



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802



218-730-5580



planning@duluthmn.gov

Date: September 14, 2021

To: Planning Commission

From: Jason Hale, Senior Housing Developer

RE: Planning Commission concurrence - Intent to Sell – Southern area, Lester Park Golf Course- PL 21-152

Recommendation:

Staff recommends adoption of the resolution associated with PL 21-152, which recommends to the City Council that the referenced property be sold.

Summary:

When lands that are designated as “park” property are proposed for sale or transfer within the City of Duluth, a specific provision of state legislation applies. In 1955, the Legislature acted to provide an option for Duluth to sell park lands, but included a provision that “No sale of property authorized under this act shall be made unless it shall first receive the recommendation of the planning commission of such city, evidenced by a written resolution adopted by a three-fourths vote of such commission, and filed as a public record with the clerk of such city...”. The legislation goes on to specify required actions for the City Council to provide for the sale.

Lester Park golf course has been designated as one such park property to be evaluated for sale. In August of 2014, the City issued a request for proposals for the development of all or a portion of the Lester Park golf course. The process resulted in several housing-development concepts, but ultimately none were advanced. In May of 2019, City Council approved a preliminary intent to sell 50 acres of property at the southern end of Lester Park golf course; in October of 2019, the City issued another request for proposals for the development of those 50 acres. One proposal was selected to proceed from this recent RFP process in the spring of 2020, but due to the COVID-19 pandemic and the large size of the property in question, that proposal was withdrawn.

The City continues to recognize the need for additional housing in Duluth and, in particular, affordable housing. Furthermore, the availability of large, developable parcels is limited within the city. Through the addition of housing in this location, new residents and the commensurate greater level of density in the neighborhood will support additional small-scale retail and commercial opportunities in the area, consistent with existing comprehensive plan priorities for the Lakeside neighborhood, which was identified as a ‘core investment area.’

The resolution for Planning Commission consideration proposes sale of approximately 37 acres, or 14% of the site, for mixed use, mixed-income development. The total area is 13 acres less than previously discussed and leaves the remainder of the property and its use open for future evaluation. The proposal aligns with the Commission’s approval of the rezoning of this southern area of the golf course to MU-N in June of 2019.

The City has pursued various options for this site for several years, but has not identified a successful or financially viable option. Since that time, various steps have been taken to promote the opportunity for future development of this portion of the site. The current resolution is a step in a process to provide additional certainty for potential development

partners, and a phased approach to promote more thoughtful, adaptable development consistent with neighborhood priorities. The proposed transfer to the Duluth Economic Development Authority advances the development process; however, the transfer will include clauses to provide for the property to revert back to City ownership should no successful project be identified, and to provide for any funding related to the sale to be provided to the City. Consistent with the intent for the process for disposition of this property, funding and golf related aspects of this proposal for sale of land will be taken up by the Parks and Recreation Commission, the City Council, and the Duluth Economic Development Authority.

**PLANNING COMMISSION
CITY OF DULUTH, MINNESOTA**

RESOLUTION NO. PL 21-152

**RESOLUTION OF THE CITY OF DULUTH PLANNING COMMISSION RECOMMENDING
THE CITY COUNCIL APPROVE SALE OF CERTAIN REAL PROPERTY IN THE LESTER
PARK NEIGHBORHOOD TO THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY
FOR NOMINAL CONSIDERATION.**

WHEREAS, the City issued requests for proposals for the development of all or a portion of the Lester Park Golf Course in 2014 and 2020; and

WHEREAS, neither process resulted in proposals which the City determined would result in development of said property which would meet the need and goals of the City; and

WHEREAS, the approximately 37 acres of the property currently used for Lester Park Golf Course, as described and depicted on attached Exhibit A and hereinafter referred to as the “City Property” would be appropriate for mixed used development; and

WHEREAS, the purpose of the proposed conveyance of the City Property to the Duluth Economic Development Authority is for the purpose of fostering the development and advancement of mixed income housing units and small-scale commercial development on the Property; and

WHEREAS, the Duluth Economic Development Authority is equipped to facilitate the development of the City Property; and

WHEREAS, the Commission has reviewed the conditions of conveyance on the attached Exhibit B to determine conformity with the general plans for the development and redevelopment of the City as described in the comprehensive plan for the City; and

WHEREAS, pursuant to Section 2-176(b) of the City Code, Preconditions of Conveyance, requires that the City’s Planning Agency review proposals for conveyance of City property for conformity to the City’s comprehensive plan and shall report its findings in writing to City Council.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the proposed conveyance of the City Property to the Duluth Economic Development Authority for advancement of mixed income housing units and small-scale commercial development conforms with said comprehensive plan.

