

CITY OF HERMANTOWN

Utility Commission

Thursday, May 14, 2026

5:30 PM Central

MEETING CONDUCTED IN PERSON

CITY STAFF: Trish Crego, Utility & Infrastructure Director; David Bolf, City Engineer;
Chad Ronchetti Assistant City Administrator

VISITORS: 8

1. ROLL CALL

Bill Berg:	Present
Councilor Andy Hjelle:	Present
Doug Kerfeld:	Absent
Robert McLachlan:	Present
James Sweeney	Present
Barry Simonson	Present

2. MINUTES

Approval or Correction

A. 01/15/2026 Meeting Minutes

Motion to approve March 12th, 2026 meeting minutes. This motion, made by Bill Berg and seconded by Robert McLachlan, Carried.

Bill Berg:	Yea
Councilor Andy Hjelle:	Yea
Doug Kerfeld:	Yea
Robert McLachlan:	Yea
James Sweeney:	Yea
Barry Simonson	Yea

Yea: 6, Nay: 0

3. PUBLIC COMMENT

This is the time for individuals to address the Commission about any item not on the agenda. The time limit is three minutes per person. Speakers who wish to comment at this time or later on agenda items should be signed up prior to the start of the meeting. A sign-up sheet is available in the lobby prior to the meeting for verbal remarks. As always, written comments may be submitted to the City Clerk before the end of the meeting.

A. Jackie Dolentz – 5842 Old Hwy 2.: Commenting on utility extensions and data center: See attached handout A. Also mentioned the 2045 plan does not address taxes and Adolf rezoning did not get input from the steering committee

B. Clarissa Ek – 3505 Solway Rd, Town of Solway: Commenting on utility extensions and data center. Major points included: the AUAR is not adequate analysis. There has only been positive effects mentioned by staff and not the negative impacts. The Comp Plan Steering committee did not have input on the rezoning plan

C. Jonathan Thornton – 5869 Hermantown Rd.: Commenting on utility extensions and data center. See Attached letter - B

D. Emma Richtman- 5215 Chris Drive. Not present but sent communication via email the day of the meeting. See attached email C

4. **PRESENTATIONS**

A. Adolph Utility Extension Economic Impact Study — Chad Ronchetti, Economic Development Director: Gave 5 different examples of projects/developments that Hermantown missed out on because the city of Hermantown did not have utilities in the SW corner of the city limits.

Jim Sweeny- Why are we just hearing about these opportunities now?

Chad: The projects die because the private costs are too high. And the commission never sees them

Barry: Are there other areas these projects could go?

Chad: Not with the connection to the railroad and sub station

Clarissa: This presentation is just to data center driven and not public need

5. **COMMUNICATIONS**

A. WLSSD Discharge Monitoring Report – *placed on file.*

B. Utility Billing Update- *placed on file.*

C. MN Dept of Health – 2025 Consumer confidence Report-Drinking water

D. Stebner Rd Feasibility Study; The City Engineer explained where we are in the project process and how

Barry Simonson; Does the size of pipe with the utility extension? David the two projects will not impact each other.
Will the sidewalk go on both sides of Stebner Rd? David: No just one due to the type of project and layout of the ROW

- E. Waste Management Plan Amendment- Public Comment Period
- F. Wastewater Treatment Capacity Allocation Permit (2027-2030)
The city engineer has been working on calculating the cities needs and speculates that with future developments we will ask for an allocation of 1 million gal per year for the next 4 years

6. **OLD BUSINESS: none**

7. **NEW BUSINESS:** Rob Commented that the Clerk did a good job with the research for this agenda item.

- A. Utility Bill Credit Request - Holt
- B. Utility Bill Credit Request - Anderson
- C. Utility Bill Credit Request - Somers

VOTE: Robert McLachlan proposed that each of the three user get charged a Tier 1 rate. In addition, Anderson would not get a sewer charge for the overage, and Somers would not have a late fee for that month. and seconded by Barry Simonson, Carried.

