

# Council Approved ARP Spending Plan

FURTHER RESOLVED, that the city council identifies the following investments goals as eligible uses under the rules and regulations of the Coronavirus State and Local Fiscal Recovery Fund and recommends the following expenditures with estimated target amounts:

- (a) Affordable housing and pandemic driven services - \$19,200,130;
- (b) Adult workforce services - \$550,000 include the following:
  - (1) Computer skills training - \$150,000; and
  - (2) Job training with wraparound case management - \$400,000;
- (c) Investments in Public Works and Utilities - \$12,850,000 including the following:
  - (1) Replacement of all city water meters - \$6,500,000;
  - (2) Lead remediation- \$3,600,000;
  - (3) Water line replacement - \$1,400,000; and
  - (4) Street Sweepers - \$1,350,000;
- (d) Broadband - \$1,000,000;
- (e) City hall ventilation/COVID mitigation and prevention - \$12,000,000;
- (f) Administration costs associated with ARP - \$800,000;
- (e) Public safety social worker pilot program - \$2,100,000 including \$300,000 for capital expenditures;
- (f) Crisis/violence intervention training for public safety - \$678,000 including \$78,000 for capital expenditures;
- (g) Investments improving outdoor spaces in QCTs and park maintenance (parks, basketball courts, playgrounds, etc. - \$2,000,000;
- (h) Revenue loss pro-rated back to all eligible city funds - \$4,239,729;
- (i) Aid to component units - \$500,000;
- (i) Recapitalizing Duluth Economic and Development Authority to support businesses - \$500,000;
- (k) Recapitalizing 1200 Fund to support businesses - \$1,500,000; and
- (l) Aid to previous tourism tax recipients - \$200,000.

# ARP Update

Activity through

9/6/2022

Category:	Name	Approved \$ Amount	Encumbered/ Committed	Spent/Transferred to-date	Remaining
Affordable Housing	New Model w/1 Roof	\$ 1,600,000	\$ 1,600,000	\$ -	\$ -
	New Burnham Jail Redevelopment	\$ 380,000	\$ 380,000	\$ -	\$ -
	Urbane Duluth	\$ 784,240	\$ 784,240	\$ -	\$ -
	Homeless Encampment Cleanup	\$ 200,000	\$ -	\$ 200,000	\$ -
	AICHO	\$ 100,000	\$ 100,000		
	HRA- Fairmount Cottage Village	\$ 1,150,000	\$ 1,150,000	\$ -	\$ -
	Center City- Wadena West	\$ 1,750,000	\$ 1,750,000	\$ -	\$ -
	One Roof- Brae View	\$ 3,857,143	\$ 3,857,143	\$ -	\$ -
	Artspace- Washington Studios	\$ 1,800,000	\$ 1,800,000	\$ -	\$ -
	Roers- 1st St. and 2nd W	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
	Merge Urban Development- the Residence	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -
	Homeless Support (Safe Bay Agreement w/CHUM	\$ 150,000	\$ 150,000	\$ -	\$ -
	Remaining Affordable Housing Projects	\$ 428,747	\$ -	\$ -	\$ 428,747
	Subtotal	\$ 19,200,130	\$ 18,571,383	\$ 200,000	\$ 428,747
Assistance	1200 Fund Childcare Expansion	\$ 450,000	\$ 450,000	\$ -	\$ -
	1200 Fund Childcare Training	\$ 15,000	\$ 15,000	\$ -	\$ -
	Recapitalize 1200 Fund	\$ 1,035,000	\$ 1,035,000	\$ -	\$ -
	Recapitalize DEDA	\$ 500,000	\$ 500,000	\$ -	\$ -
	Aid to Component Units	\$ 500,000	\$ 250,000	\$ 250,000	\$ -
	Aid to Previous Tourism Tax Recipients	\$ 200,000	\$ -	\$ -	\$ 200,000
	Subtotal	\$ 2,700,000	\$ 2,250,000	\$ 250,000	\$ 200,000
Broadband	Pilot program - Lincoln Park	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
City Hall Ventilation	HVAC & Restroom Upgrades	\$ 12,000,000	\$ 11,348,702	\$ 651,298	\$ -
Job Training	Computer Skills Training	\$ 150,000	\$ -	\$ 150,000	\$ -
	Job Training with Case Management	\$ 400,000	\$ -	\$ 400,000	\$ -
	Subtotal	\$ 550,000	\$ -	\$ 550,000	\$ -
Outdoor Spaces	Multiple Park Projects	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
Public Safety	GDC Social Service Outreach Professional	\$ 300,000	\$ 247,788	\$ 52,212	\$ -
Utility Infrastruture	Water Meter & ERT Replacement	\$ 6,500,000	\$ 4,266,165	\$ 2,233,835	\$ -
	Lead Service Replacement	\$ 1,500,000	\$ 1,453,276	\$ 46,724	\$ -
	Hidden Valley Water Main Replacement	\$ 1,400,000	\$ 1,007,550	\$ 392,450	\$ -
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	Pipeloop	\$ 100,000	\$ 51,402	\$ 48,598	\$ -
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	Lead Service Replacement 2023 Design	\$ 495,000	\$ 495,000	\$ -	\$ -
	Remaining lead remediation	\$ 405,000	\$ -	\$ -	\$ 405,000
	Subtotal	\$ 12,850,000	\$ 9,107,072	\$ 3,337,928	\$ 405,000
Revenue Replacement	2022 Budgets	\$ 3,051,600	\$ 3,051,600	\$ -	\$ -
	Future budgets	\$ 3,666,129	\$ 3,245,000	\$ -	\$ 421,129
	Administrative Costs	\$ 800,000	\$ 800,000	\$ -	\$ -
	Subtotal	\$ 7,517,729	\$ 7,096,600	\$ -	\$ 421,129
Grand Total		\$ 58,117,859	\$ 49,621,545	\$ 7,041,438	\$ 1,454,876



# Affordable Housing ARP Budget \$19.2M

Category:	Name	Approved \$ Amount	Encumbered/ Committed	Spent/Transferred to-date	Remaining
Affordable Housing	New Model w/1 Roof	\$ 1,600,000	\$ 1,600,000	\$ -	\$ -
	New Burnham Jail Redevelopment	\$ 380,000	\$ 380,000	\$ -	\$ -
	Urbane Duluth	\$ 784,240	\$ 784,240	\$ -	\$ -
	Homeless Encampment Cleanup	\$ 200,000	\$ -	\$ 200,000	\$ -
	AICHO	\$ 100,000	\$ 100,000		
	HRA- Fairmount Cottage Village	\$ 1,150,000	\$ 1,150,000	\$ -	\$ -
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	One Roof- Brae View	\$ 3,857,143	\$ 3,857,143	\$ -	\$ -
	Artspace- Washington Studios	\$ 1,800,000	\$ 1,800,000	\$ -	\$ -
	Roers- 1st St. and 2nd W	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
	Merge Urban Development- the Residence	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -
	Homeless Support (Safe Bay Agreement w/CHUM	\$ 150,000	\$ 150,000	\$ -	\$ -
	Remaining Affordable Housing Projects	\$ 428,747	\$ -	\$ -	\$ 428,747
	Subtotal	\$ 19,200,130	\$ 18,571,383	\$ 200,000	\$ 428,747



