

**Proposal for Development
of
Young Professional
Housing Districts**

Duluth, Minnesota

September 2004

September 7, 2004

To Whom It May Concern:

In the early spring of 2004 an ordinance was developed and presented to the Duluth City Council that would have limited the conversion of single family homes in R1 districts to rental housing. The ordinance failed but Councilor Roger Reinert offered to convene a committee to discuss possible alternatives to resolve the problems that had been identified. On April 12th, 2004, Councilor Reinert introduced a resolution suggesting actions that could be taken. One of these was an ad hoc committee to discuss and make suggestions for possible "student districts."

We agreed to co-chair this effort and to develop a report based on our meetings.

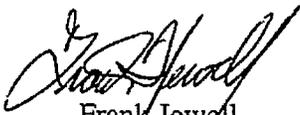
Underlying premises for our committee were the following:

- The concerns of citizens are integral to making this a better community.
- We have an opportunity to develop creative housing ideas that will be of interest to students, young professionals and others.
- As a community we need to protect family housing and provide private housing options for students and young professionals, which comprise 20% of the Duluth population. Many of these individuals wish to remain in Duluth and hold the potential for an immediate economic impact in our community. If we can retain them, they will help create our economic future.
- Finally, the suggestions made in this report are meant to **begin** discussion and not be the final answer on the topic. We do, however, believe that the community must create other housing options if it desires to curb the conversion of single family homes into rental housing.

What follows is some of the best thinking of a small ad hoc committee. We acknowledge that some of the suggestions will stir both passions and debate. It is our expectation that any action will take place as part of the comprehensive planning process and will need appropriate discussion. To that end we are sending this report to city officials, the Duluth Planning Commission, and the ten planning districts.

We feel honored to have served in this capacity and look forward to the healthy conversation that this report is likely to generate.

Sincerely,



Frank Jewell
Chair
Duluth Housing Commission



Greg Fox
Vice Chancellor for Finance & Operations
University of Minnesota Duluth

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Summary and Introduction

This spring (2004), an ordinance was developed by the Planning Commission and presented to the Duluth City Council that restricted the expansion of rental housing in areas zoned single-family, R-1. This ordinance did not pass, but as a result of the continuing concern by community members about single-family rental houses, City Councilor Roger Reinert agreed to convene a group of citizens to discuss the issue and propose alternate solutions.

This group met several times and, with the help of a facilitator, developed a series of recommendations that Councilor Reinert then presented to the City Council in the form of a resolution. One recommendation in this resolution was that an ad hoc committee be convened to discuss the idea of a "student" housing district and make recommendations about possible areas.

Greg Fox, Vice Chancellor for Finance and Operations at the University of Minnesota Duluth and Frank Jewell, Chair of the Duluth Housing Commission agreed to co-chair this committee. It was decided that the group would be a small working committee that would provide the public with ideas for further discussion. Its members have also included Bob Bruce, City of Duluth; Gary Kuchowski, Lake Superior College; Rick Halvorsen, Lake Superior College; Steve Lyons, College of St. Scholastica; Sean Bell, UMD student; Jori Davis, LSC student; Roger Reinert, City Councilor; Donny Ness, City Councilor; Larry Knopp, Professor of Geography and Urban Studies at UMD; and Pam Kramer, Program Director for LISC.

Problem: At its first meeting, the committee agreed that the problem we had been given to discuss could be defined as follows: We know that there are excellent examples of college communities in which vibrant neighborhoods have developed that draw students, young professionals, and other citizens and are a boon to the community. They often "keep" young people in the community and provide a lively and creative area for development. We know that single-family rental houses in the vicinity of area colleges and universities have become a concern for some community members. We also know that well managed on and off-campus multi-unit housing causes fewer problems for the community. Finally, the use of the word "student" is too narrow to really describe the population involved. As we move forward, we will try to find other names for these districts or options.

Goal: Our goal was to determine possible scenarios for how to develop multi-family housing options and vibrant districts that attract students and other young adults in a manner that meets their housing, social, work and educational needs, and is an enhancement to Duluth.

Core Concepts: When we talk about developing a housing district for students and young professionals, it is understood that:

- Students are an important part of this community's life. Their activities bring energy, as well as intellectual and economic resources to Duluth.
- These individuals want to be located where other young adults will live, and this housing needs to be convenient both for getting to work or school and for such needs as groceries,

public transportation, dining, entertainment and recreation. There has to be an energy to the area and a number of options for each of these services.

- At the same time, we recognize that most residents want neighborhoods that are vibrant and sustainable, that improve their quality of life and encourage continuity of living arrangements. They want building codes and city/state rules, ordinances and laws to be enforced. And they want neighbors who will respect the rights of other neighbors.
- Landlords want to make a profit on their investment and to be notified if their renters cause problems. They want consistent rules, procedures, and enforcement regulating their business.

Many of the things appropriate in a young professional housing district do not presently exist in a complete form in any area of the city. For example, those areas with entertainment options have little suitable housing at the current time. And many areas in which these young adults live do not have most of the services that would make them more attractive as neighborhoods supportive of this lifestyle. If we were to identify and support the development of young professional housing districts, they will need new construction and will be mixed-use with residential housing interspersed throughout and related services nearby.

Additional retail will need to be developed and we should be cognizant of the possibility of adding housing above those retail spaces. Mass transit must be easily available and pedestrian traffic should be encouraged. The neighborhoods must feel safe to all residents. The hours of retail operation should relate to the "young-professional-without-children" lifestyle. Restaurants, live entertainment and theaters should be easily accessible, and there should be linkages to areas geared toward active lifestyles. Parking should be accommodated on an off-street basis to deal with the density of housing that would occur as a result of the needs for this rental market. Areas of natural beauty will attract also residents to these neighborhoods.

During our discussion, we identified several potential areas for one or more of these housing districts. These areas include East Hillside, London Road, Lincoln Park, downtown (east of Lake Avenue) on Superior Street, and downtown (west of Lake Avenue), Kenwood and Mount Royal shopping district.

None of our suggestions for districts is anything more than a starting point for further discussion amongst neighbors, students, landlords, developers and city officials. What follows are vision statements for each of the districts and some of the pros and cons of each district.

Commercial Districts

Downtown Housing

The vision for a Downtown Housing District includes a younger population living in the "Entertainment District" or the area east of Lake Street to 4th Avenue East. Current assets in that area include the NorShor Theater, a variety of new small businesses along Superior Street, restaurant and retail options in the Technology Village, good bus access, and relatively easy access to the Lakewalk and Canal Park areas. Building sites and projects in this area include the old Strand Theater site and the Bridgeman-Russell Building.

