

# HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

## AGENDA

Wednesday, May 18, 2022 at 5:00 p.m.  
Council Chambers  
Governmental Services Building

**1. ROLL CALL**

**2. MINUTES** – Approval or correction

A. March 23, 2022 HEDA Minutes

**3. RESOLUTIONS**

**RESOLUTION 2022-3H**     Resolution Approving The Proposal Form  
Townsquare Media For A Three Month Digital  
Marketing Campaign

**RESOLUTION 2022-04H**     Resolution Calling For A Public Hearing On Proposed  
Amendment To The Hermantown Business Subsidy  
Policy And A Public Hearing On A Proposed Business  
Subsidy Agreement

**4. WORK SESSION**

- a. Update on Hwy 53 Business Park
- b. Update on Comprehensive Planning Process

**5. CLOSED SESSION**

Motion to close the meeting of the Hermantown Economic Development Authority pursuant to Minnesota Statutes Section 13D.05 Subd 3 (c) (3) to develop and consider an offer or counteroffer for the sale of real property located 4818 Maple Grove Road within the City of Hermantown. Following this closed session, the Hermantown Economic Development Authority will re-convene in open session.

**6. RECESS**

HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

March 23, 2022

11:30 a.m.

**MEETING CONDUCTED IN PERSON**

**ROLL CALL:** Commissioners Haapanen, Nelson, Peterson, Mayor Boucher

**CITY STAFF:** John Mulder, City Administrator; Eric Johnson, Community Development Director; Steve Overom, Attorney

**ABSENT:** Commissioners Geissler, Hauschild, Ronchetti,

**VISITORS:** None

**MINUTES**

Motion made by Commissioner Peterson, seconded by Commissioner Nelson, to approve the February 16, 2022 HEDA Minutes. Motion carried on a voice vote. Commissioners Geissler, Hauschild, Ronchetti, absent.

**RESOLUTIONS**

**WORK SESSION**

**Discussion on Business Subsidy Policy related to Housing:** John Mulder explained that the current business subsidy policy excludes housing. There were two reasons for providing this at this time. 1. Discussed at our strategic planning session in January and 2. Two projects which have been approved by the City Council that may need assistance in order to make them happen

**A. Sandy Hoff PUD development on the North side of Engwalls.**

- 26 single family units –
- Response: Approx \$250,000 in infrastructure improvements (qualified sales tax improvements ie water, trunk spur)
- Working with the Developer and One Roof Housing to provide workforce housing so police officers, teachers, mechanics, and Cirrus employees can afford to live in Htown

**B. Oppidan Assisted Living**

Construction costs due to COVID puts the rate of return at an unacceptable level. We are looking at some possible tax abatement – and potentially working with the County to shorten the time period.

HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

March 23, 2022

11:30 a.m.

- A. **Update on Comprehensive Planning Process:** John Mulder explained the potential timeline for obtaining proposals for a consultant to conduct the comprehensive planning process. We hope to hire someone in June so the process could start in the late summer.
- B. **Update on Business Retention Survey:** John Mulder reported that Northspan had begun the Business Retention Survey and the survey results would be available in August of this year. With regards to some of the comments from councilors and EDA. We are **focusing our efforts on locally owned and operated businesses**. In this round and not focusing on big box retailers, employers not headquartered in your community, car dealerships, or professional service-oriented operations like dentists. The identified sectors will glean a great deal of information that will also impact the mentioned sectors to avoid this time.

Northspan recommended that as **part of your comprehensive planning you meet with your chamber, developers, and large employers without HQs in Hermantown.**

- C. **Update on Hwy 53 Business Park:** We have had several meetings with the property owners. Bruan has begun some initial work on the grant work for the Hwy 53 Business Park. Once the weather permits, they will be on site to review and consider possible boring sites.

Next meeting scheduled for Wednesday, May 18<sup>th</sup>, 5:00 p.m.

**RECESS**

Motion made by Commissioner Boucher, seconded by Commissioner Peterson to recess at 12:37 p.m. Motion carried.

Recorded by:

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John Mulder, Executive Director

**TO:** HEDA

**FROM:** Joe Wicklund, Communications  
Director

**DATE:** May 12, 2022

**Meeting Date:** May 18, 2022

**SUBJECT:** Digital Campaign

**Agenda Item:** XX-



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### **REQUESTED ACTION**

The passing of a resolution allowing for a three-month digital marketing campaign around the “Youth Sports” concept to generate interest, knowledge, and feedback about the assets and City as a whole.

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### **BACKGROUND**

With the overarching task of promoting our City, and the more specific efforts to generate a sense of place, unified strategy, and the generation of usable talking points, we have developed a campaign centered around what many feel Hermantown is most known for – youth sports. But we are looking at this not through a small lens – for example, hockey – but a wide and inclusive lens. While we certainly have youth hockey programs that are among the best in the country – we have so many other opportunities in our community to be active, fit, connected, and experience great enjoyment. We have packaged all these experiences as “youth sports.”

