

**City of Duluth**

**State of the City Address:**

**“Persistence”**

Mayor Emily Larson

March 22, 2023

6pm West Theater, Duluth MN

[THANK YOUS + SNOW COMMENTS]

I'm happy to be here at the West Theater tonight.

We were scheduled to be here three years ago, but the pandemic hit, we cancelled the speech, and the last three years are etched into our memories. Thank you to Bob Boone for welcoming us back.

It's important to be here for other reasons as well. Tonight, I want to talk about our vision for Duluth, the persistence it takes to achieve it, and the progress we're making together.

Imagine it's 1937 – we're in the middle of the Great Depression in the heart of industrial West Duluth. One out of every four workers is unemployed. Families are losing their homes. Businesses are closing. Soup lines and tent cities proliferate. News of rising fascism in Europe and here at home makes the possibility of another war real.

It's hard to imagine a bleaker time.

Yet, two entrepreneurs had a dream to build a grand, modern Art Deco Theater here in the heart of West Duluth. They believed in this community's future, persisted, and for two decades the West was a neighborhood anchor.

Fast forward to 2016 when another visionary, Bob Boone, purchased the building from David Orman, who shared his belief that West Duluth once again needed a local, neighborhood theater. It must have been hard for others to see the possibility.

The years since its closing in the 1950s had been hard on the theater, as they have been on this neighborhood. The once landmark theater was in rough shape. Very rough shape.

But Bob had a vision. And a plan. And he set out to restore the West to the beautiful space it is today.

He didn't do it alone. He worked with the NE Entrepreneur Fund to help secure financing.

DEDA, the 1200 Fund, and Northland Foundation helped get it over the line. And dozens of volunteers pitched in with countless hours of sweat labor. Restoring the West was truly a community effort.

And then, right as it was opening for business, another disaster struck – the pandemic. Bob, like so many other business owners in Duluth, struggled to keep their businesses open – to keep moving forward.

But despite all of the obstacles he faced, despite being told that restoring an old theater was a fool's errand, dare I say it – “nevertheless, Bob persisted.”

Visions don't just happen. Big goals don't get met by tweeting them out or posting them on Facebook. It takes intention, relentless persistence, and collaboration.

There are few better places to make these connections than here in West Duluth.

Long term businesses have anchored this neighborhood through good times and tough times. Andrens Paint opened in 1896 as a family-owned business and still is. The Kom-on-Inn has a rich history as a working-class gathering place, and Mr. D's – just think of all of the community fundraisers held at Mr. D's over the years!

There are new and reimagined visions for the neighborhood as well – like Wussows and Zenith Books across the street, Jade Fountain next door, and the Gopher a block away.

A vibrant West Duluth Business Club has served the area since 1902 and the Irving Community Club and fierce advocacy of President Janet Kennedy fight for this neighborhood every day.

There are still many challenges.

The old Kmart site desperately needs to be redeveloped in a way that connects rather than divides the business district.

Finding the right partner to develop this site is a top City priority, and the story of West Theater and West Duluth make me hopeful that our intention and persistence will pay off.

So let me begin.

In an era of gotcha politics, viral social media, and lightning-fast news cycles, there is often an impatience – a demand for instant results – an impulse too many leaders pander to. Especially during election years.

But tonight, I want to slow the conversation down, and tell a few stories of taking on problems that have plagued Duluth for decades.

Stories of vision and persistent action now bringing positive results and laying the foundations for future progress.

Let me begin with Parks and Rec.

## **Parks and Rec**

Parks and outdoor recreational opportunities set Duluth apart from other cities.

122 developed parks. 353 miles of trail ranging from hiking, biking, skiing, even horseback riding. 40 neighborhood playgrounds. 79 rinks, athletic fields, and courts.

On virtually every measure, Duluth surpasses peer cities for access to playgrounds, public green space, soccer fields, basketball courts, baseball fields and hockey rinks.

These places are critical for Duluth's magic.

That's the good news.

Now here's the tough news. Less than 10% of our neighborhood parks and recreational facilities are in "good" condition. That's just a fact.

And here's the stubborn math. Decades of disinvestment reaching back to the 1970s have dug us into a \$155 million deferred parks maintenance hole. Our current capital funding to tackle this problem is grossly inadequate – less than \$250,000 a year.

