

BACKGROUND



Changes since the 2006
Comprehensive Land Use Plan
affect where we live, where we
work, where we play, how we get
from place to place, and even how
we preserve our natural resources.



IMAGINE DULUTH 2035 sets forth the vision, principles, policies, and strategies to shape the future of Duluth. An update to the 2006 Comprehensive Land Use Plan, this document recognizes and builds upon the successes and momentum of the last decade and updates the community's vision and goals for the future. Duluth is a markedly different city than it was in 2006—demographically, economically, and culturally—so it is natural that the vision for the future would change as well.

This plan also includes major elements that were not fully addressed in the 2006 Comprehensive Land Use Plan:

- Economic Development
- Energy and Conservation
- Housing
- Open Space
- Transportation

Legal Basis for Comprehensive Planning

The power for Minnesota municipalities to create and implement a comprehensive plan is established in state law. In the 1925 Minnesota Supreme Court case *Berry v. Houghton*, the Court sanctioned the use of comprehensive planning and zoning as legitimate tools for promoting the general welfare of the public. In 1939, the Minnesota State Legislature established the legislative foundation for land use planning with the Township Planning and Zoning Act. In 1965, the legislature passed the existing state law that grants specific comprehensive planning and land use regulatory powers to Minnesota cities. Minnesota Statutes, Sections 462.351 to

462.365, identify the planning powers granted to Minnesota cities. Specifically, Section 462.353, Subd. 1 authorizes cities to conduct comprehensive planning activities for the purpose of guiding development, to create comprehensive planning activities for the purpose of guiding development, to create a comprehensive plan, to adopt the plan as official policy, and to implement the plan by ordinance or other measure.

The role of comprehensive planning in local and regional decisionmaking has expanded over the last four decades. One example of the comprehensive plan's importance/strength is that it is recognized as the primary local land use authority in determining whether a specific development project passes Minnesota's environmental review process. Minnesota case law has emphasized the critical role that comprehensive plans play in justifying regulatory decisions, and that local governments have an obligation to be consistent with their comprehensive plan when enacting regulations or granting approvals.

This plan is the foundation upon which Duluth's regulatory tools (zoning, subdivision, shoreland, floodplain, and other ordinances) and Duluth's capital improvement programs rest. The plan's content, including the principles, policies, future land use map, and strategies, define how development, redevelopment, and preservation decisions are made.



Previous Comprehensive Plans

Duluth has engaged in four previous comprehensive planning processes over its history, two of which resulted in formally adopted plans. One of those was the 1927 plan, which pre-dated formal legislative recognition of comprehensive planning, and was focused primarily on directing the City's public investment in streets and transit systems.

In 1958, the City completed a new comprehensive plan. While not formally adopted, the plan did become the foundation for a new zoning ordinance. This plan relied on the concept of segregating distinct land uses, such as separating residential from commercial or industrial uses, in order to avoid nuisances.

In the 1990s, the City recognized that the long range plan was out-of-date and completed a city-wide visioning process, called "2001 and beyond." This vision was carried into a series of ten neighborhood District Plans, which were not formally adopted.

In 2004, the City restarted the comprehensive planning process, resulting in 12 Governing Principles, the Future Land Use Map, policies, and implementation steps. The Comprehensive Land Use Plan was adopted in 2006.

This plan, Imagine Duluth 2035, is an update to the 2006 plan, and carries forward its guiding principles and many of its policies.

The 2006 Comprehensive Land Use Plan ... Then & Now

In the 12 years since the 2006 comprehensive plan, Duluth shared in the nation's recession in 2008 and experienced a catastrophic 100-year flood in 2012. Trends in housing and transportation have changed, new parks and trails have been built, and many Small Area Plans have been adopted. This section provides a summary of changes seen in the community and trends that identify future focus areas.

Small Area & Neighborhood Plans

The 2006 Comprehensive Land Use plan called for additional planning work in the form of ten Small Area Plans, a process of diving into more complex issues contained in a neighborhood portion of the City. The City has completed eight Small Area Plans that have been adopted as appendices to the 2006 Comprehensive Plan. These plans led to future land use map and zoning map amendments. The 2006 Plan also called for two Master Area Plans, the former U.S. Steel site and the Western Port Area Neighborhood (Irving and Fairmont) Plan. The City recently completed the Western Port Area Neighborhood plan with resource support from the U.S. Environmental Pollution Agency.

Another useful tool for focusing on neighborhoods is the Neighborhood Strategic Plan initiative supported by the Duluth Local Initiative Support Corporation, a national intermediary supporting neighborhood revitalization. These grassroots plans provide analysis and strategies for implementation with city initiatives and for use by other local collaborative partners. The focus of these plans has primarily been the Morgan Park, West Duluth, Lincoln Park, and Hillside neighborhoods.

