



**HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY
AGENDA**

**Thursday, April 27, 2023 at 5:00 PM Central
Council Chambers, City Hall - Hermantown Governmental Services Building
5105 Maple Grove Rd
Hermantown, MN 55811**

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **MINUTES**
 - 3.A. Approve March 23, 2023 HEDA Minutes 2
4. **MOTIONS**
5. **RESOLUTIONS**

Roll call will be taken only on items required by law and items requiring 4/5's votes, all others can be done by voice vote.

 - 5.A. **2023-01H Resolution Calling For Public Hearing On Proposed Business Subsidy And Land Conveyance** 4
6. **WORK SESSION (Project Updates)**
 - 6.A. Update on Hwy 53 Business Park AUAR 10
 - 6.B. Update on Hermantown Marketplace
7. **RECESS**

CITY OF HERMANTOWN
HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY
Thursday, March 23, 2023 at 5:00 PM Central
Council Chambers, City Hall - Hermantown Governmental Services Building

Mayor Wayne Boucher: Present
Councilor John Geissler: Absent
Dwayne Haapanen: Present
Councilor Andy Hjelle: Present
Councilor Ellie Jones: Present
Councilor Brian LeBlanc: Present
Chad Ronchetti: Present

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

VISITORS: Heather Timm-Bijold

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **MINUTES**

- A. Approve February 23, 2023 HEDA Minutes
Motion to approve minutes as presented. This motion, made by Dwayne Haapanen and seconded by Councilor Andy Hjelle, Carried.

Chad Ronchetti: Yea
Councilor Andy Hjelle: Yea
Councilor Brian LeBlanc: Yea
Councilor Ellie Jones: Yea
Councilor John Geissler: Absent
Dwayne Haapanen: Yea
Mayor Wayne Boucher: Yea
Yea: 6, Nay: 0, Absent: 1

4. **MOTIONS**

5. **RESOLUTIONS**

Roll call will be taken only on items required by law and items requiring 4/5's votes, all others can be done by voice vote.

6. **WORK SESSION (Project Updates)**

A. Update on Hermantown Marketplace: Eric Johnson gave an overview and update on the work with Mammoth Sport to develop a conceptual master plan for the soccer fields and the adjacent land to the east of the soccer fields. The idea is to develop a mixed used development with commercial and housing that would act as a destination that would provide housing and enhance the soccer fields. Staff had toured a Mammoth constructed

project in Sioux Falls which had several sports facilities along with commercial space including retail, hotels, and restaurants. The project has taken longer than expected, and we are still waiting on seeing specific plans. The focus has been on housing and some type of sports facilities.

- B. **Update on Hwy 53 Business Park AUAR:** Eric Johnson gave an overview and update on the Alternative Urban Areawide Review of the proposed Hwy 53 Business Park. The HEDA has been working with Braun Intertec since July 2022 and the land owners to develop a master plan for the site. Two scenarios have been developed with a mix of warehouses or office showroom buildings. One scenario contemplated large lots and the other multiple smaller lots. Both concepts required a traffic study. The AUAR will require further action by HEDA in the future.

- C. **Industrial Park Land Request:** The City has received a request for land in the Industrial Park on Lightning Drive. Individual wants to relocate an existing business with a 4,400 square foot building with paved parking. A wetland delineation will need to be completed in the spring, and applicant hopes to build in 2023. The necessary approvals will come before the HEDA Board in the future.

7. **RECESS**

Motion to recess at 6:16 p.m. This motion, made by Councilor Brian LeBlanc and seconded by Chad Ronchetti, Carried.

Chad Ronchetti:	Yea
Councilor Andy Hjelle:	Yea
Councilor Brian LeBlanc:	Yea
Councilor Ellie Jones:	Yea
Councilor John Geissler:	Absent
Dwayne Haapanen:	Yea
Mayor Wayne Boucher:	Yea
Yea: 6, Nay: 0, Absent: 1	

Recorded by:

John Mulder, City Administrator

Hermantown Economic Development Authority

Resolution No. 2023-01H

HEDA Member _____ introduced the following resolution and moved its adoption:

RESOLUTION CALLING FOR PUBLIC HEARING ON PROPOSED BUSINESS SUBSIDY AND LAND CONVEYANCE

WHEREAS, the Hermantown Economic Development Authority (“HEDA”) has determined a need to exercise its power pursuant to Minnesota Statutes, Sections 469.090 to 469.1082, inclusive, as amended (“EDA Act”) to convey property for an industrial development within the City of Hermantown, with such development to be constructed by Brett Kolquist Trucking, LLC (the “Developer”); and