# New Model of Housing – AKA Plover Place

## \$1.6M

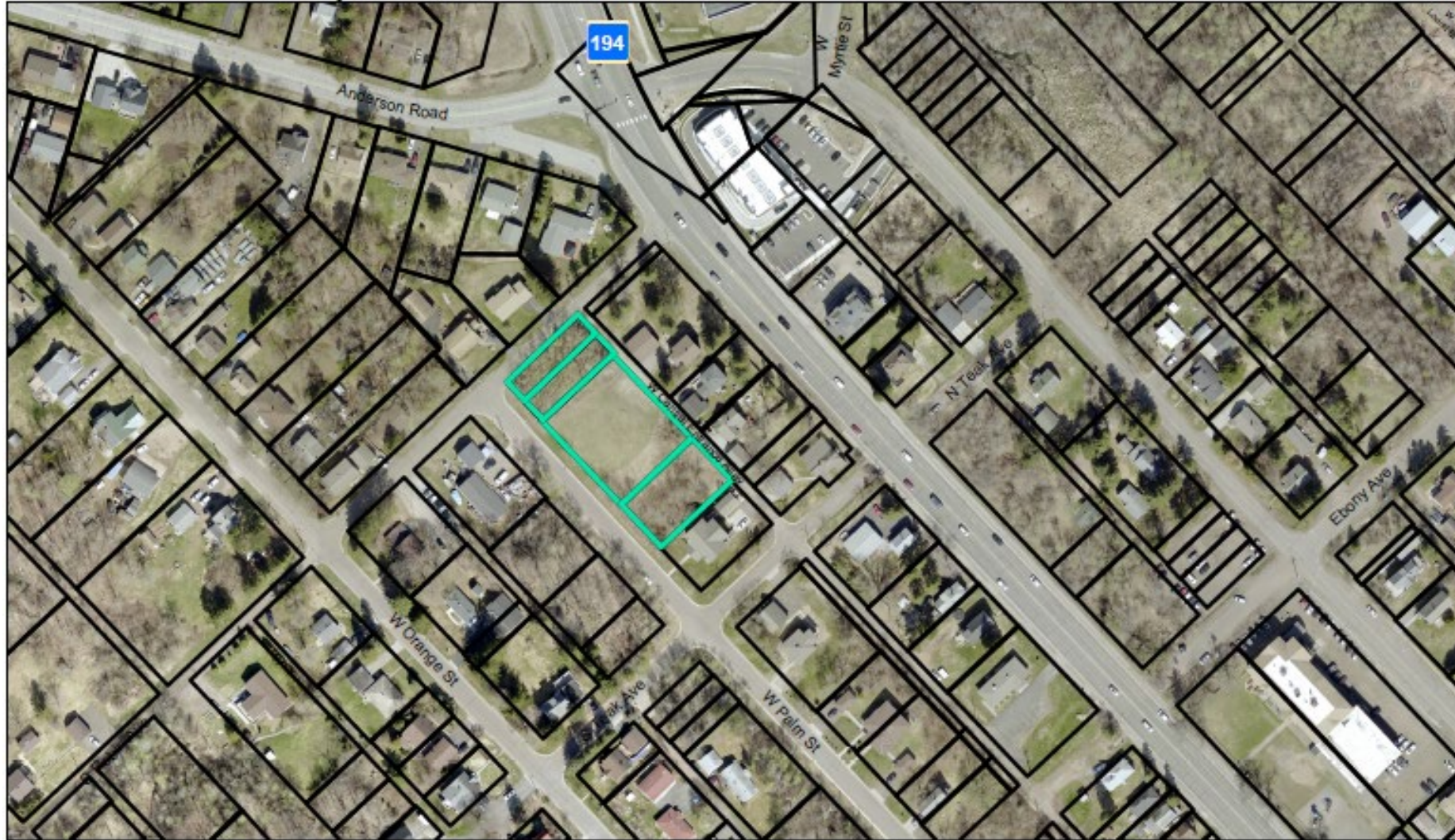
The New Housing Model for Homeless is an innovative solution developed in 2020 by a working group of Duluth professionals in social services, low-income housing, architecture, and construction industries. The aim was to research, rethink, and redesign the homeless housing model, striving to find harmony in amount of service and support, number of occupants/density, low development costs and an operating cost model that achieves some profit while providing important services to ensure success for occupants and the community. One Roof Community Housing Organization (One Roof) led design of the New Housing Model and will be the developer. One Roof is working with the Housing and Redevelopment Authority of Duluth, MN to purchase county property on W Palm Street and S Robin Avenue in the Duluth Heights neighborhood.

The New Housing Model will consist of two phases, each phase being a two-story structure with twelve (12) single occupancy units with in-suite bathrooms, one of which will be a fully accessible unit. The micro space reduces overall footprint and costs while providing safe and private units for tenants. In addition to sleeping units, each building will provide a flexible quiet room, open gathering space with a common kitchen, open lounge with TV, outdoor patio, laundry room, storage room and private office for staff.

Status Update: Council approved transfer of funds to DEDA in June 2022. A Development Agreement between DEDA and One Roof anticipated to go before DEDA for approval at their September 28<sup>th</sup> meeting, followed by Council approval. Construction anticipated to start spring/summer 2023.