HOUSING

Where We Live

In 2006 the housing market for residential development was robust with over 4,000 resales annually. Like the rest of the country, however, Duluth experienced the recession of 2008 and the burst of the housing bubble. Since the recession, a number of factors have tightened the residential market. Due to restrictions in funding and reduction of construction demand, contractors and skilled labor left the Duluth market. The lack of supply reduced competition and, among other factors such as poor soil condition, led to construction costs increasing; these costs have continued to increase, reducing the ability to replace housing units affordably. Finally, the cost of extending infrastructure has often proven prohibitive for residential developments at the current residential densities.

At a 2014 Duluth Housing Summit, a Maxfield Research study noted that the city needed an additional 4,400 units by 2020 to meet employment and economic development demands. To date, 1,200 new market rate housing units have been built or will be completed by September 2018. These include Bluestone Lofts and Flats, Kenwood Village, and Endi, all of which respond to the needs of specific markets. At present, there is still a need to create additional affordable units.



Future residential development needs to be more intense, with more units per acre. Meeting the City’s housing goals, primarily affordable housing, means providing units in a fashion that is cost-effective and utilizes existing infrastructure. To meet the community’s needs, new developments should increase access to recreational opportunities and connect people with efficient transit and bike options. They should build a sense of place that connects people with desired services and cultural opportunities. Existing housing stock will need reinvestment to preserve neighborhoods and maintain quality housing.

The community will need to embrace new housing models to welcome the concept of housing choice for all people in every neighborhood. Increasingly, residents look for housing options within walkable distances from locally owned retail and service-oriented businesses.

TRANSPORTATION

How We Get From Place to Place

The previous strategies in the 2006 Comprehensive Land Use Plan were mostly auto-centric; the focus on transit was secondary to the movement of personal vehicles. While in the past the City invested significant resources in road reconstruction, the primary funding source for that activity was dramatically reduced shortly after adoption of the plan. The concept of “complete streets” was new to the community in 2006 and resulted in untested challenges for neighborhoods, particularly in how to plan for bicycles and pedestrians. Investment in pedestrian infrastructure has been limited, with major factors for pedestrians being lack of snow clearance from sidewalks in winter and accessibility of sidewalk surfaces. Since 2006, demographic changes have shown growth in the age 20-35 age cohort, which relies more on bikes and walking for transportation.

As a long, linear community, Duluth has a number of challenges and opportunities. The dispersed street pattern, construction of streets on bedrock and poor soils, and elevation changes create higher street costs, increased maintenance, and challenges for transit; however, the city currently has many modes of transportation — air, water, auto, bicycle, pedestrian, and bus — to capitalize on. Existing transportation infrastructure needs to be improved, and its use maximized, to meet transportation needs while remaining financially sustainable.

New technologies have emerged for transportation; electric vehicles are only the forefront of a new era that may include driverless cars and buses, or other modes such as an aerial gondola.

Commerce and business depend upon transportation, and freight logistics is a growing sector in the national economy. Duluth is a nexus of rail, ship, and air infrastructure, which highlights the potential for Duluth to serve as an international hub. Capitalizing on this competitive advantage is a major component for both transportation and economic development and will continue to position the city for growth.

The relatively poor condition of city streets is also an opportunity: as aging infrastructure is replaced, the paradigm can be updated to reflect a comprehensive complete streets policy while strategically shrinking the network in targeted places to reduce costs.

ECONOMIC DEVELOPMENT

Where We Work

In 2006, the Comprehensive Land Use Plan lacked specific direction on how certain commercial sectors should develop or redevelop. For this reason, the plan recommended developing 10 Small Area Plans and 2 master area plans. The City's Economic Development Authority was engaged in developing certain sectors of the local economy, including aviation, technology, and medical.

A number of Small Area Plans included market area analyses, such as the examination of the mall area and Central Entrance for growth potential. The City also completed an in-depth retail market analysis for the entire city, which recommended focusing on existing commercial areas and intensifying the development of synergistic uses.

The economic recession of 2008 proved to be a turning point for the city from a predominantly resource-based economy to a more diversified job base. While this event was felt most directly in the housing sector, there was also a short slowdown in business development. After 2010, the community saw new opportunities with the construction of schools, housing, and commercial buildings. A concentrated effort was made by the City in 2012 to develop a positive brand and publicize it both locally and across the state. This effort has resulted in new local investment and has attracted developers from the Twin Cities.

The Duluth International Airport was redeveloped to accommodate more air traffic and bolster the supporting aviation sectors. This led to the redevelopment of the Maintenance Recovery Operation facility to attract AAR Corporation. The community also supported the

continued growth of Cirrus, a plane manufacturer, to become the largest company in this industry. This success has led to a concentration of good paying jobs in the airport area.