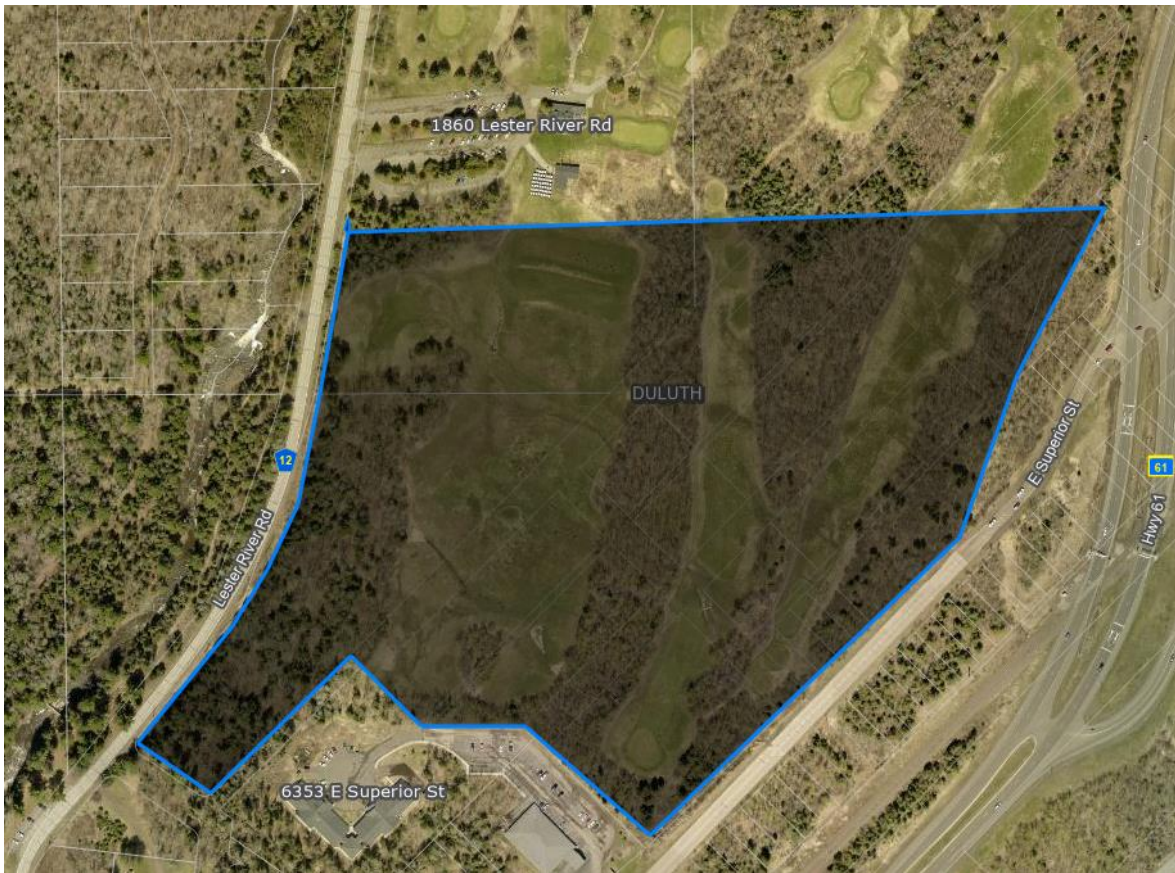
Dated: _____, 2021

Chair

ATTEST:

Secretary

Exhibit A



The Property as generally depicted above includes the following parcels:

- 010-2860-02710
- 010-2860-01720
- 010-2860-01480
- 010-2860-01680
- 010-2860-01690
- 010-2860-01710
- 010-2860-01440
- 010-2860-02910
- 010-2860-02670
- 010-2860-01180
- 010-2860-03030
- 010-1410-00120;

as well as portions of the following:

- 010-1410-00110
- 010-1410-00130
- 010-2860-02390

Exhibit B

The intention to convey property within the Lester Park Golf Course (the “Property”) is subject to the following conditions:

1. Two discrete sites will be reserved for affordable housing projects that rent to tenants earning 60 percent of the area median income on average, or less.
2. Not less than 20 percent of units within any multifamily housing project will be rented to individuals earning 60 percent of the area median income or less.
3. Any commercial development will be accessible to the larger community and will be less than 30,000 square feet.
4. Developments must be consistent with environmental and sustainability goals described in the City’s adopted comprehensive plan and include public pedestrian, bicycle and trail connections to surrounding public amenities and neighborhoods.
5. Development of the property must occur within seven years of conveyance; any property not developed within seven years of conveyance or under contract for development requiring completion of said development complying with the conditions of this resolution within nine years of conveyance will be re-conveyed back to City ownership unless further extended by City Council; the City will be a third-party beneficiary of such contract.
6. Development proposals for the property to be sold must include an evaluation of traffic impact, public transit access and multimodal transportation options.
7. Any development must follow all applicable statutes and city code.