While we have released the initial videos – both the “Hometown” and “Youth Sports” concepts – we want to utilize a digital campaign to better amplify the youth sports concept in our area over the next three months. In addition, we will target a specific event – the Duluth Airshow – to see what kind of connectivity to our campaign, our social sites, and our website we can develop in conjunction with a three-month overall digital campaign.

This campaign will also help answer questions regarding the next steps with the “Youth Sports” assets and whether we continue down this road at a professional level or an organic level. Additionally, we can use early returns from this campaign to further the discussion regarding television advertising around this campaign.

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### **SOURCE OF FUNDS (if applicable)**

HEDA

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### **ATTACHMENTS**

Proposal from Townsquare Media



# Townsquare Ignite

## introduction

Bradley Zwagerman

605-521-0256

[Bradley.Zwagerman@townsquaremedia.com](mailto:Bradley.Zwagerman@townsquaremedia.com)

# YOUTUBE TRUEVIEW

How do you effectively use the power of video in a world of cord cutting?

**01**

deliver highly targeted, skippable pre-roll videos to consumers on YouTube

**02**

cost per view (CPV) pricing model, so you only pay for ads that have not been skipped at any point by the viewer

**03**

a great complement to broadcast and cable TV in a DVR-proof environment

# STREAMING TELEVISION (STV)

Want your video commercial to reach consumers who are not paying for cable or broadcast TV and are instead watching their shows and news outlets online?

**01** broadcast your commercial to engaged viewers across smart TVs

**02** video plays on places like: Sling TV, Pluto TV and Tubi TV through platforms such as Roku, Amazon Fire, PlayStation and many more

**03** great, non-skippable inventory, which is highly effective for increasing brand awareness

PLATFORM:



Smart Televisions

DELIVERY OPTIONS:



STV Video

Awareness

Interest/Trust

Conversion

townsquare

# FACEBOOK/INSTAGRAM **MARKETING**

Want to reach exactly who you want on the world's most dominant social platform?



- 01** your message is delivered to your audience as they spend time on social media
- 02** interact with the audience via likes, shares, comments and video views
- 03** be present where consumers are spending the lion's-share of their online time

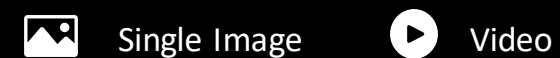


townsquare

CROSS-PLATFORM:



DELIVERY OPTIONS:



Awareness  
Interest/Trust  
Conversion



A grayscale photograph of a woman in a meeting, smiling and pointing at a laptop screen. A red banner with white text is overlaid across the center. In the foreground, a tablet displays a world map and the text 'Company's Growth'. The background shows a meeting table with a water bottle, coffee cup, and another person's hand pointing.

# CAMPAIGN PROPOSAL

# INTEGRATED PROPOSAL

<b>Video Pre-Roll - Audience</b>	✓ 22,727 Imp/Commercials ✓ \$500
<b>STV</b>	✓ 34,483 Imp/Commercials ✓ \$1000
<b>YouTube</b>	✓ 5,000 Views ✓ \$500
<b>Social Advertising - Video</b>	✓ Facebook /Instagram ✓ \$1000
	<input type="checkbox"/> \$3,000 per month June – August  \$10,000 Total Investment

## Duluth Airshow

- ✓ Event Targeting
- ✓ 55,556 Impression
- ✓ Retargeting
- ✓ June event + 30 days
  
- ✓ \$1000

Signature

Print Name

Date

Flight Dates



THANK YOU

Hermantown Economic Development Authority  
**Resolution No. 2022-03H**

HEDA Commissioner introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING THE PROPOSAL FROM TOWNSQUARE MEDIA FOR A  
THREE MONTH DIGITAL MARKETING CAMPAIGN**

WHEREAS, the Hermantown Economic Development Authority (“HEDA”) desires to highlight the City of Hermantown by conducting a three-month digital marketing campaign; and

WHEREAS, Townsquare Media has prepared a proposal for this campaign; and

WHEREAS, HEDA and Producer desire to enter into an Independent Producer Agreement in form and substance of the one attached hereto as Exhibit A; and

WHEREAS, the HEDA Commissioners have reviewed the proposal hereby believes that it is in the best interests of HEDA that the proposal be approved.

NOW THEREFORE, BE IT RESOLVED by the Commissioners of HEDA as follows:

1. The proposal by Townsquare Media is hereby approved.
2. The City’s Communications Director is hereby authorized to execute the proposal on behalf of the HEDA.

The motion for the adoption of the foregoing resolution was duly seconded by HEDA Commissioner and, after full discussion thereof and upon a vote being taken thereon, the following HEDA Members voted in favor thereof:

Commissioners aye.

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 18<sup>th</sup> day of May, 2022.