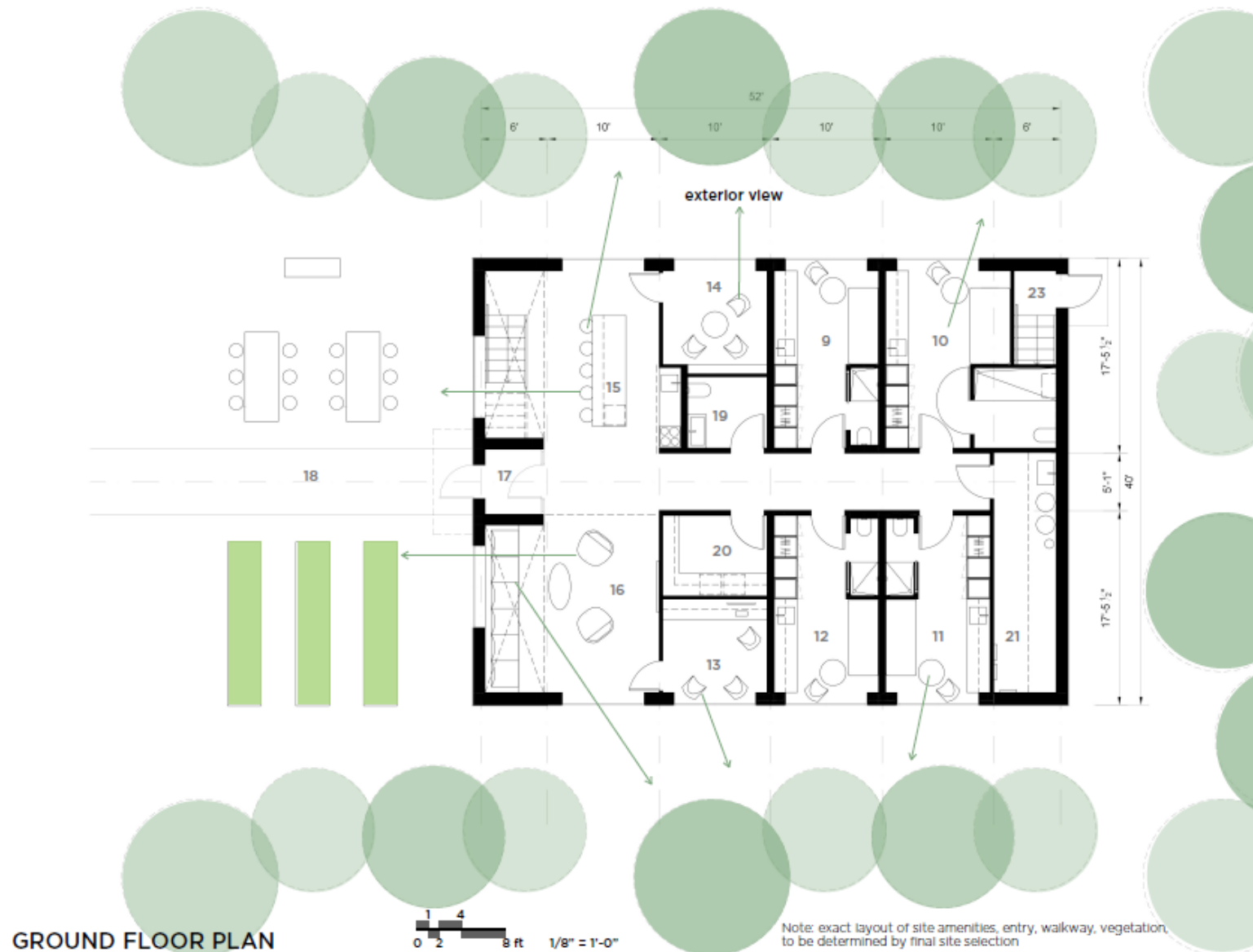


# New Model Location Map

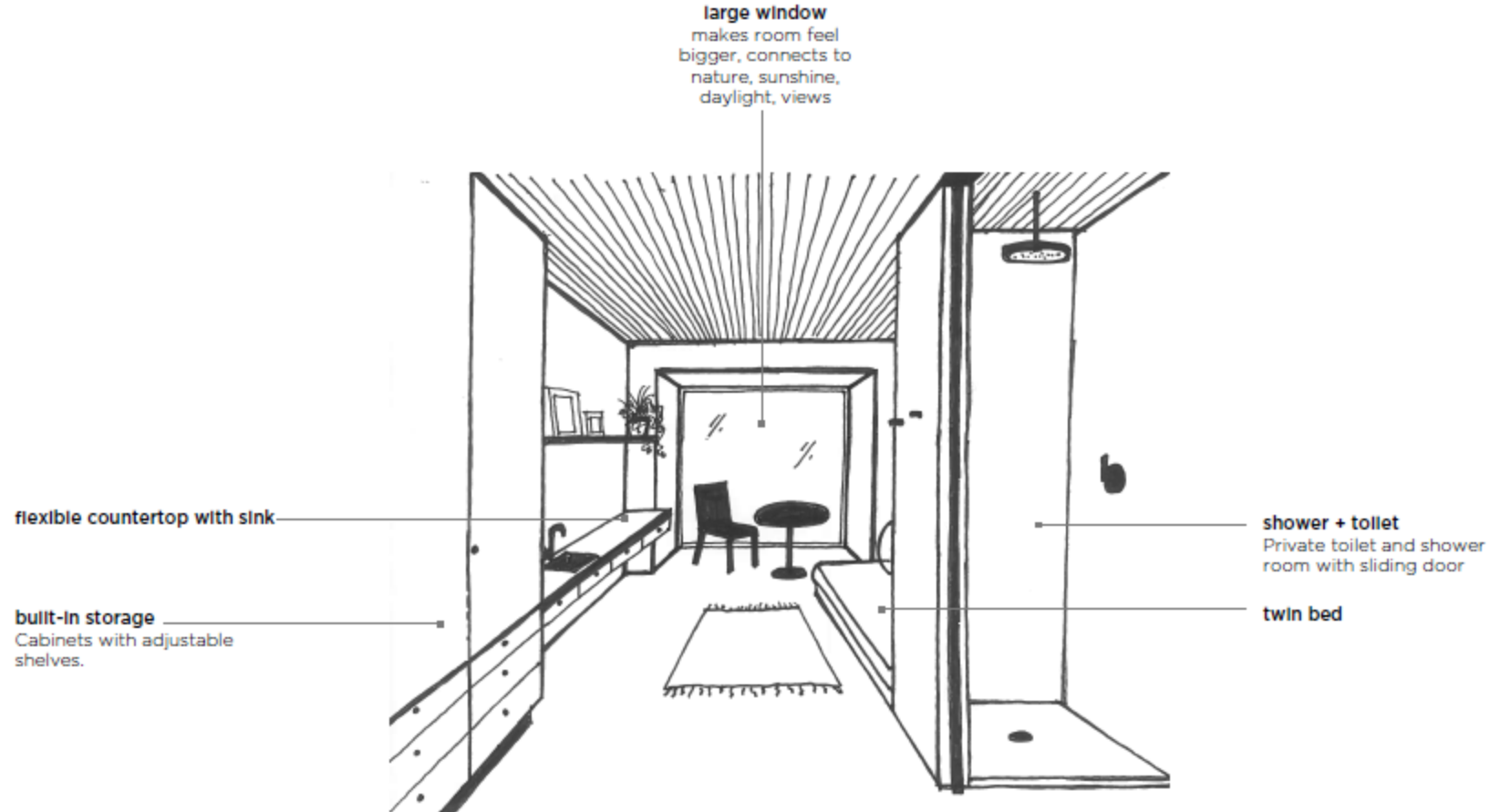




# New Model Preliminary Design Renderings



# New Model Preliminary Design Renderings



# Existing Projects – New Burnham (former SLC Jail) \$380k awarded



- \$380,000 awarded to project.
- Project funded by TIF that stipulated at least 4 of the 31 units rented at 60% AMI or less for term of TIF district (26 years)
- ARPA money provides 10 additional units at 70% AMI for 10 years
- 521 W 2<sup>nd</sup> Street
- Historic restoration currently underway; fall 2023 occupancy goal

