

# Council Agenda Item 26-0294R



**MEETING DATE:** April 13, 2026

**SUBJECT/TITLE:** Resolution authorizing the first amendment to the Greater Minnesota Legacy Grant Agreement with the Minnesota Department of Natural Resources for the Spirit Mountain Legacy Capital Improvements Project.

**SUBMITTED BY:** Allison Brooks, Project Coordinator

**RECOMMENDATION:** Approve

**BOARD/COMMISSION/COMMITTEE RECOMMENDATION:** N/A

**PREVIOUS COUNCIL ACTION:** 23-0748R – expressed support for moving forward with a preliminary slate of projects and funding levels for an array of capital improvement projects funded through the half-and-half tax extension. One of the projects identified in the preliminary project list was the Spirit Mountain Nordic Center, with an anticipated contribution of \$1.2 million from the half-and-half tax. This funding source is providing local match to leverage state grants.

23-0986R – authorizing acceptance of a grant in an amount not to exceed \$1,254,471 from the Minnesota Department of Natural Resources to support capital improvements at the Spirit Mountain Recreation Area.

24-0853R – authorizing acceptance of a Greater Minnesota Legacy Grant for \$531,590 from the Greater Minnesota Regional Parks and Trails Commission and Minnesota Department of Natural Resources to supplement Spirit Mountain Legacy Capital Improvements.

**BACKGROUND:** In 2021, the City of Duluth sought funding through the Greater Minnesota Regional Parks and Trails Commission (GMRPTC) to support capital improvements at the Spirit Mountain Recreation Area. The project scope included expanding the Duluth Traverse trail system at Spirit with new downhill and cross-country mountain bike trails, repairs to the Knowlton Creek Bridge and culverts at multiple locations, improving snowmobile trail connections, increase snowmaking capacity for alpine and Nordic operations, and construct cross-country ski trails for the Nordic Center. The project sought to repair and replace existing infrastructure, increase revenue streams, and improve accessibility of recreation opportunities at Spirit Mountain. The grant funding was awarded and subsequently contracted in 2023.

The project cost was higher than anticipated during the initial application. The GMRPTC saw similar budget challenges across awardees and identified an opportunity for supplemental funding for previously awarded projects. The City of Duluth requested supplemental funding to complete the project as initially envisioned, and the request was approved by GMRPTC. Then, in 2024, the City entered the agreement for this funding as authorized by resolution 24-0853R.

The supplemental funding of \$531,590 through the GMRPTC included a local matching commitment of \$72,850 using previously allocated Athletic Venues Reinvestment Initiative funds. This amendment does not change the total amount of funds awarded, the required matching contribution, nor the scope of the project. The amendment clarifies that all grant funds will expire on June 30, 2027, as the original agreement prepared by the State of Minnesota listed a portion of funds as expiring June 30, 2025. The amendment does not extend the term of the agreement.

**BUDGET/FISCAL IMPACT:** The first amendment only clarifies the expiration date of the funding to be June 30, 2027, for all funds involved in the project. This amendment does not alter the amount of the previously committed grant nor change local matching contributions.

**OPTIONS:** Accept the first amendment to the Greater Minnesota Legacy Grant to allow the project to be completed as previously committed.

**NECESSARY ACTION:** Accept the amendment.

**ATTACHMENTS:** Exhibit A – First Amendment to Grant Agreement