



HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

AGENDA

**Thursday, December 18th 2025 at 5:30 p.m.
Council Chambers
Governmental Services Building**

- 1. ROLL CALL**
- 2. MINUTES** – Approval or correction
 - 2.1 October 23rd, 2025 HEDA Minutes
- 3. MOTIONS**
 - 3.1 Meeting Dates for 2026
- 4. PUBLIC HEARING**
- 5. RESOLUTIONS**
 - 5.1 2025-14H RESOLUTION AUTHORIZING AND DIRECTING THE PRESIDENT AND SECRETARY TO EXECUTE AND DELIVER A TERMINATION OF DEVELOPMENT CONTRACT AMONGST HAWKLINE DEVELOPMENT LLC, THE CITY OF HERMANTOWN AND THE HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY
 - 5.2 2025-15H RESOLUTION AUTHORIZING AND DIRECTING THE PRESIDENT AND SECRETARY TO EXECUTE AND DELIVER A TERMINATION OF DEVELOPMENT CONTRACT AMONGST BILL & IRV'S PROPERTIES, INC., THE CITY OF HERMANTOWN AND THE HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY
- 6. WORK SESSION**
- 7. RECESS**

CITY OF HERMANTOWN
HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

Thursday, October 23rd, 2025 at 5:33 PM Central

Council Chambers, City Hall – Hermantown Governmental Services Building

Mayor Wayne Boucher:	Present
Councilor John Geissler:	Absent
Councilor Andy Hjelle:	Present
Councilor Joe Peterson:	Present
Councilor Brian LeBlanc:	Present
Karen Pionk:	Present
Rob Unzen:	Present

CITY STAFF: Chad Ronchetti, Executive Director; Mia Thibodeau, HEDA Attorney

1. **ROLL CALL**

2. **MINUTES**

A. Approve September 25, 2025 HEDA Minutes

Motion to approve minutes as presented. This motion, made by LeBlanc and seconded by, Pionk Carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Absent
Councilor Andy Hjelle:	Yea
Councilor Joe Peterson:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea
Rob Unzen:	Yea

Yea: 6, Nay: 0, Absent: 1

3. **MOTIONS**

4. **PUBLIC HEARING**

5. **RESOLUTIONS**

a. **2025-11H Resolution Adopting A Lending Policy For The City Of Hermantown Housing Trust Fund**

Amended to use Effective Federal Funds Rate to determine violation interest rate to keep the policy relevant due to fluctuating rates. Recommended by Commissioner Peterson.

Amended to include language for use of State funding (State Affordable Housing Aid) and its requirements for affordable housing projects. Recommended by Attorney Thibodeau.

Motion to approve. This motion, made by Hjelle and seconded by Peterson, Carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Absent
Councilor Andy Hjelle:	Yea
Councilor Joe Peterson:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea
Rob Unzen:	Yea

Yea: 6, Nay: 0, Absent: 1

b. **2025-12H Resolution Authorizing A Loan Agreement From The Housing Trust Fund And Authorizing Execution Of Loan Documents**

Amended to include personal guarantee after Commission discussed having a way to ensure the repaying of the loan.

Motion to approve. This motion, made by Pionk and seconded by Peterson, Carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Absent
Councilor Andy Hjelle:	Abstained
Councilor Joe Peterson:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea
Rob Unzen:	Yea

Yea: 5, Nay: 0, Absent: 1

c. **2025-13H Resolution Approving A Consent Related To The Development Contract Between The Hermantown Economic Development Authority, The City Of Hermantown And KTJ 360, LLC For The Pillars Of Hermantown Senior Living Project**

Motion to approve. This motion, made by Peterson and seconded by Pionk, Carried.

Mayor Wayne Boucher:	Yea
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Councilor John Geissler:	Absent
Councilor Andy Hjelle:	Yea
Councilor Joe Peterson:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea
Rob Unzen:	Yea

Yea: 6, Nay: 0, Absent: 1

6. **WORK SESSION**

7. **RECESS**

Motion to recess at 6:15 p.m. This motion, made by and seconded by, Carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Absent
Councilor Andy Hjelle:	Yea
Councilor Joe Peterson:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea
Rob Unzen:	Yea

Yea: 6, Nay: 0, Absent: 1

Recorded by:

Chad Ronchetti, Executive Director

HEDA MEETING DATE:		December, 18 2025	
TO:	HEDA Commissioners		
FROM:	Chad Ronchetti, Economic Development Director		
SUBJECT:	Meeting dates for 2026		

RESOLUTION: **MOTION:** **WORK SESSION:** **OTHER:**

REQUESTED ACTION

Set Meeting Dates for 2026

BACKGROUND

Having regular meeting dates assists in planning and scheduling meetings with consultants and developers. The following list is the third Thursday of each month with one exceptions as explained below. It is proposed that meetings be held at 5:30 p.m.