# Existing Projects – Urbane Duluth (former Esmond \$784k awarded

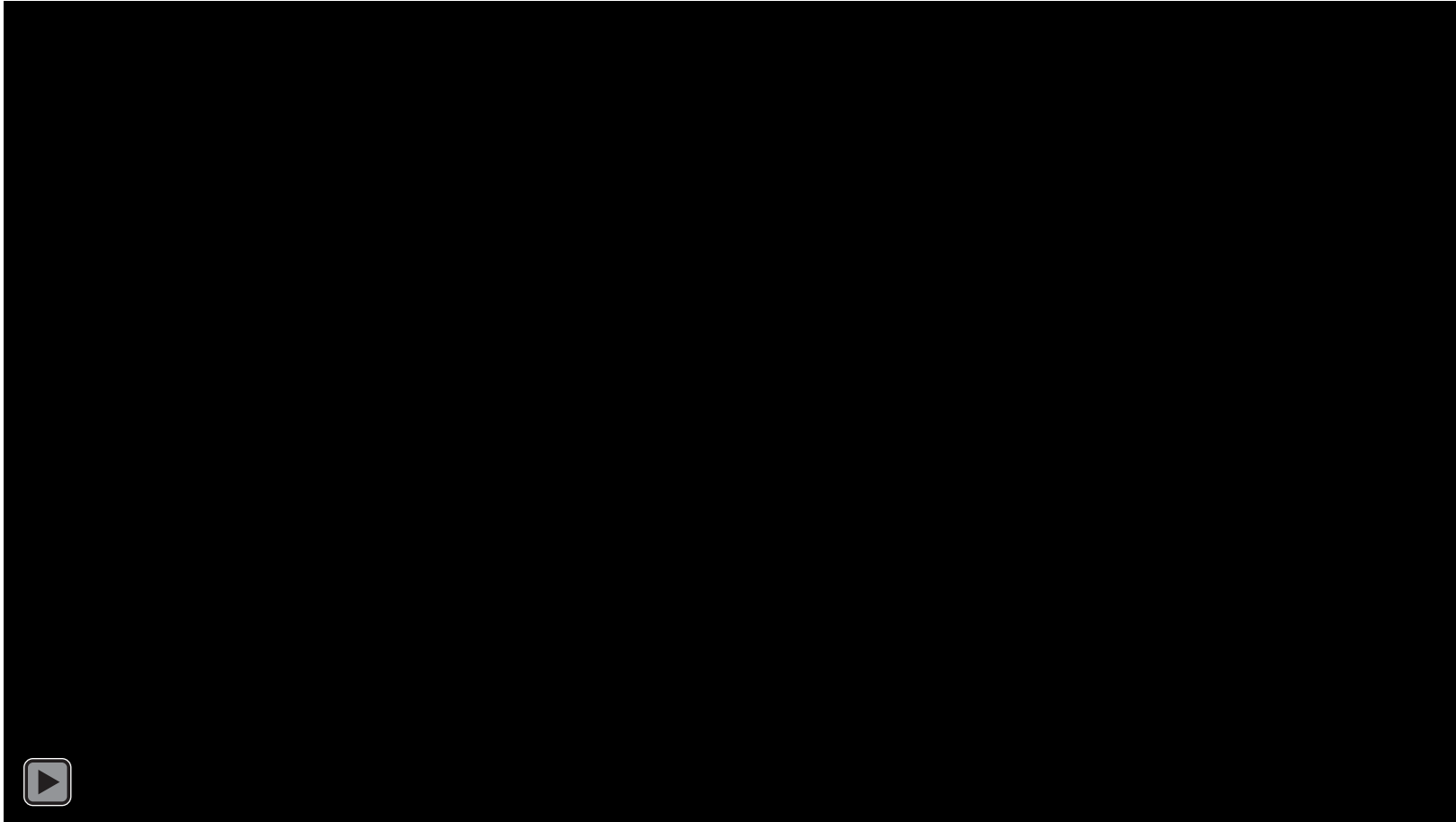


- \$784,240 awarded to project.
- Project funded by TIF that stipulated all 40 units would be rented at 80% AMI for duration of TIF district (26 years)
- ARPA money bought rents down further so all 40 units at 70% AMI for the first 10 years.
- Corner of Superior Street and 20<sup>th</sup> Ave W
- Former Esmond/Seaway Hotel was razed and all environmental testing complete
- HRA closed on property with Merge (Developer). Construction anticipated to begin yet in 2022 once building permits are obtained and financing closed.





# Existing Projects – Urbane Duluth (former Esmond) – video of building demo





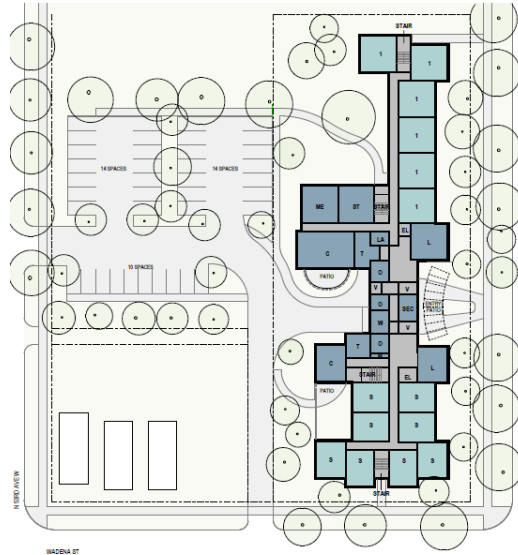
# HRA Cottage Village- S 71st Ave W & Redruth