Bill Berg:	Yea
Councilor Andy Hjelle:	Yea
Doug Kerfeld:	Yea
Robert McLachlan:	Yea
James Sweeney:	Yea
Barry Simonson	Yea

Yea: 6, Nay: 0

8. **REPORTS**

- A. Budget to Actual Expenditure Report – *placed on file.*
- B. Public Works Director Report – *placed on file.*
- C. Utility & Infrastructure Director Report – *placed on file.*
- D. Water Loss Report – *placed on file.*
- E. WLSSD Monthly Flow - Rain Fall & Flow Report – *placed on file.*

F. Comfort Systems Invoice – *placed on file.*

G. New Connections Report – *placed on file.*

9. **COMMISSION MEMBERS REPORT**

A. Barry Simonson – *None*

B. William Berg - *None*

C. Robert McLachlan - *None*

D. Doug Kerfeld - *Absent*

E. James Sweeney - *None*

F. Councilor Andy Hjelle – *Thanked everyone for volunteering there time*

10. **RECESS**

Motion to adjourn at 7:12pm. This motion, made by Robert McLachlan and seconded by Bill Berg, Carried.

Bill Berg: Yea

Councilor Andy Hjelle: Yea

Doug Kerfeld: Yea

Robert McLachlan: Yea

James Sweeney: Yea

Barry Simonson Yea

Yea: 6, Nay: 0

PROPERTY OWNER SIGN IN

City of
Hermantown
Minnesota



NO.	NAME	ADDRESS	PHONE (CELL)	PHONE (CELL)	EMAIL
1	Jacqui DeFent	Hermantown			
2	Clarissa Ek	3505 Solway Rd			
3	Jonathan Thornton	5869 Hermantown Rd.			
4	Dawn Lefointe	4731 Portland Hwy			code time to Jackie
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ORGANIZATION CITY OF HERMANTOWN

Organization/Event

EVENT DATE

Event Date

CITY HALL

Venue

From - To



www.strongtowns.org

May 11, 2026

When the Decision Is Too Big for the City

What Hermantown's data center deal reveals about the limits of local control.

By Charles Marohn

There are some decisions a city can make and recover from. A bad zoning call, a misjudged project, even a poorly timed investment. These things can all be corrected over time. They may be painful, but they are not fatal.

And then there are decisions that, if they go wrong, will blow up a city's budget. Will ruin it for generations. Will make it a ward of the state.

Those are the decisions we should be most careful about. Those are the decisions where we should be asking not just *what should be done*, but *who should be allowed to decide*.

Right now, the city of Hermantown, Minnesota, is considering one of those decisions. Their situation is illustrative of a larger problem facing American cities, including their relationship with state governments.

Hermantown is a city of about 10,000 people. It is currently negotiating a development agreement with Google [to build a large data center](#) on the edge of town. The proposal includes roughly \$130 million in new infrastructure — water, sewer, roads — built by Google and then turned over to the city.

Hermantown has also offered to provide a long-term tax abatement worth tens of millions of dollars. Under the draft terms, the city would collect only about 15% of the property taxes it would normally receive, with the rest effectively returned to Google to pay for the infrastructure.

This agreement would last 28 years. Google has not even been a company for 28 years.

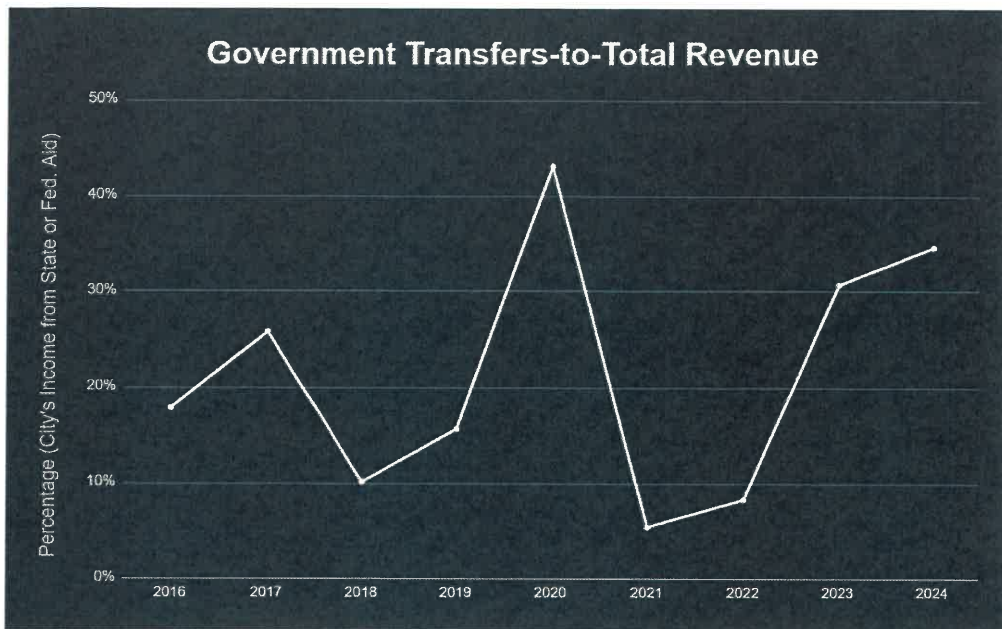
Hermantown is a small, resource-constrained city on the outskirts of Duluth. Google is one of the wealthiest corporations in the world. This data center is just one of many Google is pursuing across North America. For Hermantown, this would be, by far, the largest development in its history.