- January 15, 2026
- February 19, 2026
- March 26, 2026 (Third Thursday – St. Louis County Days at the Capitol)
- April 16, 2026
- May 21, 2026
- June 18, 2026
- July 16, 2026 Annual Meeting
- August 20, 2026
- September 17, 2026
- October 15, 2026
- November 19, 2026
- December 17, 2026

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Hermantown Economic Development Authority

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

HEDA MEETING DATE:		12/18/2025	
TO:	HEDA Commissioners		
FROM:	Chad Ronchetti, Economic Development Director		
SUBJECT:	Hawklane Business Park Development Agreements Termination		

RESOLUTION:
 MOTION:
 WORK SESSION:
 OTHER:
 2025-14H &
 2025-15H

REQUESTED ACTION

Approve several resolutions to terminate the previous Development Agreements related to Hawklane Business Park at the corner of Hwy 53 and Lavaque Bypass

BACKGROUND

Attached are several Resolutions related to the property at Hwy 53 and Lavaque Bypass, also known as Hawklane Business Park.

Because this site is considered a brownfield; it was previously listed as an EPA Superfund; and there is a regional rarity of large contiguous acers for light-industrial and warehousing uses; this site would serve a significant community benefit through its redevelopment. Therefore, the City and HEDA have been in discussions with the owners of this land for more than 3 years. The owners have pursued several opportunities to recruit business interested in locating at this site, and the development prospects have become more attractive as the process has evolved.

The City Council and the Hermantown Economic Development Authority have partnered with the landowners as their plans and opportunities have progressed and have taken a number of actions to support positioning the site for redevelopment in order to achieve its highest and best use.

In September of 2024, HEDA approved two separate Development Agreements: one with Bill & Irv’s and one with Hawklane Development with the City being party to both as well. The parcel was broken into two parts due to land use eligibility issues with the application to the state for a Business Development Public Improvement (BDPI) with the Department of Employment and Economic Development (DEED). The City applied for the BDPI grant the month following the Development Agreement approvals

Hermantown Economic Development Authority

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Ultimately the DEED BDPI grant was awarded to its maximum funding of \$2 million. That award was based on speculative development of public infrastructure of internal roads and a site layout consisting of small parcels. However, once the award was announced, the landowners were approached by a new large-scale warehouse and distribution company that would utilize a significant portion of the site, approximately 45 acres. Due to the size and new use of the potential project, the internal road system being contemplated was no longer feasible and in order accommodate the amount and type of traffic generated by the potential project, substantial upgrades to the surrounding St. Louis County roadway system (Lavaque Bypass and Ugstad Road) would be required along with the construction of some new small city road sections.

After significant coordination with the landowner, the potential project developer, St. Louis County, and the MN Department of Transportation, a new access control plan for the site was developed. To note, because this is still speculative as it was before, and should the potential project currently being discussed not move forward, the parties agree that the public improvements contemplated under the updated design serve well to position the site for the highest and best use of a large-scale, light-industrial development.

City staff have discussed the new public infrastructure upgrades with DEED. DEED has stated the new proposed upgrades would be grant eligible, and they would continue to earmark the full \$2 million in BDPI funding for the site. DEED instructed staff that an updated application would need to be submitted by both by the City and by the County. DEED has confirmed that the amended development plan would position the entire site for grant eligible uses.

Resolutions before you tonight terminate the two Development Agreements (Bill & Irv's and Hawklane) with the landowners from 2024. Because HEDA is not involved with the new project or the grant, HEDA does not need to be party to any new agreements. However, the previous agreements must be terminated to allow for adoption of a new singular development agreement for the entire site and authorize an updated grant application to DEED.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Termination Agreement amongst Hawklane Development LLC, City or Hermantown and HEDA

Termination Agreement amongst Bill & Irv's Properties, City or Hermantown and HEDA

Hermantown Economic Development Authority

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

Hermantown Economic Development Authority
Resolution No. 2025-14H

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

RESOLUTION AUTHORIZING AND DIRECTING THE PRESIDENT AND SECRETARY TO EXECUTE AND DELIVER A TERMINATION OF DEVELOPMENT CONTRACT AMONGST HAWKLINE DEVELOPMENT LLC, THE CITY OF HERMANTOWN AND THE HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, Hawkline Development LLC (“Developer”) is the owner of certain property on the north side of Trunk Highway 53 (“Property”) in the City of Hermantown (“City”); and