## ARP Budget \$1.15M



- 18-1 & 2 bedroom homes
  - 4 @ 50% AMI
  - 4 @ 80% AMI
  - 5 @ 90% AMI
  - 5 @ 100% AMI
- Approval of Development Agreement by Council, August 2022
- 2022 construction start

# Center City Wadena West- 53<sup>rd</sup> Ave W & Wadena St. ARP Budget \$1.75M



- 60 units
  - All 60 units permanent supportive, 30% of tenant income
- Pending securing additional funding from MN housing tax credit program
- Option agreement for property in place for DEDA owned property
- Likely 2024 start





# One Roof Brae View- 5<sup>th</sup> Ave E & 5<sup>th</sup> St. ARP Budget \$3.86M

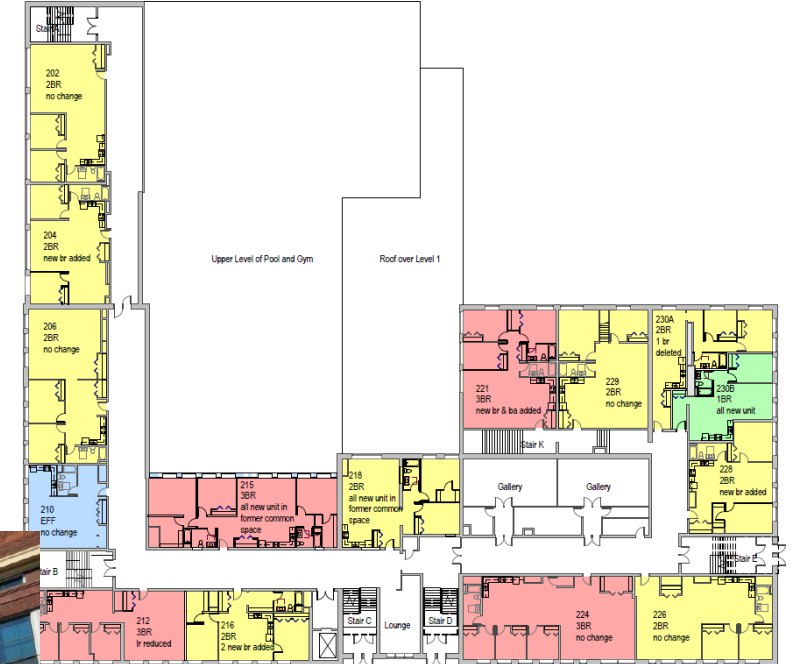


- 72 units
  - All senior
  - Ranging from 30-80%AMI
  - Includes childcare facility
  - Includes respite housing for 12 people.
- Sale agreement for site in place with Essentia Health
- Pending securing additional funding from MN housing tax credit program.
- Likely 2024 start

# Artspace Washington Studios- Lake Ave & 3<sup>rd</sup> St.

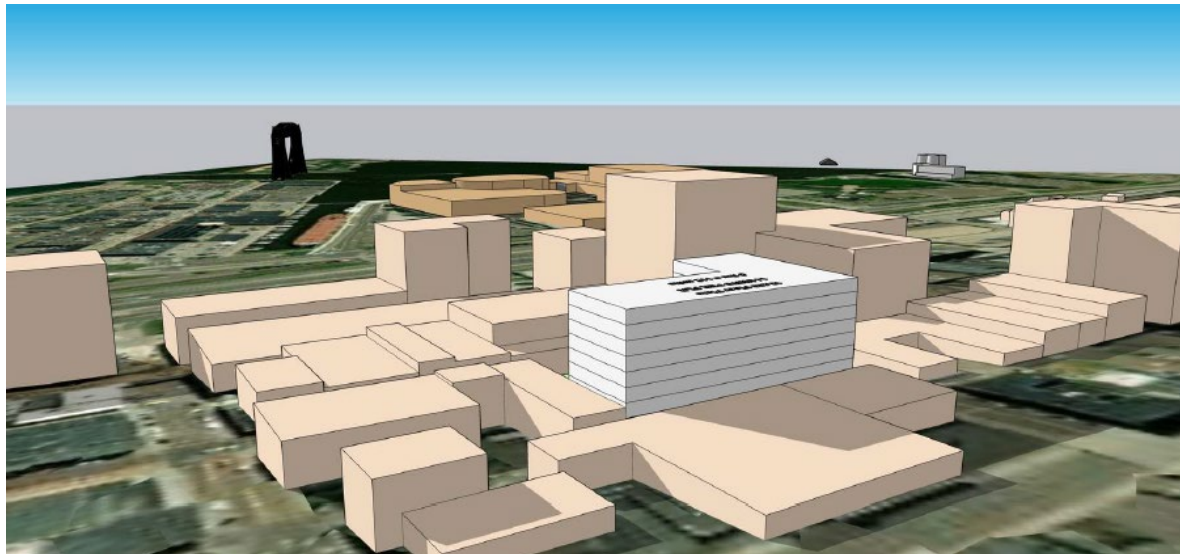
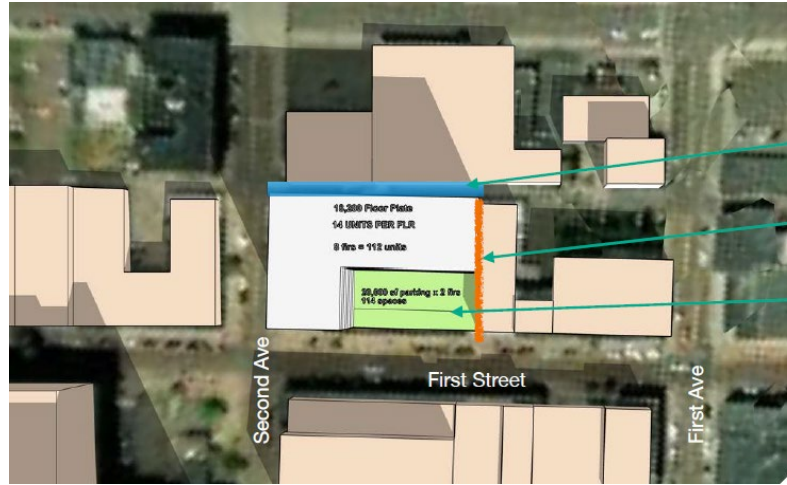
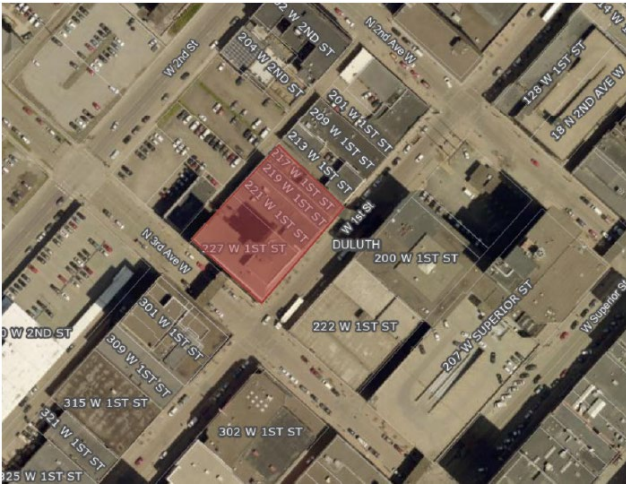
## ARP Budget \$1.8M

