

State of the City: Lighting the Path Forward

Duluth Mayor Emily Larson

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Land Acknowledgement

We're on ancestral and contemporary homelands of the Dakota, Ojibwe, and many Native Nations. Known as Misaabekong, meaning "place of the giants," this place holds cultural, spiritual, and historical significance.

For over five hundred years, Native peoples have demonstrated resistance in the face of violent efforts to separate them from their land, culture, and each other.

A series of Treaties ceded massive amounts of land and resources, amassing wealth at the expense of Indigenous peoples. Despite those losses, the Indigenous treaty negotiators maintained important rights for the Indigenous people within the ceded lands, including Duluth.

Amidst the backdrop of colonization and its modern inequities, Indigenous peoples have been here – and will always be here – demonstrating their distinct political status, cultural defiance, and strengths.

We believe our relationships and history shape and define our future, and we're actively building relationships based on mutual respect and trust with the Duluth Indigenous community and neighboring Tribal nations.

But these words at the top of a speech can't possibly do justice to that history or to our relationships.

The implications go beyond words: we're committed to embedding an understanding of our obligations and addressing systemic inequities in City decisions.

We vow to illuminate the vibrance of Native voices, contributions, wisdom, lived experiences, and innovations.

In keeping with this commitment, we'll be releasing soon an expanded Land Acknowledgement, with deeper context, and Indigenous-led resources.

I love to run in the early mornings. I find clarity during this quiet time on the edge of darkness and light.

I get up early and set out in the flat predawn light before the sun rises.

By the end of my run, as I head back home, the first rays of light begin to peek over the Lake. A new day beckons. Light returns and I am ready for the work that lies ahead.

I've been thinking a lot about darkness and light these days.

A little over a year ago Amanda Gorman opened her inauguration poem *The Hill We Climb* speaking of light and darkness.

When day comes, we ask ourselves, where can we find light in this never-ending shade?

She continued

And yet the dawn is ours before we knew it.

Somehow we do it.

Somehow we weathered and witnessed a nation that isn't broken, but simply unfinished.

We've weathered a storm these past two years – a difficult and dark one.

Older residents feel it in their isolation. Parents feel it in their exhausted bones. Young people feel it in their anxiety over their future.

All of us are tired and frustrated.

We've been living in a lot of darkness and it has brought real struggle and challenge.

But tonight, I want us to focus on finding our light, celebrate what we've accomplished together and focus on the good and important work ahead.

In my first State of the City address I laid out my vision for Duluth. It's still my vision today.

I promised a healthy – prosperous – sustainable – fair – and inclusive community – for all neighbors and across all neighborhoods.

I promised diversified economic growth and meaningful jobs; a community where everyone has a safe place to call home.

I promised our future would be powered with clean, renewable energy.

Over the last six years we've made progress – real progress toward this vision – and yes, we still have lots of work to do.

Time and again, when my administration lays down a goal, we get things done.

Key investments, priorities and successes which have moved us toward my vision of a fair and inclusive community where both people AND business can thrive.

Looking ahead, we will continue to use every lever we have to build this bright and bold community.

I've identified four key areas of focus this year:

- economic development
- public safety
- connectivity
- and sustainability.

They are all linked, and together light a path towards a more resilient, prosperous, and sustainable future.

Let's start with Economic Development.

I'm sometimes asked why I don't talk about economic development more. This question always puzzles me because almost everything we have done over the past six years has focused on the key ingredients to support inclusive economic development.

Let me start with some background.

Duluth is no longer the buffeted city knocked back by recession and deindustrialization that I first experienced as a visitor in the 1980s.

During those bleak economic times, self-doubt crept in, grabbed hold, and established a scarcity mindset which too often saw any job, any new project as 'good enough.'

But we are no longer that city living in the economic shadows. We can embrace with pride that we are a community that doesn't just respond to economic development – we lead it.

And the facts bear this out.

Last year we had a record number of building permits and a half billion dollars of investment – more than double the previous year and the third year of record investment in a row.

Major businesses are making new private investment bets on Duluth. From Costco to ST Paper to Cirrus and beyond - these are businesses that CHOSE Duluth. And we've got their back.

Where once we had to beat the bushes trying to find investors, now we're fielding constant new inquiries about investing in Duluth.

Because we're a city that believes in itself.

We expect and deserve more than ever before.

Today, in Duluth, a project needs to be more than shovel ready, it needs to be shovel worthy.

This holistic view of economic development is working.

When you survey actual businesses about what they look for in a community they seldom say fewer public services or benefits.

Instead, they talk about solid infrastructure, a reliable and qualified workforce, housing, access to childcare, transportation and energy, and high on the list – safe neighborhoods and a great quality of life.