Another part of this vision could be a more concentrated attempt to market the western part of Downtown (around 4th and 5th Avenues West) to an older professional population and empty-nesters. Existing assets in this area include the Civic Center and County building as well as many other professional offices and services. This area also has many of the same amenities as the Entertainment District including good bus access and relatively easy access to the Lakewalk and Canal Park areas. In addition, this area includes the old Lincoln Hotel site, which is one of the prime building spots in Downtown.

Downtown has the potential to capture the feeling of successful housing districts in larger cities. With a healthy combination of nightlife, retail and historic buildings – downtown has an authentic feel that is valued by the demographic who is interested in this type of living. The NorShor Theatre is certainly the core of this authentic culture. Proximity to the Lake, the core business district, the Medical District, Canal Park, the DECC (and its movie theater) and the primary transit center make Downtown very attractive as a housing district.

The primary challenges to the development of Downtown housing are safety, cleanliness, opportunity and living amenities. Safety and cleanliness are factors that will be impacted in a positive manner by the creation of a Downtown/Waterfront Special Service District. The addition of residents walking the streets will also help improve the safety and cleanliness factors. Opportunity presents a more serious challenge. Through incentives and education, current Downtown property owners must be convinced that housing is a viable option. They must also be convinced to take a risk and create these housing opportunities, or sell their property in whole, or in part, to those who are willing to assume this risk. Hopefully the GDC's Clean & Safe Campaign supported by its Business Improvement District will make significant improvements on these issues.

To encourage further housing in Downtown, the lack of living amenities will need to be addressed. Downtown Duluth currently lacks a small grocery store, a dry cleaner/laundromat, a movie rental store and a gas station. The issue of parking is another challenge that any housing developer will need to consider, as on-street parking is simply not an option.

Commercial Districts (cont.)

Lincoln Park

Lincoln Park Housing District would be in the heart of Duluth. It could become a growing area as students and young professionals begin living in newly renovated buildings along Superior and Michigan Streets. Direct access from all directions makes the district accessible by bus, car, bicycle and foot. These connections make easy transport to Duluth Business University, University of Wisconsin – Superior and Wisconsin Indianhead Technical College, Lake Superior College, and the two neighboring campuses of UMD and St. Scholastica.

Although the neighborhood has faced image challenges in the past, business owners are taking notice of the changes afoot. Multi-million dollar investments are taking place on three of our larger areas of redevelopment, and private renovations are in-between the larger projects. Coffeehouses, bookstores, a grocery store and other businesses are currently being sought for locating in the district. With the development of student and young professional housing, these types of businesses will be more interested in locating here. A business "mall" area is currently proposed for Michigan Street, and additional developments are brewing.

Lincoln Park has outdoor amenities as well. The park itself, which includes Miller Creek, is a beautiful area for hiking, enjoying a picnic, and cooling oneself in the river. The walking bridge that crosses the freeway allows access to the downtown area and the waterfront walking trails. Garfield Avenue is the home of a boat landing and park area for recreational activities. The business district is very pedestrian friendly.

The service industry in Lincoln Park is growing. Currently existing are restaurants, auto service, convenience stores, dry cleaners and paper/business supply businesses. Also located in Lincoln Park are banks, community development corporations such as Habitat for Humanity, Community Action Duluth, Neighborhood Housing Services and others. Evening dining and entertainment are available, and could potentially be enhanced with increased opportunities for housing. Wade Stadium offers weeknight baseball games and the fields at Wheeler Park are nearby. The Harrison Community Club is seeing renovation with new sidewalks and playground equipment. Tennis courts are proposed for the area also.

There are many opportunities for renovating upper levels into housing options. Vacant second levels exist in several buildings. Renovations of the Clyde Iron site may include mixed-use development. The owner has expressed interest in pursuing housing options. Other areas for development would include demolition of dilapidated structures in order to pave way for new. One proposed area includes the corner of Garfield Avenue, Piedmont Street, and Superior Street. These buildings have had fire and extensive damage to them and would make for a proper area for student housing and young professional housing. There are other potential sites available as well.

Commercial Districts (cont.)

London Road (13th Avenue East to 21st Avenue East)

Imagine a London Road Housing District that was defined by the following characteristics:

- Two- and three-level apartment buildings with street level retail and off-street parking in the back.
- The road changed from a 4-lane highway-style road to a 3-lane road (with turning lane) and diagonal parking on both sides of the road.
- A landscaping plan that introduced trees and green along the side of the street and possibly with the median.
- Pedestrian friendly traffic controls and way-finding signage, especially to the Lakewalk.

History has made a transformation of London Road possible and preferable. The benefits of such a district to the residents, to the area businesses and to the city are many. There is no other area of town with such potential for a large concentration of multi-unit housing and commercial development. The combination of under-utilized property in the core-city, already zoned commercial, near the lake and Lakewalk is revitalization waiting to happen.

It is likely that we would see upper-market rate housing on the lakeside and lower-market rate housing on the hillside. But they would compliment one another and bring a critical mass, an energy and vitality to an area that would ensure commercial success for the businesses in the area. All of which will make the district attractive to individuals who are looking for high-energy, quality living in the core city. Specifically, the district would appeal to young professionals, students, empty-nesters and others who seek that lifestyle.

Proximity to the highway, the Lakewalk, the Plaza shopping center, Downtown, the Medical District (St. Luke's in particular), possible redevelopment of the Armory, existing residential (which could benefit from additional amenities), and relatively close to the University and CSS - make the housing attractive to a wide range of people.

But perhaps the greatest benefit of such a district on London Road is the proximity to some of Duluth's greatest natural assets - the Lakewalk, Leif Erickson Park, and the Rose Garden.

Challenges of this location include lack of mass transit service and concerns of current property owners and neighbors.

Currently, the London Road business corridor (between 13th and 21st Avenues East) is designed as a major thoroughfare, with "strip-style" development. Due to the construction of the freeway, and the bypassing of "thru-traffic" - the frontage property along London Road is underutilized and certainly not the "highest and best use." Along this stretch, you will see small, fast-food buildings surrounded by large, parking areas that have a great deal of space at all times of the day. London Road itself is wide and pedestrian unfriendly.

Mini Districts

Central/East Hillside District

The Central/East Hillside Student Housing District develops along the 4th Street corridor between 3rd Avenue East and 14th Avenue East. At first, businesses catering to students and others similarly situated could be established near the 6th Avenue East intersection, adding to those serving the medical district adjacent to SMDC, but eventually they would be established along the length of the district. Business development should focus on basic services, restaurants and entertainment venues. A grocery store, coffee house, media/bookstore, childcare center and pharmacy are also needed. Existing businesses (i.e., Whole Foods Coop, Chester Park Laundromat, Last Chance Liquor, auto repair shop, Sunhollow Books, Members Co-op Credit Union, consignment fashion store, etc.) thrive and/or evolve to serve new markets as additional student housing becomes available.