WHEREAS, Developer has proposed to construct a 4,400 square foot building which would house its business and include additional leased space (the “Project”); and

WHEREAS, Developer has proposed to construct the Project on property owned by HEDA and located within the Hermantown Industrial Park; and

WHEREAS, Developer has requested that the property be contributed to the Project at no cost or nominal cost which thereby implicates the Business Subsidy Act; and

WHEREAS, the Project has been reviewed and evaluated by the City Administrator and City Staff and it has been determined that the conveyance of the property may constitute a “business subsidy” within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, inclusive, as amended (the “Business Subsidy Act”); and

WHEREAS, Minnesota Statutes Section 469.105 requires that an economic development authority hold a public hearing prior to any sale or conveyance of property owned by it; and

WHEREAS, HEDA desires to hold a public hearing on the proposed property conveyance and business subsidy related to the Project.

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

1. A public hearing is hereby ordered on the proposed business subsidy related to the Project for 5:00 p.m. on May 25, 2023 or as soon thereafter as the matter may be considered by HEDA.
2. The public hearing will be a combined public hearing with respect to the property conveyance and the proposed business subsidy.

3. The Commission hereby orders that notice of such public hearing on the proposed Business Subsidy and Business Subsidy Agreement and property conveyance in the form of the notice attached hereto as **Exhibit A** be published in the Hermantown Star once not more than ten (10) days, but not less than thirty (30) days before the hearing.

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

Commissioners _____, Mayor Boucher, aye.

and the following voted against the same:

None

WHEREUPON said resolution was declared duly passed and adopted.

Dated this 27th day of April, 2023.

HEDA Administrator

EXHIBIT A

**NOTICE OF PUBLIC HEARING
ON
BUSINESS SUBSIDY AND PROPERTY CONVEYANCE
HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY
ST. LOUIS COUNTY
STATE OF MINNESOTA**

NOTICE OF HEREBY GIVEN that the Hermantown Economic Development Authority of the City of Hermantown, St. Louis County, State of Minnesota, will hold a combined public hearing on May 25, 2023 at approximately 5:00 p.m. at the City Council Chambers in City Hall, 5105 Maple Grove Road, Hermantown, Minnesota, relating to the conveyance of a 4.0 acre portion of Lot 3, EXCEPT Southerly 218 feet AND all of Lots 4 through 7 AND Lot 9, Block 2 MAPLE GROVE INDUSTRIAL CENTER, located in the Hermantown Industrial Park, in conjunction with the construction of a project proposed by Brett Kolquist Trucking, LLC. pursuant to Minnesota Statutes Sections 116J.993 to 116J.995, inclusive, as amended, and Minnesota Statutes Section 469.105. Copies of the information related to the terms of the conveyance are on file and available for public inspection at the office of the HEDA Administrator and the City Clerk at City Hall.

A person with residence in or the owner of taxable property in the granting jurisdiction may file a written complaint with the Hermantown Economic Development Authority if the Hermantown Economic Development Authority fails to comply with Minnesota Statute Sections 116J.993 to 116J.995, and no action may be filed against the Hermantown Economic Development Authority for the failure to comply unless a written complaint is filed.

All interested persons may appear at the hearing and present their views orally or prior to the meeting in writing.

BY ORDER OF THE HERMANTOWN
ECONOMIC DEVELOPMENT
AUTHORITY, MINNESOTA

Administrator



1388

1380

Lightning Dr

1382

POTENTIAL UPLAND AREA

POWERLINE EASEMENT

1380

138

1378

1384

4992 LIGHTNING DR

4,400 SF BUILDING

PAVED LOT SURFACE

POND

WETLAND

1382

HERMANTOWN

WETLAND

POTENTIAL PROPERTY LINE (TYPICAL)


4970 LIGHTNING DR

Thunderbolt Ln

Wooded Swamp

Location Map



HEDA MEETING DATE:		April 27, 2023	
TO:	HEDA Members		
FROM:	John Mulder, City Administrator		
SUBJECT:	Hwy 53 Business Park – AUAR Process		

RESOLUTION: 2023-xxx **WORK SESSION** **OTHER:** Add Name

REQUESTED ACTION

No action required at this time

BACKGROUND

HEDA is working with Bruan Intertec to prepare a Alternate Urban Areawide Review of the properties in a proposed Hwy 53 Business park at the corner of Ugstad Road and Hwy 53. There are several steps in this process. We currently are taking comments from the property owners, and in May we will open the process up from comments from the general public.

