

ECONOMIC DEVELOPMENT



Economic Development Mission

Duluth's economic environment will advance the success and health of our community by promoting growth through an expanded tax base and the creation of new jobs and innovative ideas.





GOVERNING PRINCIPLES FOR ECONOMIC DEVELOPMENT

- 1 Reuse previously developed lands
- 3 Support traditional economic base
- 4 Support economic growth sectors
- 5 Strengthen neighborhoods
- 8 Encourage mix of activities, uses, and densities
- 9 Support private actions that contribute to the public realm
- 10 Take actions that enhance the environment, economic, and social well-being of the community
- 13 Develop a healthy community
- 14 Integrate fairness into the fabric of the community

Jobs Industry

Economic development can be defined as the process in which an economy grows or changes and becomes more advanced, especially when both economic and social conditions are improved. In simple terms, economic development means better jobs and better quality of life. Historically, Duluth's economy has been driven by the extraction of natural resources (mining, timber, etc.) and the transportation of those goods. In recent decades, Duluth's economy has seen diversification through the expansion of health care, education, aviation, tourism/hospitality, and arts and entertainment. This type of diversification contributes to a stronger and more stable economic base, particularly as manufacturing and industry evolve in the U.S. While many strides have been made, there is still room for growth and the City continues to work to strategically position itself for success over the next 20 years.

Industry Clusters

The region has many strong clusters, many of which are tied to either the mining and natural resources industries or the oil and gas production/transportation industries. These industries may have even more direct jobs located outside of the Duluth's borders; the regional impact is tremendous. The ferrous and non-ferrous mining operations alone have, respectively, a \$3.1 billion/4,150 job impact and \$4.4 billion/9,302 job impact on the Arrowhead region's economy. Similarly, the aviation/aerospace industry has a great impact on the Duluth area; according to a study from the University of Minnesota Extension, the aerospace industry contributed directly to \$894 million/2,450 jobs with a total impact of \$1.2 billion/4,630 jobs. Other strong clusters above the 90th percentile in specialization are education, insurance, water transport, and footwear.

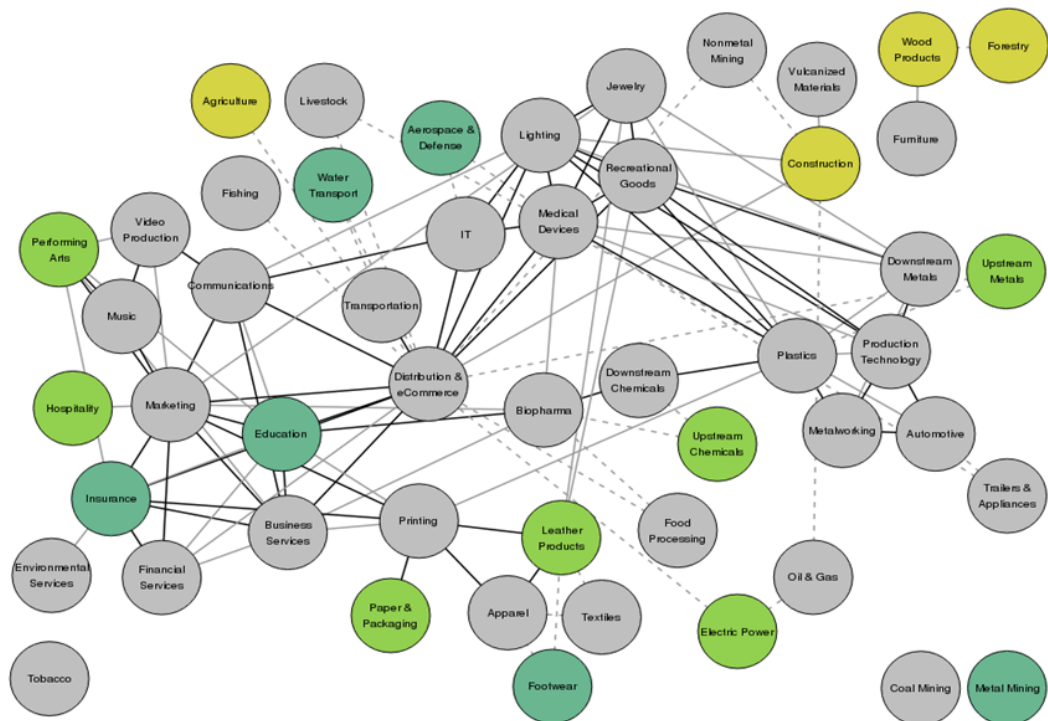
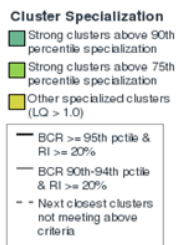
Industry clusters are groups of similar or related businesses that share common markets, technologies, and worker skill needs,

Duluth and the surrounding region can ensure continued growth and support of its industry clusters through focusing on workforce development, educational resources, transportation/logistics, road infrastructure, water transportation, and supporting business services. As the largest city of the Arrowhead region, Duluth is positioned to attract new people and potential workforce to both work and live in the region. With 6.7 million tourist visits per year, there are many opportunities to attract new residents and expand on the workforce supply for the coming years.

