



# DOWNTOWN DEVELOPMENT STRATEGY

BUILDING A GREATER DULUTH

MAY 2026



Planning & Development Division

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Viewing downtown from above Zenith Apartments, also known as Old Central High School, looking south toward Canal Park and Duluth Harbor Basin.

# GROUNDING & DISCOVERY

**Downtowns are being reinvented.** In the wake of decades of retail shifts (first to suburban areas and then to online shopping) and more recent shifts in office work, downtowns across the country are facing empty storefronts and office suites. Downtown Duluth, like many others, is experiencing vacant spaces, undeveloped and underdeveloped lots, and less commercial and human activity.

A hundred years ago, downtowns were thriving places with a mix of residential, work, and retail spaces. The core to a downtown development strategy, then, involves methods for returning them to *thriving places where people live, work, and gather.*

In other words, Downtown should not be just a central business district, but a **central social district**. Downtown as a neighborhood within Duluth should provide a key mix of housing, workplaces, and destinations for residents and visitors.

Duluth's downtown has astounding assets upon which to build. With land use historically constrained by the hill and waterfront, the built environment is compact, with an urban form and density that makes efficient use of infrastructure and offers opportunities only a population center can provide. The area can also support significant new housing and growth. The commercial historic district creates identity and a cultural sense of place. Access to the waterfront supports recreation, commerce, and events.

With this Strategy, the City of Duluth aims to help connect all these pieces.



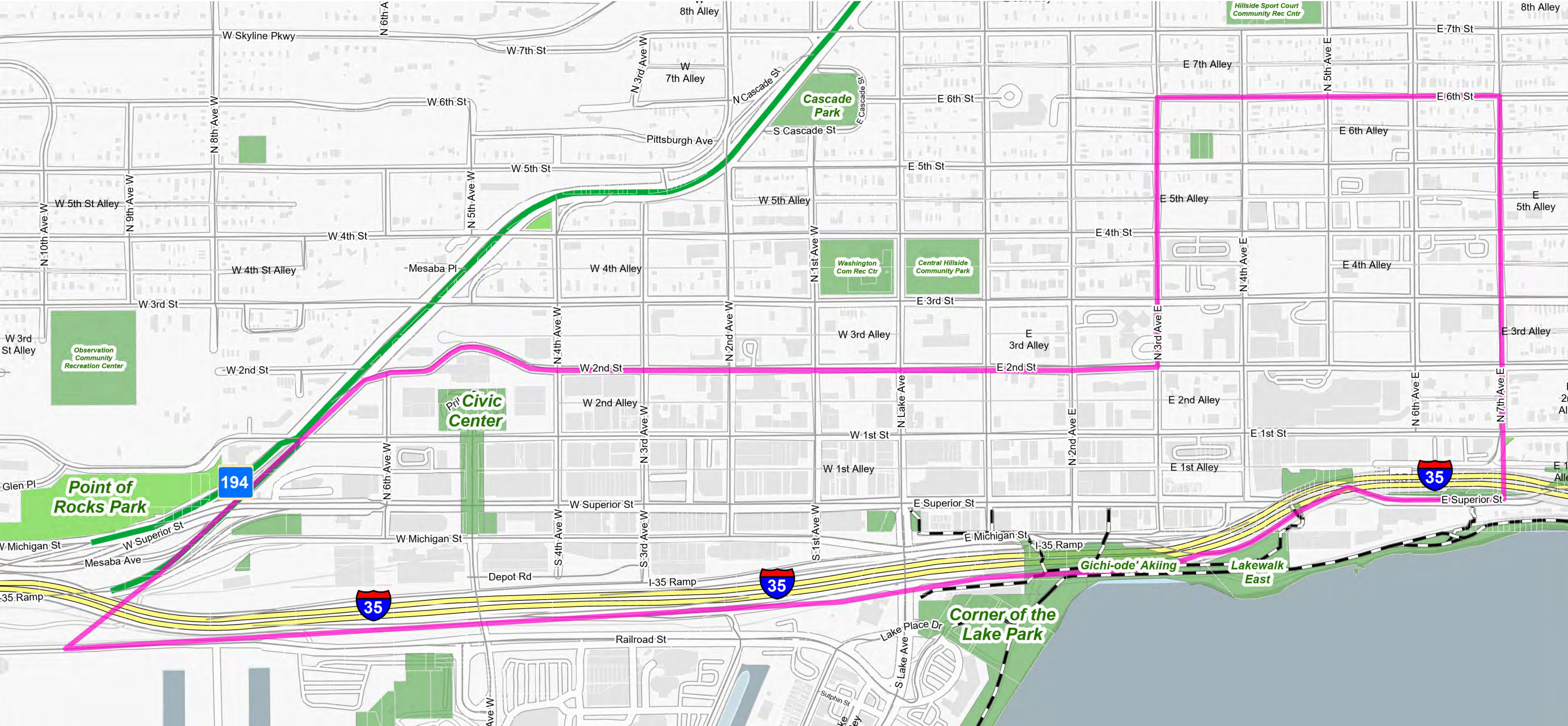
A view inside the Juice Pharm (208 E 1st St), site of the former Red Herring Lounge, in April 2026.



Development of the Shoppers Auto Park on the site of the old Garrick Theater at 2nd Avenue West, south of West 1st Street, 1957. ([University of Minnesota Duluth, Kathryn A. Martin Library](#))



The construction of The Lakeview at 333 on the site of the Voyageur Lakewalk Inn at the corner East Superior Street and 4th Avenue East, June 2025.



A map of the Downtown area showing the Downtown Development Strategy Area. The area of focus for this Strategy is centered on the downtown core, which has the most significant development potential, and areas around Essentia’s campus.

# BUILDING UPON PREVIOUS AND CURRENT WORK

The Downtown Development Strategy builds upon years of planning and other efforts to identify its key initiatives. Rather than recreate the significant processes, involvement, goals, and data from each of these plans, this Strategy gathers the key components from each, identifies the development priorities for Downtown, and ties them together in an action plan for the city.

## Imagine Duluth 2035

Imagine Duluth 2035 is Duluth’s comprehensive plan. Initiated in 2016 and officially adopted in 2018, this plan covers the entire city and includes chapters on land use, transportation, housing, and open space, among others.

### Governing Principles Of Imagine Duluth 2035

Governing Principle	Description	How It Applies to Downtown
1 - Reuse previously developed lands.	Reuse of previously developed lands, including adaptive reuse of existing buildings and historic resources, directs investment to sites which have the potential to perform at a higher level than their current state.	With vacant spaces, historic buildings, and empty lots, downtown is an ideal location to reuse previously developed lands.



An aerial view of Downtown and East Hillside, looking west from 14th Avenue East, in 2017.

Governing Principle	Description	How It Applies to Downtown
2 - Declare the necessity and secure the future of undeveloped places.	Urban plazas and neighborhood parks create open spaces that provide vistas, encourage active recreation, and help define Duluth’s sense of place.	The Downtown Strategy identifies key open spaces, and highlights new ways to provide connectivity and active public spaces within downtown.
3 - Support existing economic base.	Supporting Duluth’s existing economic foundation (such as manufacturing) maintains jobs, tax base, and opportunity	These employers increasingly report that attracting talent requires providing vibrant, walkable neighborhoods. Housing, particularly for employees just moving to town, remains scarce. Downtown provides a location for needed housing as well as the culture and amenities employees seek.



A view along West Superior Street in Downtown, looking east from 6th Avenue West, in 2025.

Governing Principle	Description	How It Applies to Downtown
4 - Support economic growth sectors.	Emerging sectors add economic, cultural, and social diversity. Examples include higher education, medical, arts and music, information technology, and visitor services.	Downtown provides spaces for many of these sectors. Visitor services includes providing a walkable and thriving downtown that tourists identify as a destination. Medical institutions on the eastern end of downtown identify a need for additional housing and services for employees and patients.
5 - Promote reinvestment in neighborhoods.	Duluth is strongly defined by its neighborhoods. This principle seeks to strengthen neighborhood commercial centers and diversify residential opportunities that fit the neighborhood's character.	Downtown is a key neighborhood with opportunity for significant residential opportunities, as well as an existing commercial center. Strengthening this neighborhood is part of this Downtown Strategy.



At twilight, The Norshor Theater (211 E Superior St) after a \$30 million renovation in 2018.

Governing Principle	Description	How It Applies to Downtown
6 - Reinforce the place-specific.	Development should reinforce the elements and features that provide a sense of place, such as view corridors to the lake/river, historic elements, connections to streams and open space, and neighborhood commercial districts.	Downtown contains many landmarks as well as the commercial historic district, connections to the Lakewalk, and public spaces. This Strategy identifies ways to enhance and preserve these elements.
7 - Create and maintain connectivity.	Connectivity is established through our network of streets and highways, transit system, sidewalks and trails. Winter maintenance of sidewalks is critical.	The existing street grid and associated sidewalks provide excellent connectivity, with additional opportunities found in alleys. This Strategy identifies future transit options as well as ways to strengthen non-motorized transportation.