This is not David and Goliath. It is a small city being asked to make a decision far beyond its institutional capacity to fully evaluate.

When Scale Breaks Decision-Making

There is a debate to be had about whether data centers are good or bad. That's not the debate I'm having today. I'm also not making an argument about whether Google is acting in good faith. And it's not even about whether this specific deal will ultimately work out for Hermantown.

What I'm interested in exploring is whether a city like Hermantown should be in a position to make a decision like this at all.



None of this is unusual. In most ways, it is typical of small cities across the country. They manage aging infrastructure with limited and often unpredictable resources. They patch together budgets from local taxes and outside aid. They make incremental decisions, adjusting as they go.

And in that context, a deal like this makes sense. It brings in outside capital. It upgrades infrastructure that might otherwise take decades to replace. It creates the possibility of future growth. In the short term, it solves real problems.

But it also changes the scale of the system the city is responsible for.

The infrastructure built for this project does not remain Google's responsibility. It becomes Hermantown's. The city takes ownership of the pipes, the roads, the systems, along with the obligation to maintain them for decades into the future.

A city that currently spends about \$1 million a year maintaining its entire public works system is being asked to take on infrastructure that costs more than one hundred times that amount to build. Not just to accept it, but to sustain it. Indefinitely.

To get a sense of the scale, consider Minneapolis. Its annual budget is just over \$2 billion. For Minneapolis, a comparable move would be taking on a single infrastructure project on the order of \$10 billion — not spread across a system, not phased in over time, but tied to one development agreement with one user.

That is the level of decision we are talking about. That is not an incremental change. It is a phase shift into an entirely different category of risk.

The Asymmetry Problem

At this point, it is natural to ask whether this is a good deal or a bad one. But that question misses something more important.

When you struggle to maintain what you have, taking on more does not make you stronger. It buys time while increasing the consequences when the bill comes due.

The Limits of Local Control

I have spent years arguing for giving local governments more tools to solve problems. More autonomy, fewer mandates, and less state interference in local decision-making. I've opposed state preemption in areas like zoning because I believe communities should have the flexibility to shape their own future, along with the responsibility for the outcomes that follow.

But that principle has always had a limit.

We want cities to experiment, to grow, to learn, and to innovate. That requires flexibility and a tolerance for failure. Cities should be able to make mistakes and recover from them.

What we cannot do is give cities the ability to make decisions that, if they go wrong, they cannot recover from. Taking on obligations that are wildly disproportionate to their capacity. Making long-term commitments that bind future generations to liabilities they may not be able to sustain. Entering into arrangements where the downside risk is existential.

Those are not the kinds of risks we should leave entirely to local discretion.

There should be clear limits on the scale of obligations a city can take on relative to its capacity — limits on debt, on long-term infrastructure commitments, and on arrangements that concentrate risk in a single project or user. When those limits are exceeded, the decision is no longer purely local. It becomes a matter of broader public concern.

At that point, a higher level of scrutiny is not enough. If a project is large enough to exceed the capacity of the local government, then the state — on behalf of all its residents — should be directly involved. Not just in reviewing the deal, but in sharing both the upside and the downside.

