



Annual Conference

June 25-27, 2025, Duluth Entertainment Convention Center

Mobile Tour 2: Duluth Residential Development Showcase

Wednesday, June 25, 10 a.m. – 12 p.m.



Tour Facilitators:

Steven Robertson: Manager of Construction Services and Inspections, City of Duluth;

Tom Church: Senior Housing Developer, City of Duluth

Kyle Deming: Senior Planner, City of Duluth;

Tour Stop #1: Riverwest

Riverwest is a multi-phase development project for up to 280,000 sq. ft. of commercial, 540 attached dwelling units, and 65 unattached dwellings on a 27-acre site that was once the Riverside Golf Club (1919-1945).

The project began in 2015 with a planning study that identified the development potential of the area while maintaining a green buffer to preserve the “wilderness feel” along the St. Louis River.

The scale of the project necessitated preparation of an Environmental Assessment Worksheet, which was approved in 2017.



City and County leaders supported the development project to increase the property and sales tax base as well as access to the many amenities in the western part of the city including Spirit Mountain Recreation Area, Superior Hiking Trail, Willard Munger Trail, Waabizheshikana (The Marten Trail, formerly the Western Waterfront Trail), and water recreation on the St. Louis River.

A proposed new park and river access at the terminus of Kayak Bay Drive, to be named “Spirit Landing” did not move forward, partially due to the inability to provide a vehicle crossing over the existing railroad.

St. Louis County provided \$900,000 for the construction of Kayak Bay Drive through the center of the property. This 2,000-foot-long street with abutting multi-use path was constructed in 2022 facilitating the construction of adjacent private streets where 30 detached dwellings have been constructed. Many of the detached dwellings are used as personal vacation homes or commercial vacation rentals.

In 2023 construction of a commercial building for two tenants commenced. Ski Hut relocated to this site to serve the adjacent Spirit Mountain and state trail users and Burnett Cheese has opened a retail store. Two additional commercial phases are planned, and two or three more residential phases are planned (likely additional single-family homes).



Tour Stop #2: Zenith Apartments



The Zenith Apartments building was originally constructed as Duluth High School. The cornerstone was laid in a ceremony with 7,000 people in 1891 and the building was constructed in 1 year, opening in 1892. The exterior is locally quarried Lake Superior Brownstone with an iconic clock tower that rises 210 feet. The tower's 4 clock faces are 10 feet tall and behind them are 5 bells that chime Westminster Quarters. The building contained 22 classrooms, a library, labs, music room, shop space, gymnasium, and auditorium. It was used as a school for 79 years until it was deemed antiquated and unsafe by the school board and closed in 1971.

The building was added to the National Register of Historic Places in 1972 as "one of the finest examples of Richardsonian Romanesque architecture in the state." From 1972-2020 it was converted to the offices of ISD 709, an alternative school (Unity High School), and the Adult Learning Center. It was purchased for \$3 million in 2022 by Saturday Properties of St. Louis Park, MN, who converted it to apartments that opened in 2024.

Today, Zenith Apartments is the largest residential development in our downtown neighborhood. The building is home to 122 residential units, 13 of which are affordable for households earning less than 60% of Area Median Income. Total development cost was just under \$43M and public funding sources include Redevelopment TIF, Historic Tax Credits, and Opportunity Zone Funding.

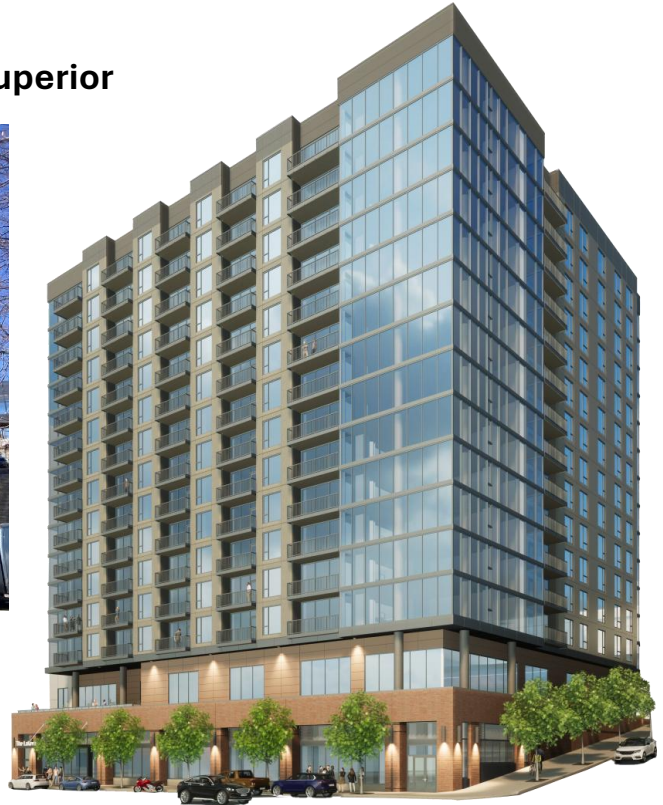
Tour Stop #3: The Lakeview at 333 E. Superior



Lakeview 333 will *become* Duluth's largest housing development in our downtown neighborhood once it is completed later this year. The project will include 174 long term rental apartments, 34 extended-stay rental units, and commercial tenants on the ground floor.

The total project cost will exceed \$70M and the Duluth Economic Development Authority (DEDA) is contributing \$7M from a redevelopment TIF district.

The site is located in one of the oldest parts of Duluth across the street from where Jay Cooke's Lake Superior and Mississippi Railroad once terminated with a freight warehouse on the shore of Lake Superior. The site previously contained the Voyageur Inn, a 1950's era, 3-story auto court motel building and two turn-of-the-20th-century two-story commercial buildings most recently containing the Hacienda del Sol restaurant and Duluth Oriental Grocery market. Adjacent to the site are the 11-story, 147-room Duluth Sheraton Hotel, completed in 2006, and the Essentia Health Saint Mary's Medical Center, which opened in 2024.



Not On The Tour: Incline Village:



The Incline Village concept plan includes 1,300 dwelling units, 80,000 sq. ft. of commercial space, extension of public utilities and private streets, as well as a public pavilion and trailhead. The 53-acre site will be redeveloped in phases. The site was home to Duluth Central High School from 1971 to 2011. It was closed due to the school board's decision to reduce from three public high schools to two. ISD 709 sold the property, including the school buildings, to the developer in 2022 for \$8 million.

The site redevelopment concept centers on a main street oriented to a view of the Aerial Lift Bridge flanked by four 5-7 story apartment buildings with ground floor commercial space and under building parking. Near the crest of the hill would be a 5-story condominium building with sweeping views of the lake and downtown and another undesignated housing.

The scale of the project triggered review under the MN Environmental Policy Act. Due to project phasing the City decided to conduct an Alternative Urban Areawide Review (AUAR) for the project and surrounding areas. The AUAR considered two redevelopment scenarios and found the project would not cause significant environmental harm if mitigation strategies were implemented.

The City used a flexible zoning tool akin to a planned unit development to regulate the land uses on the site over the multiple phases allowing for adjustments as community needs and market demand shaped the housing makeup.

As the development is expected to take 10 years, the Duluth Economic Development Authority entered into an agreement with the developer providing a framework for approval of projects and certification of up to three Tax Increment Financing (TIF) Districts. The first TIF District for a 120-unit condominium building and a 220-unit apartment building was approved in 2024 and is anticipated to generate about \$over \$1,986,250 per year in net tax capacity for reimbursement of TIF eligible costs for utility extensions, private streets, and underbuilding parking.