Looking west along Superior Street near 1st Avenue East in July 2025.

Governing Principle	Description	How It Applies to Downtown
8 - Encourage mix of activities, uses, and densities.	Cities have evolved as a mix of land uses and building types. Mixed uses provide a diversity of activity that segregated, uniform uses do not. Mix also refers to residential building types and income ranges.	Downtown is an excellent example of mixed use development and would benefit from increasing the residential opportunities available.
9 - Support private actions that contribute to the public realm.	Building form and details affect adjacent areas. Blank walls, undirected lighting, parking areas right at the sidewalk, and loading areas in a public way are all examples of features which detract from public areas.	As downtown sees new development, it is important to maintain key elements of the urban form and identify ways that private development can support public sidewalks and spaces.



The Force on Fifth (22 S 5th Ave W) after renovation of the Ordean Building in January 2026.

Governing Principle	Description	How It Applies to Downtown
<p>10 - Take actions that enhance the environment, economic, and social well-being of the community.</p>	<p>Becoming more sustainable improves our overall resiliency. Support building types and materials that reduce resource consumption and load on the waste stream, and focus on local and renewable energy and fuel sources.</p>	<p>District Energy provides future opportunities for sustainable heating and cooling in the downtown area; supporting reuse of historic buildings prevents materials from being sent to landfills. Dense development within the downtown area prevents sprawl, preserves natural resources in other areas, and supports lower transportation costs.</p>
<p>11 - Consider education systems in land use actions.</p>	<p>There is a connection between land use and all level of educational facilities. School locations, housing opportunities, and transportation are considerations. Higher education opportunities include housing that connects students to the community.</p>	<p>Downtown is the nexus of key transit routes, including connections to colleges. This provides opportunities for housing, community and cultural opportunities, and educational facilities that could benefit from a downtown location.</p>



Construction began on the Downtown library in 1976, with its doors opened in 1980.

Governing Principle	Description	How It Applies to Downtown
12 - Create efficiencies in delivery of public services.	The costs of public services such as street construction and maintenance, utilities, etc. must be considered in land use decisions. Infrastructure should direct development location rather than react to it.	Downtown development provides significant benefits in using existing streets and utilities.
13 - Develop a healthy community.	Supporting health and well-being is a priority. The City will actively promote access for all to health resources, quality food, recreation, social and economic opportunities, and a clean and secure environment.	Services such as recreation, social connections, and economic opportunities can converge in a great downtown neighborhood. Enhancing these opportunities and ensuring public safety is key to downtown.
14 - Integrate fairness into the fabric of the community.	All people will have equitable access to resources and opportunities that stabilize and enhance their lives. Needs identified during Imagine Duluth 2035 include housing, transportation, economic opportunities, access to parks and trails, and health disparities.	Ensuring downtown provides a range of services and housing, excellent transit, jobs, and connection to open spaces benefit all in the community.



The Downtown Transit Center (DTC) was built in 2016, a \$30 million project that began in 2016, designed to improve pedestrian safety and enhance transit services. (Duluth Transit Authority)

Imagine Duluth 2035 also identified the following about Downtown Duluth:

- Downtown is a key economic center. As the plan aims to connect employment centers to residential areas, establishing housing downtown and providing transit is important.
- Existing buildings downtown often need significant investment to be reused; this can be infeasible without incentives or subsidies.
- Economic sectors of health care and professional/technical services are expected to grow; this will necessitate additional space for these sectors, particularly downtown (Duluth has already seen some of this predicted growth with Essentia and Aspirus St. Luke's expansions). This will require vertical construction in the downtown area, and redevelopment of vacant and blighted properties.
- In the Housing chapter, downtown is shown as part of the Reinvestment area, with a recommendation to support mixed-use housing.
- The Downtown plazas and Lakewalk are identified as important open spaces.
- Lack of wayfinding was identified as a barrier for accessing open spaces; downtown was also identified as a place needing detailed wayfinding.
- Northern Lights Express (NLX) was identified as a future transportation option with a terminus in Downtown Duluth.
- Policy #4 of the Transportation chapter focuses entirely on connections in and between downtown and Canal Park.
- Policy #5 of the Transportation chapter focuses on how transportation infrastructure can contribute to neighborhood quality of life, including downtown.

- The chapter on Transformative Opportunities includes an entire section on Downtown Plans and Investments, recognizing that an extensive analysis of downtown was not available during the comprehensive plan's process but remained a high priority for the future. The section highlights many of the recommendations noted above, discusses both public and private partnerships, prioritizes the redevelopment of vacant and underutilized sites, and identifies transportation modes as a key factor in future implementation. Connectivity within downtown, including with the medical district, as well as with adjacent neighborhoods of Lincoln Park and Canal Park, is also mentioned.



Looking west on West Michigan Street toward 4th Avenue West in May 2025.

## Duluth Housing Needs Analysis

In 2025 a new housing needs analysis completed for the City of Duluth showed a need for 6,192 new housing units in the next 5 years. Although the City had added 1,100 new housing units in the previous 5 years, demand has outpaced the growth in supply.

Highlights from the market study include:

- In Duluth, households living alone are estimated to be the most common household type (37% of all households) in 2025, followed by married couple households without children (23%).
- In 2025, the largest adult cohorts by age in Duluth are 25 to 34 and 35 to 44, totaling an estimated 13,027 people (14.8% of the population) and 11,219 people (12.7%), respectively. By 2035, the largest age group is expected to remain the 24 to 34 age cohort, representing 14.2% of the total population.
- The number of non-family households increased 13.7%, adding 2,334 households, including 11.7% growth among households living alone (1,467 households).

It is estimated that Duluth’s downtown could support between 1,840 and 2,405 new housing units over five years.

## Imagine Downtown

Where Imagine Duluth 2035 is the City’s comprehensive plan, Imagine Downtown is the 5-year work plan for the Business Improvement District (BID). Conducted by the Downtown Duluth organization, engagement and outreach included a steering committee, interviews, focus groups, walking tours, and

listening sessions. This work plan identified 8 goals, as illustrated below.

According to the Imagine Downtown study, the office vacancy rate of 22.7% in Downtown Duluth now exceeds national rates. This suggests a declining need for office space. Relevant recommendations for this Downtown Development Strategy include:

- **Zoning:** Update the Unified Development Chapter (UDC) to allow more housing types such as townhomes in the downtown area. Simplify and streamline permit review procedures, aiming to keep staff as the primary decisionmakers for many types of projects. Review permitted uses to ensure active, foot-traffic-generating uses such as maker and craft uses and farmers market are permitted Downtown. Create a way for property owners to see form-district standards and other development standards in one place.
- **Historic preservation:** Explore ways to incentivize reuse of historic buildings.
- **Financing:** Facilitate access to financing tools and leverage partnerships with developers and agencies to incentivize new housing production.

**GOALS**

- ENSURE SAFETY AND QUALITY OF LIFE FOR ALL**  
Downtown services, organizations, businesses, and government work collaboratively and towards mutually beneficial outcomes to make it safe and welcoming for everyone who lives, works, shops, or visits.
- FULLY LEVERAGE THE LAKEFRONT AND NATURAL FEATURES**  
Downtown embraces its stunning hillside location along Lake Superior, fostering a vibrant waterfront community where nature, recreation, and people thrive together.
- CREATE A TRUE DOWNTOWN NEIGHBORHOOD**  
Downtown has a diverse and robust mix of housing along with high quality services and amenities to support residents living Downtown and nearby.
- CONNECT TO CANAL PARK AND NEARBY NEIGHBORHOODS**  
Downtown is connected to Canal Park, Lincoln Park, and other neighborhoods through multimodal infrastructure and cohesive development.
- SUPPORT AND GROW UNIQUE LOCAL BUSINESSES**  
Downtown is known as a great place to start a business as it fosters a variety of opportunities for economic development and supports local businesses (e.g., restaurants, retail, residential, maker spaces).
- MAKE DOWNTOWN A DESTINATION FOR ALL DULUTHIANS**  
Downtown is supported by local residents year-round because of its unique mix of local businesses, services, art, events, and programming that are uniquely of and for Duluth.
- ENHANCE THE PEDESTRIAN EXPERIENCE**  
Downtown has improved sidewalks and crossings beyond Superior Street; activation along ground floors; a clean and welcoming Skywalk; as well as moments of interest and intrigue around every corner.
- TELL ALL OF DULUTH'S STORIES**  
Downtown is supported by local residents year-round because of its unique mix of local businesses, services, art, events, and programming that are uniquely of and for Duluth.

