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City of Duluth - Communications Office

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SUBJECT: Duluth Seeks Developer to Revitalize Pastoret Terrace Property

BY: Pakou Ly, Communications Office

Duluth Seeks Developer to Revitalize Pastoret Terrace Property

[Duluth, MN] - The Duluth Economic Development Authority (DEDA) is seeking the right developer to help transform and revitalize the vacant Pastoret Terrace property in the heart of downtown Duluth near the city's largest healthcare employers, one block from the Historic Arts Theatre District and the 100-year-old majestic Norshor Theatre currently under restoration, and across from the Clayton Jackson McGhie memorial, a historic site symbolizing the darkest time in Duluth's history. The Pastoret Terrace building was constructed in 1886 by Michael Pastoret. It was originally built as 6 luxury town homes in the heart of downtown. Over the years, the town homes were divided into more apartments and by 2009 there were 50 units in the building as well as a tavern (Kozy Bar) on the lower level. In 2010, the entire building suffered a fire that has left the building vacant of its tenants since that event. The property became tax-forfeit in 2016 at which time DEDA acquired the property from St. Louis County. The parcel makes up 14,000 square foot of the block and includes a 20,000 square foot structure (former apartments, bar, and ballroom). DEDA has issued a Request for Proposal with supplemental reports which can be viewed at <http://dulutheda.org/do-business-here/development-of-pastoret-terrace-property-request-for-proposal-16d-3-100>

The Request for Proposal is seeking concepts that address current housing needs, complies with zoning codes, reflects the site's historical significance, and has positive economic impact to the downtown community and will be evaluated based on how proposers plan to:

- Maximize the site's development potential and contribute to the vibrancy of the Duluth Downtown area with a well-designed development project
- Potential for mixed-use development and/or residential use component (either ownership or rental housing).
- Value historic preservation, creative re-use, or replication of historic appearance

"We have an incredible opportunity with the historic Pastoret Terrace property to breathe new life into an important part of our downtown. This site has great potential for both downtown activation and transformation. This is a great project at the right time for the right developer. I'm looking forward to finding out who that developer is and what vision they would bring to this wonderful part of downtown," said Mayor Emily Larson.

Developers may submit a proposal for more than one of three development scenarios:

1. Historic renovation of Pastoret Terrace building to housing or mixed use development
2. Demolition of Pastoret Terrace and new construction of housing or mixed use development
3. Historic renovation or demolition and new construction of housing or mixed-use development for the entire lower and/or upper block

"DEDA's mission is to drive economic prosperity in Duluth and thus, we are proceeding with the Pastoret Terrace property with great care and respect for the site's historical significance and the emerging needs of our community now and into the future. Though we have a projected timeline for this RFP process, we are focused on thoughtful quality proposals and may need to adjust our process depending on the spectrum of submittals," said Heather Rand, Executive Director of the DEDA.

Pastoret Terrace is currently zoned as F-8 Downtown Mix. This Form District zoning allows for Main Street Building III, Corridor Building III, or an Iconic Building as defined in the City of Duluth's Unified Development Code. The F-8 District currently allows for up to 15 stories of development with the building being required to be adjacent to the sidewalk.

The first phase of the Requests for Proposals are due to the Duluth Economic Development Authority by 4:00 PM on January 4, 2017. A review panel will evaluate the proposals, submitted in accordance with established guidelines, and then select a subset for a more thorough and detailed second Request for Proposal that fleshes out the site plan details, project costs, and projected

economic impact. The second phase proposals are anticipated to be submitted in April 2017. A developer could realistically be selected and an option or development agreement presented to the DEDA in summer 2017.

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