To try and bridge the gap, we've had to rely heavily on external fundraising which often can't be used for neighborhood parks and other core maintenance.

This mismatch is not because we don't see the problem, or value neighborhood parks and athletic facilities. It's brutal math.

The 2011 dedicated Park levy helped, but it's half the amount we need each year, and each year its purchasing power declines.

And last November's narrowly defeated Parks Referendum screamed two very powerful messages – people love their parks but in these economically tough times they are unable to pay more taxes to maintain them.

The results are obvious. I get it. My family and I use these facilities, too.

None of this means we should be content with the status quo – I'm certainly not!

And solving this problem will not happen with happy talk or nostalgia for days gone by – we need to tackle that brutal math with a plan and the persistence to see it through.

We need to restore our neighborhood parks and community athletic facilities city-wide and develop a mechanism for sustainable, long-term maintenance funding. That's our priority.

It's daunting, and we can do it.

We are doing it for our streets.

When I took office, we had virtually no budget to repair the streets – at two miles a year, it would have taken 250 years to get to all our roads.

But we built a partnership spanning the Chamber of Commerce and the Building Trades, established a dedicated street repair fund, and now have a dedicated \$10 million a year for the next 25 years. Last year we repaired 17 miles. This is important - that's an 850% increase!

Anyone who rides or drives our roads knows we're not there yet, but we're heading in the right direction, and we're going to accelerate.

We've also done it for our western parks.

For decades, western Duluth suffered neglect and disinvestment.

Old contaminated industrial sites cut up neighborhoods and blocked residents' access to the St. Louis River.

Destination parks, like Lincoln Park and Chambers Grove Park, went to disrepair. Several community centers were so decrepit that after the 2012 flood they had to be demolished.

Renewal starts with vision – Mayor Don Ness's vision in this case – to leverage money for cleaning up the polluted river to remediate, restore and revitalize western parks and trails.

Duluth enacted a dedicated sales tax targeted toward tourists – what is now called the half-and-half tax – which raised \$18 million for western parks.

When I took office, I launched a community engagement process to identify what neighborhoods wanted from their parks, and working with many community partners we secured an additional \$45 million in federal, state, and private grants.

Eight years of hard work and collaboration between an outstanding City Parks team and the community are paying off – substantial restoration of Duluth's destination parks and improvements for 12 western neighborhood parks – this means new and renewed sports courts, playgrounds, picnic areas, and community gardens.

I could go on, but I want to focus on Lincoln Park – Duluth's oldest park – as an example of what's possible.

For 125 years, Lincoln Park has been a place for families to gather. It was the site of Duluth's first playground. Association picnics would draw 10-20,000 residents. As the city grew, the park was one of the few green spaces that remained in the neighborhood. But over the years, this once majestic park fell into neglect. It no longer felt safe or a place for families to enjoy.

Along with local community partners like ECO3, the Lincoln Park Business Group, Lincoln Park Children and Families Collaborative, and other local foundations, non-profits, and businesses the restoration of Lincoln Park is underway, and we anticipate completion in October.

When complete, it will include better parking and both an event and picnic pavilion. Wheelchair accessible walkways and restrooms. A ballfield, playgrounds, and sports courts.

Once again Lincoln Park will be a beautiful place that people will want to go to. (My thanks to the leadership and tenacity of Director Jim Filby Williams and Parks Manager Jess Peterson and their teams for this work)

Here's my point.

The stories of the Western Duluth Corridor revitalization show that we can take on big challenges and accomplish great things when we work together with vision and relentless persistence to see the job through.

Now, we need to do this for neighborhood parks and athletic facilities across the whole city.

Last year we started with our Parks Master Plan – Essential Spaces – created out of a year-long community engagement process.

This year we're prioritizing how to fund athletic facility improvements.

Here's the plan.

The half-and-half tax that catalyzed the Western Corridor revitalization is set to expire.

With City Council approval, we've asked the legislature to continue it for another 30 years. This will raise up to \$36 million, which we will use to leverage additional funds, just as we did for western Duluth.

Our focus will be to use this money to pay for park-based public athletic fields, courts, and rinks throughout Duluth.

Our emphasis will be on those neighborhood parks where we can pair competitive athletic facilities – think sports clubs and teams – with other amenities like picnic and community gathering spaces, playground facilities, accessible walking paths, amongst others.