Goals of the Downtown Work Plan (Imagine Downtown)

Strengthen incentives (tax abatements, density bonuses, fee waivers, facade improvement grants, streamlined permitting processes).

- **New tools:** Establish a development corporation to lead the creation of 1,500 new residential units underneath the existing structure of Downtown Duluth, delivering a diverse mix of housing types and scales to meet the needs of a growing and inclusive urban neighborhood.
- **Housing:** Evaluate, invest, and encourage the development of supportive and transitional housing within Downtown.
- **Public spaces:** Expand residential-friendly amenities such as children’s play areas, dog parks, seating areas, shade structures, water fountains, and accessible community gathering spaces.
- **Connectivity:** Conduct a comprehensive evaluation of the Skywalk system’s accessibility, relevance, and connectivity to modernize and reinforce the role of the Skywalk system. Continue to explore the feasibility of a greenway along Interstate 35. Strengthen connections to surrounding neighborhoods. Support 1st Street as a priority corridor.
- **Blight:** Identify Downtown properties that have reached a state of severe neglect, and support removal or remediation, particularly for those sites with opportunities for development or public space.



**DULUTH'S 5-YEAR DOWNTOWN WORK PLAN**

August 2025

- **Transit:** Enhance transit options between Downtown and higher education campuses. Explore expanded routes, increased service frequency, and safe, well-lit transit stops to improve access to Downtown housing, employment, cultural events, and services.
- **Economic development:** Create a business attraction and retention strategy to establish Duluth as a business-friendly, accessible, and exciting place to work with Downtown Duluth at the city’s heart.

**VALUES**

Thriving & Active	Safe & Comfortable
Resilient & Adaptive	Historic & Innovative
Of & For Duluth	Family & Tourist Friendly
Evolving & Diversifying	Placemaking & Urban Identity
Inclusive & Inviting	

**Values of the Downtown Work Plan**  
([Imagine Downtown](#))

Create a business attraction and retention strategy to establish Duluth as a business-friendly, accessible, and exciting place to work with Downtown Duluth at the city’s heart.

**Medical District Plans**

The Essentia campus abuts the commercial district on the east end of downtown. The Aspirus St. Luke’s campus lies a few blocks outside downtown. Together these medical campuses employ over 9,000 people and serve tens of thousands of patients from Duluth and the surrounding region. Completion of Essentia’s new hospital in 2023 and St. Luke’s Building A in 2012 is driving reinvestment in the medical district.

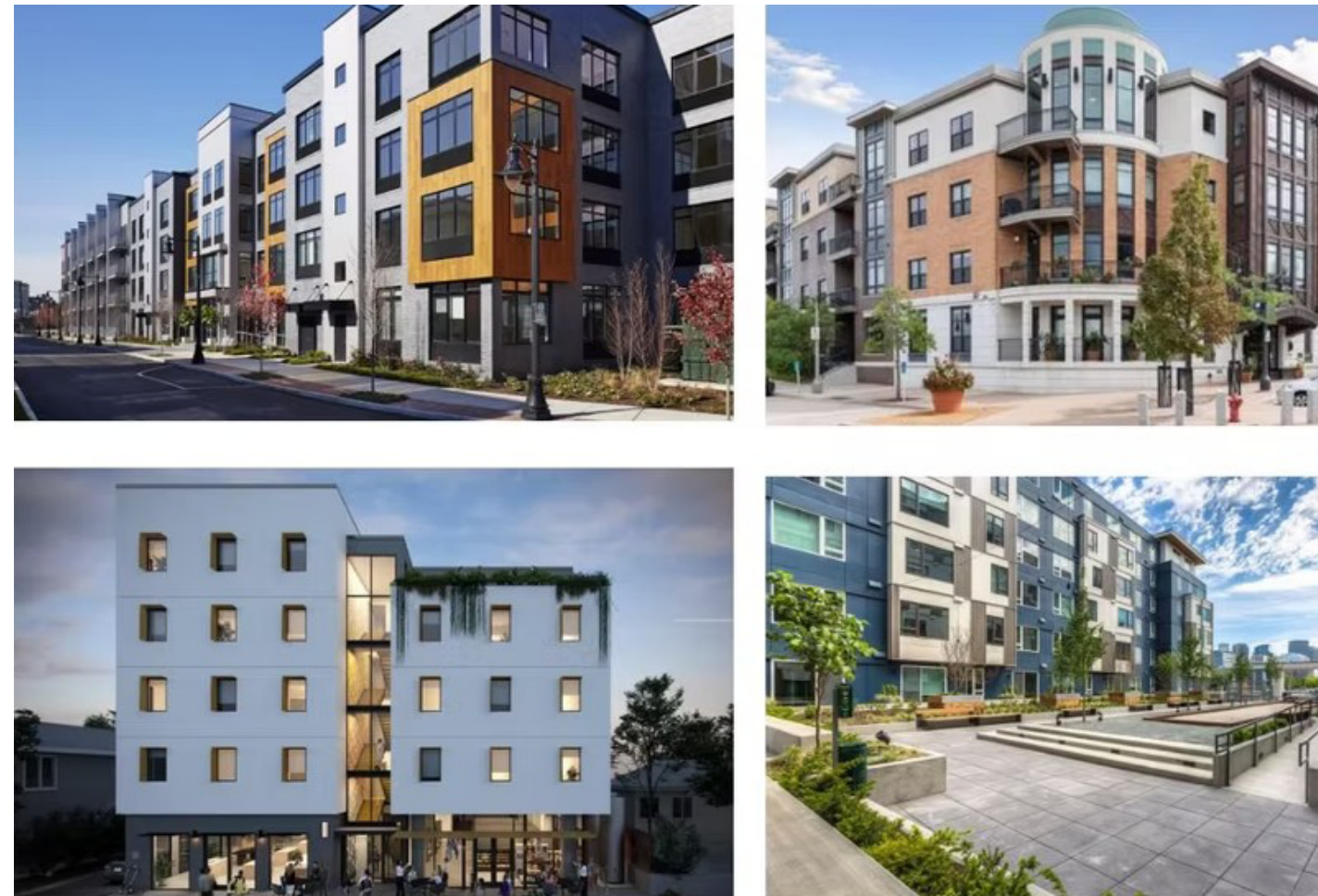
Essentia conducted two studies in 2024 to be used in future development planning near its campus: the Vision Northland Master Plan and a Duluth Market Study. The master plan focuses on development of the roughly 16 city blocks that comprise Essentia Health’s campus. Although it is a private master plan, four community meetings were held to solicit input on future redevelopment, and



its significant analysis included topography, transportation, demographics, visitor reach, and the companion market study.

Key notes that are carried forward into this Strategy include:

- Essentia’s campus will have a smaller footprint, leaving a large number of parcels available for redevelopment, much of which is centered on 4th Street and 6th Avenue E.
- The crossroads of E 4th St and 6th Ave E is a significant gateway into the district and should be carefully developed to create a strong sense of identity.
- Connected green spaces and public nodes are important features of campus redevelopment.
- Downtown Duluth has long suffered from a lack of investment in its aging housing stock, underutilized land and buildings, and poor connections.
- Duluth lacks a sufficient supply of quality housing.



A rendering of the medical district redevelopment from the Duluth Essentia Master Plan. ([Damon Farber Landscape Architects](#))

