

The NEW Code of Business

KRECH OJARD



KANE TEWES - KRECH OJARD

Because It Helps Alleviate Uncertainty, Duluth's Proposed Unified Development Code Will Build a Better Business Climate

By JULIE AHO

City of Duluth Land Use Supervisor Cindy Petkac and Senior Planner John Judd are aware Duluth has battled a perception that it has an anti-business climate. They believe that's about to change.

The city's proposed Unified Development Code (its formal name is Unified Development Chapter of the City of Duluth Legislative Code, or UDC) will convert and update 1958 zoning regulations for the Internet age. It will deliver user friendliness to developers, architects and business owners who'll be able view zoning regulations, development standards and procedure flow charts online. Eventually, with implementation of new land management software, they can submit plans and drawings online. The city council is expected to vote this summer on whether to approve the UDC.

To comport with the Comprehensive Land Use Plan adopted by the

city council in 2006, the UDC allows more mixed-use development, encourages pedestrian-friendly commercial areas, addresses environmental issues, and provides for neighborhood revitalization and sustainable development.

"People will be able to go to the city's Web site, see what they can and must do to get a development approved, before they even come to City Hall," said Judd. "Designers and architects will have a list of options

providing flexibility; the city doesn't want to stifle creativity. By getting land use regulations changed, it gives developers the confidence to proceed. And through more mixed use, we're opening up opportunities that zoning regulations didn't allow before."

"The UDC process should make our area more attractive for development," Petkac said. "And we're also sensitive to minimizing the potential negative impact high-density development, like an apartment building, can have on nearby single family neighborhoods by requiring new development be buffered from existing homes with landscaping and lighting standards."

UDC stakeholders have had ample opportunity to attend public meetings, ask questions and make suggestions. "We've received over several hundred public comments which we have reviewed and incorporated into the draft text," Petkac said. "We've also received valuable input throughout the year-and-a-half-long process from our UDC citizen advisory group and technical advisory group. Staff also held meetings with major stakeholders, including industries, colleges and hospitals, just to name a few."

Judd and Petkac know the UDC won't be a panacea and developers will continue requesting variances. But requests should decrease because of UDC clarity and flexibility. Finally, mixed-use development provisos, Judd believes, contribute to entrepreneurial spirit: "Mixed-use development is conducive to high-tech firms, or for potentially developing a Dinky Town-like area for college students." Combined with new form districts in the traditional shopping areas in the city, the UDC aims to encourage a thriving urban atmosphere, an urban wilderness that is unique and attractive for residents and visitors.

CEO Bill Bennett of LHB said the UDC will provide more flexibility "if we interpret it correctly. The UDC will have aspects that'll be challenged, just like any new zoning code; but there won't be as many land use issues. Flexibility in these times is absolutely critical. It takes all of us jumping on to support it and make it work - the designers, the developers, the community - regardless of any politics. I think as a community we're recognizing this and starting to work together."

"YOU CAN NEVER GET CONSENSUS; IT'S IMPOSSIBLE AND NOTHING WOULD GET DONE."

KANE TEWES - KRECH OJARD & ASSOCIATES

Promising areas for development are brownfield sites and downtown, Bennett said: "I think there are a lot of opportunities to fill in these areas. Our firm believes in improving business through reuse and redevelopment; taking a negative and turning it into a positive." He cited the Duluth Seaway Port Authority and the Area Partnership for Economic Expansion as organizations that are working hard on redeveloping and marketing brownfield sites for commercial/industrial use.

Bennett also likes the push for more mixed-use development. "I think you can find a lot of concerns in the community that don't play out," he said, noting it's human nature, for some, to be suspicious of commercial development. He also supports clustering of synergistic businesses, which can spark entrepreneurs. "We help our clients see the positives here," Bennett said. "An educated, strong workforce and a lifestyle experience that helps keep the workforce here. It's a unique city; a unique way of life."

It was important for the city to undertake the UDC project, said Executive Director Adolph Ojard of the Duluth Seaway Port Authority: "It will probably take a lot of politics out of development because of the set standards. It's a noble goal - streamlining the process, making it user friendly. We certainly applaud this effort."

"If you know what you have to do, whether you like the rules or not, things are clearer," said Andy McDonough, the Port Authority's industrial and economic development director. "It was real confusing before; the current zoning code is a pyramid.

I think the UDC will make it a lot easier to understand.”