- 45 units
  - 39 unit rehab
  - 6 new units
  - 13 @ 50%
  - 32 @ 60%
- Pending securing additional funding from MN housing or local bonding authority
- Likely 2024 start





Roers- 131 W 1st Street  
ARP Budget \$3M

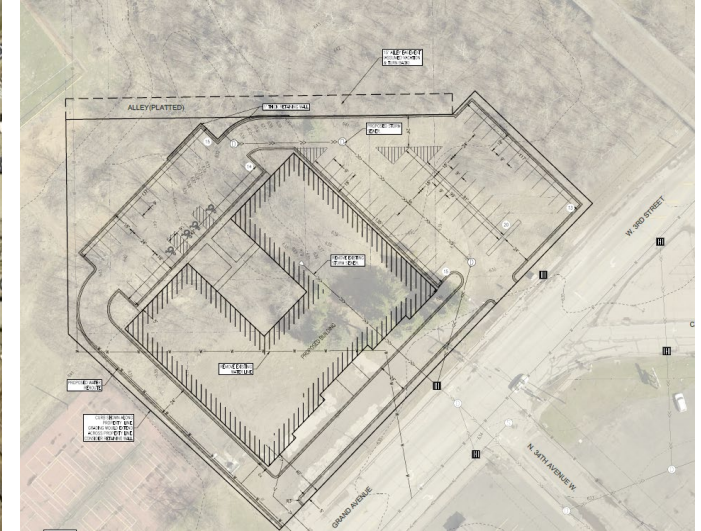


- 154 units
  - 20% @ 50% AMI
  - 80% @ 80% AMI
- Working on application for TIF (redevelopment district)
- Likely 2023 start

# Merge Urban Development- 34xx Grand Ave

## ARP Budget \$4M

- 80 units
- 40% @ 60% AMI
- 60% @ 80% AMI
- Working on design and PACEminn funding
- Land sale approved by DEDA July 2022
- Likely 2023 start





# Assistance

Category:	Name	Approved \$ Amount	Encumbered/ Committed	Spent/Transferred to-date	Remaining
Assistance	1200 Fund Childcare Expansion	\$ 450,000	\$ 450,000	\$ -	\$ -
	1200 Fund Childcare Training	\$ 15,000	\$ 15,000	\$ -	\$ -
	Recapitalize 1200 Fund	\$ 1,035,000	\$ 1,035,000	\$ -	\$ -
	Recapitalize DEDA	\$ 500,000	\$ 500,000	\$ -	\$ -
	Aid to Component Units	\$ 500,000	\$ 250,000	\$ 250,000	\$ -
	Aid to Previous Tourism Tax Recipients	\$ 200,000	\$ -	\$ -	\$ 200,000
	Subtotal	\$ 2,700,000	\$ 2,250,000	\$ 250,000	\$ 200,000



# Aid to Component Units \$500k

Transferred to DECC \$250k



Committed to Spirit Mt \$250k to  
be used for pre-design work



# Broadband

		Approved		Encumbered/	Spent/Transferred	
Category:	Name	\$ Amount		Committed	to-date	Remaining
Broadband	Pilot program - Lincoln Park	\$ 1,000,000		\$ 1,000,000	\$ -	\$ -

# Broadband – Lincoln Park Pilot Project \$1M





# City Hall Ventilation

		Approved		Encumbered/	Spent/Transferred	
Category:	Name	\$ Amount		Committed	to-date	Remaining
City Hall Ventilation	HVAC & Restroom Upgrades	\$ 12,000,000		\$ 11,348,702	\$ 651,298	\$ -

# City Hall HVAC \$12M

## Contract approved, Equipment ordered



**CITYMULTI® VRF**



# HVAC – The Old Stuff



Current ventilation system does not meet OSHA or MN Dept of Health guidelines for air quality. Existing system is grandfathered in. Existing system is original equipment from 1927, almost 100 years old.

- More effective at moving air.
- More efficient to operate.
- Quieter to run.
- Controls humidity better.
- Everyone that visits City Hall will be more comfortable.





# Workforce Services \$550k

Category:	Name	Approved \$ Amount	Encumbered/ Committed	Spent/Transferred to-date	Remaining
Job Training	Computer Skills Training	\$ 150,000	\$ -	\$ 150,000	\$ -
	Job Training with Case Management	\$ 400,000	\$ -	\$ 400,000	\$ -
	Subtotal	\$ 550,000	\$ -	\$ 550,000	\$ -



# Computer Training Programs



**Career Lab  
is OPEN!**

WE ARE OPEN TO SERVE YOU!  
NO APPOINTMENT NECESSARY  
TO USE COMPUTERS.

**Visit the Duluth CareerForce location to:**

- Utilize computers for employment or training-related activities
- Search for jobs, maintain your unemployment account, create a resume
- And more!

**We are here to help!**

- Friendly and skilled staff are available to assist you
- Customers can also schedule one-on-one appointments with a job counselor

**Monday through Friday  
10 a.m. – 4 p.m.**

**Duluth CareerForce  
402 W 1st Street  
Duluth, MN 55802**

**Call 218-302-8400  
with any questions**

*We look forward to seeing you!*

**CareerForceMN.com/Duluth**

Individuals needing accommodations to utilize CareerForce Services or who need this document in an alternative format can contact 218-302-8400. CareerForce is an equal opportunity employer and program provider and a proud partner of America's Job Center Network.