Here's our next steps.

We're already working with our local legislators to secure legislative approval.

Once secured, we will start an extensive community engagement process, which along with our Parks Master Plan will help identify the projects and types of facilities to pursue.

None of this will happen instantly, but we've proven as a community that when we prioritize something, it WILL get done.

### Let's look at **Infrastructure**

Duluth's infrastructure is old – and we have a lot of it!

And although we take pride in our geography, snow, and cold, they also present challenges to old infrastructure.

This is a decades old problem.

Thanks to the City's Public Works and Utilities team, we're making steady progress on our streets and protecting Lake Superior from untreated stormwater runoff.

We've rebuilt the Lakewalk to withstand increasingly violent storms, and we'll be rebuilding the Bayfront seawall by the DECC this spring.

This year we expect to begin construction on our fiber optic internet pilot project, the first step in our commitment to ensure all Duluthians have access to reliable, affordable internet within six years.

Now we are turning our attention to getting lead out of our water pipes.

Prior to 1930, the smaller pipes leading to homes from the city's main water lines were often lead.

For the first time in Duluth's history, my administration is identifying all lead services in the city – so far 6,300 have been identified -- my house is one of them.

Last year we launched a pilot project in Central Hillside to replace both public and private lead pipes at no cost to the homeowner.

It's not cheap – it averages \$16,000 a home – but working with Senator McEwan and our other Duluth legislators we're asking the state for \$10 million dollars this year to take our program to scale, and we will continue to aggressively pursue other state and federal money to get the job of lead-free pipes done.

### Improving our infrastructure is key to **Economic Revitalization**

For decades, we've been dragged down by a mantra, a narrative pushed by a few that Duluth is a bad place to do business.

Whether this perception is fair or not, when I took office our Economic Development team set out to methodically change both the impression and the reality of doing business in Duluth.

Last month, at the Chamber's annual lunch, I shared in a 40-minute economic development speech for Duluth business leaders, how Duluth will be the first-choice location for business growth, expansion, investment, and start-up in Minnesota.

In partnership with APEX, the Chamber, Downtown Duluth, and local businesses, we're making it happen and seeing real progress, and tangible results.

With more work still to come, we streamlined our city permitting process and have made it more responsive.

We've implemented an economic development audit asking stakeholders how we can be more effective helping local businesses grow. THANK YOU to the hundreds of business leaders and community members who participated in this audit! We're just now receiving the results and will release them in April with specific ways to improve.

We've seen three straight years of record private investment. A record number of building permits.

Our focus has been jobs. New projects like Costco, expansions like Cirrus, protecting jobs like those saved at ST Paper, supporting entrepreneurs and new small businesses.

We implemented community benefit requirements and exceeded our goals creating construction careers for women, people of color, veterans, and other historically disadvantaged workers.

156 construction projects provided more than 2 million work hours to our workers in the trades over the past four years.

Last year we changed partners and ended the old "pay-to-play" tourism promotion system, where a business got boosted according to how much they paid in.

We forged new collaborations with local groups, and now prioritize bringing the economic benefits of visitors to all neighborhoods across the city, not just Canal Park.

And the results are promising. More and more people are visiting Duluth. On virtually every measure, we have surpassed last year as well as our best pre-pandemic record – more visitors, longer stays, higher revenue, over and above inflation.

But my favorite statistic is that 15 of Duluth’s 23 neighborhoods saw increased visitation – nine saw rates of growth faster than Canal Park! That means more business for local restaurants and hotels, local retailers, local theaters, local gas stations, and local grocery stores.

But there is still more work to be done.

For example ...

### **Downtown**

It’s been a tough four years for our downtown.

Reconstructing Superior Street was necessary, but really hard on downtown businesses.

The pandemic dried up both downtown visitors and office workers.

Walking around alone downtown is scary for some people. I get it.

But this struggle is not unique to Duluth.

All over the country cities are faced with how to reimagine and revitalize their downtowns when they can no longer count on daily office workers. Few have figured it out – but Duluth will.

Last year I convened a Mayoral Downtown Task Force. Months of hard work resulted in 27 very practical and specific recommendations to address immediate challenges. Thank you to Task Force Co-Chairs Kristi Stokes and Shaun Floerke, and the 13 downtown leaders – including City Council Vice President Roz Randorf and then-President Arik Forsman– who served on the Task Force.