The district is already a de facto student-housing district with many rental properties serving students and health care workers. It is one of the most diverse neighborhoods in the city, which creates a comfortable atmosphere for international students, other minority communities, non-traditional families/households and others (including traditional families/households who prefer diverse neighborhoods). The development of higher density and mixed-use housing along the 4th Street and 6th Avenue corridors with a focus on homeownership, infill housing and housing rehabilitation above 4th Street was proposed in the "At Home in the East Hillside" neighborhood plan. This concept has been endorsed by Planning District 6. Village Place, a 55 unit, mixed-income housing development on 5th Street and 6th Avenue will be completed in 2005 and will offer opportunities for increased density, including students. New zoning and other land-use regulation changes making new infill housing and housing rehabilitation possible would need to be enacted (subject to infrastructural capacity limitations).

The district is pedestrian friendly and mass transit already serves the area with routes along both 4th Street and 6th Avenue East. Access to downtown businesses catering to students and young professionals is already available and would be enhanced as development occurs. A residential parking permit system could be established and off-street parking opportunities will be required for most new housing units. Park areas at Chester Creek/Chester Bowl and Portland Square already contribute significantly to the student-friendly atmosphere of the neighborhood. Chester Bowl and entrances at the E. 4th Street & 14th Avenue East intersection (among others) offer access to the nature trail and Chester Creek. A pedestrian and bike connection from Chester Park to the Plaza area and Lakewalk has been proposed. The nearby Farmers Market is another neighborhood asset, which appeals to students and young professionals. Portland Square becomes a gathering place for community events and informal get-togethers. A band shell and stage are added to create a performance venue.

Mini Districts (cont.)

Kenwood

The Kenwood Housing district develops in and around Kenwood Plaza. It is centrally located between UMD and The College of St. Scholastica. Initially an apartment complex close to the Kenwood Plaza would establish the beginning of a student community in this area. Later apartments are built on top of the existing one-story plaza businesses. Additional shops and retail stores aimed at students begin to move in. The area offers a smaller, more intimate living experience for students and young professionals.

The Kenwood District is accessible from CSS and UMD by bus, car and, in good weather, by foot. Kenwood and Arrowhead Streets are busy and important thoroughfares to other points in the region. Many amenities currently exist in the Kenwood area that are attractive to students. Perhaps one of its greatest assets is its proximity to some of Duluth's great urban outdoor areas: Hartley Nature Area, Bagley Nature Area, and Chester Bowl. These areas provide a wide and varied outdoor flavor to the location. The proximity to both UMD and CSS means that it is likely many on-campus students would be customers of this area.

A core of essential amenities exists in the Kenwood area: banking, service stations, grocery store, fast food, dry cleaners, etc. Because of its location, student interest could be developed by enhancing the area with a music store, clothing store, coffee shops, evening dining and entertainment businesses, etc.

Mini Districts (cont.)

Mt. Royal

The Mt. Royal Housing District develops on the west side of Woodland Avenue, south of St. Marie Street. This small community forms the bridge between UMD on its west side and the Mount Royal Shopping area on the east.

Mount Royal is a small, growing commercial district situated very near the campus with easy access to the surrounding community. The Congdon Hiking Trail is a mere two blocks away, as well as UMD's Bagley Nature Center. Students already travel to many of the places by foot, bicycle, or roller blade and very rarely use cars in local transportation.

This small area is redeveloped with creative housing options that increase the housing density while also increasing the green space and taking advantage of existing commercial services and creating further growth opportunities for other small businesses. It becomes a magnet for students drawing them out of the single-family neighborhoods nearby and into this exciting and energetic neighborhood.

Should a Mount Royal redevelopment plan be pursued, it would be important to rezone the northern side of Woodland Avenue approximately from Elizabeth Street to St. Marie Street from "R-1-b" to "C-2" in order to allow for mixed-use development, more housing and more small business. It would also be important to rezone the western side of St. Marie Street from Woodland Avenue to Carver Avenue from "R-1-b" to "R-3" to allow for multi-unit rental housing and to relieve pressure on single-family "traditional" homes and neighborhoods and to create a better, more attractive (and retentive!) living space for young, energetic students and professionals.

Several concerns have been voiced regarding rental properties in the area. One is that a multi-unit and mixed-use area would increase density and population pressure in the surrounding neighborhood. However, many of the existing single-family structures already hold many occupants. Redevelopment would simply create more appropriate housing for the same numbers, freeing up space in nearby neighborhoods and providing a larger source of customers and employees for the Mount Royal businesses. Lastly, as mentioned above, students already move around this area by pedestrian means, and thus parking needs would likely be *reduced* by creating a denser living area with better proximity to the services students and young professionals need. The best argument, however, points out that several multi-unit apartment buildings already exist in the neighborhood with no negative impact.

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Task Force Committee Members

Sean Bell, Student, University of Minnesota Duluth

Robert Bruce, Director of Planning and Development, City of Duluth

Jori Davis, Student, Lake Superior College

Greg Fox, Vice Chancellor for Finance & Operations, University of Minnesota Duluth

Rick Halvorson, Vice President of Finance & Administration, Lake Superior College

Frank Jewell, Chair, Duluth Housing Commission

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Gary Kruchowski, Director of Public Information, Lake Superior College

Steve Lyons, Vice President for Student Affairs and Dean of Students, College of St. Scholastica

Donny Ness, Councilor at Large, Duluth City Council

Roger Reinert, Councilor at Large, Duluth City Council

College and University Housing Plans – LSC & CSS

Lake Superior College (LSC)

Lake Superior College does not currently provide on campus housing. The college's facility plan calls for the development of campus housing in the future, and LSC has begun obtaining residential properties adjacent to the campus for that purpose. LSC has contracted a nationally known real estate services partner that specializes in higher education projects. Current plans call for a market study and exploration of public/private partnerships as a means of developing student housing. The relationship is expected to provide a greater understanding of our student's needs and the local housing market, resulting in effective strategies for meeting the demand for affordable student housing.

College of St. Scholastica (CSS)

CSS plans on building between 250-300 beds by Fall of 2005. They currently house about 48% of our undergrad population on campus (about 800), and would like to increase that to over 50% (around 1100). After this addition they do not anticipate the need to build any more housing. These 250 beds result in a net gain of about 150 students on campus because about 100 students currently live in overflow housing options.