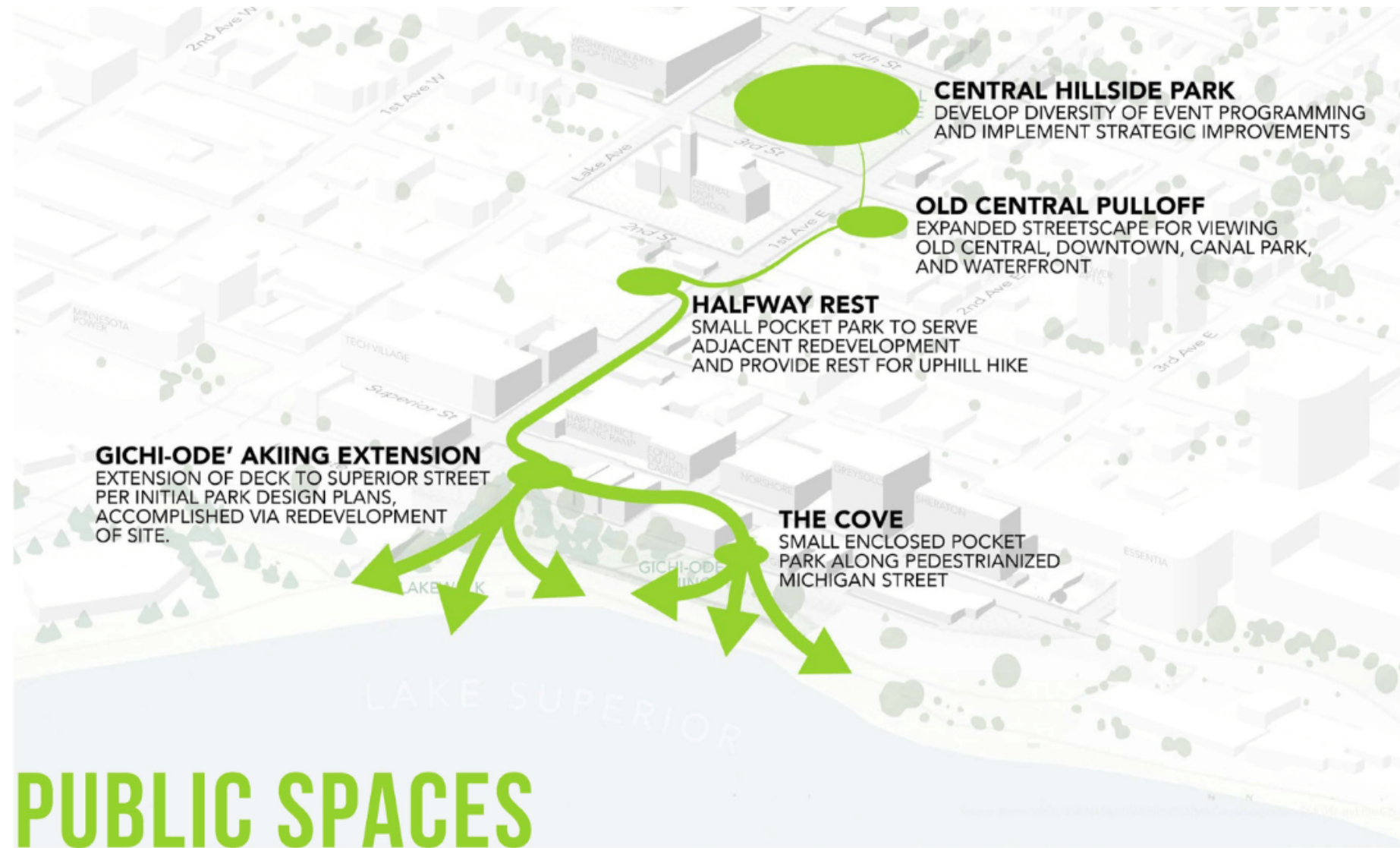


A rendering of the medical district redevelopment from the Duluth Essentia Master Plan. ([Damon Farber Landscape Architects](#))

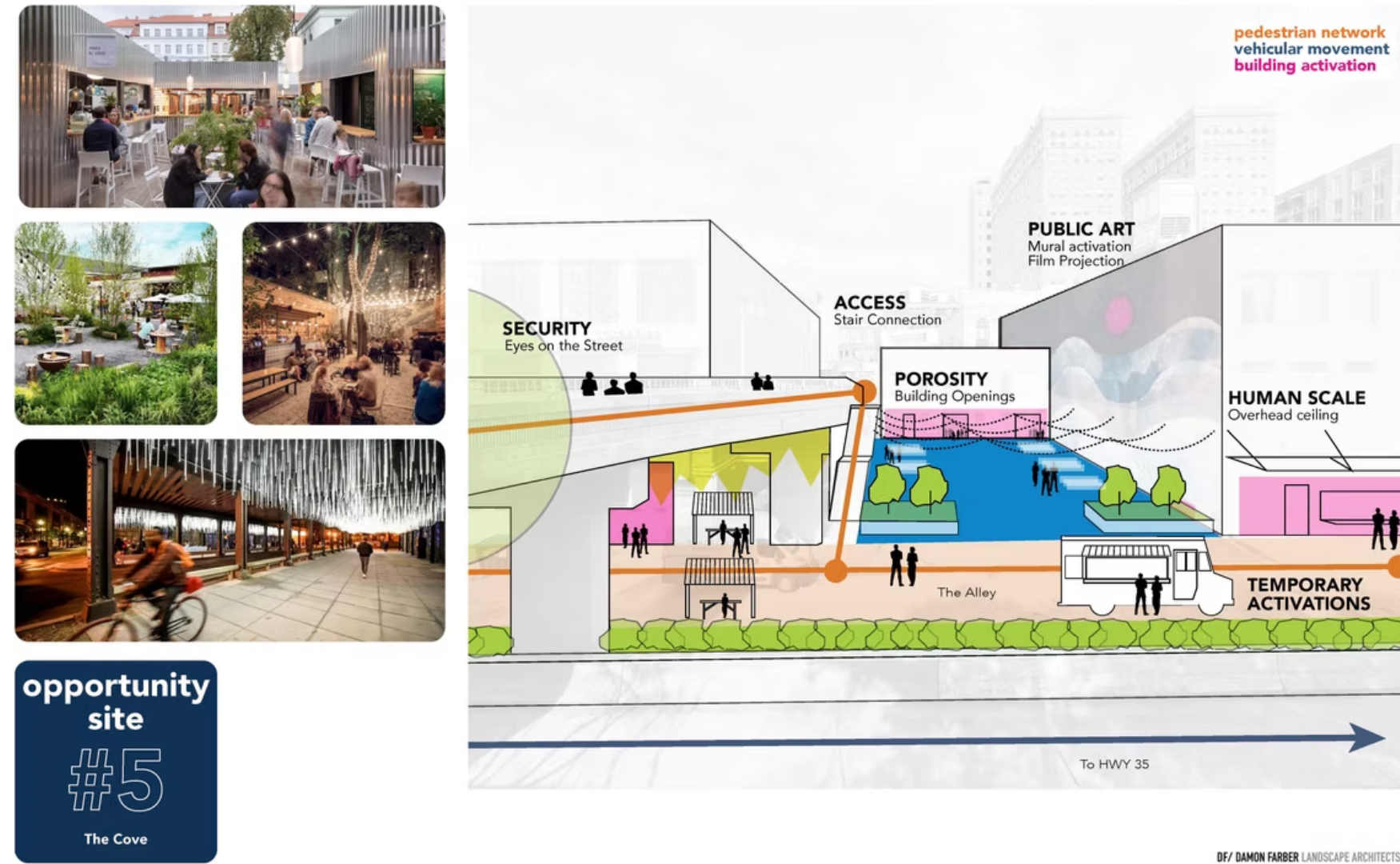
- Many Duluth employers are growing and plan to hire new employees. Unfortunately, the region is suffering from a lack of quality housing at every price point making it difficult to recruit talent to the region.
- The Essentia area has potential for 600 new housing units as well as significant retail, hotel, and medical office and classroom space.
- District funding is key to make development happen.

**“Downtown Duluth Revitalization Visioning”  
For Central Hillside Park To Lakewalk**

In 2023, DEDA worked with Damon Farber to complete a study of how to connect greenspaces in a portion of downtown. Recently completed housing, such as Zenith Apartments, highlighted the need for new downtown residents to access parks and green space. This study identified 1st Avenue E as a prime up/down corridor given its connection to both the Lakewalk and Central Hillside Park, as well as having less grade than other Avenues. The final study shows opportunities for streetscapes, improvements to existing spaces, creation of new public spaces, and connections to the HART district.



A diagram exhibiting potential connectivity between greenspaces, from Central Hillside Park down to an extended Gichi-Ode' Akiing to Superior Street. (Damon Farber Landscape Architects)



A diagram showing the values of access, security, and porosity of buildings with public art and temporary activations, all at a human scale. (Damon Farber Landscape Architects)



A rendering of a future Central Market with shelter, seating, and vendors. (Damon Farber)

**BUILDING UPON PREVIOUS AND CURRENT WORK**

### Duluth Transit Authority Better Bus Blueprint

In 2022 the Duluth Transit Authority launched the Better Bus Blueprint, creating system-wide changes to routes and frequencies.