We’ve already acted on almost all of the recommendations, particularly those focused on increased public safety.

Statistically, the facts are clear – crime has dropped across Duluth by 22% since 2021. But that is not how people feel, and downtown is one area that has seen increased calls.

Again, I get it.

Income inequality, increased chemical dependency, mental health issues and the need for additional affordable housing have pushed people to the streets and to panhandling, which the Supreme Court, and not local elected leaders, have established to be a protected first amendment right.

And aggressive behavior and panhandling can be scary.

Downtown businesses, the elderly, workers, and customers are frustrated.

It is also frustrating for police and emergency responders who are doing the right thing within a system that oftentimes frustrates their best efforts.

We can't arrest ourselves out of this problem, so here's what we're doing.

We've expanded two innovative programs in our Police department – the CORE team, which addresses mental health crises – and our SURT team, which addresses substance abuse issues.

Along with the City Council we also invested \$600,000 in a crisis response team run by the Human Development Center. This team walks the streets and skywalks downtown to get people help before it becomes a public safety crisis.

And this year, following the leadership of the beloved Judge Tarnowski, our City Attorney's office, along with the Duluth Police and other community partners, are launching a new Misdemeanor Mental Health Court. While we are all deeply saddened by Sally's unexpected passing this month, her legacy in this new court will live on.

The Court will focus on high risk and high need people who have behaviors that directly impact the community but are ineligible for a traditional treatment court.

Rather than being jailed, or simply being released to reoffend, we aim to hold offenders accountable by connecting them with services and other resources to address their underlying issues.

We can reduce crime and help the people who need care.

Here's an example.

Last year, an adult male began drinking heavily. Over 4 months he generated 80 service calls – that's 20 calls a month.

CORE along with other community allies worked to get this person the help he needed.

Over the next 9 months he generated just one call a month, and now he has a better chance of becoming healthy.

There are dozens of these stories. These smart, people-focused, and effective public safety initiatives are making a difference.

This year we're also taking on two of the Task Force's longer-term recommendations: assessing our skywalk system and developing a comprehensive downtown vision and revitalization plan.

Let me say a bit more about this.

No community thrives without a thriving downtown.

Downtown is the heart of a city. It tells a story about the community. So, what is the story our downtown is telling about Duluth?

Think about it?

What is the reason for people to come together downtown when they don't have to go there for work?

As a community we have to answer that question.

With thanks to the Duluth Superior Area Community Foundation, nine Duluth community leaders recently went to Macon, GA to study and learn from their successful economic development, downtown revitalization, and community inclusion.

We came back brimming with ideas and energized commitment. Over the next two months, we'll begin engaging with stakeholders from across our community on next steps here in Duluth.

As a whole community we must face another daunting challenge:

### **Childcare**

We all agree that every child deserves a great start in life. And we all benefit when that happens.

But in Duluth, alone, we need nearly 1,300 new childcare spots just to meet the current need.

I see firsthand the impact this gap has on our communities. I hear the urgent stories every day.

Parents who struggle to find childcare so they can go to work or are forced to stay at home because they can't afford to pay for it.

Employers, who are looking to expand but find it hard to find enough workers, in part because of lack of childcare.

Childcare providers who love their work but who face closing their business because they lack staff or can't make ends meet.

Childcare workers who can't continue doing the work they love because they can earn more at McDonalds or Kwik Trip.

Story after story after story keeps coming back to childcare.

While childcare is not typically a city government issue, it's one of the most critical issues we face as a city.

Before the pandemic struck, Duluth's 1200 Fund began to provide loans and grants to incentivize new childcare availability.

It helped and there was some hopeful progress, but the pandemic made an already deep crisis more dire. and the status quo is untenable for everyone.

For the past few months, I've been visiting childcare providers and hearing their stories, and talking with advocates working to change the system.

City councilor Arik Forsman and Commissioner Ashley Grimm have been leaders on this issue, along with a lot of local people and organizations, but what I've been told is missing is a coordinated approach for these efforts.

In the next few months, I will be convening what will be my fourth Mayoral Task Force.

It will comprise a broad cross section of stakeholders. Its charge will be to provide direction for a coordinated approach, identify useful City roles, and provide concrete next steps for what we can implement locally as well as collectively advocate for outside Duluth.

