an appropriate zone designation for the CBS future land use category. It allows apartments as proposed by this project.

This project implements the following Comprehensive Plan 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 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 offset by savings in existing public infrastructure such as streets and utilities, and transit, fire, and police services.

*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 supports the significant economic base of the Central Business District, which contains Duluth's highest concentration of commercial and retail businesses. Residential units in an area lacking will contribute to more patronization of these businesses.

*Principle #5 Promote reinvestment in neighborhoods.* Duluth is strongly defined by its neighborhoods. This system should be supported through land use and transportation that foster neighborhood reinvestment. New development or redevelopment should maximize public investment that strengthens neighborhood commercial centers or diversifies residential opportunities that fit the neighborhood's character.

*Principle #8 Encourage mix of activities, uses, and densities.* Cities have evolved as a mix of land uses, building types, housing types, and activities. Accommodating choice while protecting investment is a balance to strike in land use regulation. Mixed uses provide opportunities for a diversity of activity that segregated, uniform uses do not provide. This project provides a new multifamily housing opportunity in Downtown and will bolster existing and future businesses by housing potential customers in the immediate vicinity.

*Principle #12 Create efficiencies in delivery of public services.* The costs of public service must be considered in land use decisions. Street construction and maintenance, utilities, libraries, fire, police, snow removal, and recreation facilities are services directly related to the physical location of development. Infrastructure should help direct development location rather than react to it. The integration of public services to maximize efficiencies with all related use decisions should be evaluated.

*Principle #6 Reinforce the place-specific.* Public and private actions should reinforce cultural, physical, and economic features which have traditionally defined Duluth, its open space, and its neighborhoods. Defining elements that reinforce the place-specific include climate-specific materials and design; repair and use of historic walls, bridges, and buildings. This project involves thoughtful renovation and preservation of the historic old high school.

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.

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**PLANNING COMMISSION  
CITY OF DULUTH, MINNESOTA**

**RESOLUTION NO. 21-052**

**RESOLUTION OF THE CITY OF DULUTH PLANNING COMMISSION FINDING THAT A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 17 AND A TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 34 (HISTORIC HIGH SCHOOL REDEVELOPMENT) CONFORM TO THE GENERAL PLANS FOR THE DEVELOPMENT AND REDEVELOPMENT OF THE CITY.**

WHEREAS, the Duluth Economic Development Authority (the "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 Tax Increment Financing District No. 34 (Historic High School Redevelopment) (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program and Plan") and have submitted the Program and 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 Plan to determine their conformity with the general plans for the development and redevelopment of the City as described in the comprehensive plan for the City.