For the city to continue positive economic development momentum, the focus of job growth and investment in the sectors of aviation, manufacturing, medical, and education are key. Creating an environment that fosters the growth of new technologies will be vital to becoming an economic leader within the region. Cargo and freight logistics provide a competitive advantage that partners like the Duluth Superior Port Authority and Airport Authority prioritize and require for future success. Revitalization of underutilized sites would provide opportunities for addressing blighted property and clean up issues, and provide employment.

Crowdsourcing and internet shopping are national trends that have challenged the traditional storefronts of neighborhood centers. The future success of those neighborhood centers will depend on providing higher density of quick service retail (restaurants, stores, and personal service items) in walkable, easy-to-navigate facilities that will provide more opportunities for buying local and living a healthier lifestyle. The introduction of “Core Investment Areas” to Duluth, as discussed in the Transformative Opportunities chapter, is a means to concentrate efforts and maximize infrastructure to meet future demands.

OPEN SPACE

Where We Play

In the 2006 plan, the city recognized that unlike most built-up communities, there is a lot of open space within its corporate boundaries, much of it privately owned. In Duluth, 47% of the city’s land area is tax exempt: publicly owned (parks, schools, trails, etc.), non-profit (churches and non-governmental organizations), or tax forfeit (state owned due failure to pay property taxes). Growing a community’s tax base is important to provide public services such as public safety, libraries, and utilities. Financially sustainable communities generally have limited amounts of tax exempt land area,

which balances out growth. Most tax forfeit land lacks public infrastructure, such as roads, water, and sewer, and would be fairly costly or difficult to develop.

Some of Duluth’s tax forfeit land contains public trails (biking, skiing, hiking, etc.), and the community uses these resources quite extensively. To protect this investment, ownership of these resources needs to be fully delineated. The tax base limitations of these public facilities cause tension with the State (via the county). An important factor to preserving the taxable resources will be clearly defining the ownership necessary to meet ongoing investments while still incentivizing reinvestment of tax base growth.

In 2012, a major flood profoundly changed the landscape of many neighborhoods, impacting homes and businesses near streams. From that event arose a focus on resiliency in many forms, including right sizing infrastructure, removing homes near streams, and other methods to promote stormwater retention. Development pressures in and near the Miller Hill Mall area continue to drive questions regarding how development aspects should be reviewed. The Sensitive Lands Overlay from the 2006 comprehensive plan provided geographic guidance, but lacked standards for development.

Despite the city’s high number of parks and vast open space, the tax base challenges result in few resources for maintaining or creating facilities. Because of this, the City now partners with non-governmental organizations to help with everything from new trails to volunteer maintenance of facilities. To remove additional barriers to recreation, neighborhood access needs to be improved and opportunities for low-cost ways to use facilities identified.



ENERGY & CONSERVATION

How We Preserve Resources

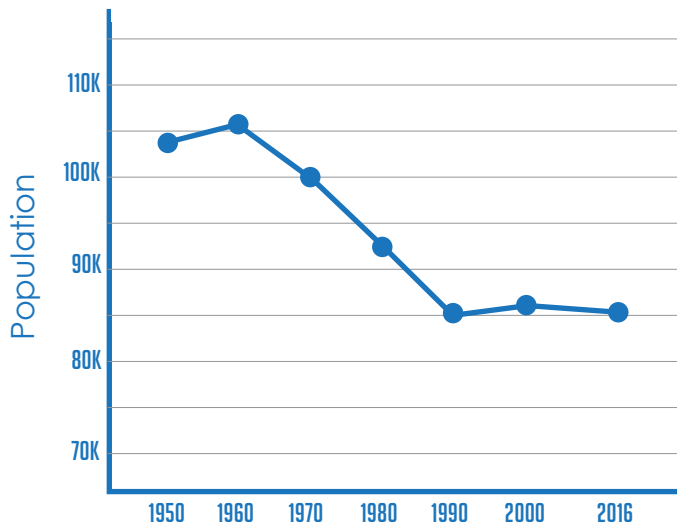
The City has long participated in energy and conservation programs, starting in 1998 with the adoption of a resolution for climate change and a few different plans to reduce energy usage within public buildings. The City supported working in collaboration with Ecolibrium3 to assist homeowners to reduce energy consumption through efficiency rehabilitation work through the Duluth Energy Efficiency Program (DEEP); this was funded through the State of Minnesota.

Since 2006, the science of climate change and the impact of carbon fuels on emissions have been detailed. Mayor Larson in her 2017 State of the City address called for recognition of the science underpinning climate change and for the City to reduce its carbon footprint. This led to inclusion of this topic in Imagine Duluth 2035. Addressing energy and conservation could have the most significant financial impact upon the community out of all the focus areas.