Strongest Industry Clusters:

- Aerospace & Defense
- Water Transport
- Education
- Insurance
- Footwear
- Metal Mining

CLUSTER LINKAGES & ECONOMIC DIVERSIFICATION



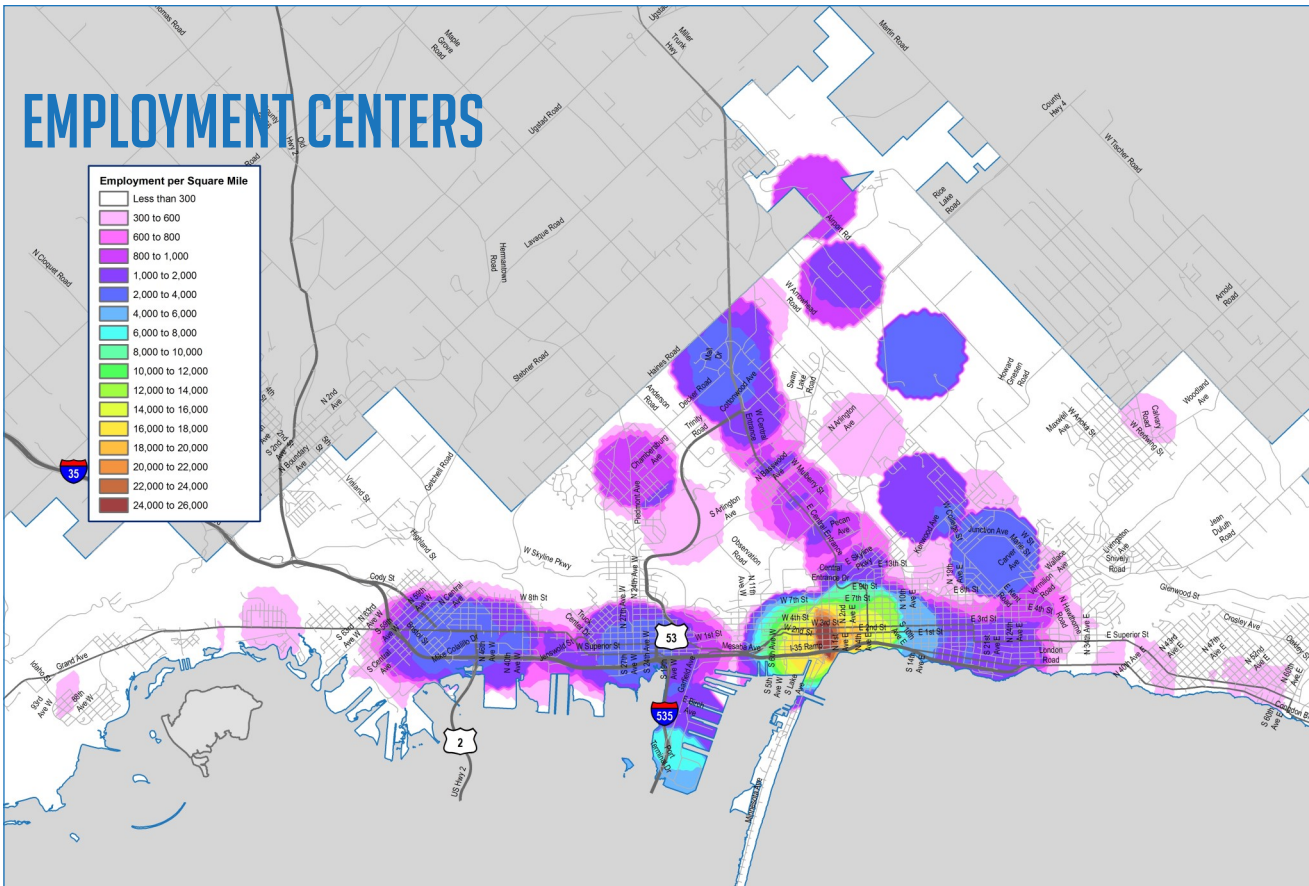
Source: St. Louis County, MN, 2014



Employment Centers

According to 2014 employment data, Duluth’s major employment centers are: 1) Downtown and Canal Park, 2) Rice’s Point, 3) Lincoln Park, 4) Spirit Valley, 5) UMD and St Scholastica College, 6) Miller Hill Mall area, 7) airport and Airpark business park. These areas are reflected in the map on page ED-4, which shows employment density being the highest in the central part of the city.

To meet the city’s transportation, sustainability, and equity goals, it is important to connect employment centers to the places people live. Several of the job centers (Downtown, Lincoln Park, Spirit Valley, UMD and St. Scholastica), have residential areas nearby. Rice’s Point, Miller Hill Mall, and the Airpark, however, are not near residential areas. This is not surprising because until relatively recently, most industrial uses (which were historically the larger employers) had significant negative impacts such as noise, dust, traffic, and pollution. Traditional zoning attempted to separate residential uses from commercial and industrial uses. With newer industrial employers, negative impacts on adjacent neighborhoods are much lower than they have been in the past.