After all, in a city the size of Hermantown, we are all exposed if today's data center becomes tomorrow's abandoned brownfield.

If we want cities to succeed, we cannot afford to have them implode.

A 28-year agreement tied to infrastructure of this scale is not a routine local choice. It is a commitment that shapes the financial and physical future of the city for generations. We are right to question whether a city like Hermantown be allowed to take on that level of risk.

This is not about whether Hermantown should welcome a data center. It is not about whether Google should build in Minnesota. Those are separate questions.

This is about whether we are comfortable asking small cities, with limited capacity and volatile finances, to make decisions that will define their future for decades, with consequences they are not fully equipped to understand.

Letter B

October 12, 2025

To: Hermantown City Council

I am writing today with my initial concerns about the proposed hyper scale data center that is proposed in the SW corner of Hermantown.

My involvement with the Hermantown community goes back decades. I was born and raised just a short distance from the proposed site of this development. My wife and I had the opportunity to raise our children next to Grandma and Grandpa on the same beautiful land that I grew up on. To say the least, I am passionate about our community.

My passion for the community translated into community involvement.

Between 2010 – 2012 I had an opportunity to Co-Chair the Advance Hermantown initiative. This was a very exciting time for our community. We gathered stakeholders from several different sectors in our community and developed 10 different goals for our community that we called “Drivers”. Many of these goals (Drivers) have been realized, others are still in progress. One of them was titled “Develop a Master Plan for the Midway Road and Highway 2 Commercial District.” This goal sat on the shelf for a few years while other major projects were in the works in our community.

In 2014 I was asked to participate in the “Adolph Neighborhood Small Area Plan”. This plan was considered part of that “Master Plan for the Midway Road and Highway 2 Commercial District.” So, in essence we were working on the drivers from our community engagement that started in 2010. As noted in the final report, “The Adolph Small Area Plan study area is a 3.5 square mile area located in Southwest Hermantown. It is centered on intersection of Highway 2 and Midway Road.” Pages 8 – 10 of this plan highlights the themes that were revealed through the staff analysis and steering committee meetings. I would encourage you to review this section of the report to get a sense of what the steering committee felt at that time.

In the fall of 2016, I decided to run for an open seat on the Hermantown School Board as a write in candidate. I was successful in that campaign and served on the board from 2017 through 2020. During my time on the school board, I had many interactions with the city staff and councilors. Ultimately, the city and the school worked together to create the Essentia Wellness Center that many area residents would now consider a major community asset.

Fast forward to September of 2022, I was asked to participate in the steering committee for the 2024 Comprehensive Plan. We met several times between 2022 and 2024. This

process was led by a consulting firm that assisted us in the process of community engagement. I recently had a chance to review the final report and most of it looks familiar and includes what we had discussed in those meetings that spanned nearly two years. However, It did seem a little odd that as a steering committee we were never notified that the report was completed, and it was ready to present to the planning commission and ultimately the city council. As a matter of fact, the last meeting was held on July 11, 2024 and the report was presented to the council in April of 2025. What other meetings took place related to the 2045 Comprehensive Plan between July of 2024 and April of 2025 that did not include community involvement? I have had a chance to talk with other members of the steering committee who also felt like they were kicked off the committee because they just simply stopped receiving invites to meetings. After receiving a message from Eric Johnson last week, I learned that there were no more meetings after July 11, 2024. The steering committee was left in the dark and never had an opportunity to review the final report. There are several parts of this report that mention an “Urban Services Boundary Future Expansion Area” in the SW corner of Hermantown. On page 50 of the report, it even highlights this area with a dotted red line. **None of this was discussed in our steering committee meetings.** I can assure you that if this was discussed I would have expressed my concerns since the proposed future Urban Services Boundary borders my own property.

Based on the actions that have taken place by the City of Hermantown in the past 12 months, it is clear to me that the 2045 Comprehensive Plan was revised after July 11, 2024, to meet the criteria requested by a Fortune 50 company.

When you review Ordinance 2025-17 that would amend the city zoning map and convert 17 parcels of land totaling over 220 acres from S-1 Suburban to Business and Light Manufacturing, it is also clear that the foundation of the request is based on the City’s 2045 Comprehensive Plan. I can assure you that as a member of the 2045 Comprehensive Plan Steering Committee the idea of expanding the Urban Services Boundary was never discussed.