08/2022

- Computer Training for Older Workers through partnership with Light House
- Older Worker Program to be launched this fall. Will provide specialized employment services to those age 50+
- Digital Navigators staffing the Career Lab
  - Career Lab would not have reopened without the help of ARPA funds

# Outdoor Spaces

		Approved		Encumbered/	Spent/Transferred	
Category:	Name	\$ Amount		Committed	to-date	Remaining
Outdoor Spaces	Multiple Park Projects	\$ 2,000,000		\$ -	\$ 2,000,000	\$ -



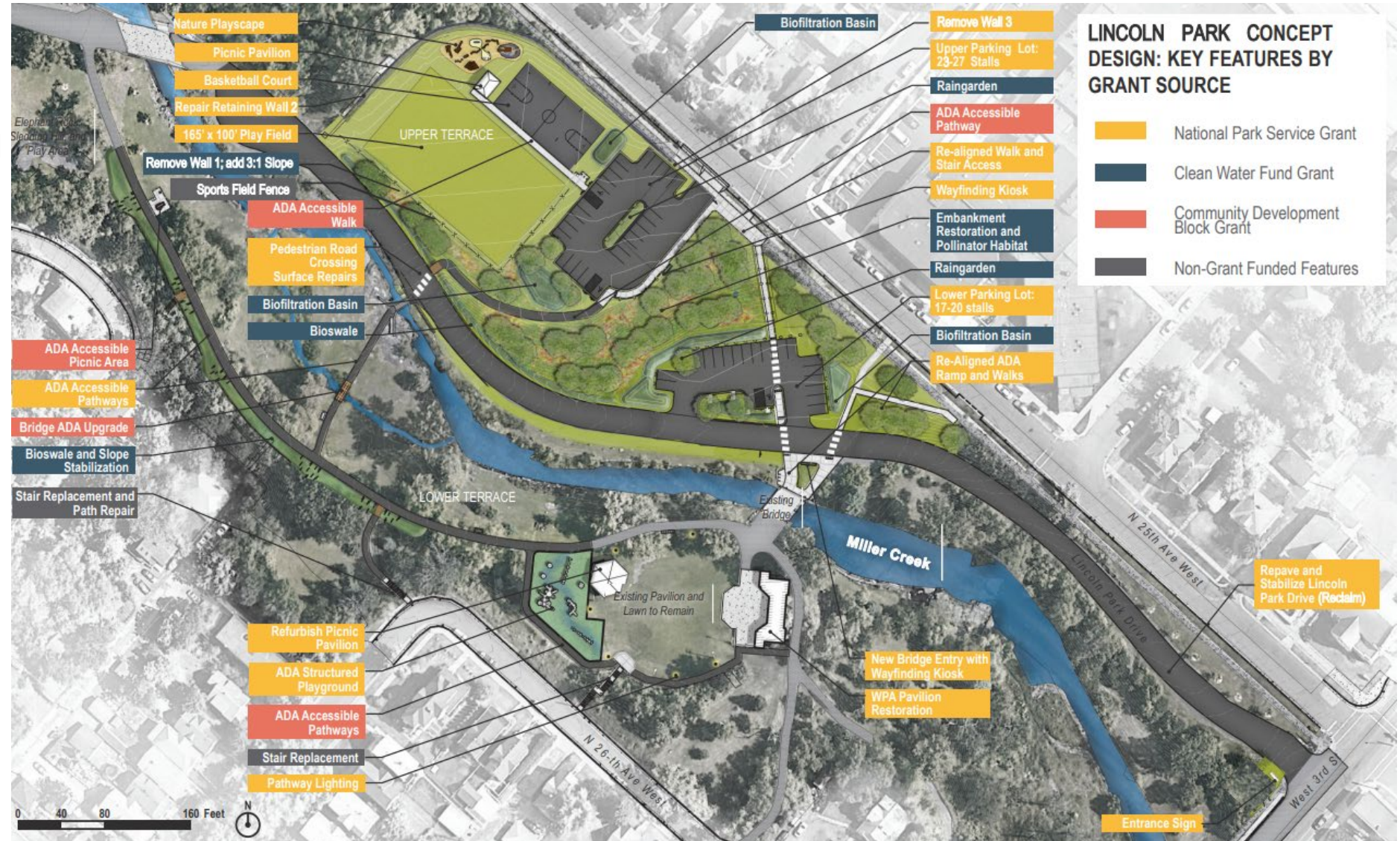
# Outdoor Spaces \$2M

- Transferred \$2M to Parks fund
- Project ideas include (dependent on bid costs):
  - Replacement of playground fall zones - 7 city parks.
  - Replacement of benches, picnic tables, and concrete slabs -6 city parks - \$200K
  - Lincoln Park improvement project - \$1M
  - Design and construction documents for relocated Midtown Park playground as a result of Twin Ports Interchange Project - \$39K
  - Refresh one or two park spaces in Central Hillside pending remaining fund availability and additional outside funds (grants).





- ARP funds are helping to realize the vision of the 2016 Lincoln Park Mini-Master Plan which called for significant reinvestment and restoration to the park.
- Groundbreaking for project held on 8/26/22
- Highlights Include:
  - Restoration of picnic pavilion, including ADA restrooms
  - Relocation, expansion, and reconfiguration of the playground and picnic area
  - New full sized basketball court
  - New parking lots



# Public Safety

		Approved		Encumbered/	Spent/Transferred	
Category:	Name	\$ Amount		Committed	to-date	Remaining
Public Safety	GDC Social Service Outreach Professional	\$ 300,000		\$ 247,788	\$ 52,212	\$ -



# Social Outreach Worker (GDC) ARP Budget \$300k



## Successes Small Acts Add Up

*"We don't have to engage in grand, heroic actions to participate in the process of change. Small acts, when multiplied by millions of people, can transform the world."*

*-Howard Zinn*

## Program Stats: A Snapshot

- 256 Outreach Contacts
- 53 Business Contacts
- 8 Temporary Shelter
- 5 Housed with Assistance
- 172 Transportation Vouchers Issued





# Utility Infrastructure

		Approved	Encumbered/	Spent/Transferred	
Category:	Name	\$ Amount	Committed	to-date	Remaining
Utility Infrastruture	Water Meter & ERT Replacement	\$ 6,500,000	\$ 4,266,165	\$ 2,233,835	\$ -
	Lead Service Replacement	\$ 1,500,000	\$ 1,453,276	\$ 46,724	\$ -
	Hidden Valley Water Main Replacement	\$ 1,400,000	\$ 1,007,550	\$ 392,450	\$ -
	Street Sweepers	\$ 1,350,000	\$ 1,083,571	\$ 266,429	\$ -
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	Michigan St Water Main Replacement	\$ 1,100,000	\$ 750,107	\$ 349,893	\$ -
	Lead Service Replacement 2023 Design	\$ 495,000	\$ 495,000	\$ -	\$ -
	Remaining lead remediation	\$ 405,000	\$ -	\$ -	\$ 405,000
	Subtotal	\$ 12,850,000	\$ 9,107,072	\$ 3,337,928	\$ 405,000





# Water Meters ARP Budget \$6.5M

- All meters and accessories have been ordered
- Delivery started (later than expected due to supply chain issues)
- Service department has been installing meters on every in-home call





# Lead Service Line Replacement \$1.6M

## Pipe Loop & Ammonia Upgrade Project (Phase I)

- Procedures developed and study underway
- Ongoing project to analyze effect of treatment changes to system

## Lead Service Replacement Construction Pilot (Phase II)

- First 11 services contracted and under way
- Phase II is in design phase pending outcomes from Phase I





# Hidden Valley Water Main Replacement ARP Budget \$1.4M

- Contract awarded to Northland Constructors
- Work started
- Long lead time on materials





# Michigan St Project Water Main Replacement ARP Budget \$1.1M

- Replace 16"CI watermain pipe with 20" HDPE watermain pipe.
- Replace 10"steel gas main pipe with 12" HDPE gas main pipe (utility funded).
- 3 New Hydrants.
- Street reconstruction (street funded).
- Northland Constructors of Duluth doing the work.