These are the core ingredients of economic development we've focused on.

Let's look at a few of them.

Infrastructure

We have and will continue to invest heavily in updating Duluth's key infrastructure.

- Street reconstruction now averages 14 miles per year, up from 2 miles a year when I took office.
- We're investing in stormwater management and replacing our 100-year-old water mains to ensure reliable and clean drinking water.
- We're committed to getting the lead out so all kids can thrive
- We've made the Lakewalk more resilient, accessible, beautiful and durable than ever, and
- We're building everything with climate adaptation and climate change in mind

Housing

Housing is a key barrier families and businesses face and we are meeting this head-on. Since taking office, my administration has added a total 1500 new housing units across Duluth.

With support from the Duluth City Council, we've established a \$4 million Housing Trust Fund to help private sector developers rehab or construct new affordable housing.

At the same time, we announced a new private equity fund to secure private sector money for new housing. Duluth LISC will manage this fund, and the community has responded overwhelmingly with millions of dollars. You'll hear more about this in the next few weeks

We have dedicated \$19 million dollars from the federal "rescue plan" to build 358 new affordable units and rehab and preserve 36 more.

From establishing a warming center to packaging sites for scalable single family home production, we have been fully focused on making sure everyone in this community has a safe, supported place to lay their head at night.

Quality of life: Spirit Mountain

We're making strategic investments in important quality of life experiences like Spirit Mountain.

With our new approach and under new management, for the first time in 10 years, Spirit Mountain made money last year.

Now we're asking the state for matching bonding money to make infrastructure improvements and are pleased that this request made the Governor's proposal.

Two thirds of Spirit Mountain visitors come from out-of-town for this local attraction. With these changes and new investments, Spirit Mountain is projected to grow its regional economic impact from \$22 million today to more than \$39 million.

These are just a few examples of holistic economic development strategies investment that are good for Duluth residents, good for our tax base, and good for business.

Now let's look at where we're going.

Let's start with permitting.

A persistent complaint I hear is with the City's permitting and review process.

Let me say, we hear you. We can and will do better.

Our talented staff work within a confusing labyrinth of city departments. We need to make things simpler and clearer. For them and for you.

This year we'll be enacting

1. A new online communication tool for frequently asked questions
2. A new service delivery system to allow staff more one-on-one service, and
3. Better and faster response time to all permit inquiries

Additionally, tonight I'm announcing we're implementing a new digital process to review electronic plans. Because we currently operate on a paper system, and this slows us down.

Soon, multiple departments will be able to complete reviews simultaneously and instantly transmit their response to other departments. Inspectors will have real-time access to compare and discuss plans at job sites. From start to finish, it means fewer meetings, and faster and more efficient permitting with quicker turn-around for staff and our community.

Whether you're adding a garage or building a manufacturing facility, the City will do everything in our power to make the permitting and review process clear, fair, and efficient.

Finally, I will convene an internal audit to take our economic development strategy to the next level.

We have incredible staff and a big vision to build upon. Using an outside perspective to facilitate, we will ask ourselves the following core economic development questions:

- Are there internal policies prohibiting growth and development that can be changed?
- Are there steps in the City process which can be eliminated or made easier?
- How can we make sure everyone knows all expectations up front?
- How can our communication strategy with private sector partners be improved?

Our role as a City is to lay out our values and set an economic development vision, work with community partners to develop a strategy, and then make clear what is required and ensure our processes are easy to navigate. Now is the time to amplify all the ways we are getting things right, and get clear on where we can and will improve.

Tourism is a key strategy here, with tremendous room for growth

We are in the midst of launching our new tourism campaign to build a more robust tourism industry.

Tourism is one of Duluth's most dynamic industries. Millions of people visit our city every year to enjoy our stores, hotels, parks, and restaurants. We want every single one of these visitors to love Duluth like we do.

Last year we expanded partnerships to develop a new promotion strategy. I know this decision has been challenging and not without controversy, but I'm also absolutely convinced it was the right one.

Here's what to expect moving forward.

Canal Park and the waterfront will continue to be key attractions for visitors, and we have a plan to reinvest and reinvigorate these areas.

We are expanding our visuals, messaging, and markets to connect tourism's economic impact to neighborhood-based businesses and amenities, recognizing that it is our entire community which makes Duluth great.

Our new tourism strategy is built around who we are – our people, our pace, and our place. It's what we're proud of and what makes Duluth unapologetically unique.

Let's head downtown.

Key to reimagining tourism and our business community is rethinking our Downtown.

Downtown is the center of our city and the window to Duluth for millions of annual visitors.

Yet the pandemic has changed the way we work and live, and while it is still too soon to tell whether these changes will be permanent, I suspect some of them will be.