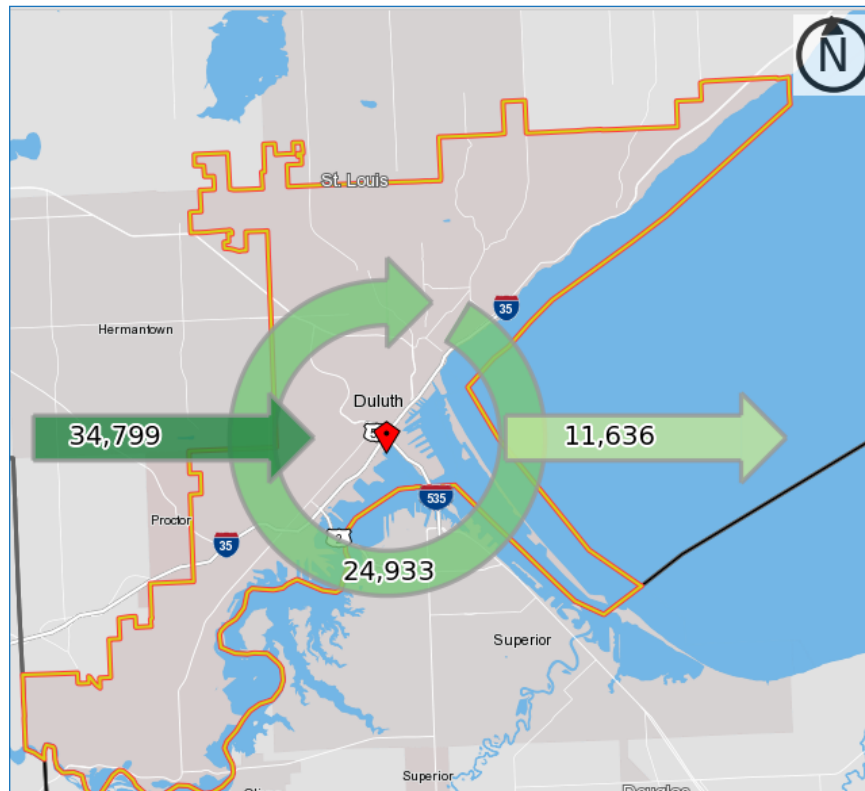
Source: City of Duluth

Transit is another way places people work can be connected to where they live. This is especially true for employees without their own private sources of transportation; they are not able to connect with businesses seeking to add to their workforce. The inconvenience and infrequency of trips is a challenge to workforce participation and economic development. Transit needs are discussed further in the Transportation chapter.

Land uses that are dependent upon specific locational assets (such as the port/harbor, railroad lines, and airport facilities) are important to the community's economic vitality.

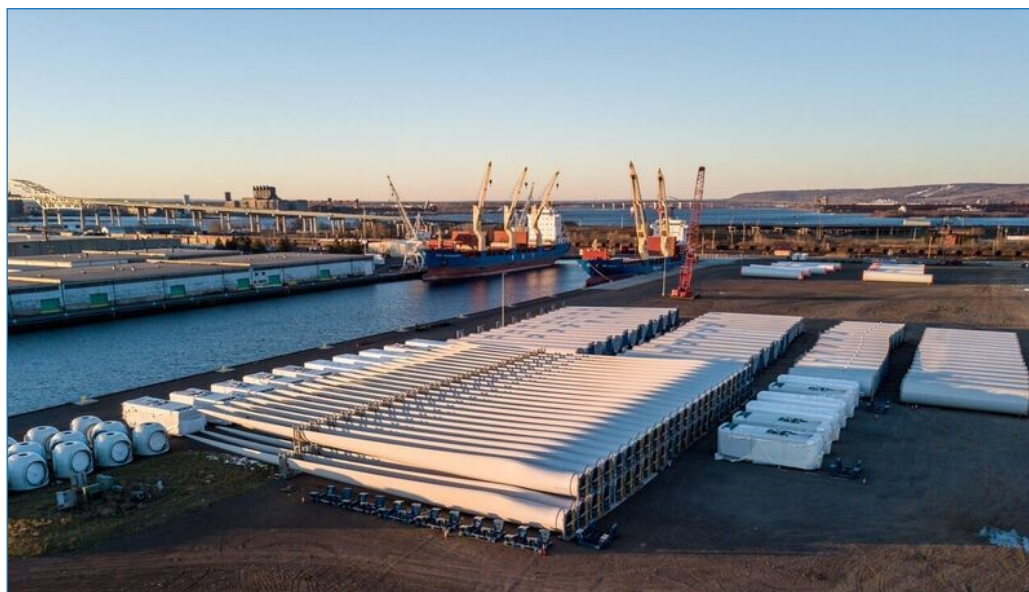
These uses cannot expand or develop unless they continue to have access to those specific assets. Areas adjacent to and surrounding these assets must be used in ways that make the best use of these limited resources.

Economic development that does not necessarily need access to the port/harbor, rail lines, or airport facilities should be encouraged in other areas of the community.



Duluth experiences a net of 25,000 people traveling into the city each day for jobs. Source: U.S. Census Bureau OnTheMap! Web Tool, <https://onthemap.ces.census.gov/>

Location





3 OUT OF 10 SITE SELECTION CRITERIA RELATE TO WORKFORCE

TOP 10 CRITERIA FOR SITE SELECTION

- Workforce Skills
- Incentives
- State and Local Tax Schemes
- Transportation Infrastructure
- Land/Building Prices and Supply
- Workforce Development
- Utilities (Cost, Reliability)
- Higher Education Resources
- Ease of Permitting and Regulatory Procedures
- Quality of Life

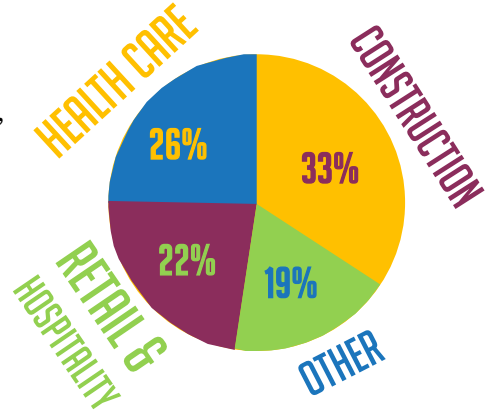
Source: *Site Selection Magazine*

Workforce

Of the top 10 factors businesses consider when locating a new business, five are related to development and operation costs and three directly relate to the availability of a qualified workforce.

The need to access skilled workers has become increasingly important across the U.S. as Baby Boomers continue to scale back their involvement in the workforce. Along with the rest of the nation, Minnesota is projected to struggle to fill increasingly vacant “Boomer” positions. Minnesota DEED projects that the Northeast region will see approximately 41,400 job openings over the ten years between 2014 and 2024. Of those, 92% are projected to be replacement jobs, while only 8% will be newly created jobs. Over that same timeframe, the population of the region is only projected to grow by 1%.

