



HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

AGENDA

**Thursday, September 25th 2025 at 5:30 p.m.
Council Chambers
Governmental Services Building**

- 1. ROLL CALL**
- 2. MINUTES** – Approval or correction
 - 2.1 August 28th, 2025 HEDA Minutes
- 3. MOTIONS**
- 4. PUBLIC HEARING**
- 5. RESOLUTIONS**
- 6. WORK SESSION**
 - 6.1 Housing Trust Fund Policy Revisit
 - 6.2 Project Update: Birch Hills Subdivision
 - 6.3 Project Update: Uptown Master Plan
- 7. RECESS**

CITY OF HERMANTOWN

HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

Thursday, August 28th, 2025 at 5:05 PM Central

Council Chambers, City Hall – Hermantown Governmental Services Building

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

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

1. ROLL CALL

2. MINUTES

A. Approve July 24th, 2025 HEDA Minutes

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

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

Yea: 4, Nay: 0, Absent: 3

3. MOTIONS

a. Election of Officers.

Motion to elect Commissioner LeBlanc as Secretary. This motion, made by Pionk and seconded by Hjelle, Carried.

Mayor Wayne Boucher:	Absent
Councilor John Geissler:	Absent
Councilor Andy Hjelle:	Yea
Councilor Joe Peterson:	Yea
Councilor Brian LeBlanc:	Yea

Karen Pionk:	Yea
Rob Unzen:	Absent

Yea: 4, Nay: 0, Absent: 3

4. **RESOLUTIONS**

- a. **2025-09H Resolution Approving Amendments to the Hermantown Economic Development Authority By-Laws.**

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

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

Yea: 4, Nay: 0, Absent: 3

- b. **2025-10H Resolution Approving an Amendment to Development Agreement and Amendment to Business Subsidy Agreement Between the Hermantown Economic Development Authority, City of Hermantown, and KTJ 360, LLC for the Pillars of Hermantown Senior Living Project.**

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

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

Yea: 4, Nay: 0, Absent: 3

5. **WORK SESSION**

6.1 Housing Trust Fund Policy

Director Ronchetti gave a presentation on a City of Duluth housing summary that included Hermantown. The presentation showed that 75% of growth in first-tier cities was in

Hermantown and projected significant growth in the next 10 years. Data showing a high demand for housing with an emphasis on scarcity of entry level housing, single family units, and workforce rentals. Director Ronchetti ended his presentation with discussing Hermantown's priorities and the role HEDA has with the Housing Trust Fund. The Director and Commissioners discussed the current supply and demand for housing in the area and how the impact of Uptown could potentially attract the demographics currently seeking that housing. It was discussed that preserving existing workforce options and creating shovel ready sites for new construction is needed. Director Ronchetti also spoke about utilizing zero percent construction financing to get new developers involved as well as the need for employers to attract and retain employees in the area. Commission discussed how the Housing Trust Fund can support rehabilitation projects and the need to align the funds priorities with Hermantown's community goals. Director Ronchetti emphasized the importance to reflect on these priorities and will bring policy proposals for further discussion in a future meeting. The conversation also touched on the fund's AMI requirements for new construction and rental projects, as well as the need for reporting.

6.2 Project Update: Hawklane Business Park

Director Ronchetti discussed the Hawklane site development, where a client is planning to build a 300,000 square foot distribution facility and a 100,000 square foot warehouse. The project has received client approval to proceed with construction estimates, with a 95% likelihood of completion. A detailed access control plan has been negotiated with the state and county, including a roundabout at Ugsted and Levac Bypass, extended turn lanes, and median improvements to accommodate truck traffic. The city will extend water and sewer services to the site, with development agreements to be finalized by October to meet grant deadlines, potentially creating 200 jobs and generating significant tax revenue.

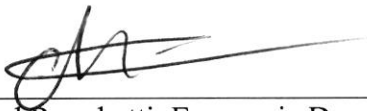
6. **RECESS**

Motion to recess at 6:02 p.m. This motion, made by LeBlanc and seconded by Pionk, Carried.

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

Yea: 4, Nay: 0, Absent: 3

Recorded by:



Chad Ronchetti, Economic Development Director



Hermantown HTF Policy



Ordinance No. 2025-03

The City Council of the City of Hermantown does ordain:

**AN ORDINANCE AMENDING HERMANTOWN
CODE OF ORDINANCES BY ADDING A NEW SECTION 280,
HOUSING TRUST FUND**

Section 1. Purpose and Intent. The purpose and intent of this Ordinance is to update the City Code by amending Chapter 2, Administration, to establish a Housing Trust Fund to support the development, rehabilitation or financing of housing, support housing projects, to provide down payment assistance, and for any other purposes authorized by law.

Section 2. Additional to Chapter 2. Chapter 2, Administration, of the City of Hermantown Code of Ordinances is hereby amended by adding a new Section 280, Housing Trust Fund, to read as shown on Exhibit A attached hereto.

Section 3. Amendment to be Inserted in Code. After the amendment made by this ordinance becomes effective, it shall be inserted in the appropriate place in the Hermantown City Code.

Section 4. Effective Date. The provisions of this Ordinance shall be effective after adoption and immediately upon publication once in the official newspaper of the City of Hermantown.

Dated: February 3, 2025


Mayor

Attest:


City Clerk

Adopted: February 3, 2025

Published: February 20, 2025

Effective Date: February 20, 2025



Reminder:
Council created a Housing Trust Fund to
support the development, rehabilitation, or
financing of housing and support housing
projects.