College and University Housing Plans - UMD

UMD Housing and Residence Life

A variety of furnished housing is available at the University of Minnesota Duluth for students who wish to live in university residence halls, suites and apartments. UMD offers housing to 1,559 students in four traditional residence halls, 96 students in one suite facility and 1,364 students in five apartment-style units. The residence hall communities are almost all first year students (freshmen) while the apartments and suites are mostly sophomores, juniors and seniors. The average occupancy rate during the 2003-2004 academic year was 96% of the total 3,019 beds available.

Residence Halls	Opened	Number of Residents	Units
Vermilion	1956	64	41
Burntside	1959	116	61
Griggs	1965/67	417	208
Griggs	1990	340	180
Griggs	2002	238	126
Lake Superior	1971	<u>384</u>	<u>198</u>
		1559	814

Apartments/Suites	Opened	Number of Residents	Units
Stadium	1973	304	76
Junction	1978	148	39
Oakland	1980/88	492	127
Goldfine	1988	296	76
Heaney	1995	<u>220</u>	<u>56</u>
		1460	374

Two new university housing facilities were opened within the last ten years to accommodate enrollment growth. Heaney Hall (apartments) was opened in 1995 to accommodate 220 students and the Griggs Hall (residence hall) addition provided space for 238 additional residents starting in 2002.

In addition to university housing facilities on campus, UMD has rented rooms on a temporary basis from the Edgewater Motel to accommodate students who wish to live in university housing facilities, but for whom space is not available. The Edgewater Motel has been a good option for UMD to accommodate students on a temporary basis. UMD rented the entire Edgewater West facility for the entire fall semesters of the 2000-2001 and 2001-2002 academic years. All students were moved to campus by the end of fall semester. The 2002 Griggs Hall addition provided enough spaces to accommodate demand for the 2002-2003 and 2003-2004 academic years. UMD will again be using the Edgewater Motel on a temporary basis for approximately 30 – 40 first year students at the start of the 2004 Fall Semester. It is anticipated that these students will be moved to campus by the end of September or early October. Use of the Edgewater provides an option that students and parents appreciate because first year students prefer to live in university managed housing.

Other Student Housing Plans

Apartment Housing Project
Proposed for
The Southwest side of Rice Lake Road
Between Pecan and Blackman Avenues

A private developer has proposed an apartment housing project aimed at students on approximately 30 acres on the southwest side of Rice Lake Road west of Pecan Avenue and east of Blackman Avenue. The site of the proposed apartments is a rare find in the city. It's large, has manageable environmental issues, has all utilities available, is on a major (arterial) roadway and is near the college campuses. The proposed developer, Mark Lambert of Summit Management, estimates that he would construct about 90 units in the first phase that would house approximately 450 students.

Mark Lambert is the owner of the existing 90 unit Campus Park Townhomes approximately ½ mile north of this proposed project. His proposal would likely be similar to Campus Park with townhome style units of 4-5 bedrooms in each unit and garages, but this new project would likely have more landscaping. Lambert runs a tight ship in Campus Park with very tight leases that prohibit parties. He also provides a shuttle bus from his townhomes to UMD and College of St. Scholastica that he would extend to this new project. Current neighbors of Campus Park Townhomes attest to Lambert's good management and quality housing product. This project, if built, would yield more than \$100,000 per year in property taxes. The developer is not seeking any public subsidy for this project.

Rental Resolution

04-0263R

RESOLUTION RECOMMENDING VARIOUS ACTIONS TO IMPROVE RENTAL HOUSING USE IN THE CITY.

BY COUNCILOR REINERT:

WHEREAS, citizens have expressed concern about the changes in the use of rental housing in recent years; and

WHEREAS, Councilor Reinert convened a citizens' committee to address the issue; and

WHEREAS, that committee as met, investigated, deliberated and reported; and

WHEREAS, the committee has produced several recommendations.

NOW, THEREFORE, BE IT RESOLVED, that the city council requests of the administration and recommends that the following actions be undertaken and implemented:

(a) That the planning department and its community development division establish what constitutes a health ratio of homeowner/rental use in neighborhoods throughout the city, and develop language for the City Code which will, when enforced, make the healthy ratios a reality;

(b) That the planning department, its community development division and the planning commission identify and rezone appropriate new parcels and areas for multifamily use, and bring this to the council for enactment as a change in the zoning ordinance; and

(c) That the police department and building safety division develop a nuisance ordinance and enforcement policies that will improve enforcement of neighborhood quality of life standards, and bring the ordinance changes to the council for enactment; and

(d) That the Duluth Housing Commission, UMD, Lake Superior College and College of St. Scholastica identify one or more areas to be established as a student housing district, which could include areas in the downtown district as well as near the colleges, and then bring the plan to the planning department and planning commission for action to provide for such areas in the zoning ordinance; and

(e) That the mayor and fire chief assure that there is adequate staff and resources to enforce the zoning ordinance, the housing code, and all life safety codes in all parts of the city, and procedures and policies in effect to effectuate compliance with these laws; and

(f) That the parking commission and police department develop policies, procedures, and new programs to enforce parking regulations, reduce congestion on streets and develop off-street parking.

Approved as to form:

Attorney

ATTY BFB:blj 4/7/2004

STATEMENT OF PURPOSE: This resolution sets out the issues and the responsible parties found by the citizens' committee to be vital in improving the quality of life in the city by managing the use of rental property.

Factors Affecting Area Housing Stock

College and University Enrollment

Overview

There are many factors affecting the availability and production of housing in the free market.

While factors vary by degree, there is one factor in St. Louis County, particularly Duluth and Superior, that greatly affects the availability of housing—college and university enrollment.

There are four universities and colleges in Duluth, two in Superior, and one near Cloquet, with most experiencing modest to high enrollment growth.

This increasingly higher education enrollment is causing pressure in the Duluth and Superior housing market, similar to many college communities across the nation.

The large population of students has and continues to provide opportunities for new markets in housing, retail, entertainment, recreation and other economic sectors.

Furthermore, this age group supplies an abundance of labor at local establishments,

many of which are the low-paying jobs with minimal skill requirements.

On the other hand, an influx of college and university students causes challenges in addressing parties, property nuisances, noise complaints, traffic congestion, parking availability, and other concerns.

Many communities address these challenges differently, but the fact remains that college and university students are an integral part of Duluth and Superior's social and economic system, so much so that this age group reversed Duluth's decades-old population decline.



Duluth Population Age Pyramid Mirrors College Towns

When compared to statewide population age pyramids, Duluth's age structure suggests that this area is strongly linked to its college and university campuses.

In 2001, college and university fall enrollment inside the Duluth city limits made up about 18.3% of Duluth's population (86,319), with 15,799 students.

Comparatively, in 2000, college and university fall enrollment in Minnesota made up about 5.7% of Minnesota's population (4,919,479), with 281,619 students.