Regional employment projections are shown in the table on page ED-7. There were 8,055 job vacancies in the region in Q2 of 2016: 33% were construction jobs, 26% were in healthcare and social assistance, and 22% were in retail and hospitality. Looking ahead, more than 31% of the total new jobs created from 2014 to 2024 in Duluth are anticipated to be in the healthcare industry. Essentia Health and St. Luke’s report that it is a challenge to find skilled workers to fill currently vacant positions; without a coordinated strategy, the creation of additional positions in the future will only exacerbate the issue. Similarly, the personal services and hospitality industries are expected to create nearly 25% of new jobs by 2024 while simultaneously filling almost 7,000 vacancies. Construction sector jobs are expected to experience a slight increase, resulting in roughly 1,500 total openings by 2024. Developers from the Twin Cities metro area have suggested that as a result of this workforce shortage, a project’s labor costs can be up to 10% higher in Duluth, negatively impacting a decision to undertake development in Duluth.



PEOPLE

One of the challenges for individuals interested in moving to Duluth for employment is finding options for adequate and affordable housing. Three areas need to be addressed: 1) new owner-occupied housing to support new employment growth in the community, now and in the future, 2) renewal of the existing housing stock through renovation and rehabilitation of existing units, and 3) new rental housing to encourage existing renters to move-up to new units, thereby freeing up lower-priced units for households with moderate incomes. These needs are further addressed in the Housing chapter.

As a result of future workforce projections and its current population, Duluth should focus on two key initiatives: ensuring sufficient housing options, and creating a strategic plan to attract the workforce the region will need in the coming decade. Active partnerships and support of the community’s housing providers and educational facilities should be prioritized.

41,400 Job Openings

Projected 2014-2024



Regional Employment Projections, 2014-2024						
Occupational Group	Northeast Planning Region					
	2014 Estimate	2024 Projection	2014-2024 Percent Change	2014-2024 New Jobs	Replacement Openings	2014-2024 Total Openings
Total, All Occupations	159,860	163,078	2.0%	3,218	38,200	44,660
Management	8,879	8,984	1.2%	105	1,970	2,240
Business & Financial Operations	5,638	5,774	2.4%	136	1,160	1,370
Computer & Mathematical	2,392	2,762	15.5%	370	340	710
Architecture & Engineering	2,361	2,441	3.4%	80	590	710
Life, Physical, & Social Science	1,853	1,901	2.6%	48	570	650
Community & Social Service	4,754	5,170	8.8%	416	1,000	1,420
Legal	720	699	-2.9%	-21	120	120
Education, Training, & Library	9,167	8,942	-2.5%	-225	1,970	2,090
Arts, Design, Entertainment, & Media	2,356	2,334	-0.9%	-22	600	660
Healthcare Practitioners & Technical	10,671	11,208	5.0%	537	2,360	2,940
Healthcare Support	6,130	7,085	15.6%	955	1,360	2,320
Protective Service	3,017	3,028	0.4%	11	780	810
Food Preparation & Serving Related	14,394	14,530	0.9%	136	5,300	5,700
Building, Grounds Cleaning & Maint.	6,679	7,059	5.7%	380	1,380	1,770
Personal Care & Service	8,938	9,948	11.3%	1,010	1,680	2,730
Sales & Related	14,871	15,066	1.3%	195	4,710	4,930
Office & Administrative Support	22,348	21,636	-3.2%	-712	4,680	5,040
Farming, Fishing, & Forestry	1,150	1,004	-12.7%	-146	270	270
Construction & Extraction	8,114	8,252	1.7%	138	1,310	1,480
Installation, Maintenance, & Repair	7,842	8,063	2.8%	221	1,900	2,240
Production	8,167	7,907	-3.2%	-260	1,900	2,120
Transportation & Material Moving	9,419	9,285	-1.4%	-134	2,150	2,260

Source: DEED 2014-2024 Employment Outlook



Future Development

As a general rule, businesses want to be located in areas where there is similar existing business activity. They need access to sufficient utilities and infrastructure and, depending on the nature of the business, sometimes access to other businesses that offer complimentary services or products (e.g., a welding shop located next to a provider of metals, or a bar located next to other retail activity). Existing large industrial/ heavy manufacturers such as Verso, ME Global, and Tate & Lyle chose to locate near the water in the western part of Duluth since they need large sites, water for manufacturing processes, and rail/interstate connectivity. Other businesses that do not need large-scale infrastructure often locate in areas where there is greater population density and existing like-business activity; in Duluth, this is predominately in the Downtown, Canal Park and Miller Hill areas, where Essentia Health, Maurices corporate headquarters, and many consulting, financial, and professional business related services are located.

There may be localized issues with specific sites in Duluth due to limitations with under-sized water or sewer lines, but generally speaking, water pressure is sufficient throughout the city for most new commercial and industrial uses. Park Point is not a good location for a new water-intensive industry due to potential limitations on water access. Sanitary sewer is generally good throughout the city, although for certain industries with high flows of nutrient rich effluent (such as a cheese processing facility or vegetable cannery), additional research would be necessary to ensure adequate infrastructure capacity.