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

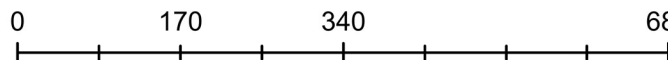
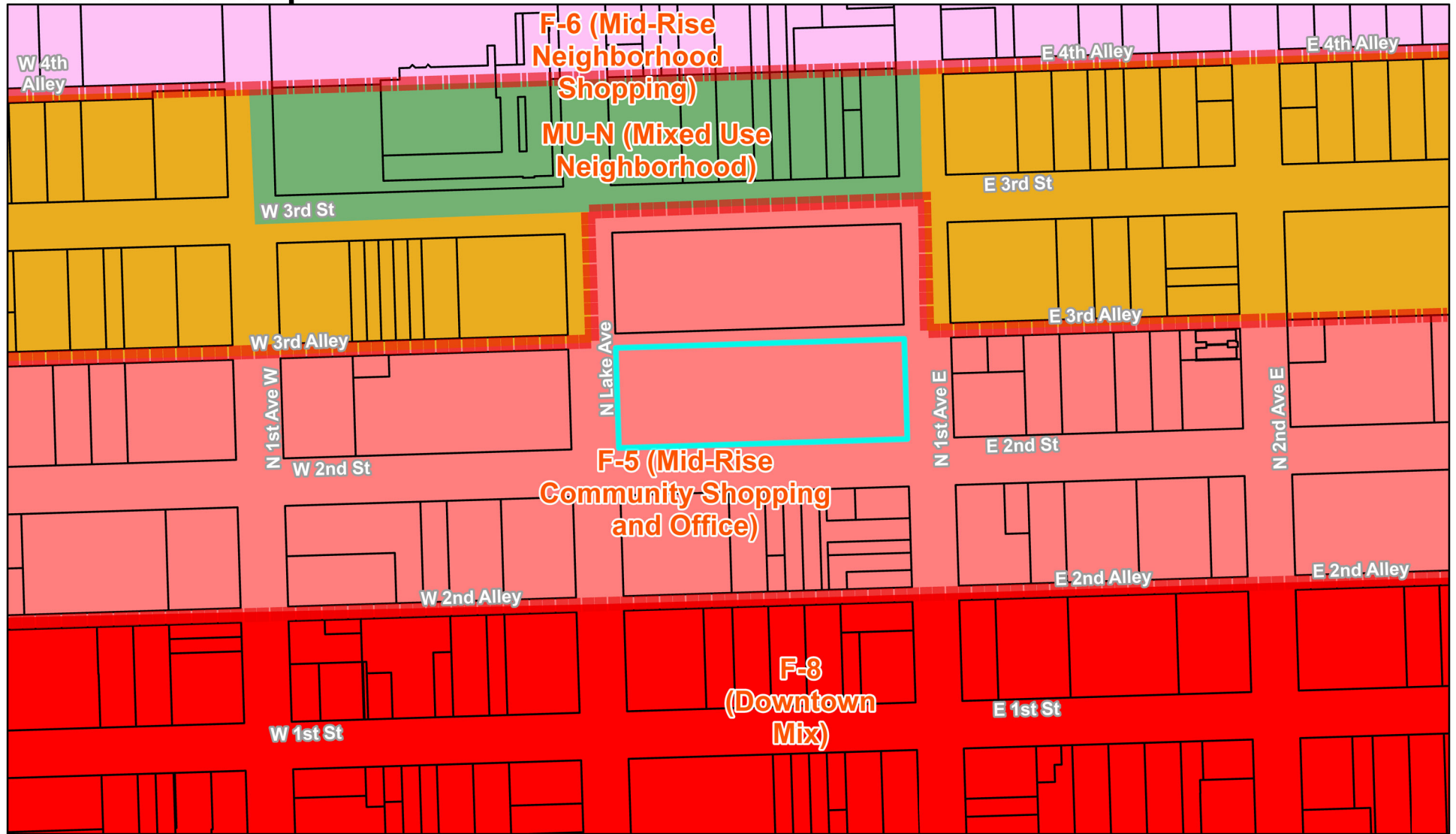
Dated: \_\_\_\_\_, 2021

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_  
Secretary

# Future Land Use Map



## Base Layers

 Zoning Boundaries

## Future Land Use Plus

-  Open Space
-  Open Space/Outside Duluth
-  Rural Residential
-  Low-density Neighborhood
-  Traditional Neighborhood

-  Urban Residential
-  Neighborhood Commercial
-  Central Business Secondary
-  Central Business Primary
-  Large-scale commercial
-  Tourism/Entertainment District
-  Commercial Waterfront
-  General Mixed Use
-  Neighborhood Mixed Use

-  Light Industrial
-  General Industrial
-  Industrial Waterfront
-  Business Park
-  Transportation and Utilities
-  Transportation and Utilities/Outside Duluth
-  Institutional
-  Project Location