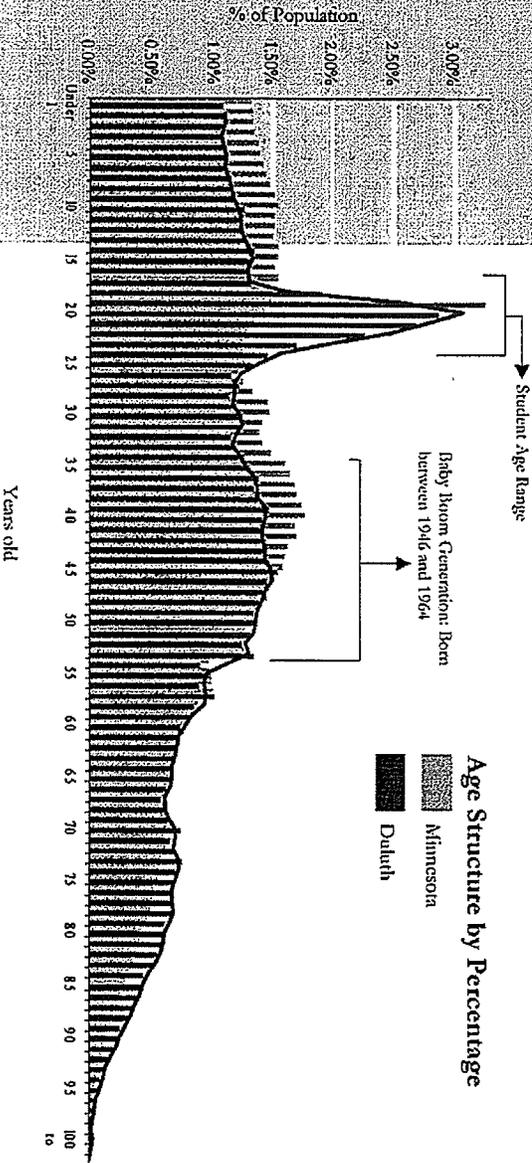
Duluth's population pyramid mirrors many other college towns such as:

- Eau Claire (WI)
- Fly (MN)
- St. Cloud (MN)
- Mankato (MN)
- Grand Forks (ND)
- Brookings (SD)

Superior's student population encompasses about 18.5% of Superior's population (27,368) with 5,051 students.



Minnesota and Duluth Age Structure (Pyramid) by Percentage 2000



Duluth's Population Would Have Likely Declined Without the Growth of the Student Age Population

There is no way around it—students have helped Duluth prevent another decade of population decline.

In fact, based on U.S. Census figures, if the student population (18-24 years of age) was taken out of Duluth's population demographics in both the 1990 and 2000 Census figures, Duluth's population would have declined. The significant population growth of residents

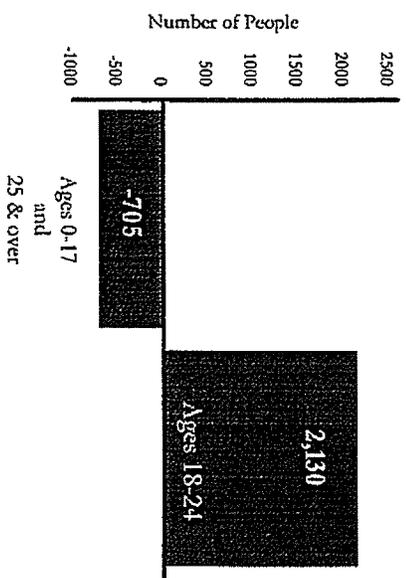
between 18 and 24 years of age can be attributed to the increased enrollment in higher education institutions.

Based on U.S. Census figures, the number of people between the ages of 18 and 24 years old increased by 2,130 between 1990 and 2000. All other age groups, from ages 0 through 17 and over 25 years of age, declined by 705 residents between 1990 and 2000.

A continued population decline would have significant economic and community ramifications for Duluth.

Note: This decline does not include adjusted U.S. Census figures for Duluth that move 599 residents from Duluth's population totals to Hennepin's, possibly showing a greater decline for ages 0-17 and over 25.

Age Group Growth & Decline Duluth Population 1990-2000



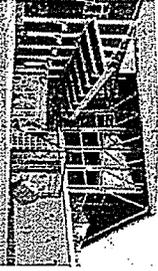
Source: U.S. Census 1990, 2000. www.census.gov

University of Minnesota Duluth



Enrollment Age	
Under 20	36.9%
20-24	52.9%
25-34	8.6%
35+	5.9%
Median Age: 21.3 years	
Enrollment Status	
Full-time	85.9%
Part-time	14.1%
Gender	
Female	51%
Male	49%
2001 Enrollment	9,380

Lake Superior College



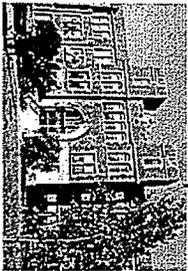
Enrollment Age	
Under 20	25%
20-24	33%
25-34	18%
35+	25%
Median Age: 27.6 years	
Enrollment Status	
Full-time	44.7%
Part-time	55.3%
Gender ¹	
Female	46%
Male	47%
2001 Enrollment	3,909

College of St. Scholastica



Enrollment Age	
Under 20	23%
20-24	42%
25-34	15%
35+	21%
Median Age: 26.5 years	
Enrollment Status	
Full-time	76.4%
Part-time	23.6%
Gender	
Female	72%
Male	28%
2001 Enrollment	2,230

University of Wisconsin Superior



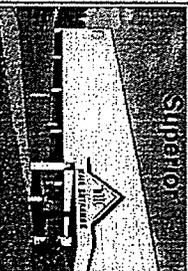
Enrollment Age	
Under 20	21%
20-24	45%
25-34	18%
35+	35%
Median Age: 23 years	
Enrollment Status	
Full-time	73.4%
Part-time	26.6%
Gender	
Female	61.7%
Male	38.3%
2001 Enrollment	2,787

Fond du Lac Community College



Enrollment Age	
Under 20	46%
20-24	24%
25-34	17%
35+	13%
Median Age: 23.8 years	
Enrollment Status	
Full-time	43.7%
Part-time	56.3%
Gender ²	
Female	62%
Male	38%
2001 Enrollment	1,023