ZONING CLASSIFICATION	ACRES	% OF CITY LAND AREA
Form District	494	1%
Industrial	6,588	13%
Mixed Use	4,943	10%
Planned	461	1%
Park	1,840	4%
Residential	17,139	34%
Rural Conservation	3,059	6%
Rural Residential	15,481	31%
Total	50,007	100%

Industry Employment Statistics, 2015								
WDB 4 - City of Duluth		2015 Annual Data			2010-2015		2014-2015	
NAICS Industry Title	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	2,580	60,344	\$2,771,553	\$45,916	2,111	3.6%	658	1.1%
Health Care & Social Assistance	335	18,066	\$975,417	\$53,976	589	3.4%	404	2.3%
Retail Trade	427	6,505	\$154,863	\$23,816	124	1.9%	88	1.4%
Accommodation & Food Services	240	6,002	\$95,242	\$15,808	247	4.3%	-31	-0.5%
Educational Services	84	5,252	\$252,072	\$47,996	7	0.1%	38	0.7%
Public Administration	62	3,698	\$223,958	\$60,580	-49	-1.3%	31	0.8%
Manufacturing	97	2,769	\$154,612	\$55,796	82	3.1%	182	7.0%
Professional & Technical Services	235	2,761	\$186,589	\$67,704	653	31.0%	89	3.3%
Construction	174	2,506	\$155,415	\$61,880	606	31.9%	271	12.1%
Other Services	263	2,099	\$47,241	\$22,464	214	11.4%	56	2.7%
Finance & Insurance	151	1,917	\$113,231	\$59,072	-259	-11.9%	-290	-13.1%
Admin. Support & Waste Mgmt. Svcs.	90	1,826	\$49,139	\$26,884	-319	-14.9%	-158	-8.0%
Transportation & Warehousing	68	1,429	\$81,786	\$57,200	226	18.8%	40	2.9%
Wholesale Trade	92	1,216	\$65,356	\$53,716	80	7.0%	-18	-1.5%
Arts, Entertainment, & Recreation	69	1,159	\$21,239	\$18,304	-39	-3.3%	-33	-2.8%
Information	41	957	\$47,090	\$49,192	#N/A	#N/A	-21	-2.1%
Real Estate & Rental & Leasing	117	800	\$23,892	\$29,848	115	16.8%	47	6.2%
Utilities	7	768	\$74,112	\$96,408	72	10.3%	-9	-1.2%
Management of Companies	21	580	\$48,880	\$84,344	-71	-10.9%	-27	-4.4%

Source: DEED Quarterly Census of Employment & Wages (QCEW) program

Approximately 13% of the city is zoned for industrial use, 9% for mixed use, and 1% for form districts, as shown in the table on the previous page.

The geography and topography of Duluth are two of its greatest assets, but also pose a development challenge. New construction on the hillside is often cost-prohibitive for developers unless the project receives some form of subsidization or incentive. Flat, easy-to-develop greenfield sites within city limits (particularly those closer to the city-center) are unusual and command premium prices. Additionally, much of the existing greenfield space on or below Duluth’s hillside is reserved for park/green space and is used for public purposes.

Most available space for development over the hill is on the northern end of the city, north of West Arrowhead Road and east of Haines Road. Much of this land is tax-forfeit property, owned by the City of Duluth, or zoned for residential use. Located away from Interstate 35, new development in this area can encounter access problems when trying to connect to the rest of the city.

In 1960, Duluth’s population was approximately 107,000 people. Today the population is approximately 86,500 people. Duluth, including its businesses, housing, services, and amenities, has previously accommodated 21,000 more people than it does today. The decline in population in the 1970s and 1980s left many homes and businesses vacant and, due to deferred maintenance and minimal investment from absent landlords, reinvestment is needed. Additionally, since 1960 a substantial amount of the manufacturing along the St. Louis River has ceased operations. Companies like U.S. Steel, Universal Atlas Cement,

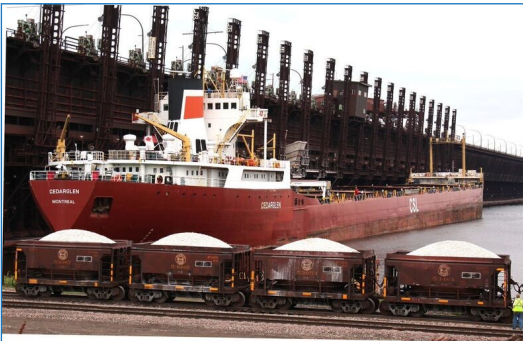


INDUSTRY & COMMERCE PRIORITY AREAS



and Westinghouse Electric, which supported hundreds of jobs, have closed their doors, leaving hundreds of acres of contaminated land in their wake. Today, the buildings from most of these historic factory sites have been removed, but the contaminated nature of the remaining property often makes development financially restrictive and infeasible. For example, a 67-unit housing development built in 2016-2017 in Morgan Park had to cease construction after excavation revealed

undocumented and excessive amounts of contamination. The approximately 18-acre site will require nearly \$1 million in remediation in order to bring the property back to MPCA and EPA standards. Further south on Highway 23 and east toward the river, there are over 800 acres of relatively flat, industrially zoned, vacant land. Most of this is owned by U.S. Steel and railroads, but much of it is considered a brownfield; 500 acres are enrolled in the EPA’s national Superfund program.



Along with contamination challenges, many such brownfield properties are located on the edges of city limits, far from Duluth’s downtown, making them less appealing to companies looking for high visibility and easy access to other businesses. New businesses in these locations would be further from amenities (including housing) for their employees, less accessible to other supporting services, less visible to customers, and likely to have higher construction costs due to the need for new infrastructure, than new developments closer to the center of the city.

Duluth also has an inventory of existing buildings from industrial, commercial, and residential uses, many in need of redevelopment. In particular, many older buildings downtown and in Lincoln Park are outdated and in need of reinvestment. Redeveloping these buildings is often infeasible without incentives or subsidies.

While Duluth has land and buildings available, many are not primed for development and may not meet the needs of future businesses. Given the changing nature of the U.S. and Minnesota's economy, it is difficult to anticipate exactly what future economic development will look like in Duluth. The shift from a manufacturing to a service-driven economy is projected to continue, including in the northeast region of Minnesota. According to the State of Minnesota's Department of Employment and Economic Development, manufacturing employment is projected to decrease by 7.5% by 2024, while healthcare and professional services are expected to grow by 11.7% and 14.8% respectively. However, manufacturing continues to increase in efficiency and productivity per employee, so while the number of jobs decrease it is projected that actual economic output (dollars created) will increase.