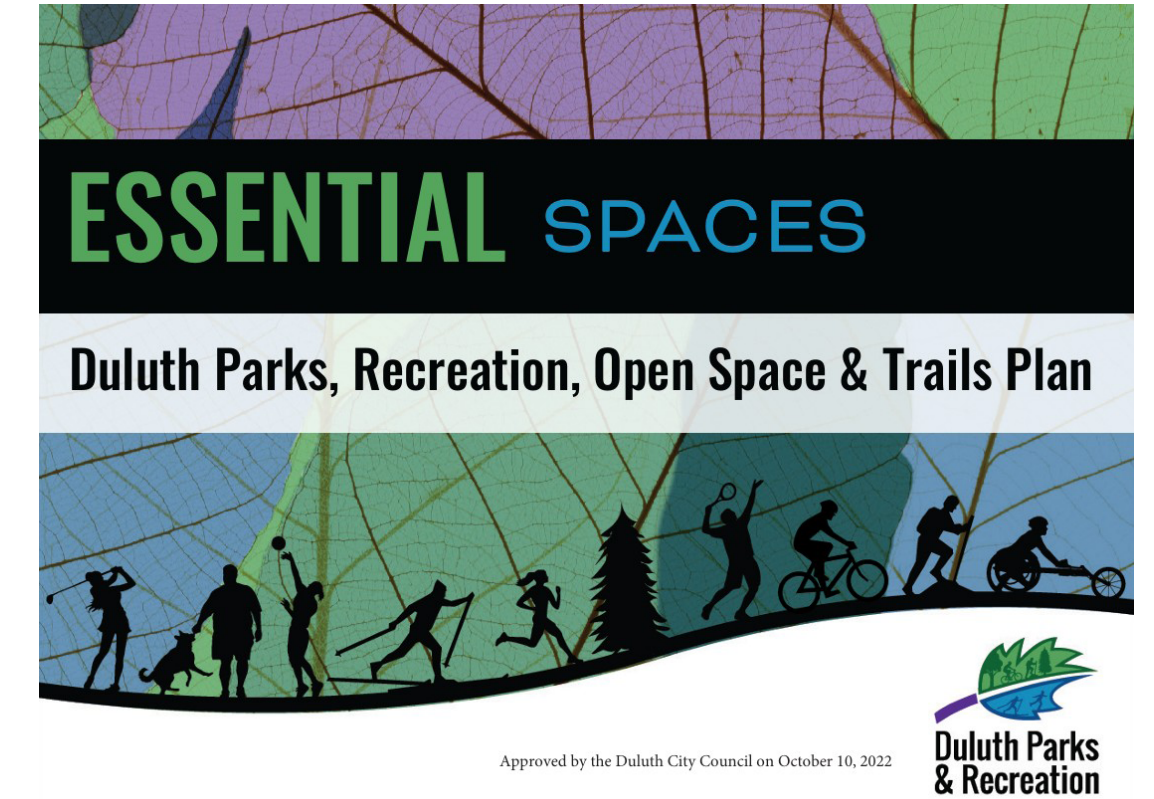
Downtown, transit runs along Superior Street, as well as portions of 2nd Street and 3rd Street. The Duluth Transportation Center on Michigan Avenue is the primary transit hub, servicing almost all routes in the area. Both DTA Go Lines (Blue and Green) connect through the DTC and travel along Superior Street providing 15-minute frequency, connecting all major destinations such as colleges, medical institutions, the mall area, and West Duluth.



**Better Bus Blueprint: A Bold Vision for the Future**

### Essential Spaces: Duluth Parks, Recreation, Open Space & Trails Plan

Essential Spaces is the master plan for parks in Duluth. The parks inventory for this area of downtown Duluth includes three public spaces: the Civic Center, at Priley Circle and 5th Avenue W, and two plazas at Lake Avenue and Superior Street. These are all classified as plazas, described in the plan as: “Provides opportunities for recreation close to home, particularly where access to larger parks is limited/not feasible. These parks are comprised of large proportion of hard surfaces suitable for events but do not contain restroom facilities, their own parking, play areas, or sport fields and courts.” The Civic Center plaza is the only one with greenspace, so it attracts many downtown dog walkers. The plan identifies downtown as a “high priority equity area” as well as an area where parks and open spaces can be utilized to decrease urban heat islands, to lower human health hazards and environmental impacts in central Duluth. It calls for increased trees, shade, and green space downtown.



**Essential Space: Duluth Parks, Recreation, Open Space, & Trails Plan**

## Skywalk Study

In 2025, City Council authorized a skywalk study to assess the current state of the skywalk system and a framework for addressing issues. The skywalk system, in particular the bridge structures over streets and alleys, is nearing the end of its functional life cycle, and many of the structures need significant overhauls in structural and safety components if they are to remain viable. The study also identified that the skywalks no longer contribute to the economic benefit of downtown, noting the vacant storefronts and significant drop in pedestrian traffic in recent years. The study recommended a “hybrid” approach, keeping some skywalks that provide critical connections while privatizing or eliminating others.

Among the actions identified are:

- As buildings redevelop, find opportunities to convert skywalk spaces within buildings to usable housing or other space.
- Identify skywalks that primarily serve individual buildings and look for ways to privatize those skywalks.
- Reimagine skywalk spaces that could be used for gathering spaces, play spaces, or other amenities.
- Identify funding to renovate or remove skywalks.
- Make the ground level circulation more viable by repairing sidewalks, replacing bricks, adding amenities, and focusing on snow removal.



A skywalk over West Superior Street from the Medical Arts Building to Duluth Camera.

# FRAMEWORK

The intent of this Downtown Development Strategy is to focus clearly on City of Duluth actions related to downtown development, recognizing that other entities have additional areas of expertise and focus, many of which are discussed in the plans mentioned above.

The City of Duluth Planning & Development Division aims to provide a step forward in achieving the vision expressed in Imagine Downtown:

*Downtown is a safe, welcoming, vibrant, and prosperous neighborhood, where everyone feels at home. By 2030, Downtown is filled with opportunities to connect and play, work, learn, and live for students, young people, and families of all shapes and sizes. Downtown public space improvements, mixed-use development, and exciting, home-grown activations reinforce a sense of pride, excitement, and wonder in all Duluthians.*

The City is actively planning for up to 2.2 million square feet of additional development within the downtown area, focused largely on vacant and underdeveloped areas.

Over 1.5 million of this would be for residential development. Downtown has the potential to offer new and diverse housing options including cooperative housing, townhomes, row homes, and condos. Density and varying levels of affordability will be a priority. And, we know office-to-residential building conversion have the potential to play a key role in the development of downtown housing.

The remaining development is estimated to come from institutional development and, to a smaller extent, increases in commercial and tourism development.

The City will look to the outcomes of the Visit Duluth Destination Master Plan to further define tourism-related opportunities.

To accommodate the estimated increase in residential units downtown, our work will center around growing our downtown neighborhood. This means thoughtful, modern developments focused on fostering social connection and health – with popular amenities, public spaces, cultural assets, and an enhanced pedestrian experience.

This document is an action plan, with four main goals:

- 1. Build Housing**
- 2. Focus Investment on Priority Areas**
- 3. Increase and Connect Open Spaces**
- 4. Activate**

# STRATEGIES

## 1. Build Housing

**Rationale:** Duluth needs thousands of units of new housing, and downtown has the market and infrastructure capacity to support approximately 1,800 to 2,200 of these, if key barriers are addressed. With the projected largest adult cohort falling in the 24-to-34 age range, as well as the need for housing for empty nesters, multi-family housing in a walkable neighborhood with shopping and amenities is needed. This implements Governing Principles 1, 3, 4, 5, 8, 10, and 12 of the comprehensive plan.

### 1a. Identify, prepare, and market vacant and underutilized lots, and convey to developers for housing construction.

Implementation Steps:

#### Short (Less Than 1 Year)

- Complete a site inventory and assessments of DEDA-owned sites to establish current conditions and future uses.
- Host a series Developer Roundtables to market available properties and provide support and information on priority products, funding opportunities, and available technical assistance.
- Work with an organization like Zeitgeist to complete community engagement and outreach to help create a vision for the Pastoret Terrace, Shopper's Ramp, and New Garrick sites.



The former Pastoret Terrace (also known as the Kozy) building, at the northeast corner of West 1st Street and 2nd Avenue East, is a redevelopment site owned by DEDA.

**Ongoing**

- Partner with other landowners, like Essentia, to sell their sites in the downtown district, providing technical assistance to help identify the best possible site uses.
- Facilitate partnership amongst developers including Duluth Housing and Redevelopment Authority (HRA), One Roof Community Housing, Center City Housing, and private market-rate developers.

**1b. Support reuse of existing buildings.**

Implementation Steps:

**Short (Less Than 1 Year)**

- Research unique housing models, such as cooperative housing, and evaluate for implementation downtown.
- Work with building owners and developers to identify barriers, such as condo insurance requirements.
- Partner with Life Safety, Construction Services, and Administration to understand and implement solutions for vacant buildings.
- Host a Developer Roundtable centered on building re-use.

**Mid (1-2 Years)**

- Identify buildings for potential office-to-residential conversions and create tools for technical and financial assistance.