The Port Authority continues with plans to transform the former U.S. Steel Duluth Works Superfund site in Morgan Park into a thriving location for industrial and/or commercial businesses. Environmental investigation and cleanup is estimated to take up to two years before sites are available for construction. “It’s a great space with great logistical access for transportation, with the port, rail and trucking access,” Ojard said. “It’s one of the very few large-acre tracts of land available in our region. We’re banking on the long-term development of the western reaches of our city. I don’t think we’ll see building construction there for a couple of years. But from today to 20 years from now, it will look very different.”

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LAND USE SUPERVISOR CINDY PETKAC

The site has excellent potential for manufacturers of wind turbines and wood pellets, and such manufacturers “have talked to us,” Ojard said. “It’s not unusual for large manufacturers to want 50-acre plots. But we’re not precluding smaller companies. We want to remain flexible.”

Both U.S. Steel and the Port Authority are pleased by Morgan Park community support to redevelop the site. “We met with key community leaders, and if they’d said, no way, no how, we’d have said no thanks,” McDonough said. “We would not have taken this project on without the community’s support.”

Dan Markham, senior vice president-corporate development for Reuben Johnson & Son, Inc. of Superior, said UDC development is needed: “To have a code that accurately reflects business developers’ issues – that’s important. When we’re the general contractor for a developer or private property owner doing our own projects, having one point of contact for our project managers to go to will make it easier. I’ve got to commend the mayor’s administration for



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CINDY PETKAC - LAND USE SUPERVISOR, CITY OF DULUTH

leadership in taking on these issues. They’re not easy issues, but they’ve got to be dealt with.”

Commercial development “follows the trends of the population – not the other way around,” Markham observed, referencing mixed-use trends in other communities that will also be important for Duluth. Reuben Johnson & Son is assessing potential for more mixed-use growth in downtown Duluth as it considers plans for the former KDLH-TV building it now owns. “We anticipate redeveloping the right use for that building,” Markham said. “A lot depends on whether the Northern Lights Express train project comes through, which will impact our plans. I think the train would be great for the city.”

And hopefully, the UDC will alleviate some of the “not in my backyard” resistance to commercial development. “A pet peeve of mine is the immediate assumption some have that development is not being done responsibly,” Markham said. “That’s not the case in this area. We do things right here – it’s not just all about making a buck. We realize we need to be stewards and pay attention to the environment and Lake Superior.”

Architect Kane Tewes of Krech Ojard has observed slowly growing interest in new building as the credit market eases up, as well as interest in renovation and repair among his firm’s clients. So he views the UDC as sorely needed. “I think some of the larger new and renovation projects have been on hold because the unknown [pertaining to the credit market] can scare people,” Tewes said. “I definitely think the UDC will be good, especially as it ties into the Comprehensive Plan. It encourages mixed-use

development and urban development. That’s what Duluth is – an urban community.”

He believes development is best accepted when it’s planned well, “so people aren’t surprised when a new building goes up and developers know where they can go to build.” Tewes also noted that while the UDC may help alleviate resistance to commercial development, it won’t totally go away: “A lot of controversial projects in this area were completed or cancelled based on a zoning ordinance over 50 years old. You can never get consensus;

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BILL BENNETT - LHB

it’s impossible and nothing would get done. That’s why the UDC and Comprehensive Plan are the right way to go; they’ll help smooth the process.”

Krech Ojard clients often seek advice. “We can tell them how much building costs will be and provide advice on building ordinances and codes, including fire codes and whether they may need a sprinkler system,” Tewes said. “From our experience, that helps them proceed in deciding on construction. Most of our

clients have a general idea of what’s required by building codes, but they rely on us for specifics. I think most architectural firms have good relationships with the city code office in hammering out building details.”

President Beth Wentzloff of Consulting, Management & Realty Associates welcomes the UDC: “We think this is very good for Duluth. We spend, conservatively, 50 hours a week marketing to out-of-state companies. Now we can provide them with a clear view of the city – not just now, but for the future. We’ll be able to direct a variety of clients to multiple areas of town under neighborhood mixed use.”

The Miller Hill corridor is a prime area. “I’m working with a St. Paul client right now, and he said, ‘The parcels available are amazing,’” Wentzloff said. “There are properties available the likes of which haven’t been seen for 20 years – two-to-nine-acre sites, allowing for both large and small businesses to move into our area.”

Many national chain businesses are in a holding pattern. “But they’re certainly interested in our area,” Wentzloff said. “They like the new extended stay [Residence Inn] hotel here, restaurants, school improvements, improved traffic patterns. Duluth’s population is under 100,000, but we have two-to-four million visitors annually. We need to be able to offer the services and amenities a larger population expects.” **D**

Julie Aho is editor of the Duluthian.

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