MODIFICATION TO REDEVELOPMENT PLAN/  
MUNICIPAL DEVELOPMENT DISTRICT PROGRAM  
PLAN DATED MAY 15, 1989

A. Statement of Statutory Authority

Pursuant to Minnesota Statutes, Sections 469.090 through 469.108 (the "EDA Act"), the City Council of the City of Duluth, Minnesota (the "City"), established the Duluth Economic Development Authority ("DEDA") by resolution dated April 24, 1989 (the "Resolution"). The EDA Act and the Resolution authorize DEDA to establish municipal development districts pursuant to Minnesota Statutes, Sections 469.124 through 469.134, and housing development projects pursuant to Minnesota Statutes, Sections 469.001 through 469.047. Within such projects, DEDA is authorized, pursuant to Minnesota Statutes, Sections 469.174 through 469.179 (the "Act"), to create tax increment financing districts.

In accordance with the above-referenced statutory authority, DEDA established the Redevelopment Plan/Municipal Development District (the "Project") and adopted the Redevelopment Plan/Municipal Development District Program Plan, dated May 15, 1989, for the Project (the "Project Plan").

B. Modification to the Project

DEDA desires to utilize TIF monies outside the current geographic boundaries of the Project. Additionally, DEDA may desire to provide tax-increment assistance for housing developments located in areas of the City that are outside the current geographic boundaries of the Project.

DEDA is modifying the Project and the Project Plan by expanding the geographic boundaries of the Project to include all property within the City of Duluth as legally described in Exhibit A and as shown on Exhibit B attached hereto and incorporated herein.

C. Statement of Objectives

As provided in the Redevelopment Plan/Municipal Development District Program Plan, the general objectives for the Project are as follows:

1. to increase the supply of decent, safe and sanitary housing within the community for persons of all income levels, with emphasis on the creation of rental and ownership opportunities for persons and families of low and moderate income;
2. to provide such housing in areas that are appropriate for such uses and

in need of housing investment, with emphasis upon lands potentially useful for contributing to the public welfare, but which, by reason of special problems or conditions, have not reached full development potential by the ordinary operations of private enterprise;

3. to carry out the provision of housing and development of undeveloped and underdeveloped lands within the City, compatible with the planning needs of such areas and consistent with the general land use plan and other components of the City's Comprehensive Plan;
4. where necessary, to further the projection of low- and moderate-income units in an appropriate economic mix, in such ratio as DEDA determines is necessary to meet the objectives of the City's Comprehensive Plan and project development financing requirements;
5. to coordinate acquisition, site preparation and improvements, provision of necessary public improvements and facilities, provision of low and moderate income housing and other Project activities on Project housing sites, and to spread and equalize the costs thereof, in order to accomplish the entire Project development at a cost reasonably related to the public purposes to be served;
6. to establish re-use valuations based on housing re-use, or use ancillary to the provision of housing, including the provision of low- and moderate-income units, and to sell acquired project sites for private redevelopment in accordance with the Housing Development Project/Municipal Development District Program Plan, dated May 15, 1989, at economically feasible land sale prices in order to induce and make possible private participation in the Project District development;
7. to provide private developers with information regarding zoning, land use controls, and other City and Project requirements; information and assistance in obtaining construction and permanent financing; and information and assistance regarding construction of site and public improvements and financing for measures necessary to correct site sub-soil conditions or other characteristics which are inhibiting normal development, all in accordance with development agreements;
8. to assist in the provision of rental opportunities to persons of low and moderate income at prices or rents within their means and to make advance commitments with respect to such rental assistance in low and moderate income units in order to assist developers in securing financing for housing improvements;

9. to finance the development costs of the Project and the provision of low- and moderate-income housing by means of tax increment generated by Project improvements and development and through the use of other available funding sources; and
10. to finance housing development and land redevelopment by a combination of private and public financing sources under the authority of and subject to the requirements of applicable federal, state and local laws and ordinances.
11. to encourage and promote the development of tax-forfeited lands located in the Project and thereby guide the type of developments which will enhance the quality of the surrounding neighborhood.
12. to promote the voluntary rehabilitation of substandard, or deteriorated or deteriorating housing units within the Project through the use of tax increment and other available funds.
13. to encourage and assist the development of private and public improvements which do not by themselves provide additional housing units within the Project, but which are necessary to serve the needs of residents of existing and projected residential areas.