The New Garrick Building (also known as the Pineapple Arts Building), cited in 1930 as “one of the most important improvements on First street.” (Duluth News-Tribune)

**Ongoing**

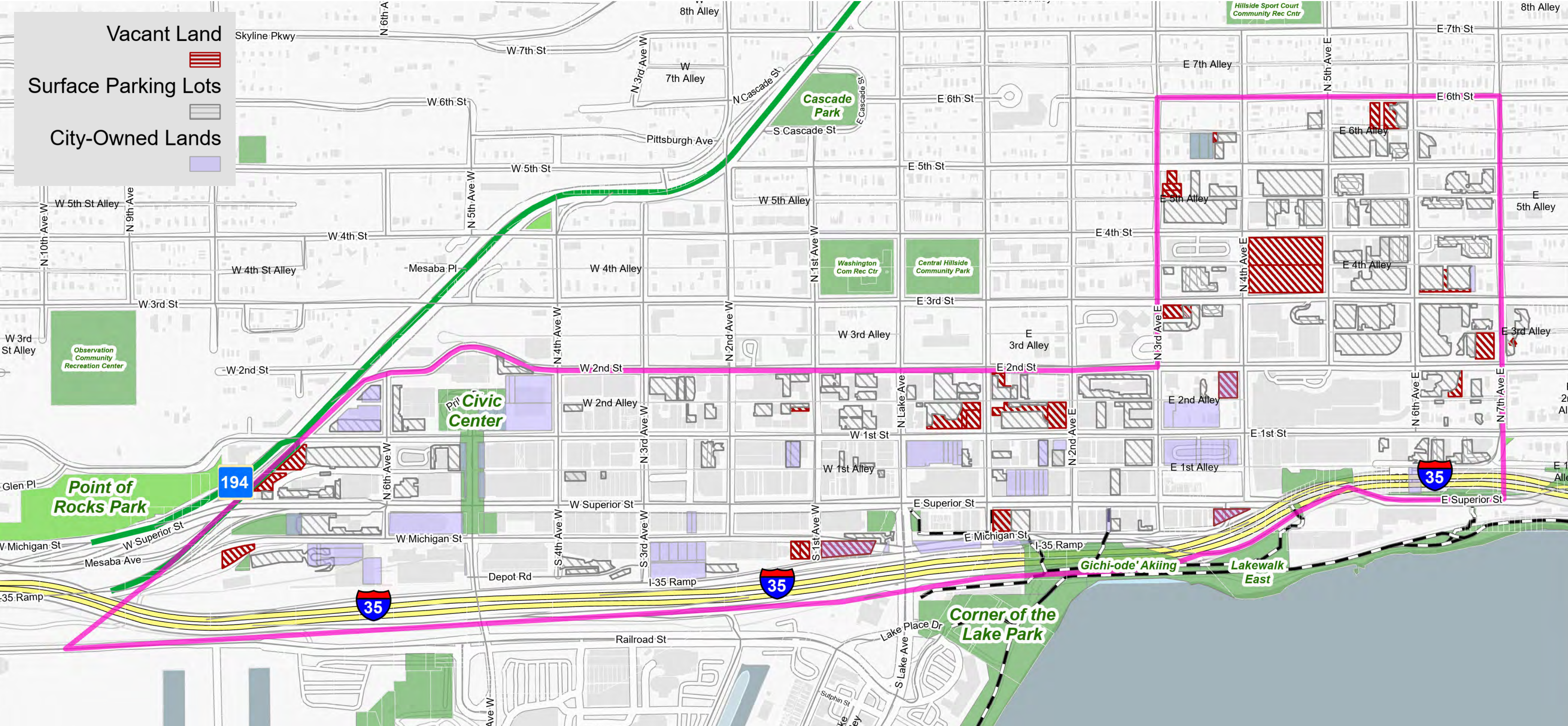
- Support the efforts of the Duluth HRA to identify opportunities for downtown housing (re)development.
- Support Minnesota Catalyzing Underutilized Buildings (CUB) Credit at the state-level.

**1c. Make the regulatory process easier.**

Implementation Steps:

**Short (Less Than 1 Year)**

- Complete a proactive environmental review for the downtown area that anticipates potential development and identifies mitigation strategies for any environmental impacts.



A map of the Downtown Development Strategy Area, showing vacant land, lots owned by the City of Duluth, and surface parking lots.

- Amend the Unified Development Chapter (UDC) to allow development that contributes to a dense, thriving, mixed-use urban environment.
  - Allow townhouses/rowhouses
  - Increase height maximums
  - Simplify Form District standards
  - Allow maker and craft uses downtown
  - Create a Transit-Oriented Development (TOD) overlay district.
- Create a downtown development guide, explaining rules and resources related to zoning, development standards, and the commercial historic district.

**2. Focus Investment on Identified Priority Areas: First Street and the 4th Street/6th Avenue E intersection**

**Rationale:** First Street has recently experienced significant blight and neglect due to deterioration and fires in several buildings. It also contains key development sites, has been identified as a future bike facility, and connects into the heart of the Essentia campus. On the eastern end of downtown the 4th Street/6th Avenue E intersection provides visible development opportunities along two major streets, providing a center point in the Hillside neighborhood. These strategies implement Governing Principles 1, 5, 6, 7, 9, and 13 from the comprehensive plan.

**2a. Plan for non-motorized transportation on 1st Street.**

Implementation Steps:

**Short (Less Than 1 Year)**

- Research slow streets and share the results with Council, staff, and the public.

**Mid (1-2 Years)**

- Conduct a slow streets pilot project on a portion of 1st Street.



A view of the sidewalk of West 1st Street, east of North Lake Avenue at twilight, February 2026.

**Long (3+ Years)**

- Based on the results of the pilot project, create a design to implement slow streets improvements into the corridor, including placing the project into the City’s Capital Improvements Plan (CIP).

**2b. Add amenities along 1st Street that contribute neighborhood quality of life.**

Implementation Steps:

**Short (Less Than 1 Year)**

- Replant street trees along the corridor.

**Long (3+ Years)**

- Incorporate bike racks, landscaping and planters, and ambient lighting in strategic places to encourage small-scale improvements.

**Ongoing**

- Ensure City and DEDA properties are maintained, including mowing, graffiti removal, and repairs.

**2c. Prioritize development funding and incentives along 1st Street.**

Implementation Steps:

**Short (Less Than 1 Year)**

- Apply for an EPA Assessment grant to help identify site contamination.
- Utilize Brownfields Revolving Loan Funds for developments on this street.

**Mid (1-2 Years)**

- Advocate for recapitalization and expansion of the Regional Exchange District.



The intersection of 6th Avenue East and East 4th Street in November 2018, showing temporary bicycle lanes and crossings during the Hillside Better Block tactical urbanism event.

**Ongoing**

- Continue to support 1200 Fund’s Historic Fund and Storefront Loan Program.

**2d. Install strategic improvements to the 4th Street/6th Avenue East intersection.**

Implementation Steps:

**Mid (1-2 Years)**

- Utilize placemaking techniques to work with Essentia, Zeitgeist, and other neighbors in designing identifiable features such as signage, sidewalk improvements, art, and landscaping that identify the intersection as a key place in the neighborhood.