This has ramifications for how we envision our downtown.

We need to make it easier and more inviting for people to work and experience downtown.

We need to tackle blighted areas and storefronts and reimagine creative ways to use vacant spaces. The downtown Shopper's Parking Ramp has got to go.

We need to address illegal behaviors and continue to grow confidence in public safety downtown.

And with the increase in the number of people working from home, rather than housing office workers, more downtown space can actually be converted into homes.

There is tremendous opportunity, lots of ideas, and a passion and commitment for doing it right. Now we need to develop a plan to move forward.

So tonight, I'm announcing a Downtown Task Force to be co-chaired by Greater Downtown Council President Kristi Stokes and Duluth Superior Area Community Foundation President Shaun Floerke.

I'm charging this Task Force with convening partners from the public and private sector to provide recommendations within five months on four key areas: downtown safety, activation, investment, and vision. These recommendations will be made public.

This is my third Mayor's Task Force; the other two addressed Spirit Mountain and housing – both with solid success. I intend for us to succeed here, as well.

Finally, a focus of economic development must encourage homegrown innovation.

We can build on Duluth's long history of innovation.

My goal for Duluth is to be the entrepreneurial engine of the state of Minnesota.

Gone are the days where we anxiously hoped for some large out-of-town project or developer to save the day. Of course, we welcome these projects, but we all know that our future lies in tapping local talent and ingenuity.

State programs like Launch Mn and Innovate218 are important resources, but there's more we can do here in Duluth.

I'm excited to announce that Duluth is the first Minnesota city to partner with Heartland Forward and Builders + Backers to bring their national Idea Accelerator to our community. Together with the Northland Foundation and the Duluth Area Chamber of Commerce, we'll help bring new people who have promising ideas into the entrepreneurial ecosystem.

This initiative targets people who have a good idea but don't yet have a business plan. Builders and Backers will provide a \$5,000 grant to participants so they can experiment with and test their idea. If promising, the program can connect participants with other potential investors.

Our first-year goal will be to find and fund ten budding local entrepreneurs with a vision to expand on this.

Our second priority focus this year is Public Safety.

Last year I called for Community Policing 2.0, which builds on the Department's innovative public safety leadership.

Here's where we're at:

- Police continue to track racial equity statistics, and along with community partners will soon issue a request for proposals to conduct a full-scale racial bias audit of the department.
- Two years into CALEA – a national accreditation program – the department has already added 50 new policies and revised nearly 50 others, including new training and reporting requirements based on best practices rooted in community trust. Duluth will be Minnesota's first public safety department to reach this platinum standard accreditation.
- We've invested in Community Coordinated Response where embedded mental health experts and social workers partner with first responders to make sure people get the help they need.
- And we've adapted our community engagement. Last summer, the Department introduced their "ice cream truck," a retrofitted bus that travels to neighborhoods serving ice cream and hotdogs. This simple idea has sparked spontaneous pop-up community meetings and made conversations and relationship building possible with residents who would have never shown up to a more formal meeting.

These initiatives are deeply rooted in both the humanity of those we serve and those who provide public safety services.

We've been making substantial progress, and there's lots to be proud of, but let's also be real – ensuring public safety is just hard right now.

Over the past two years all of our city workers have had to face more mental health incidents. More substance abuse and opioid overdoses. More people forced in homelessness. More domestic violence reports. Members of the public having outbursts in our city facilities. There are more people at their snapping point who need help.

We've seen it in a record number of Fire and Police call outs. We've heard it in complaints about aggressive panhandling, erratic behaviors, and public urination. We've felt it as more and more residents feel unsafe.

I get it. People have to feel safe for our community to flourish.

The public safety problems we face are complex. If they were easy, we'd have fixed them a long time ago.

Our police face a daunting task. We have extraordinary leadership in Chief Tusken, and officers are doing their jobs with the professionalism and care we depend on and expect.

But the pandemic has pushed the criminal justice system, already teetering before the pandemic, over the edge. Backlogged courts. Full jails with reduced staffing. Probation officers unable to make in-person visits.

There's more to this story but let me first be clear. In Duluth if you are dangerous, predatory, or threaten harm to others – you will be arrested and held accountable. Full stop.

But as Chief Tusken has repeatedly said, we also can't arrest our way to a better community. In Duluth we don't criminalize mental health issues, substance abuse problems, or being homeless. And it's too many of these cases that are falling through the cracks.

Where does a person with mental health issues go when the few existing places are overwhelmed? They're released.

Where does the person without a home go on minus thirty days when there are no more shelter beds? They find a public place or a skywalk to try and stay warm and get by.

We are stuck in a cycle that isn't working and we need to change it.

Many of these problems reach beyond the control of Duluth.