If the service/hospitality and healthcare sectors continue to grow as projected, Duluth will need more space/buildings to support these industries. Most of these businesses are located Downtown, and in Canal Park and Hillside areas. As these areas are almost completely developed, Duluth should work to increase the efficiency of future development via higher-density construction. In developed areas, there are opportunities in encouraging vertical construction and the redevelopment of currently blighted and underutilized properties.

Projected Growth Sectors

HEALTHCARE Currently responsible for approximately 30% of the total jobs in Duluth with 404 healthcare jobs added from 2014 to 2015 (60% of growth that year).

AVIATION Cirrus Aircraft, Duluth's largest manufacturing employer, has 780 Full Time Equivalent employees. Cirrus and other aviation manufacturers expect to grow. Duluth's airport and surrounding business park have ample room for growth.

TRANSPORTATION & WAREHOUSING This sector grew in employment by 18.8% from 2010-2015 and saw 2.9% growth from 2014-2015.

MANUFACTURING Grew 7.0% from 2014-2015 with a strong and growing base of heavy and light manufacturing. Because of the current tight market for industrial space, more buildings/sites would be needed to accommodate growth, specifically light and specialty manufacturing.

PROFESSIONAL & TECHNICAL With an impressive 31.0% growth in jobs from 2010 – 2015, this sector has high average annual wages of \$67,704. With a tight office market, more quality office space would be needed to accommodate additional growth in this sector.

CONSTRUCTION The construction sector was the highest growing sector by percentage with a growth rate of 31.9% between 2010 – 2015. These jobs will be contingent upon the rest of the overall economy's growth and the number of construction projects in the Duluth area.



Development Tools

Tools that can incentivize the creation of jobs include:

TAX INCREMENT FINANCING (TIF) – Net increases in property taxes (up to 25 years) are captured to provide gap financing for projects that would not have happened without the TIF dollars.

TAX ABATEMENT – A specific amount of the City’s portion of property taxes can be waived over a fixed time period to incentivize and assist a development.

BROWNFIELD REVOLVING LOAN FUND – An EPA grant that provides lower interest loans to assist with the development of brownfield (contaminated) sites.

BONDS – Issued by the City, money is used upfront for the development project and paid back to the City with lower interest.

UTILITY ABATEMENTS – Waiving the costs of new utilities over a fixed amount of time.

LAND – City land can be conveyed or sold at a low cost to attract development/job creation.

New operating models are emerging in Duluth. Companies like Airbnb and Uber are well-known examples; less known are the variety of new businesses that have emerged through the creative economy: folk schools, hostels, beverage manufacturers, artists, and craft-food producers. These types of businesses are often well-suited to reuse old buildings or to locate in parts of the city that more “traditional” businesses do not. However, many of these more creative businesses have been restricted by current zoning and use regulations, forcing them to locate in only a few areas of the city. Reassessing what fits in a given neighborhood to create a more business-friendly and flexible environment will encourage continued growth and investment in these sectors and allow neighborhoods across our community to benefit from the variety and diversity they can create.

In summary, three things Duluth can do to provide adequate space for future economic development are 1) secure resources and establish incentives for brownfield redevelopment, 2) create incentives/a program to redevelop existing blighted or outdated building stock, and 3) create zoning that is more open and flexible to accommodate new types of business and the changing nature of manufacturing.

6.7 million
TOURISTS
ANNUALLY

Outdoor Recreation & Tourism

Much of the City's recent investment in public outdoor recreation has been via the creation of new trail systems and the improvement of existing trails, particularly along the St. Louis River corridor. Duluth has become renowned in the Midwest as a recreation hub; approximately 20% of Duluth's total land is green space and city park-land. The sheer variety of opportunities and accessibility of land and water based amenities are some of Duluth's greatest assets and can help encourage future economic development. Public access to the waterfront and development of water trails, as well as recreational use of the harbor and estuary, should be encouraged where such access does not conflict with existing waterfront use and maritime transport.

In 2015, tourism accounted for approximately 10% of the entire world's GDP. One in 11 jobs caters to the tourism industry. Tourism is also a vital component of Duluth's economy, bringing over 6.7 million visitors in 2015 alone. These tourists spent \$319 million and created an estimated \$957 million economic impact. Of these, 21% reported that they came to backpack/hike, 18% came to visit parks, 18% came to visit a beach, 11% came to go swimming, 7.5% came to fish, 7% came to go boating/sailing, 4% came to bike, and 4% came to ski. While there is certainly some overlap in responses (e.g. someone came to both visit a park and to camp), these data suggest tremendous opportunity. For example, the 1.4 million people visiting to hike and backpack likely know only some of the area's trails. Is there room to improve their experiences and better capitalize on their visits (supportive amenities, trail access, etc.)? Are there complementary activities, such as fishing, boating and swimming, that tourists don't know about and that may attract them to Duluth more frequently? There is potential for stronger collaboration among entities like DEDA, Visit Duluth, City of Duluth Parks and Recreation, and various community partners to collectively capitalize on existing tourism and bolster the number of future visits.

According to Longwoods International's 2016 report on Duluth's tourism sector, 52% of overnight visits and 57% of day-trip visitors come from the Twin Cities metro area (roughly 3.3 million visits each year). Promoting Duluth in that metro area could attract new visitors and remind repeat visitors why they should come back. Although *Outside* magazine named Duluth "Best Outdoor Town" in

Creating Quality Economic Development

Other factors that strongly contribute to encouraging quality economic development are those that create an environment where it is attractive and competitive for businesses to locate. These include:

QUALITY OF LIFE – Providing citizens and businesses a vibrant and healthy community in which to locate.