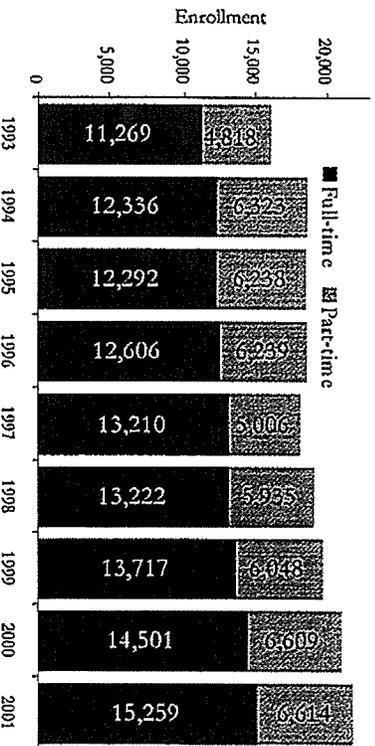
Wisconsin Indianhead Technical College-Superior



Enrollment Age	
Under 20	21%
20-25	30%
26-35	17%
36+	32%
Median Age: -	
Enrollment Status	
Full-time	25.0%
Part-time	75.0%
Gender	
Female	55.5
Male	44.5
2001 Enrollment	2,264

College and University Enrollment

Total Headcount Duluth and Superior Area³



Enrollment Continues to Expand
The Duluth and Superior area colleges and universities have experienced strong enrollment growth from 1993-2001. Total enrollment increased by 36.0%, from 16,087 in 1993 to 21,873 in 2001.

Duluth college and university enrollment has increased 33.7%, from 11,820 in 1993 to 15,799 in 2001. Superior enrollment has increased 18.4%, from 4,267 in 1993 to 5,051 in 2001.

Source: VINT Higher Education Services Office, 2001 data.
1. 2% of the gender data unavailable.
2. 2% of the gender data unavailable.
3. Includes data from the University of Minnesota Duluth, College of St. Scholastica, Lake Superior College, Fond du Lac, Duluth Superior, University of Wisconsin Superior, and Wisconsin Indianhead Technical College-Superior.



Dramatic Increases in Full-Time Enrollment

In 2001, the University of Minnesota Duluth continues to have the highest enrollment count with 43% of the total area enrollment followed by Lake Superior College with 18% of the total. However, Lake Superior College along with Duluth Business University had the highest

percentage gain with 77.4% and 52.6% respectively compared to 23.7% at UMD. Lake Superior College had the largest percent enrollment gains by adding 1,705 students over the last 8 years compared to UMD's 1,794 students. In comparison, the University of

Wisconsin Superior only grew by 8.1% for a total of 2,900 new students. In the total area enrollment, we saw an increase of 5,786 students over the last 8 years.

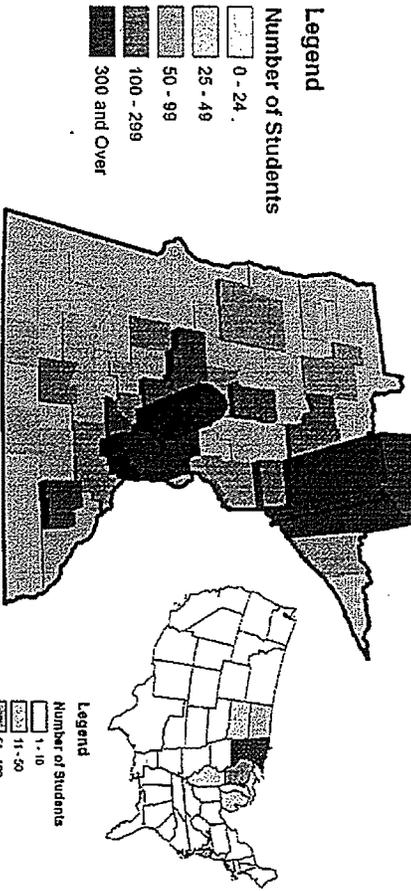
Higher Education and Enrollment

	Total Headcount—Fall											% Change (93-01)	2002 Tertiary
	1993	1994	1995	1996	1997	1998	1999	2000	2001				
Universities													
University of Minnesota—Duluth													
Full-time	6,100	6,588	6,572	6,729	6,947	7,202	7,391	7,803	8,210	8,170	8,237	↑23.7	9,815
Part-time	1,486	1,454	1,614	1,657	1,239	1,554	1,409	1,284	1,170	1,170	1,170	↑8.1	2,900
University of Wisconsin—Superior	2,578	2,589	2,584	2,640	2,573	2,632	2,741	2,843	2,787	2,787	2,787	↑8.1	2,900
Full-time	1,900	1,860	1,782	1,846	1,873	1,954	2,036	2,074	2,014	2,014	2,014	↑8.1	2,900
Part-time	678	729	802	794	698	678	705	769	773	773	773	↑8.1	2,900
Community and Technical Colleges													
Fond du Lac Tribal & Community College													
Full-time	0	700	833	770	695	800	932	998	1,023	1,023	1,023	↑46.1	1,261
Part-time	0	303	310	323	315	319	390	436	497	497	497	↑46.1	1,261
Lake Superior Community College	2,204	3,253	2,853	2,716	2,812	2,948	3,219	3,272	3,909	3,909	3,909	↑77.4	3,539
Full-time	1,169	1,357	1,316	1,520	1,710	1,564	1,571	1,774	1,965	1,965	1,965	↑77.4	3,539
Part-time	1,035	1,896	1,537	1,196	1,102	1,384	1,648	2,198	1,944	1,944	1,944	↑77.4	3,539
Wisconsin Indianhead Technical College—Superior	1,689	1,833	1,825	1,905	1,586	1,540	1,934	1,835	2,264	2,264	2,264	↑34.0	-
Full-time	507	465	518	457	425	416	468	523	585	585	585	↑34.0	-
Part-time	1,182	1,368	1,307	1,448	1,161	1,124	1,466	1,312	1,679	1,679	1,679	↑34.0	-
Private Colleges and Universities													
College of St. Scholastica													
Full-time	1,838	1,849	1,895	2,101	2,030	2,089	2,084	2,054	2,230	2,230	2,230	↑21.3	2,518
Part-time	1,401	1,374	1,440	1,404	1,604	1,375	1,513	1,570	1,728	1,728	1,728	↑21.3	2,518
	437	475	455	697	426	714	571	484	502	502	502	↑21.3	2,518
Private Career Schools													
Duluth Business University													
	156	341	309	285	298	358	306	271	238	238	238	↑52.6	-
Cosmetology Careers—Duluth													
	36	48	45	42	36	34	42	50	42	42	42	↑16.6	-
Total Enrollment													
Duluth Enrollment	11,820	13,537	13,288	13,530	13,028	14,185	14,151	15,434	15,799	15,799	15,799	↑33.7	-
Superior Enrollment	4,267	4,422	4,409	4,545	4,159	4,172	4,675	4,678	5,051	5,051	5,051	↑18.4	-
Total Duluth/Superior/Fond du Lac Enrollment	16,087	18,659	18,530	18,845	18,216	19,157	19,765	21,110	21,873	21,873	21,873	↑36.0	-

Source: Minnesota Higher Education Services Office (MHESO), "Basic Data Series 2002 and 1997," www.mhesc.state.mn.us; Cosmet Careers, 2001; University of Wisconsin, Office of Policy Analysis and Research, www.upar2.edu
 *Fond du Lac from 1994—2001. (MHESO)
 Headcount: the number of individuals enrolled at a post-secondary institution.