If you would like to review the document here is a link to a password protected webpage. We will remove the password protection when we are ready for public comment.

<https://hermantownmn.com/bizpark/>

Password: AUAR

Here is a summary of the process that was provided by Braun to the property owners

What is an AUAR Scoping Document?

Under MN environmental review rules, the development scenario is larger than the “usual” AUAR threshold, therefore it requires an extra review step (also known as “Scoping”) prior to the Draft AUAR. The Scoping phase includes a separate Scoping document and additional 30-day public notice period. We’ve assembled the AUAR Scoping document to identify what environmental issues will be analyzed in greater detail within the Draft AUAR, so many of the responses are directives (such as “will include further analysis in the Draft AUAR”). The Draft AUAR is in progress and will be released for stakeholder review after the Scoping public notice and comments are addressed.

Next Steps

HEDA will be presented the AUAR Scoping Document for discussion at the 5pm, April 27th meeting. The City Council will also be presented the document for discussion at

Hermantown Economic Development Authority

HEDA’s mission is to intentionally lead economic growth, creating a vibrant and prosperous community.

their May 1st meeting. A resolution will be presented to Council, asking Council to direct staff to move forward with public noticing the scoping document. Depending on the quantity and depth of stakeholder comments received, this resolution could be deferred to the May 15th city council meeting to allow for adequate time to address all comments. Eric can provide additional details if you have questions about this process.

Attached is a draft memo that will be sent out to interested parties which includes parties that the State of MN determines. We will also be asking the City Council to publicly release it and advertise that it is now open for comments.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

DRAFT Memo date 4/18/23 from Eric Johnson
Timeline for actions during the process.

AUAR Schedule - Hermantown Business Park

Revised April 19, 2023

Braun Project No. B2207985

Variable Timeframes (can be shortened or lengthened at city's discretion)

AUAR Stage	EQB Rule/Statute Requirements	Timeline Start	Timeline End	Status
AUAR Data Collection and Data Requests		September	March	Complete
AUAR Scoping Draft #1 Available for RGU Review		March 17	March 24	March 30 (Comments Received)
AUAR Scoping Draft #1 Resolution of RGU Comments		March 30	April 12	April 12 (RGU Meeting)
AUAR Scoping Draft #1 Available for Stakeholder Review		April 19	5pm, April 27	
HEDA Meeting	HEDA review of Draft #1	5pm, April 27	NA	
AUAR Scoping Draft #2: Resolution of Draft #1 comments, Available for RGU and Stakeholder Review	Draft #2 (if needed)	April 28	May 1	
City Council Meeting	Acceptance of Scoping AUAR, proceed with public notice	May 1 City Council Meeting		
RGU Distributes Draft Order for Review/ Public Notice in EQB Monitor (EQB Submission Deadline, 4:00pm Tuesdays)	4410.3610 Subp. 5a B (Large Specific Projects - Scoping)	May 9		
30 Day Public Notice Period (Begins Noon, Tuesdays after EQB Submission Deadline)	4410.3610 Subp. 5a C	May 16	June 15	
Compile Public Comments (Factual/Substantiative vs. Fictional/Emotional)		June 16	June 20	
Draft Response to Public Comments		June 21	June 23	
RGU Consideration of Comments Received/Comment Resolution/AUAR Revisions (if needed)	Within 15 days of end of public comment period (4410.3610 Subp. 5a D & E)	June 26	On/before July 1	
RGU Adopts Final Order for Review	Within 15 days of end of public comment period (4410.3610 Subp. 5a E)	June 26	On/before July 1	
RGU Distributes Final Order of Review and Record of Decision to EQB and Commentors	Within 10 days of RGU Decision (4410.3610 Subp. 5a E)	June 26	On/before July 11	
Develop Draft AUAR and Mitigation Plan		July 3	July 14	In Progress
AUAR Draft #1 Available for RGU and Stakeholder Review		July 17	July 21	
AUAR Draft #1 Resolution of RGU Comments		July 24	July 28	

AUAR Schedule - Hermantown Business Park

Revised April 19, 2023

Braun Project No. B2207985

Variable Timeframes (can be shortened or lengthened at city's discretion)