**2e. Prioritize development near the 4th Street/6th Avenue East intersection.**

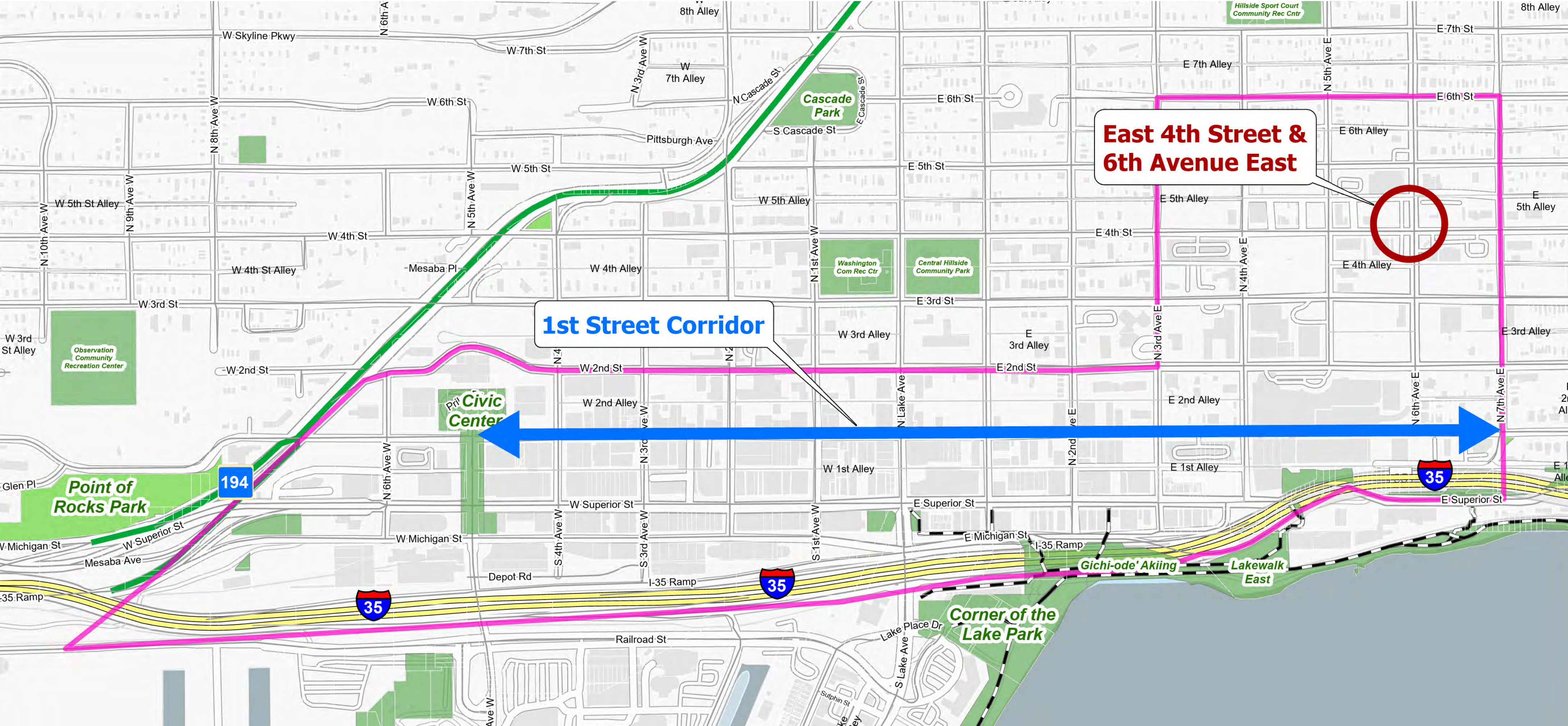
Implementation Steps:

**Short (Less Than 1 Year)**

- Work with Essentia to prepare and market surface parking lots adjacent to the intersection for development. Ensure these visible corners are prioritized as the first redevelopment sites.



East 4th Street near 5th Avenue East, looking east along a commercial block, April 2026.



A map of the Downtown Development Strategy Area, showing priority development areas.

### **3. Increase Green Space, and Connect Open Spaces and Neighborhoods.**

**Rationale:** Downtown is identified as a high priority equity area in the parks master plan. With increased residents from recent and potential future development, the need for green space, including dog walking spaces, is even higher. Essentia’s planning also calls for green spaces near its campus. Connecting destinations to nearby green spaces increases activity downtown, provides amenities for a growing neighborhood, promotes alternative transportation, and creates a sense of place. These strategies implement Governing Principles 2, 3, 4, 5, 6, 7, 9, 10, 13, and 14 of the comprehensive plan.

#### **3a. Develop connections between Priley Circle, the plazas at Lake Avenue and Superior Street, Central Hillside Park, and the Lakewalk.**

Implementation Steps:

**Mid (1-2 Years)**

- Support Parks staff in a mini master plan for Central Hillside Park, in order to increase usage of this park as a neighborhood gathering place and encourage connections to other green spaces downtown. After plan adoption, work to fund and implement the recommendations.

**Long (3+ Years)**

- As streets are resurfaced and redeveloped, create inviting and wide pedestrian pathways with landscaping, lighting, and wayfinding, particularly for 1st Street, 4th Street, and 1st Avenue E. Ensure these priority corridors include connected green spaces for gathering and dog walking.
- For all streets and alleys downtown, consider additional amenities as street improvements are made, including wider sidewalks, areas for outdoor dining, incorporation of slip-resistant materials on sidewalks, electrical connections,



Civic Center Plaza and Priley Fountain during the weekly farmers market event in Summer 2026.

upgraded light and sound capacity, and removable bollards to make street closures easier.

**3b. Connect downtown to the waterfront.**

Implementation Steps:

**Mid (1-2 Years)**

- As part of the Reconnecting Communities study, a multi-year planning project for the future of the I-35 corridor, identify ways to increase green spaces that provide pedestrian and bike connections to the waterfront.

**Long (3+ Years)**

- Work with MnDOT on future improvements within the freeway corridor to implement Reconnecting Communities recommendations.

**3c. Ensure that new developments incorporate or contribute to public greenspaces.**

Implementation Steps:

**Short (Less Than 1 Year)**

- Prioritize incorporation of public greenspaces in private developments – rest areas, public plazas and open spaces.

**Mid (1-2 Years)**

- Explore incorporation of a “City Park Fund” fee for developments receiving public subsidy.



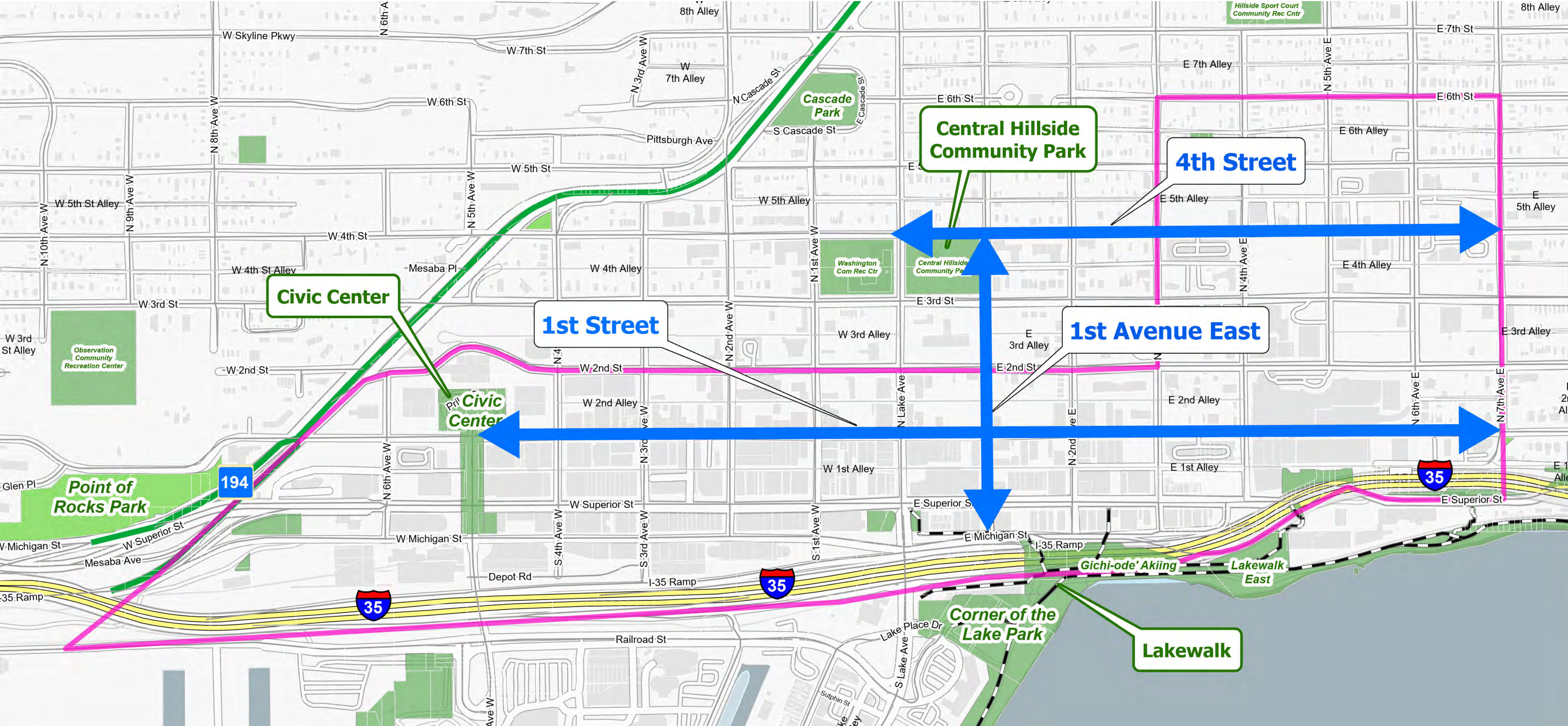
Washington Avenue looking toward the Fitger's complex at Superior Street. The street was severed in the late 1980's for construction of Interstate 35. The Lakewalk is accessible from the eastern street wall of the Fitger's complex.