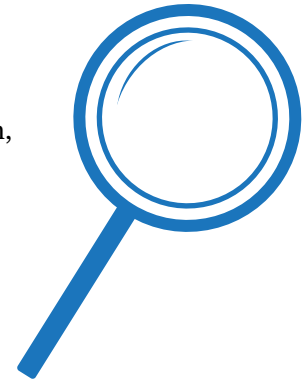
Technological advancement allows strategies from reduced energy usage to power generation to daily in-home heating systems. The challenge will be encouraging private businesses and residences to be more energy efficient; this will require a fairly quick return on investment to justify the expense. As the city continues to use electricity for electronic message boards and public lighting, community dialogue will help balance goals of public safety and aesthetics with the need for reduced energy use.



A Look at the Numbers



One of the most telling narratives describing Duluth's development patterns, transportation, housing, and services is its historic population booms and steady decline since 1960.



Age Cohorts

Duluth has a high percentage of college-age students, reflecting the higher education institutions' presence in the city. There is a relatively consistent spread of population amongst age groups. Each generation can exhibit slightly differing preferences regarding housing, work, and entertainment.

| | | |
|--------------------|--------|--------------------------|
| 17 years & younger | 15,341 | |
| 18-24 | 17,261 | → Some Millennials/Gen Y |
| 25-34 | 11,330 | → Most Millennials/Gen Y |
| 35-44 | 9,061 | } Gen X |
| 45-54 | 9,986 | |
| 55-64 | 10,500 | } Baby Boomers |
| 65-74 | 6,497 | |
| 75 and over | 5,989 | |

Source: ACS 2012-2016

NUMBER OF HOUSEHOLDS

35,000

Number has remained consistent at around 35,000 between 1980 and today.




HOUSEHOLD SIZE

2.51 persons per household in 1980, compared with **2.22** in 2016

\$ **MEDIAN HOUSEHOLD INCOME**
IN 2016
\$49,347

5% of population
does not have
health insurance
coverage



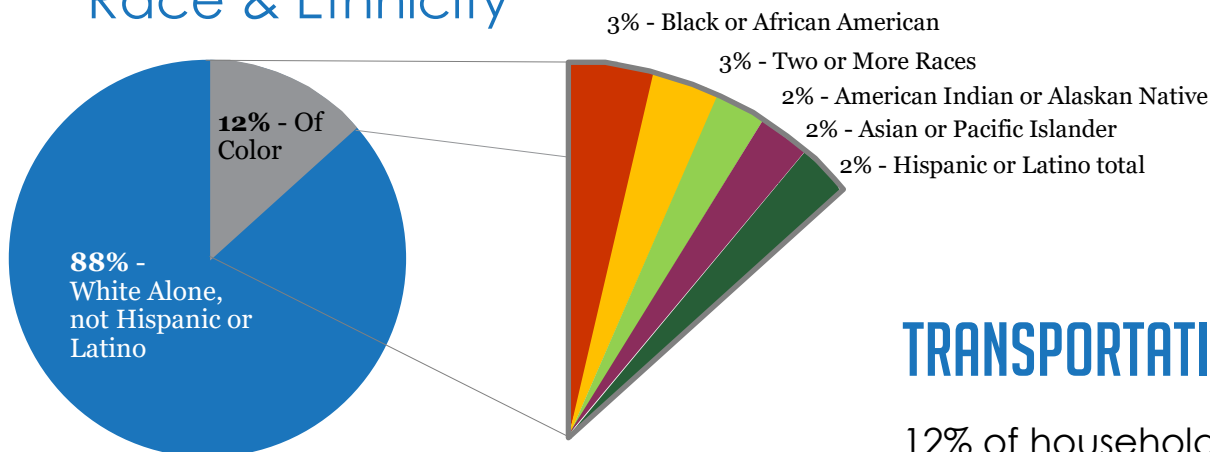
Poverty levels have been increasing since 1980, but stabilized between 2010-2016.

POVERTY

| | 1980 | 1990 | 2000 | 2010 | 2016 |
|---|--------|--------|--------|--------|--------|
| Number of Persons Living Below Poverty Level | 10,767 | 13,578 | 12,627 | 19,151 | 16,728 |
| Percentage of Population Living Below Poverty Level | 12% | 16% | 16% | 22% | 20% |

Source: 2012 and 2016 ACS

Race & Ethnicity



TRANSPORTATION

12% of households have no vehicle

16% use transit, walk or bike to work, or work from home

Children



- 8,874 households have one or more children under 18 years.
- 4,954 households with children under 18 years are married-couple family households.
- 3,814 households with children under 18 years are single-person family households.