AUAR Stage	EQB Rule/Statute Requirements	Timeline Start	Timeline End	Status
RGU Acceptance of Draft AUAR		July 31	Aug. 4	
RGU Distributes Draft AUAR/Public Notice in EQB Monitor <i>(EQB Submission Deadline, 4:00pm Tuesdays)</i>	4410.3610 Subp. 5 A	Aug. 8		
30 Day Public Notice Period – EQB Monitor <i>(Begins Noon, Tuesdays after EQB Submission Deadline)</i>	4410.3610 Subp. 5 B	Aug. 15	Sept. 14	
Optional Public Meeting		TBD		
Compile Public Comments <i>(Factual/Substantiative vs. Fictional/Emotional)</i>		Sept. 14	Sept. 22	
Draft Response to Public Comments		Sept. 14	Sept. 22	
RGU Consideration of Comments Received/Comment Resolution/AUAR Revisions (if needed)	4410.3610 Subp. 5 C	Sept. 25	Sept. 27	
RGU Acceptance of Final AUAR		Sept. 27	Sept. 29	
RGU Distributes Final AUAR to State Agencies	4410.3610 Subp. 5 D	Oct. 2	Oct. 6	
State Agencies Objection Period	Within 10 days from receipt of final AUAR (4410.3610 Subp. 5 D)	Oct. 16		
RGU Adopts Final AUAR	4410.3610 Subp. 5 E	Oct. 16 City Council Meeting		
Notice in EQB Monitor <i>(EQB Submission Deadline, 4:00pm Tuesdays)</i>	4410.3610 Subp. 5 E	Oct. 17 or 24	Oct. 24 or 31	

TO: Interested Parties (Including Minnesota Environmental Quality Board Distribution List)

FROM: Eric Johnson
Community Development Director
City of Hermantown

DATE: April 18, 2023

SUBJECT: Notice of Availability of the Draft Alternative Urban Areawide Review (AUAR) Order and Scoping Document for the proposed Hermantown Business Park

As the Responsible Governmental Unit (RGU), the City of Hermantown has determined that an Alternative Urban Areawide Review (AUAR) is required for the proposed Hermantown Business Park. The project is proposed by the City of Hermantown.

This document constitutes an order for review. Enclosed is the Scoping Document for the proposed Study Area. The Scoping Document is available for review and comment as part of the AUAR process as described in Minnesota Rules, part 4410.3610, subpart 5a.

Pursuant to Minnesota Rules, part 4410.3610, subpart 5a(C), the purpose of the comments on a Scoping Document for an AUAR is to suggest additional development scenarios and relevant issues to be analyzed in the review. Comments may suggest alternatives to the specific large project or projects proposed to be included in the review, including development at sites outside of the proposed geographic boundary. The comments must provide reasons why a suggested development scenario or alternative to a specific project is potentially environmentally superior to those identified in the RGU's draft order.

AUAR Study Area

The AUAR study area encompasses 119.8 acres on 10 existing tax parcels, located along the northside of U.S Highway 53, west of Lavaque Bypass Road (County Road 48), and east of Abrahamson Road in Hermantown, St. Louis County, Minnesota (see Figure 1 and Figure 2).

Proposed Development Scenarios

Several meetings with the current property owners and the City of Hermantown (stakeholders) occurred beginning September 2022. Three renditions of the development scenarios were evaluated and further refined, resulting in one final development scenario for further environmental analysis. The Final Master Plan (Hereinafter referred to as "The Development Scenario") represents the full build out scenario and therefore is the "worst case scenario" for potential environmental impacts. Although the exact configuration of each building will not be determined until construction on each parcel is designed, the Draft AUAR will analyze the individual and cumulative potential effects from the largest building footprints possible and lot configurations with consideration given to existing natural resources, planning and zoning requirements, market trends, and infrastructure needs.

Development Scenario

The development scenario proposes to construct one through street and up to 22 new buildings of variable sizes from 7,800 to 299,000 square feet totaling up to 942,000 square feet. The proposed uses of the newly constructed buildings would be light industrial, warehousing, and commercial uses including offices and retail. There are no specific end users or specific projects planned within the Study Area and the AUAR will be used as a planning document for future project specific individual plans and uses within the Study Area.

Public Comment Period

The public is invited to comment on the proposed development scenario and relevant issues to be evaluated in the AUAR prior to issuance of a final AUAR order. The 30-day comment period will begin on May 16, 2023. Comments will be accepted through 4:00PM on June 15, 2023 and should be addressed to:

Eric Johnson
Community Development Director
City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811
218.729.3618
Eric.johnson@hermantownmn.com