COST OF LIVING – Providing affordable homes and access to common goods at an overall competitive cost.

INFRASTRUCTURE – Providing roads, utilities, broadband, housing, public transit, etc. for businesses to thrive and grow.

EDUCATION – Providing an environment that encourages learning and growth through higher education and professional training opportunities, leading to a skilled and qualified workforce.

WORKFORCE – Providing a local supply of potential employees with the requisite skills and training to meet businesses' needs.





2014, the benefits of that accolade are not endless. Continued improvement to outdoor recreation and consistent branding will improve Duluth's image as a Midwest recreational mecca.

Though some residents have indicated concerns about focusing on tourism and visitor experiences, such a focus can provide significant direct and indirect benefits. Promoting and supporting outdoor recreation results in more traffic, which results in more retail opportunities and general economic development. Furthermore, investing in tourism can help attract a much-needed workforce, a concern that is projected to intensify as Baby Boomers retire. In a 2016



Atlas Advertising survey of 2,500 site selectors and business decision-makers, 71% agreed that tourism has an influence on attracting and retaining a qualified workforce. Before people choose to relocate, they will consider quality of life. Fortunately, Duluth has much to offer, particularly regarding outdoor recreation. Parks, trails, and other outdoor experiences should be leveraged as much as possible.

Once people get to Duluth, they need to be guided to tourism opportunities.

Wayfinding is an area ripe for improvement in Duluth. Whether pointing out where local shops are located, directing visitors to landmarks, improved signage on trails, or better direction for public parking opportunities, the City has been encouraged by a variety of reports to improve wayfinding citywide. Wayfinding, while not always simple, is a relatively inexpensive way to immediately improve the visitor experience. It will also better serve residents who may not be aware of the variety of amenities and opportunities that exist in the community. The City Parks and Recreation division has produced a map displaying all recreation opportunities; while useful in its paper form, it can be difficult to navigate online and might be overwhelming to someone new to Duluth's geography and recreation. The online map could be revised to more clearly communicate destinations. For example, an interactive map tool or app that features specific pictures of the available opportunities at each location; this could be an excellent way to make parks more visible and accessible. Promoting and widely distributing the app would be critical to its success.

Tracking the Community's Development

In 2010, the City created the “prosperity index,” a tool to measure prosperity and success in the community. The five key elements of the index were:

1. Housing—How much of the population is considered "cost-burdened," meaning spending more than 30% of their household income on housing? What percentage of single-family homes are owner-occupied?
2. Income and poverty—What percentage of the population has an income less than 200% of the federal standard for poverty? How close is Duluth's median household income to the state's median household income?
3. Workforce and jobs—What is the average weekly wage that workers in Duluth earn and how close is it to the state's average weekly wage? What is the percentage of adults in Duluth that are in the workforce?
4. Education—What is the total education level of everyone over 25 in Duluth?
5. Business climate—How many jobs are there in Duluth?

While the prosperity index is no longer updated, it was useful as a tool to track the city's progress. Tracking a community's progress should continue even if negative results are found; it takes a while to make an impact, and it is important to identify not only a community's strengths, but also areas that need improvement. It should be understood, however, that there are many external factors impacting a community's success, which the community does not control (such as federal spending or federal regulation).

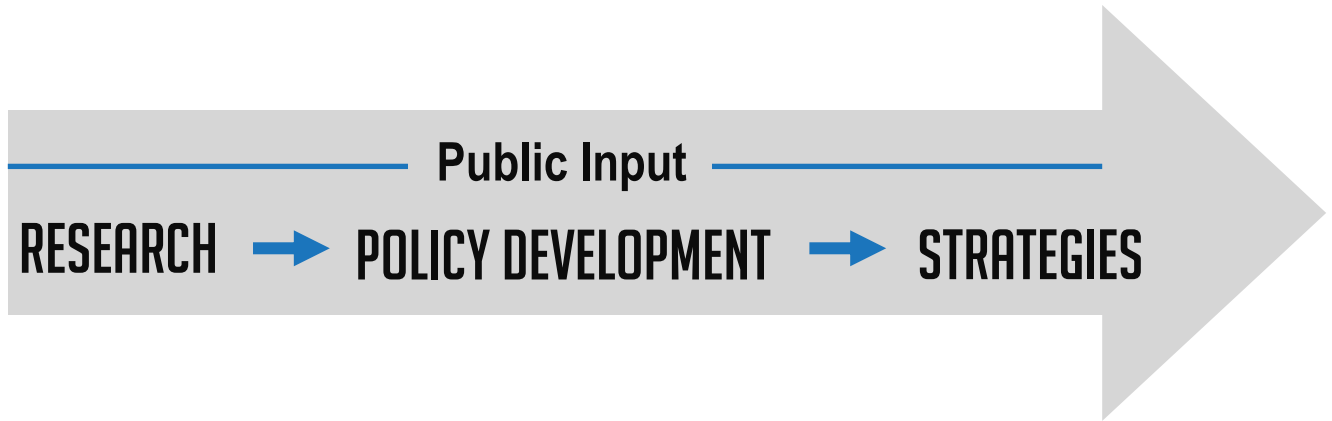
Tracking should consider both economic and social factors, should be easily measurable, or obtainable on a quarterly or annual basis, and should be shared with the public in a consistent format. Actively sharing clear information (including goals, benchmarks, and progress reports) with all community members can be an asset to civic participation and economic development in future years.





Policies & Strategies

The research and input throughout Imagine Duluth 2035 led to the development of five broad policies that also reflect the Governing Principles. Each policy was further expanded into specific strategies to be carried forward to implementation.