Where Do Students Come From

2001



Source: University of Minnesota - Office of Institutional Research and Reporting
Mapping: St. Louis County Planning Department, 2002
1. Calculation for percent of students will be used when mailing addresses

Where Do Students Come From

Location	1989		2001	
	Number	Percent of Students ¹	Number	Percent of Students
Minnesota	6,762	88.6	7,823	87.1
Outside of Minnesota	734	9.6	1,122	12.5
International	135	1.8	35	0.4
Unknown	189	na ¹	400	na ¹
Total Enrollment	7,820	100	9,380	100
Top Locations				
St. Louis County	2,197	28.8	1,643	18.3
Hennepin County	967	12.7	1,098	12.2
Wisconsin	443	5.8	767	8.5
Ramsey County	492	6.5	515	5.7
Dakota County	443	5.8	450	5.0
Anoka County	286	3.8	412	4.6
Washington County	267	3.5	387	4.3
Carlton County	259	3.4	214	2.4

College Students from Out-of-Town Increases
An increasing percentage of college students are coming from outside of Minnesota.

This indicates an increasing need for housing units, both on and off campus.

Where Do Students Live

2001 Student Address Location



College Students Concentrated in Central Hillside, East End, Endion, and Lakeside Neighborhoods
Central Hillside, East End, Endion, and Lakeside neighborhoods represent a large majority of college students who list these neighborhoods as their permanent home addresses. It closely corresponds with the U.S. Census figures showing rental units concentrations.

This chart only shows the distribution of students across Duluth, and does not portray the density (number of students) per structure.

Source: University of Minnesota-Duluth, Lake Superior College and University of Wisconsin Superior, 2002
Mapping: St. Louis County Planning Department, 2002

Off-Campus Student Population Increases

There is no doubt that college and university students add value and contribute to an area's economy and social fabric.

In the Duluth area, higher education's enrollment and impact on the local area are profound. In fact, total Duluth off campus student population increased by 2,120 from

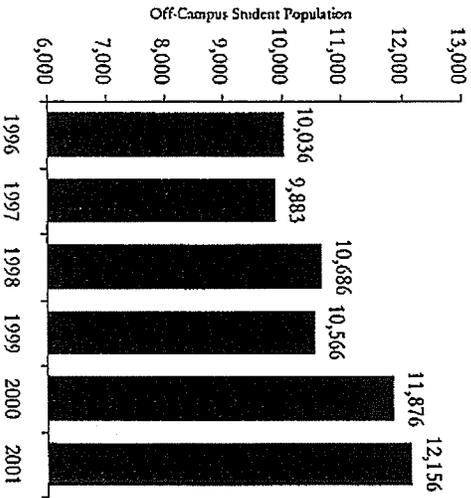
10,036 in 1996 to 12,156 in 2001.

This growth has forced the community to struggle with a number of issues, including traffic and parking congestion, decreasing rental vacancy rates, noise, shifting property values, and student housing in single-family neighborhoods.

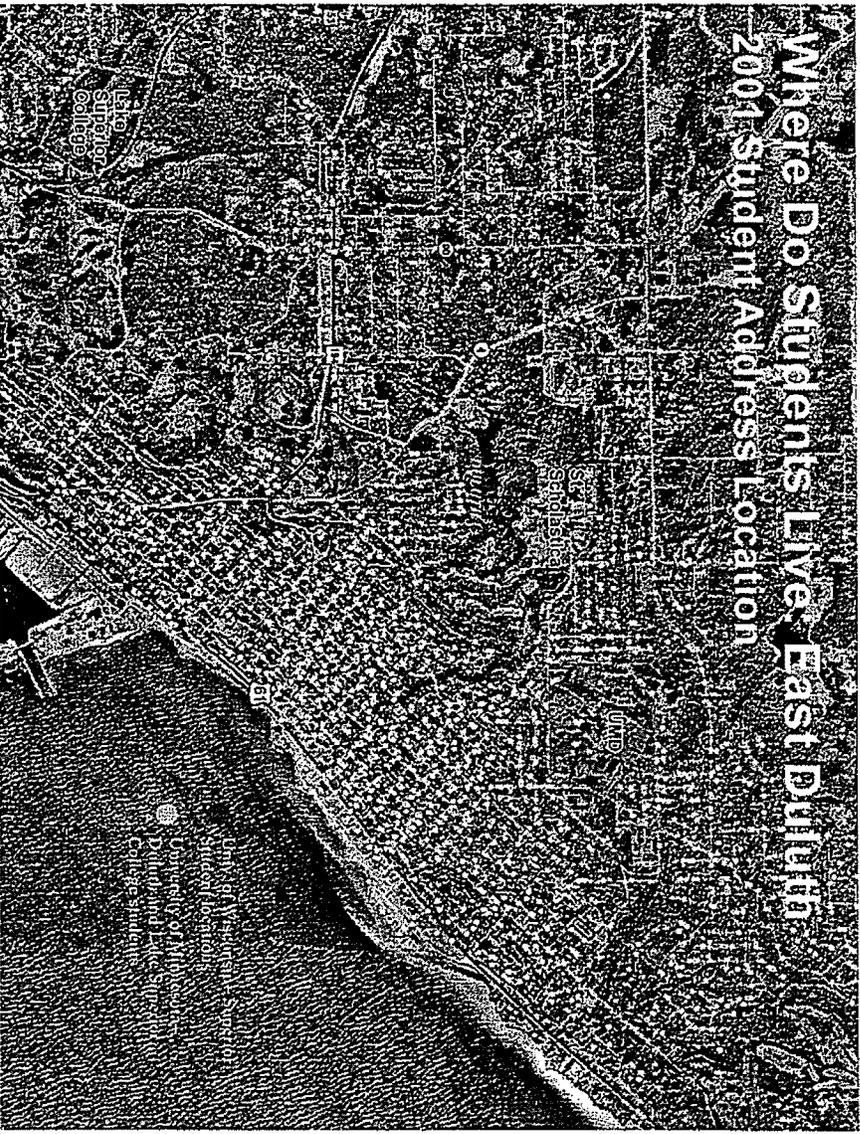
However, this off-campus student growth is providing opportunities to developers to build additional housing.