**3d. Support connections citywide via transit.**

Implementation Steps:

**Mid (1-2 Years)**

- Adopt a Transit Oriented Development Overlay district to incentivize increased density on transit lines, allowing people to easily access downtown.
- Support DTA plans to establish Bus Rapid Transit (BRT) along the Blue Line and Green Line. Encourage park-and-ride locations along BRT lines to reduce downtown traffic during peak seasons and events.



A map of the Downtown Development Strategy Area, showing connected corridors between destinations.  
Any supplemental text?

**4. Activate.**

**Rationale:** Encouraging people to visit downtown and to use public spaces is good for businesses and for neighborhood quality of life. Activated spaces are key to reimagining downtown as a central social district. Imagine Downtown called for residential-friendly amenities such as children’s play areas, seating areas, shade structures, water fountains, and accessible community gathering spaces; these features provide the space for people to gather and can be enhanced with programming. These strategies implement Governing Principles 5, 6, 7, 9, 10, and 13 of the comprehensive plan.

**4a. Placemaking.**

Implementation Steps:

**Short (Less Than 1 Year)**

- Create a Placemaking Guide to provide resources and best practices for building and business owners.

**Mid (1-2 Years)**

- Explore collaboration with Downtown Duluth to offer more robust wayfinding in the downtown district.
- Prioritize the development of cultural experiences and assets, especially along the 1st Street corridor. The former Pastoret Terrace site could be a great location for a mixed-used development centered around culture and heritage.

**Long (3+ Years)**

- As streets are redesigned, consider incorporation of lighting, electrical hookups, food truck parking, etc.



A utility box at the corner of 5th Avenue West and West Michigan Street, exhibiting public art and wayfinding signage.

**Ongoing**

- Continue to make sure buildings are built close to the sidewalk, with lots of transparent windows and active uses on the ground floor.

**4b. Events and Programming.**

Implementation Steps:

**Short (Less Than 1 Year)**

- Create a guide for how to activate underutilized spaces including considerations for seating, lighting, pop-up events, permitting, how to conduct street closures and host special events.
- Conduct select events as demonstration projects, particular those that activate the priority areas.
- Offer technical assistance for specific and aligned downtown activation opportunities.

**4c. Holiday Center.**

Implementation Steps:

**Short (Less Than 1 Year)**

- As the Holiday Center can function as a quasi-public space with indoor amenities, partner with Downtown Duluth and the building owner to explore family-centered and destination uses, examining models such as Edinborough in Edina or other similar spaces that are year-round destinations; provide technical assistance and other support as needed.

**Ongoing**

- Support efforts to activate unused spaces within the Holiday Center.



Public space activation along West Superior Street for Downtown Duluth Days, including wayfinding for the Boat Loads of Fun! event in Gichi-ode' Akiing during Tall Ships 2026.

**4d. Skywalks.**

Implementation Steps:

**Mid (1-2 Years)**

- For buildings undergoing redevelopment or conversion to housing, support redevelopment of existing skywalk spaces in those buildings to housing or other active uses where possible.
- Partner with other City departments as skywalk system assessments and long-term plans are developed, to identify which skywalks could be privatized and to assess structural or maintenance upgrades needed.



A private skywalk connection to AHL Healthcare Group from 105 W Superior St, in April 2026.

# FUNDING STRATEGIES

A diverse inventory of funding sources will be required to complete this work. This includes City and DEDA managed funds, as well as other public and private financing options.

## City and DEDA managed funds:

- Housing Trust Fund
- Brownfields Revolving Loan Fund
- Brownfields Assessment Grant\*
- DEDA Loans
- DEDA Levy Funds\*
- 1200 Fund
- Community Development Block Grants

## State funds:

- DEED Redevelopment Grant
- DEED Contamination and Clean Up Grant
- Child Care Economic Development
- Community Wealth Building Program
- Housing Tax Credits
- MHFA Deferred Loans and Grants
- Statewide Affordable Housing Aid
- Minnesota Historic Structure Rehabilitation Tax Credit
- Regional Exchange District Funds\*

## Federal funds:

- Federal Historic Tax Credit
- Economic Development Administration Loans and Grants

## Local funds:

- LISC Loans and Grants
- Boreal Waters Loans and Grants
- Northland Housing Partnership Loans

\*Has been requested or are currently exploring

# A LOOK AHEAD

Recognizing that this Strategy spans five years and is focused on short-term opportunities and successes, additional steps have been identified to keep the momentum going beyond the five-year horizon. Many of these are complex and require significant involvement related to legislative changes, identification of additional funding, detailed plans, or significant new partnerships.

## **Downtown Library**

The current downtown library suffers from deferred maintenance, and the City of Duluth has identified the need for either changes to the existing building or identifying new library locations. As the discussion of the future of the library has continued over the span of several years, the lack of clear direction leads to lack of focus on investments in this area of downtown. In addition to the need for a clear direction on the future of the downtown library, significant planning needs to occur if the existing building is vacated, as the building is potentially historic and could be costly and time-consuming to retrofit or demolish. In the context of this Strategy, the following should be considered:

- If the existing building is vacated, another downtown branch should be identified that creates a destination for all audiences, in order to contribute to downtown vitality. This should include careful planning to identify needs of library users and things that make a downtown library an amenity within the new downtown neighborhood.
- Given that the existing building is potentially historic, careful decisions should be made to determine whether adaptive reuse or renovation is possible, including engaging with funding and regulatory partners as appropriate.

## **Regional Exchange District**

The City of Duluth and other community partners will be requesting a recapitalization and expansion of the current Regional Exchange District during the 2026 Legislative Session. If not successful this session, continued work will need to be done in future sessions. It is important that we prioritize a long-term plan that remains responsive to our community's evolving needs and vision.

## **Policy changes to support adaptive reuse of buildings**

One of the single-greatest opportunities in our downtown district is the conversion of underutilized offices buildings to housing units. Unsurprisingly, this work is incredibly challenging and expensive, and there are very few resources currently available to sufficiently address funding gaps. The City should continue to advocate for policy changes and allocation of resources at the state level, including the proposed Minnesota Catalyzing Underutilized Buildings (CUB) credit.

## **Policy changes to address hazardous buildings**

Current state statutes and policies make it incredibly challenging for the City of Duluth and Saint Louis County to address significantly blighted buildings – those of greatest concern being burnt out buildings that are beyond reasonable repair and pose significant life safety concerns. While the intentions of these policies around good and sound, much has changed since they were established and it's prudent for the City to advocate for policy changes that ensure safety for our community. The need to address these structures has been identified in the Imagine Downtown and Vision Northland plans. The City should complete a full audit of current regulations, statutes, and policy related to hazardous buildings, and advocate for responsible changes where necessary.

**Environmental regulations**

State environmental regulations include specific mandatory thresholds for building in a shoreland. For example, in the Downtown area, any residential development over 25 units in a shoreland area requires an expensive and time-consuming EAW. This regulation likely makes sense in less urban areas with fewer water resources but is problematic in a developed urban area with a downtown situated almost entirely within the shoreland of Lake Superior. The Twin Cities Metropolitan Area is exempt from this narrowly defined provision in EAW regulations, and the City of Duluth should explore legislative solutions that help address needs of Duluth and other cities of the first class.

**Parking strategy**

As current parking assets age and/or become insufficient, it's important the City of Duluth develops a long-term parking strategy to address parking needs as housing development ramps up. In addition, the City should consider how to provide vision and support around obsolete or underutilized parking like the US Bank Ramp and downtown surface parking lots. This work should be done with representatives from Administration, Duluth Police Department (Parking Division), Planning and Economic Development, and Duluth Fire Department (Life Safety Division).

**Skywalks**

In addition to the short-term strategies mentioned above, additional steps will be needed to address skywalks that are at the end of their structural life span. Structural and life safety assessments of those that are bridges over existing streets should be conducted. Decisions about replacement, rehabilitation, or removal of those skywalks should be made while considering the life cycle costs (construction, maintenance, future removal), ADA and life safety needs, and impact on downtown vitality and quality of life.

**Sidewalks**

In addition to the short-term strategies mentioned above, areas of downtown with brick sidewalks where tripping hazards and slippery surfaces are present create real obstacles to economic development. Future plans should include identification of areas of sidewalks for reconstruction.

**Receivership to address blight**

Create a plan to advocate at the state-level for policies that allow for the City to initiate the appointment of a receiver for blighted and neglected properties. This process has worked successfully in other communities across the country, most notably Baltimore.

**Interstate 35**

The Reconnecting Communities plan will explore alternatives for the future of the I-35 corridor to increase connectivity between downtown the waterfront, and improve walking, biking, and transit within the corridor. The community's vision should be carried forward into design and implementation in order to be truly transformational for downtown.