WHEREAS, the Hermantown Economic Development Authority (“HEDA”), the City of Hermantown (“City”), and Developer entered into the City of Hermantown BDPI Grant Fund Development Contract dated October 7, 2024 (“Development Agreement”); and

WHEREAS, the parties mutually agree to terminate the Development Agreement pursuant to the provisions of Article XII of the Development Agreement; and

WHEREAS, a proposed Termination of City of Hermantown BDPI Grant Fund Development Contract (“Termination Agreement”) is attached hereto as Exhibit A; and

WHEREAS, HEDA has reviewed the Termination Agreement and believes that it is in the best interests of HEDA to approve the Termination Agreement and authorize and direct the President and Secretary to execute and deliver it on behalf of HEDA

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

1. The Termination Agreement substantially in the form of the one attached hereto as Exhibit A is hereby approved.
2. The President and Secretary are hereby authorized and directed to execute and deliver the Termination Agreement on behalf of 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:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this December 18, 2025.

HEDA Executive Director

EXHIBIT A

TERMINATION OF CITY OF HERMANTOWN BDPI GRANT FUND DEVELOPMENT CONTRACT

THIS TERMINATION OF CITY OF HERMANTOWN BDPI GRANT FUND DEVELOPMENT CONTRACT (“Termination Agreement”) is entered into by and between the **City of Hermantown**, Minnesota, a Minnesota statutory city, (“City”), Hermantown Economic Development Authority, an economic development authority under the laws of the state of Minnesota, (“HEDA”) and **Hawkline Development LLC**, a Minnesota limited liability company, (“Hawkline”) as of December 1, 2025 (“Effective Date”) in response to the following situation:

A. City, HEDA and Hawkline entered into the City of Hermantown BDPI Grant Fund Development Contract dated October 7, 2024 (“Development Agreement”).

B. The Development Agreement contemplated City, HEDA and Hawkline developing property owned by Hawkline depicted on Exhibit A attached hereto (“BDPI Grant Area”).

C. City applied for under a grant from the Great Minnesota Development Public Infrastructure Grant Program (“BDPI Grant”) to pay for a portion of costs of providing infrastructure to the BDPI Grant Area.

D. City, HEDA and Hawkline desire to terminate the Development Agreement and release Hawkline from the conditions of the BDPI Grant.

E. The parties desire to memorialize their understanding of such terms and provisions and effectuate the termination of the Development Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Development Agreement is hereby terminated as of the Effective Date, and all rights, duties and obligations set forth in the Development Agreement are also terminated and of no further force and effect as of the Effective Date.

2. The parties acknowledge and agree that they have not expended any BDPI Grant Funds.

3. The parties hereby acknowledge that each of them has fully performed all duties and obligations set forth in the Development Agreement through the Effective Date and release each other from any and all claims arising out of or relating to the Development Agreement. Hawkline specifically, without limiting the foregoing, releases any rights retained by Hawkline under Article II, including any title or ownership in any improvements located on the BDPI Grant Area.

4. This Agreement is governed by and to be construed in accordance with the laws of the State of Minnesota.

5. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. This Agreement contains the entire agreement between the parties relating to the termination of the Lease. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as herein set forth.

6. This Termination Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. This Termination Agreement shall be recorded against the property.

7. This Agreement shall be binding upon and inure to the benefit of the parties and their respective representatives, successors and assigns.

8. This Termination may be recorded by City with the County Recorder of St. Louis County, Minnesota according to its terms.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, HEDA has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

HEDA:

Hermantown Economic Development Authority

By _____
Its _____

And By _____
Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____ and _____, the _____ and _____, respectively, of Hermantown Economic Development Authority on behalf of Hermantown Economic Development Authority, an economic development authority under the laws of the State of Minnesota.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, Hawklane has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

Hawklane:

Hawklane Development LLC

By _____
Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the _____, of Hawklane Development LLC on behalf of Hawklane Development LLC, a Minnesota limited liability company.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public _____

My commission expires: _____
(month/day/year)

[END OF SIGNATURES]

This document was prepared by:
Gunnar B. Johnson
Overom Law, PLLC
802 Garfield Avenue
Suite 101
Duluth, MN 55802