Furthermore, according to the National Center for Education Statistics, 2002, college enrollment in the United States is projected to increase 12.4% between the years 2002 and 2010.

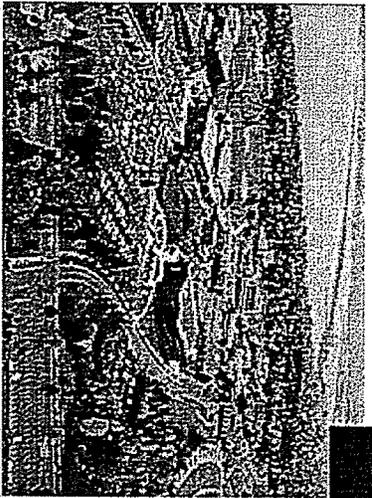
Off-Campus Student Population
By College Headcount in Duluth
UMD, Lake Superior College, St. Scholastica, DBU, Coe, Careers



Source: University of Minnesota Duluth, Lake Superior College and University of Wisconsin Superior, 2002 Mapping: St. Louis County Planning Department, 2002
The following dots are the identified addresses of students at University of Minnesota Duluth, Lake Superior College, and the University of Wisconsin Superior. About 60% of UMD, 68% of Lake Superior College, and 55% of University of Wisconsin Superior addresses were matched with the address list for GIS. The map only shows the distribution of students and does not show the intensity of students at an address (denotes with multiple pin #s).



Student Housing



University of Minnesota-Duluth

While the University of Minnesota-Duluth (UMD) does not require students to live on campus, it is strongly recommended

for its freshman. This year nearly 90% of its freshman live on campus. During the last ten years the campus has borrowed more than \$18 million to build additional housing. In June 2002, the University completed and filled to capacity a 252-bed residence hall.

Over 68% of UMD students lived off-campus in 2001. Student living off-campus increased by 1,021 students from 5,383 in 1995 to 6,404 in 2001. It is important to note that these off-campus students live alone, with parents, with their own families, with friends or with relatives.

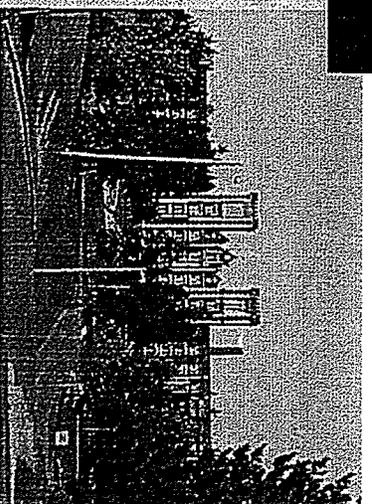
The campus encourages the development of additional off-campus student housing such as Campus Park. Any increase in rental housing stock creates additional opportunities for students to find housing in the community.

College of St. Scholastica

The College of St. Scholastica currently houses 740 students on campus.

The College will expand its student housing capacity by 46 by fall 2004, when it opens a new student apartment complex. The addition will be part of a broader campus reconfiguration that will include a new wellness center.

"The College of St. Scholastica has a long tradition of forming partnerships with the Duluth Superior community," said Patrick Flattery, Vice President of Finance, "and we're open to new projects in the future."

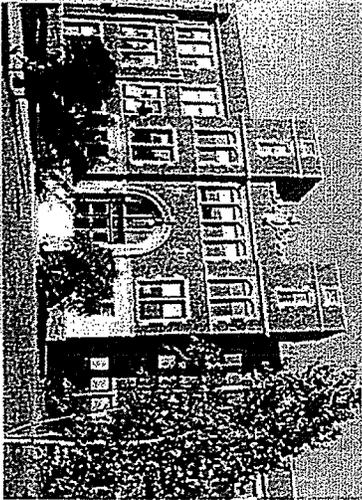


Student Housing

Off-Campus # change 1995-2001	University of Minnesota-Duluth (UMD) 1995-2002					College of St. Scholastica 1995-2002					Off-Campus # change 1996-2001			
	1995	1996	1997	1998	1999	2000	2001	1995	1996	1997		1998	1999	2000
8,186	8,386	8,186	8,756	8,500	9,087	9,380	Enrollment	1,895	2,101	2,030	2,089	2,084	2,054	2,231
2,803	2,830	2,821	2,813	2,894	2,888	2,976	Student Housing Population	664	658	658	686	691	670	668
3,075	3,050	3,120	3,108	3,137	3,276	3,374	Applications	-	-	-	-	-	-	-
1,069	1,069	1,069	1,069	1,130	1,132	1,152	Units	260	260	260	260	260	260	260
0	0	0	0	0	0	0	# of Vacancies-Fall	0	14	19	0	0	0	0
276	251	242	230	126	100	95	# of Vacancies-Spring	69	40	50	33	49	35	
↑ 1,021	5,383	5,556	5,365	5,943	5,606	6,404	Off-Campus Housing Population-Fall	1,437	1,372	1,403	1,393	1,384	1,563	↑ 126

Student Housing

Factors Affecting Housing



University of Wisconsin-Superior

The University of Wisconsin Superior (UWS) recently experienced an increase in interest in on-campus living. This has caused a re-opening of several available spaces after many idle years. Vacancies, once at 255 in 1995, decreased to 47 in 2001.

The campus can accommodate freshman students who are required to live on campus, plus provide some options for continuing student who prefer the convenience of residence life. The campus has made serious efforts in the past few years to upgrade facilities and amenities to students who live in residence halls.

There continues to be a shortage of reliable housing within Superior for non-traditional and older students who wish to live off campus.

Student Housing

University of Wisconsin Superior 1995-2002

	1995	1996	1997	1998	1999	2000	2001	Off-Campus # change 1995-2001
Enrollment	2,584	2,640	2,573	2,632	2,741	2,843	2,787	
Student Housing Population	419	470	464	441	576	581	621	
Applications	-	-	-	-	-	-	-	
Units	-	-	-	-	-	-	-	
# of Vacancies- Fall	255	198	204	227	92	87	47	
# of Vacancies- Spring	288	241	231	241	151	112	110	
Off-Campus Housing Population- Fall	2,165	2,170	2,109	2,191	2,165	2,262	2,166	↑ 1

Source: Lake Superior College and University of Wisconsin Superior, 2002
↑ Total capacity is 697

Lake Superior College

Lake Superior College (LSC) does not currently provide on-campus housing. As a community and technical college, LSC draws a large percentage of its students from Duluth and other communities within commuting distance. In recent years, LSC has attracted an increasing number of students from a broader region, especially in its popular technical programs (e.g., nursing, fire fighting, professional photo).

The LSC facilities plan calls for the development of campus housing over the next 10 to 20 years. The college also has an interest in discussing housing partnerships with private developers.