To lead this group, I've asked Tony Sertich from Northland Foundation and Elissa Hansen from Northspan. You may recall this was the same leadership team that led our Housing Task Force, which resulted in the creation of the Duluth Housing Trust Fund.

There are no simple answers to the childcare crisis, and the challenge reaches far beyond Duluth.

Solving it will ultimately require state and federal resources on the scale we invest in other aspects of our children's education – and on this front there is encouraging news coming from St. Paul.

But the crisis is still urgent, and we need to start sometime and somewhere, so we're starting here and we're starting now.

Finally, it wouldn't be a state of the city address without talking about ...

## **Housing**

Affordable, appropriate housing has been an intractable problem in Duluth for decades, and for decades public investment in affordable housing has declined.

My administration made housing a top city priority and targeted city resources to catalyze affordable housing, especially for households earning less than \$50,000 a year.

We created a new position in the Planning Department to focus and integrate housing at all income levels into all of our city planning.

I convened a Mayoral Task Force resulting in Duluth's Housing Trust Fund – a partnership with LISC and others to provide gap funding specifically for housing affordable to lower-income families.

It's been slow, persistent work, but we're starting to see the results of our unprecedented focus and investment.

In partnership with Center City, One Roof Housing, the HRA, private developers and others we've built over 1700 housing units since I took office. And there are 500 new homes in process for downtown over the next couple of years.

This is more new housing built over a comparable time period than we've seen in decades. And there's still so much work to do.

As a former CHUM social worker for 12 years, homelessness is a moral issue for me.

Working for CHUM taught me about people and how the world works. Who gets listened to and who feels invisible. How many people live way too close to the edge.

The City will continue to find ways to work and support Stepping On Up – a community driven coalition who has developed an ambitious, and smart phased plan to address safe housing and supportive services for the unhoused.

But let me be clear: addressing this problem must be a whole community effort – business, government, hospitals, advocacy groups, the faith community, and others.

We've got a long way to go, and we must continue our efforts until everyone has a secure home...

But for the first time, in a very long time, we're seeing forward momentum on affordable housing.

There are good things happening in Duluth right now. I'm here tonight to report that the state of the city is strong and growing stronger because of our work together.

## **ENDING**

So, I normally like to end big speeches with a rousing wind-up crescendo to stir people awake again.

But tonight, I want to end on a quiet note, with gratitude for those of you here in the theater or watching at home who have pitched in with your vision for Duluth and put your shoulder to the wheel of making this community better.

I especially want to lift up the work of an amazing leadership team and the 850 city workers who I get to work with every day to make Duluth better.

The snowplow driver who stopped his plow to help a 70-year-old woman finish shoveling her drive.

The police officer called because a woman was caught stealing mittens; this officer did their job but also paid for the mittens so her daughter's hands could stay warm.

The public works employee who kept in constant contact with neighborhood residents when a water pipe broke and needed replacing.

The library worker who sat with an agitated man until he calmed down and she got him the help he needed.

The workforce center receptionist who greets people experiencing challenging times with a beaming smile, and who has been described by job seekers as "one of the nicest people ever encountered."

The parks employee who went out into the sub-artic temperatures earlier this winter to make sure the trails were groomed for Duluth skiers.

I could go on and on, for every day I see Duluth's city workers take the extra effort to get the job done, often under challenging circumstances.

Thank you!

The topics in tonight's speech are not new. That's not by accident.

Progress comes through a steady vision and the relentless pursuit of it.

The issues Duluth cares about are many and huge – housing, childcare, public safety, parks, places to play sports and get outside, reliable broadband, good streets, jobs growth, lead-free pipes.

These issues don't have any quick fixes.

There is no room for distraction over a shiny new thing.

We have deliberately chosen to take on issues that are generational in the making.

And in partnership with you, through years of persistent work and attention, we're making progress, despite how much more there is still to do.

None of this happens by accident or by just wishing it were so.

And while I've provided leadership and vision, and kept at it, I want to make absolutely clear our progress is a community effort.

It's the community and your priorities that have guided me. Sustained me. Called me to account.

We're making progress and writing a new chapter because of you – because we've worked together and stuck to the job that needs to be done.

(LARSONIZING)

Thank you.