Because HEDA assumes primary responsibility for development activities within the City
and has adopted the powers of an HRA
HEDA was made the administrator of the fund



Hermantown HTF Policy



What are Hermantown's Housing Priorities?

Government financing typically supports projects & initiatives
– in the absence of or inability for free market solutions* –
that will bear social/community benefits and advance the public good

Where does a difference make a difference?

* A reasonable rate of return for private participants is expected*



Hermantown HTF Policy



What are Hermantown's Housing Priorities?

The market is currently meeting the demand of executive level detached single family and move-up twin homes

and some market rate multi-family
(though expected to slow significantly in the next few years)





Hermantown HTF Policy



What are Hermantown's Housing Priorities?

The market is NOT currently meeting demand for
entry-level and move-up single family

or workforce and affordable rentals





Hermantown HTF Policy



What are Hermantown's Housing Priorities?

Highest Demand Rentals

60% - Market Rate & Workforce
Housing

Entry Level and Move-Up Single Family Homes

30% - >\$300,000
60% - \$350,000 to \$450,000

Biggest Impact for Limited Funds

Preserve & Rehabilitate Existing Workforce Rental Options
Minimize Land Cost Impacts
Provide Zero-Interest Construction Financing



Hermantown HTF Policy



Other Considerations

Public Purpose

High priority areas

Advances the Comp Plan

Encourage removal of blight

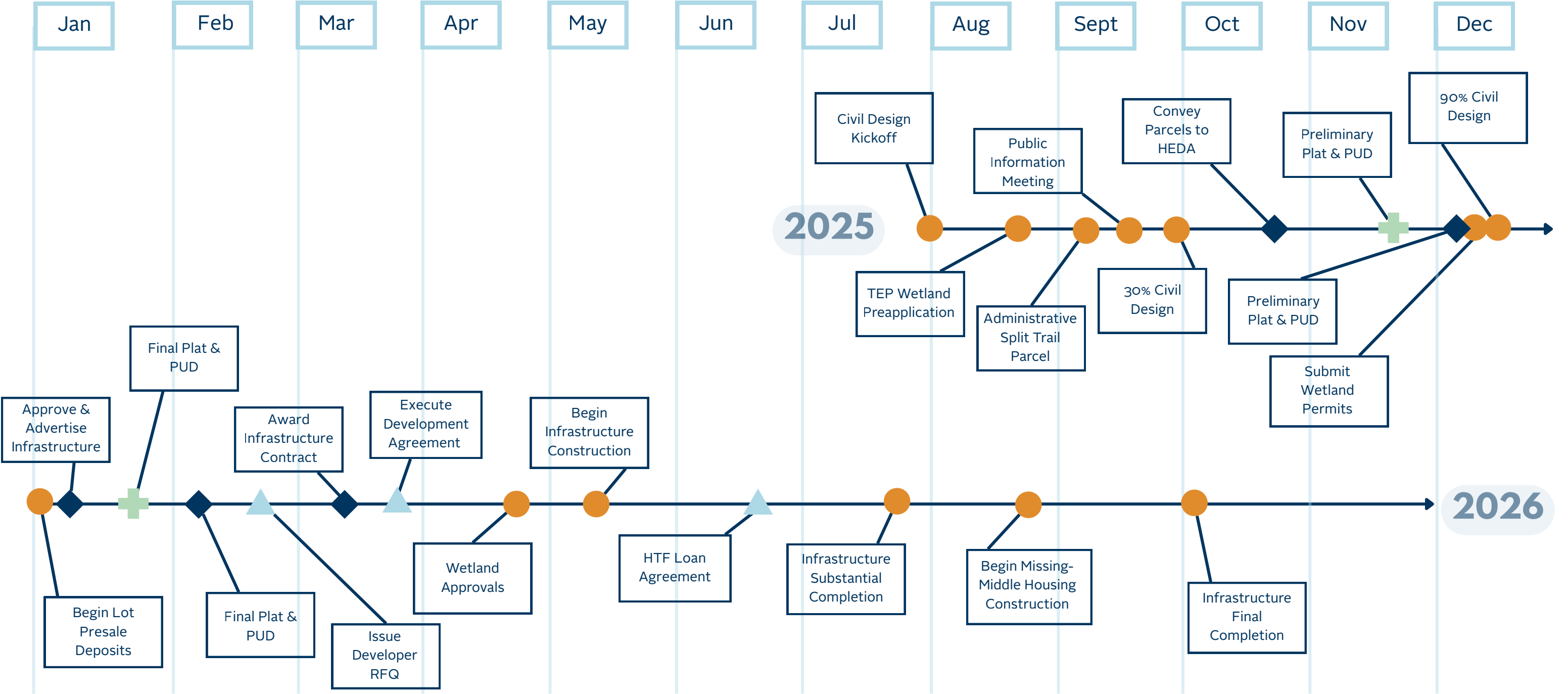
Provides infill for targeted density areas

Catalytic for future investment

Birch Hills Master Schedule

Legend

- Council Action
- HEDA Action
- P&Z Action
- Major Milestone



4825 MORRIS THOMAS RD

BIRCH HILLS

25 LOTS/UNITS TOTAL
9 - 60' x 125' LOTS
16 - 80' x 125' LOTS
±22,700 SF WETLAND IMPACTS
1926 LF - INFRASTRUCTURE

4815 MORRIS THOMAS RD

OKERSTROM ROAD