EXHIBIT A



Hermantown Economic Development Authority
Resolution No. 2025-15H

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

RESOLUTION AUTHORIZING AND DIRECTING THE PRESIDENT AND SECRETARY TO EXECUTE AND DELIVER A TERMINATION OF DEVELOPMENT CONTRACT AMONGST BILL & IRV'S PROPERTIES, INC., THE CITY OF HERMANTOWN AND THE HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, Bill & Irv's Properties, Inc. ("Developer") is the owner of certain property on the north side of Trunk Highway 53 ("Property") in the City of Hermantown ("City"); and

WHEREAS, the Hermantown Economic Development Authority ("HEDA"), the City of Hermantown ("City"), and Developer entered into the City of Hermantown Development Contract dated October 7, 2024 ("Development Agreement"); and

WHEREAS, the parties mutually agree to terminate the Development Agreement pursuant to the provisions of Article XII of the Development Agreement; and

WHEREAS, a proposed Termination of City of Hermantown BDPI Grant Fund Development Contract ("Termination Agreement") is attached hereto as Exhibit A; and

WHEREAS, HEDA has reviewed the Termination Agreement and believes that it is in the best interests of HEDA to approve the Termination Agreement and authorize and direct the President and Secretary to execute and deliver it on behalf of HEDA

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

1. The Termination Agreement substantially in the form of the one attached hereto as Exhibit A is hereby approved.
2. The President and Secretary are hereby authorized and directed to execute and deliver the Termination Agreement on behalf of 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:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this December 18, 2025.

HEDA Executive Director

EXHIBIT A

TERMINATION OF CITY OF HERMANTOWN DEVELOPMENT CONTRACT

THIS TERMINATION OF CITY OF HERMANTOWN DEVELOPMENT CONTRACT (“Termination Agreement”) is entered into by and between the **City of Hermantown**, Minnesota, a Minnesota statutory city, (“City”), Hermantown Economic Development Authority, an economic development authority under the laws of the state of Minnesota, (“HEDA”) and **Bill & Irv’s Properties, Inc.**, a corporation organized under the laws of the State of Minnesota, (“Bill & Irv’s”) as of December 1, 2025 (“Effective Date”) in response to the following situation:

A. City, HEDA and Bill & Irv’s entered into the City of Hermantown Development Contract dated October 7, 2024 (“Development Agreement”).

B. The Development Agreement contemplated City, HEDA and Bill & Irv’s developing property owned by Bill & Irv’s depicted on Exhibit A attached hereto (“Property”).

C. City, HEDA and Bill & Irv’s desire to terminate the Development Agreement and mutually release each other from any conditions under the Development Agreement.

D. The parties desire to memorialize their understanding of such terms and provisions and effectuate the termination of the Development Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Development Agreement is hereby terminated as of the Effective Date, and all rights, duties and obligations set forth in the Development Agreement are also terminated and of no further force and effect as of the Effective Date.

2. The parties acknowledge and agree that they have not expended any funds under the Development Agreement.

3. The parties hereby acknowledge that each of them has fully performed all duties and obligations set forth in the Development Agreement through the Effective Date and release each other from any and all claims arising out of or relating to the Development Agreement. Bill & Irv’s specifically, without limiting the foregoing, releases any rights retained by Bill & Irv’s under Article II, including any title or ownership in any improvements located on the Property.

4. This Agreement is governed by and to be construed in accordance with the laws of the State of Minnesota.

5. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. This Agreement contains the entire agreement between the parties relating to the termination of the Lease. There are no promises, agreements, conditions,

undertakings, warranties or representations, oral or written, express or implied, between the parties other than as herein set forth.

6. This Termination Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. This Termination Agreement shall be recorded against the property.

7. This Agreement shall be binding upon and inure to the benefit of the parties and their respective representatives, successors and assigns.

8. This Termination may be recorded by City with the County Recorder of St. Louis County, Minnesota according to its terms.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, City has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

CITY:

City of Hermantown

By _____
Wayne Boucher, Its Mayor

And By _____
Alissa McClure, Its City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Wayne Boucher and Alissa McClure, the Mayor and City Clerk, respectively, of the City of Hermantown on behalf of the City of Hermantown, a statutory city organized under the laws of the State of Minnesota.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, Bill & Irv's has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

Bill & Irv's:

Bill & Irv's Properties, Inc.