D. Exhibits.

The Exhibits to this document are as follows:

- Exhibit A: Legal Description of Redevelopment Plan/Municipal Development District
- Exhibit B: Map of Redevelopment Plan/Municipal Development District

I:\BUS\_DEVELOPMENT\TIF\housingdistrict\districtplan



## Exhibit A

That property located in St. Louis County, Minnesota as follows:

### CHAPTER I. NAME AND GENERAL POWERS.

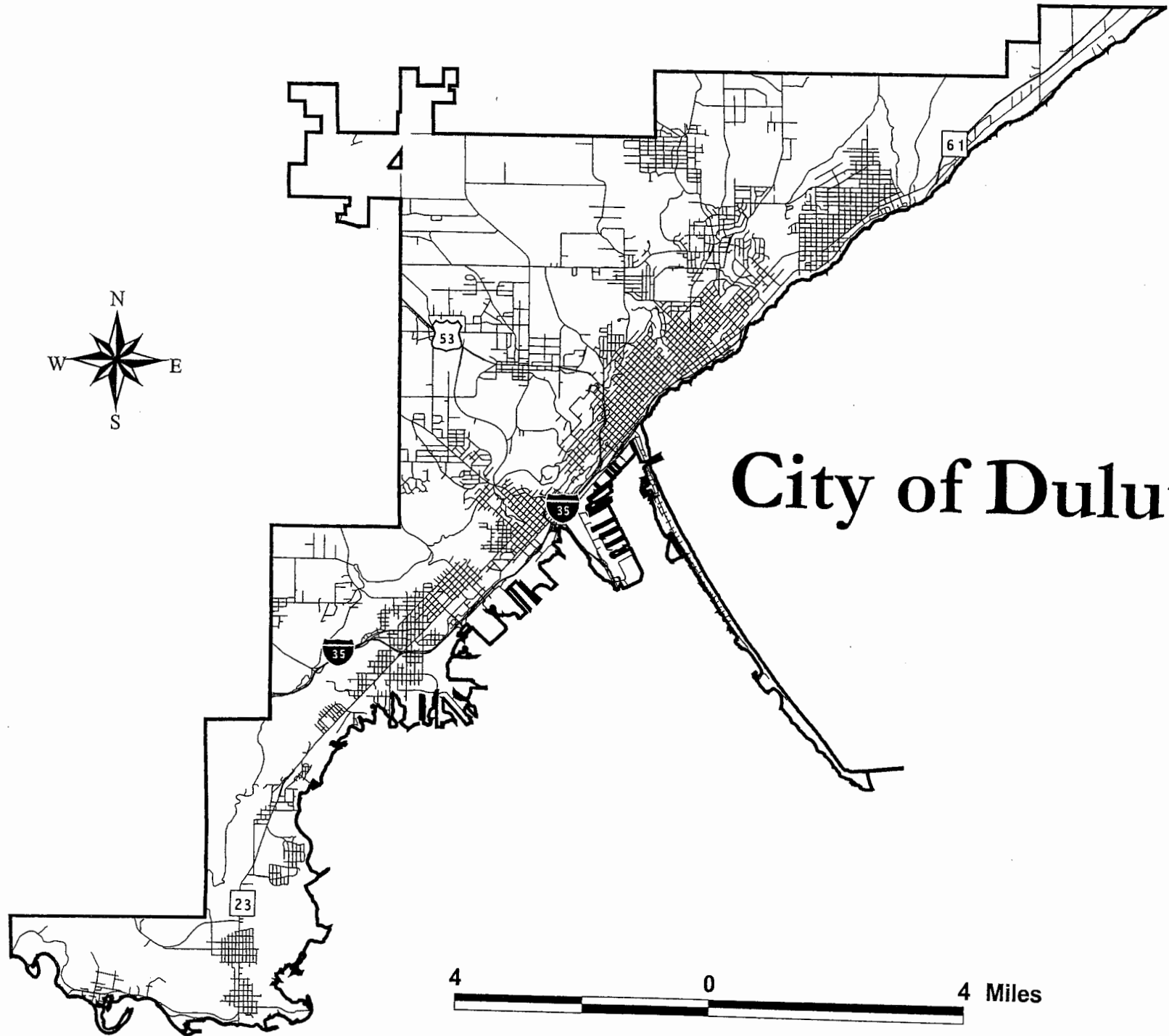
#### Sec. 1. Generally.