Policy #1— Invest in people to increase employees' skills, ensure workforce availability for employers, and promote income self-sufficiency

- S1. Enhance programs to provide job training for historically disadvantaged residents, while continuing to identify and understand employment barriers and new opportunities for collaboration.
- S2. Coordinate resources and partnerships to develop new employment pathways in existing and emerging employment sectors; seek opportunities for new business incubators.
- S3. Collaborate with K-12, higher education, business, and other partners to develop an improved understanding of career paths to maximize opportunities for young people in the city.



- S4. Establish new mentorship programs more closely aligned with high school and higher education; foster opportunities for apprenticeships and entry-level job training.
- S5. Encourage entrepreneurship by high school and college graduates seeking to remain in Duluth after graduation; aggressively market local job opportunities through partnerships with schools. Consider incentives to help young people strengthen ties to the community.
- S6. Create new housing to meet the needs of the city’s workforce, in locations to minimize the complexity and length of commute and maximize access to amenities and services. Promote the value of the high quality of life provided to employees by living in Duluth.
- S7. Coordinate priorities with the Duluth Workforce Development Board to implement strategies that strengthen the workforce development system.

Policy #2—Foster growth of existing employers and strategically recruit new employers to Duluth

- S1. Prioritize redevelopment efforts in the Core Investment Areas. Encourage collaboration between existing businesses in individual Core Investment Areas to support increased business activity overall and to improve their aesthetic and social environments. Recognize Core Investment Areas as hubs of the sharing and remote-work economy.
- S2. Develop a strategic list of infrastructure investments anticipated to maximize opportunities and spur new private sector investment within Industry and Commerce Priority Areas.
- S3. Evaluate standards for micro-enterprise around new and emerging technology, including businesses that start in homes and garages; collaborate to expand financial tools to assist such businesses seeking growth opportunities.
- S4. Conduct site assembly strategically, whether advancing specific City policy goals or assisting businesses with expansion or relocation.

Read more about Core Investment Areas in the Transformative Opportunities chapter.



- S5. Seek further funding for cleanup of contaminated sites to enhance brownfield redevelopment in the city; prioritize brownfield sites close to or in Core Investment Areas or adjacent to significant infrastructure.
- S6. Ensure high-speed broadband availability citywide to foster growth of existing and new employers, with initial priority in Core Investment Areas.
- S7. Promote opportunities for easing travel for employees to and from Duluth, especially via initiatives such as the Northern Lights Express and through air service to key Great Lakes regional destinations like Chicago or Toronto.

Policy #3—Build on Existing Economic Strengths & Competitive Advantages

- S1. Promote employer expansions that include job growth, as well as new commercial and industrial development, to support and enhance the level of activity in the Industry and Commerce Priority Areas.
- S2. Coordinate with major institutions, including hospital and university campuses, to plan for their growth, minimize development impacts, and provide for stability and livability for the campuses, their employees, and surrounding neighborhoods.
- S3. Support the work of the Duluth Seaway Port Authority and the Duluth Airport Authority to maximize opportunities for economic growth on and around port and airport properties, consistent with their respective priorities.
- S4. Create a menu of options and next steps to encourage redevelopment of short-term priority sites.
- S5. Collaborate with partners to publicize and regularly update inventory of available land, sites, and buildings.
- S6. Support re-emerging economic opportunities for Duluth, including craft-related industry, in appropriate locations.
- S7. Analyze commercial market demand and best practices to determine options for expansion of neighborhood serving uses in nodes accessible by transit, as well as in the city center where skyways create two levels of potential commercial activity.

- S8. Plan for access between key transportation corridors and Industry and Commerce Priority Areas, including through preservation or use of currently vacant or underutilized rights-of-way.
- S9. Encourage expansion of the city’s tourism economy through efforts to expand areas of current activity, such as Canal Park, but also through marketing and investment in destination neighborhoods and iconic tourism experiences unique to Duluth.

Policy #4— Embrace the Outdoors as an Economic Engine and Source of Community Wealth

- S1. Promote and develop access to parks and open space by employers and employees.
- S2. Clearly delineate and publicize the federal navigation channel; encourage recreational use of Lake Superior and the estuary when appropriate in coordination with partners.
- S3. Identify growth sectors of the tourism economy, such as bird watching, fall colors tourism, and cold-season outdoor community events. Preserve and promote the economic benefits of both passive and active recreational tourism opportunities.
- S4. When considering sale of public lands for economic development purposes, first consider economic value of such lands as an outdoor asset.
- S5. Give consideration and support to new tourism and recreation related industries and businesses.





Policy #5— Effectively Coordinate Marketing, Communication, and the City’s Image

- S1. Publicize city business retention practices and outcomes, including through annual reporting to the community. Continue collaborations with local and regional partners to prioritize and publicize such efforts.
- S2. Promote businesses in the City’s overall wayfinding effort to encourage commerce, especially to neighborhood business nodes within Core Investment Areas.
- S3. Expand partnerships to promote the arts and additional cultural offerings.
- S4. In coordination with the Duluth Indigenous Commission, encourage multi-lingual signage, particularly in the Ojibwe language, at local businesses interested in participating.
- S5. Evaluate neighborhood centers with a unique cultural heritage, such as Duluth’s “Little Italy,” for greater historical recognition and as places of economic opportunity.
- S6. Publicize the attributes of Duluth’s redevelopment and opportunities for business growth. Provide emphasis on the city’s competitive advantages, such as its access to regional transportation, climate-resilient location, well-educated workforce, and high levels of amenities.
- S7. Catalogue condition and classification of commercial and industrial buildings in the city. Craft partnerships with development organizations to promote the value of energized buildings in industrial areas. Work with property owners and businesses to consider overall community aesthetics. Incentivize blight removal, even in industrial areas, and building/site maintenance.
- S8. Consider opportunities to develop neighborhood-oriented Business Improvement Districts (also called Special Service Districts) in Core Investment Areas, with leadership provided by neighborhood business leaders.