



Council Agenda Item 25-949R

MEETING DATE: December 8, 2025

SUBJECT/TITLE: RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT WITH THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY (DEDA) REGARDING THE CONVEYANCE OF CERTAIN REAL PROPERTY (PROPERTY) IN THE LESTER PARK NEIGHBORHOOD AND AUTHORIZING DEDA TO EXPEND UP TO \$200,000 ON A LAND USE STUDY FOR THE PROPERTY.

SUBMITTED BY: Danielle Erjavec, Senior Property Services Specialist

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: Planning Commission Recommendation per Resolution PLOR-2510-0015 passed on October 28, 2025

PREVIOUS COUNCIL ACTION: 25-0845R (approved 10/27/2025); 25-0913R (approved 11/24/2025); and 25-032-O (first read on 11/24/2025)

BACKGROUND: This resolution authorizes a development agreement with the Duluth Economic Development Authority, a public body, corporate and politic and political subdivision under Minnesota Statutes Chapter 469 ("DEDA") for the public sale and development of approximately 230 acres of real property located within the former Lester Park Golf Course (the "Property"). As an economic development authority with the purpose of supporting economic opportunities and development, DEDA is appropriately equipped to facilitate development of the Property in accordance with the City's goals and objectives for the site.

This development agreement sets forth, with specificity and clarification, the pre-conditions to closing on the conveyance of the Property from the City to DEDA, as well as the post-closing requirements governing the public sale and development of the Property.

The ordinance authorizing the conveyance of the Property to DEDA will be considered under Ordinance No. 25-032.

DEDA unanimously approved this development agreement at a special meeting on December 2, 2025.

This resolution also approves DEDA's expenditure on the land use study of the Property in an amount not to exceed \$200,000. Pursuant to Resolution No. 25-0278, the city council must approve DEDA expenditures over \$150,000. The exact cost of the land use study will not be known until an RPF is issued and a consultant is selected.

BUDGET/FISCAL IMPACT: The City is responsible to pay for certain costs associated with the conveyance of the Property to DEDA, but DEDA will be fronting those costs; DEDA will remit sale proceeds of the Property to the City once it is sold to developers, which funds will be deposited equally into Funds 205 (Parks) and 255 (Economic Development).

OPTIONS: Approve resolution authorizing the development agreement so that Ordinance No. 25-032 authorizing the conveyance to DEDA has the appropriate, agreed-upon terms and conditions apply to the transaction

NECESSARY ACTION: Approve resolution

ATTACHMENTS: Exhibit 1, Legal Description of the Property; Exhibit 2, Development Agreement