The city of Duluth in the County of St. Louis and State of Minnesota shall continue to be, upon the adoption of this Charter, a municipal corporation of the same name, and with the same boundaries as it now has, to-wit: Commencing at a point where the north line of section twenty-five (25) township fifty-one (51) north of range thirteen (13) west, in St. Louis County, Minnesota, intersects the shore line of Lake Superior; thence west to the northwest corner of section twenty-six (26), in said township fifty-one (51) north of range thirteen (13) west; thence south to the quarter corner post on the west line of said section twenty-six (26); thence west to the center of section twenty-seven (27) in said township fifty-one (51) north of range thirteen (13) west; thence south to the quarter corner post on the south line of said section twenty-seven (27); thence west to the northwest corner of section thirty-five (35) in township fifty-one (51) north of range fourteen (14) west; thence south to the southwest corner of said section thirty-five (35); thence west to the northwest corner of township fifty (50) north of range fourteen (14) west; thence south to the southwest corner of said township fifty (50) north of range fourteen (14) west; thence west to the northwest corner of section two (2) in township forty-nine (49) north of range fifteen (15) west; thence south to the southwest corner of section fourteen (14) in said township forty-nine (49) north of range fifteen (15) west; thence west to the northwest corner of section twenty-two (22) in said township forty-nine (49) north of range fifteen (15) west; thence south to the southwest corner of section thirty-four (34) in said township forty-nine (49) north of range fifteen (15) west; thence west on the town line between township forty-eight (48) north of range fifteen (15) west and township forty-nine (49) north of range fifteen (15) west, to the southwest corner of said township forty-nine (49) north of range fifteen (15) west; thence south on the range line between township forty-eight (48) north of range fifteen (15) west and township forty-eight (48) north of range sixteen (16) west, to the center line of the channel of the St. Louis River; thence along the center line of the channel of said river to the state boundary line between the States of Minnesota and Wisconsin; thence along said state boundary line to the mouth of the St. Louis River at the entry of the Bay of Superior between Minnesota and Wisconsin points; thence in a straight line to the place of beginning.

By and in its corporate name, it shall have perpetual succession; save as herein otherwise provided and save as prohibited by the Constitution or Statutes of the State of Minnesota, it shall have and exercise all powers, functions, rights and privileges possessed by the city of Duluth prior to the adoption of this Charter; also all powers, functions, rights and privileges now or hereafter given or granted to municipal corporations of the first class having "home rule charters" by the Constitution and laws of the State of Minnesota; also all powers, functions, rights and privileges usually exercised by, or which are incidental to, or inhere in, municipal corporations of like power and degree; also all municipal power,<sup>2</sup> functions, rights, privileges and immunities of every name and nature whatsoever; and in addition, it shall have all the powers, and be subject to the restrictions contained in this Charter. In its corporate name, it may take and hold, by purchase, condemnation, gift or devise, and lease and convey any and all such real, personal or mixed property, within or without its boundaries as its purposes may require, or as may be useful or beneficial to its inhabitants.

(A). Certain lands upon which the Duluth International Airport is located were annexed to the corporate limits of the city of Duluth by Ord. No. 7564, passed February 13, 1967, under authority of M.S.A. 414.03, Subd. 2.





# City of Duluth