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HEDA Administrator

Hermantown Economic Development Authority

Resolution No. 2022-4H

HEDA Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION CALLING FOR A PUBLIC HEARING ON PROPOSED  
AMENDMENT TO THE HERMANTOWN BUSINESS SUBSIDY POLICY  
AND A PUBLIC HEARING ON A PROPOSED BUSINESS SUBSIDY AGREEMENT**

WHEREAS, KTJ 360, LLC (“Developer”) has requested the establishment of a Tax Abatement Program (“TAF Program”) pursuant to Minnesota Statutes §§ 469.1812 through 469.1815 concerning property identified as Parcel 395-0010-04210 to develop a 105 unit senior living project (“Project”); and

WHEREAS, the proposed TAF Program would grant an abatement of the increase in property taxes caused by the Project on the land, and this tax abatement would correspond with eligible project costs pursuant to Minnesota Statutes; and

WHEREAS, the present City and Hermantown Economic Development Authority (“HEDA”) Business Subsidy Policy (“Hermantown Business Subsidy Policy”) identifies housing as a business that is ineligible for a business subsidy; and

WHEREAS, Minnesota Statutes §§ 116J.993 through 116J.995, the Minnesota Business Subsidy Act, (“Business Subsidy Act”) specifically states that it is not applicable to assistance for housing; and

WHEREAS, notwithstanding the exceptions for housing contained in the Business Subsidy Act, the HEDA desires that the provisions of the Hermantown Business Subsidy Policy be amended so housing businesses are eligible for assistance and the amended Hermantown Business Subsidy Policy continues to apply to applications for assistance for housing; and

WHEREAS, an amended Hermantown Business Subsidy Policy has been prepared; and

WHEREAS, a Business Subsidy Agreement (“Business Subsidy Agreement”) with Company has been prepared with regard to assistance for Company that will be provided by the TAF Program; and

WHEREAS, HEDA desires to hold a public hearing on the proposed amendment to the Hermantown Business Subsidy Policy and the proposed Business Subsidy Agreement related to the Project.

NOW, THEREFORE, BE IT RESOLVED by Commissioners of HEDA as follows:

1. A public hearing will be held on Wednesday, June 8, 2022, at 5:00 p.m. or as soon thereafter as this matter may be considered by HEDA with respect to the proposed amendment to the Hermantown Business Subsidy Policy and proposed Business Subsidy Agreement.

2. The Authority hereby orders that notice of such public hearing on the proposed amendment to the Hermantown Business Subsidy Policy and proposed Business Subsidy in the form of the notice attached hereto as Exhibit A be published in the Hermantown Star on May 19, 2022 and May 26, 2022.

3. The City Clerk is further authorized and directed to place a copy of the amended Hermantown Business Subsidy Policy and the proposed Business Subsidy Agreement and supporting documentation on file in the office of the Hermantown City Clerk and to make such copies available.

The motion for the adoption of the foregoing resolution was duly seconded by HEDA Member \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following HEDA Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
HEDA Administrator

**EXHIBIT A**

**CITY OF HERMANTOWN  
AND HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY**

**NOTICE OF PUBLIC HEARING  
REGARDING A PROPOSED PROPERTY TAX ABATEMENT  
FOR THE PILLARS OF HERMANTOWN SENIOR LIVING PROJECT; A PROPOSED  
AMENDED BUSINESS SUBSIDY POLICY FOR THE CITY AND HEDA AND A PROPOSED  
BUSINESS SUBSIDY AGREEMENT**

Notice is hereby given that the City Council of the City of Hermantown, Minnesota (“City”) and the Hermantown Economic Development Authority (“HEDA”), will hold a combined public hearing, pursuant to Minnesota law, to consider granting a property tax abatement, pursuant to Minnesota Statutes §§ 469.1812 through 469.1815, for property currently owned by KTJ 360 LLC (“Company”); to consider an amendment to the Hermantown Business Subsidy Policy, pursuant to Minnesota Statutes §§ 116J.993 to 116J.995 and to consider a Business Subsidy Agreement with Company. The property proposed to be affected by the tax abatement (“Property”) has been assigned Parcel No. 395-0010-04120 by the St. Louis County Auditor. The proposed tax abatement program would grant an abatement of the increase in property taxes caused by the new development of the property. The total amount of the property tax abatement by the City is estimated to be \$600,000 over a period of seven (7) years based on eligible development costs, projected values of the development, and current property tax rates. The recipient of the proposed assistance is KTJ 360, LLC, and the purpose of the assistance is to facilitate the development of a new 105-unit senior living apartment building on the Property. The public hearing will be held at the Government Services Building, 5105 Maple Grove Road, Hermantown, Minnesota and by electronic means, on Wednesday, June 8, 2022 during a special combined meeting of the City Council and HEDA which begins at 5:00 p.m.

Members of the public may review a copy of the proposed Tax Abatement Program, amended Hermantown Business Subsidy Policy, proposed Business Subsidy Agreement and supporting documentation, prior to the public hearing, at the Office of the City Clerk at the Hermantown Government Services Building.

At the public hearing, all interested parties may appear and express their comments, either orally or in writing or via electronic means as posted on the agenda on the City’s website, for consideration by the City Council. Following the public hearing, the City Council will take action concerning the adoption or rejection of the proposed tax abatement program and modified business subsidy policy.

**BY ORDER OF THE HERMANTOWN CITY COUNCIL  
AND HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY**

John Mulder, City Administrator  
5105 Maple Grove Road  
Hermantown, MN 55811  
Phone: (218) 729-3600  
Published: May 19, 2022  
and May 26, 2022