# Street Sweepers \$1.35M

One Purchased @ \$269k

Looking at 2 more with the help of a grant that requires matching funds. Will net us an additional \$135,000 of funding. Also interested in 2 flusher trucks. Currently searching for an additional grant to help with funding.





# Revenue Replacement

		Approved	Encumbered/	Spent/Transferred	
Category:	Name	\$ Amount	Committed	to-date	Remaining
Revenue Replacement					
	2022 Budgets	\$ 3,051,600	\$ 3,051,600	\$ -	\$ -
	Future budgets	\$ 3,666,129	\$ 3,245,000	\$ -	\$ 421,129
	Administrative Costs	\$ 800,000	\$ 800,000	\$ -	\$ -
	Subtotal	\$ 7,517,729	\$ 7,096,600	\$ -	\$ 421,129

# Revenue Replacement

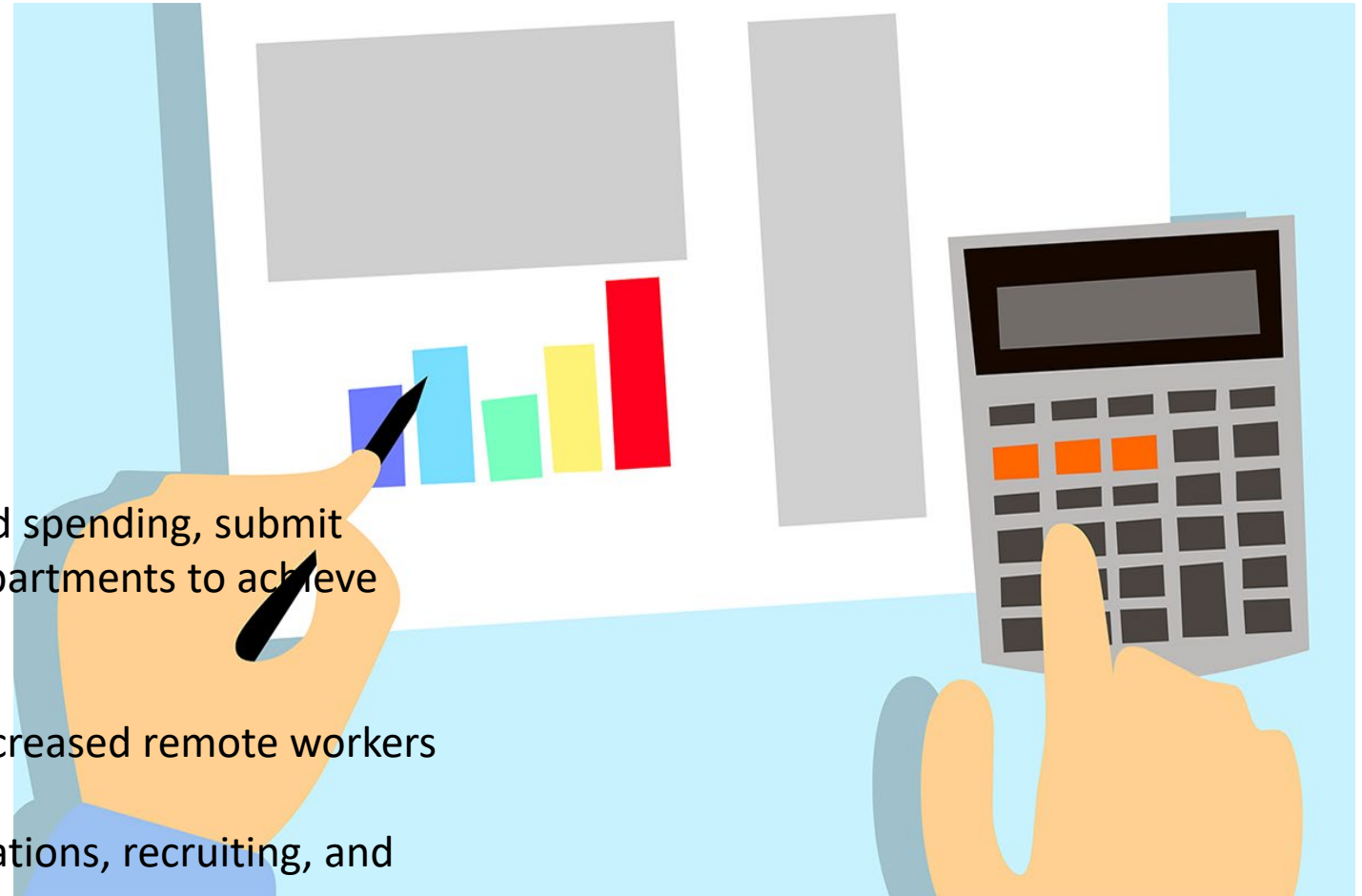


2022 Beginning Balance:	\$6,717,729
2022 Mayor's Budget Proposal (Status Quo Operations)	\$(1,916,900)
2022 Council Budget Priorities	\$ (634,700)
Other City budgets	<u>\$ (500,000)</u>
Remaining:	\$ 3,666,129
2023 Mayor's Budget Proposal (operations)	\$ (245,000)
2023 Mayor's Budget Proposal (capital needs)	\$(3,000,000)
Remaining:	\$ 421,129

# Administrative Costs \$800k



- **Finance:** ARP Accountant I to track compliance and spending, submit quarterly and annual reports, collaborate with departments to achieve spending goals, and stay up to date on regulations
- **IT:** Cloud service and collaboration tools due to increased remote workers
- **HR:** Temporary assistance due to increased resignations, recruiting, and hiring
- **Property, Parks, & Libraries:** Term project coordinator to assist with the influx of projects associated with ARP





Questions?