Still, tonight, I am urging us to start.

Together with Duluth Police and our City Attorney's office, I am calling for a revival of "community courts."

The idea is this – bring together key stakeholders in the criminal justice system – judges, probation officers, county and city attorneys, the jail, and police. Identify chronic offenders and develop a plan specific to meet the person.

Sometimes this may involve services to address substance abuse, mental health, or housing. Sometimes it means laying out frank choices and strict accountability.

Outcomes include more resources for the police to direct to serious threats, stability for people who need tremendous supports, and a healthier, stronger community.

This will not address all our public safety challenges, and we will need many partners for it to be effective, but it can start building the wrap around accountability we need.

My third area of focus is connecting the community.

Last year we made a commitment to take on Duluth's digital divide.

Reliable high-speed internet is no longer a luxury. It's an essential utility no less important to our future success than our roads, water, and electricity.

Yet many Duluth residents deal with unreasonably high prices, unreliable service, or no viable digital access altogether. Only 6 percent of Duluth has access to high-speed fiber optic internet.

This is unacceptable and holding us back as a community.

Tonight, I'm laying out a goal that every resident and business in the City of Duluth will have access to affordable, reliable, high quality fiber optic internet within six years.

It's bold but necessary for us to build an inclusive and fair community and economy, and we've already started to chart the path forward.

Tonight, I'm asking our Planning and Economic Development Department along with CAO Noah Schuchman to submit our plan to achieve this goal to the City Council for approval.

Using federal money, in the next few months, we will be initiating a Pilot Project to enroll about 2,000 homes in the Lincoln Park neighborhood.

We will use this pilot to evaluate resident interest, installation costs for older housing, among other important factors. This information will help us understand how to go to full scale.

My commitment is to continue to push with all of my might to ensure that every Duluthian has affordable, reliable high-speed internet.

The fourth and final area of focus this year will be sustainability.

We've made significant progress this past year.

- For the first time we are working cross-departmentally towards shared goals in our new Climate Action Work Plan.
- We've secured over \$680,000 in grants for city and community projects to advance initiatives across the city, and we have millions of dollars in grant proposals pending review.
- Working with Minnesota Power, we're hosting a 1.6-megawatt solar farm on city property, with completion expected this year.
- And we've reduced our municipal greenhouse gas emissions 32% since I took office.

All of this is good news, and we are moving forward as fast as we can on the parts we directly control. The problem is the part we control only accounts for about 4% of Duluth's overall problem.

There is growing urgency to go bigger and bolder in our actions. Recent science tells us climate change is accelerating and our window for acting before we reach a tipping point is narrowing.

Five years ago, we made a pledge to reduce our municipal city government emissions by 80% by 2050. Bold then, it is not enough today.

That's why we are now committed to the *Cities Race to Zero*, making clear that we aim to achieve carbon-neutrality – net zero – by 2050. This is in line with science, and it is essential if we are to remain economically viable.

In line with this pledge, we will galvanize a city-wide effort to set benchmarks and reduce greenhouse gas emissions across the city.

Over the next year I will be working with our Sustainability Officer Mindy Granley to convene business, industry, organizations, and community leaders as well as partners with already existing community led efforts, like Duluth Citizen's Climate Action, to band together with one purpose and mission: Race to zero as one community.

In addition, in anticipation of additional federal climate action money, we have identified shovel ready, shovel worthy projects which range from building energy efficiency projects to electric vehicle charging stations, to installing solar arrays on city property, to significantly reducing emissions from our municipal water and wastewater pumping.

And we must also conserve energy.

We are partnering with community partners, including Ecolibrium3, on a Department of Energy grant to improve weatherization and energy savings for Duluth's older housing stock.

And finally, we're asking Comfort Systems to prioritize energy efficiency and find economically feasible, clean energy alternatives to natural gas.

So, it's the end of a long speech urging us to do more when we're already exhausted.

I get it.

But we live in a moment with opportunities to act boldly and we must meet it.

This is our time.

We can't afford to let our exhaustion speak for us, or to get stuck in our own darkness.

"There is a crack, a crack in everything" as the late, great Leonard Cohen sang. "That's how the light gets in."

We are on that edge going from dark to light. Emerging from the pandemic, but also stepping out of shadows of challenging decades.

Amanda Gorman ends her poem *The Hill We Climb* writing

there is always light,
if only we're brave enough to see it.
If only we're brave enough to be it.

There have been so many long and dark nights these past few years, but the light is peeking through.

The hope of dawn is before us – waiting for us to step forth.

THIS is my commitment to you and my challenge for us: Be brave.

Be bold enough to find the light.

Courageous enough to follow it.

Brave enough to be it.

Thank you!