

Council Agenda Item 26-0335R



MEETING DATE: April 27, 2026

SUBJECT/TITLE: RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROJECT/MUNICIPAL DEVELOPMENT DISTRICT PROGRAM PLAN AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 39 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR.

SUBMITTED BY: Tricia Hobbs, DEDA Executive Director

RECOMMENDATION: Approve Resolution

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: On April 14th, Planning Commission passed a resolution affirming that the proposed Redevelopment TIF District conforms to Duluth’s Comprehensive Plan. DEDA will be considering a resolution on April 22nd that would establish the proposed Redevelopment TIF District and approve the proposed TIF Plan.

PREVIOUS COUNCIL ACTION: None

BACKGROUND: This Resolution approves the establishment TIF District No. 39 and adopts a Tax Increment Financing Plan for TIF District No. 39 related to the Armory Arts and Music Center redevelopment located at 1301 London Road, Duluth, MN 55805. The Armory Arts and Music Center project redevelopment is projected to support a total of approximately 317 long-term jobs created or retained once the project is fully operational. This includes 17 full-time positions (14 new and 3 retained) and 80 part-time positions (76 new and 4 retained) beginning in 2027, along with 20 seasonal positions and approximately 200 additional “other” positions classified as contract, vendor, artist, or tenant-related employment. Full-time roles include programming and administrative staff for the Armory Arts and Music Center (AAMC), directors and managers for the drill hall/food hall, ballroom and music venues, and a Facility Director. Part-time and seasonal positions include bartenders, box office and hospitality staff, instructors, security, and event-related personnel, while “other” positions encompass artists, food vendors, studio tenants, sound and lighting professionals, and employees of on-site business and nonprofit tenants.

The building will operate as a multi-use cultural and community destination. Programmed uses include a large event and concert venue in the historic drill hall, a daily operating food hall, a 4,000-square-foot ballroom for weddings and large events, reduced-rent artist studios and office space, and education and rehearsal space for youth music programs. Specifically, the building will offer almost 15,000sf of studio/office space for 12-15 users outside of the AAMC-operated drill hall and ballroom. The anticipated project timeline reflects

significant progress to date, with abatement and roof work already completed and full build-out progressing toward a July 2026 closing. Construction completion and stabilization are targeted for Fall 2027.

BUDGET/FISCAL IMPACT: The TIF district would provide up to \$2,600,000 to support the project over 26 years, \$676,000 of which would come from the City's share of the property taxes.

OPTIONS: Approve or deny the resolution. If the resolution is approved, DEDA will establish the proposed TIF District and the Armory will move forward with redevelopment of the Historic Armory Arts and Music Center. If the resolution is denied, the Armory will continue to seek other funding to support the redevelopment of the Historic Armory Arts and Music Center.

NECESSARY ACTION: Approve the resolution

ATTACHMENTS: Exhibit A: Draft of the Proposed TIF Plan; Exhibit B: Map of Proposed TIF District + Development District 17