By _____
Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by _____, the _____, of Bill & Irv's Properties, Inc. on behalf of Bill & Irv's Properties, Inc., a Minnesota corporation.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

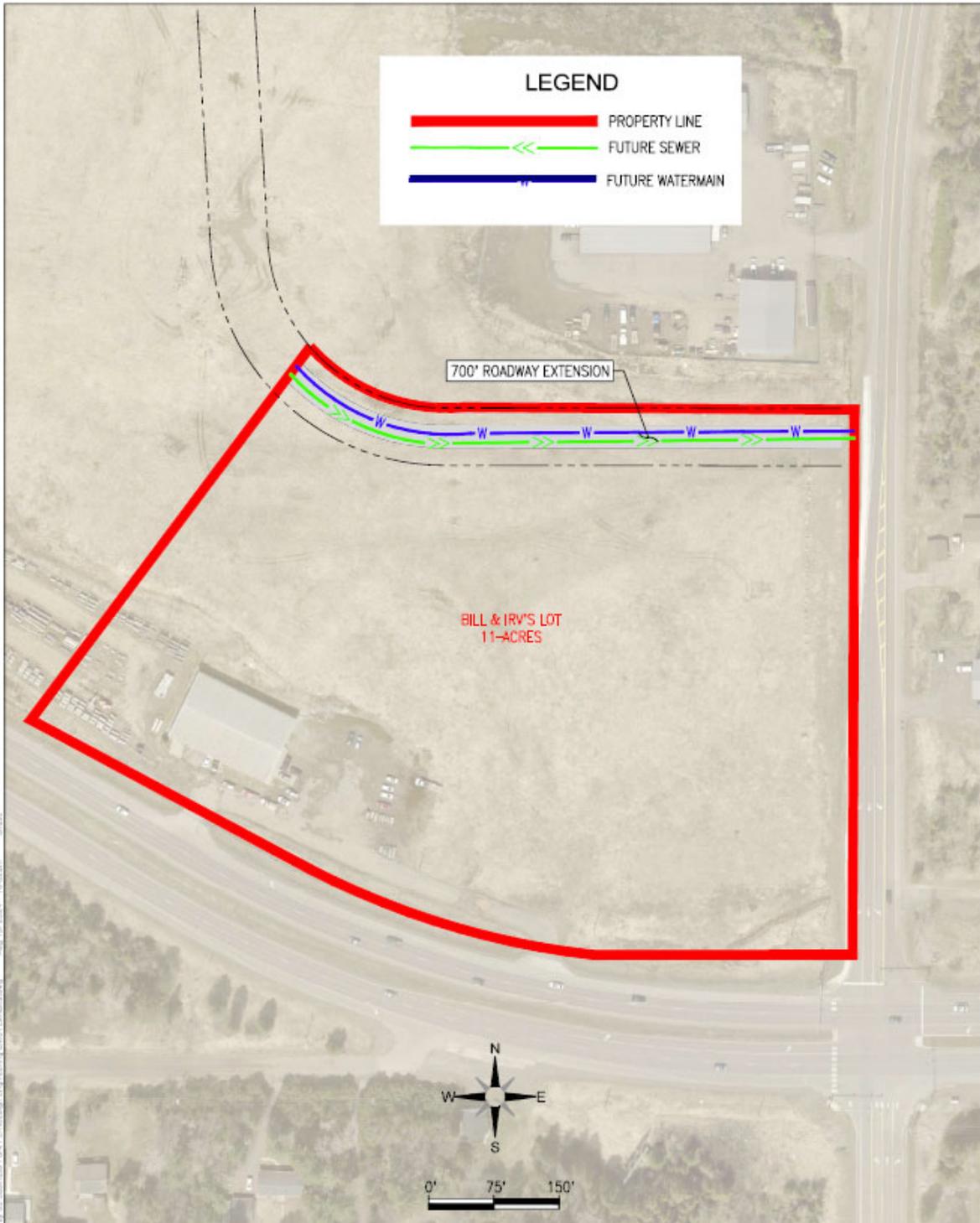
My commission expires: _____
(month/day/year)

[END OF SIGNATURES]

This document was prepared by:
Gunnar B. Johnson
Overom Law, PLLC
802 Garfield Avenue
Suite 101
Duluth, MN 55802

EXHIBIT A





V:\Projects\23-8012 - Highway 53 Business Park P23\Design Engineering\DWG\Exhibit.dwg Aug 15, 2024 - 10:52am 0/384


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BILL & IRV'S LOT
FEASIBILITY STUDY
ROADWAY, SANITARY, & WATERMAIN
EXTENSION

Sheet Title <p style="text-align: center; margin: 0;">8.5X11 EXHIBIT</p>	
PROJECT: 23-8012 DATE: 08/16/24 CHECKED: DGB DRAWN: CAE	Sheet # <p style="font-size: 2em; margin: 0;">EX A</p>