As a lifelong Hermantown resident and an active community member, I request that you vote NO to Ordinance 2025-17 and deny the request to rezone 220 acres from S-1 Suburban to Business and Light Manufacturing.

Sincerely,

Jonathan Thornton
5869 Hermantown Rd
Hermantown, MN 55810

Email C

CH-Trish Crego

From: Emma Richtman <emmarichtman@gmail.com>
Sent: Wednesday, May 13, 2026 3:42 PM
To: CH-Trish Crego
Subject: Fwd: Comments on the Adolph Study

Hi Trish,

I was wondering if you would be willing or able to provide a copy of my communication below to the Utility Commission Members in light of the presentation from Mr. Ronchetti at tomorrow nights meeting? I don't know the appropriate way to get in contact with members. I would love it if they could see a residents view on this study being used to support the expansion of the USB. If it cannot be provided to them prior to the meeting, could it be given to them regardless?

Thank you,
Emma Richtman
5215 Chris Drive
Hermantown, MN 55810

----- Forwarded message -----

From: Emma Richtman <emmarichtman@gmail.com>
Date: Thu, Apr 23, 2026 at 1:00 AM
Subject: Comments on the Adolph Study
To: CH-Chad Ronchetti <cronchetti@hermantownmn.com>, CH-Wayne Boucher <mayorboucher@hermantownmn.com>, CH-Joe Wicklund <jwicklund@hermantownmn.com>, <eric.johnson@hermantownmn.com>, CH-Andy Hjelle <councilorhjelle@hermantownmn.com>, CH-Brian LeBlanc <councilorleblanc@hermantownmn.com>, CH-Joe Peterson <councilorpeterson@hermantownmn.com>, CH-John Geissler <councilorgeissler@hermantownmn.com>

Dear COH Staff and Elected Officials,

I took the time to read over the UMD BBER City of Hermantown Adolph Development Impacts March 2026 study. I have several take-aways from it that I would like to share.

- This feels like propaganda to share first, what didn't happen in the SW corner of Hermantown due to lack of municipal utilities. Second, what *could* happen if Google pays to help expand water and sewer in the desired expansion of the USB. And third, what *can't* happen unless Google pays to help extend the USB for their project, as I am under the impression the COH cannot afford expanding the USB on their own at this time.
- The title of this study is misleading. Based on what is included in the article, it should read, "City of Hermantown Adolph Development Economic Impact for St. Louis County at Large Analysis.
- Why was Google not included with this study?
- "These scenarios ... were selected to represent the types of industries that have previously explored options in the region and could feasibly occupy the district if utilities were expanded to the area."
 - What defines region? What defines district? How do these terms compare to that of The Study Area of St. Louis County?

- This study is on Adolph, but the word region implies that these industries were looking outside of Adolph too
- Did any of these Hypothetical Scenarios eventually find suitable land and utilities necessary for their operation elsewhere in the Study Area of St. Louis County, which resulted in actual development, full realization? If so, they should have not been included in this analysis, as it is misleading, as they are already contributing to these statistics in real time to the Study Area of St. Louis County.
- I think what is most disappointing is that this study does not account for potential property tax revenue from said 5 hypothetical scenarios.
 - It is echoed many times over from COH staff and even some city councilors that Google's hyper scale data center will dramatically help alleviate property tax increases
 - If we are looking at impacts for St. Louis County, property taxes need to be analyzed. There are metrics and even AI technology I bet, that can account for hypotheticals as with the other data points measured as part of this study.
 - "The primary focus of this study is on the long-term, ongoing operational impacts of these developments on the study area of St. Louis County."
 - Operational impacts. If the operation is operating, they are paying property taxes, meaning it is more money in a constituent/consumer of St. Louis County's pocket. That would have an impact on both the direct effect (I believe unless I am understanding this one incorrectly) and the induced effect.
- What is the likelihood that all 5 scenarios would fit into the defined space that the 2045 Comp plan has slated for BLM in SW Hermantown?
 - If all 5 could fit, how would their combined operations contribute annually to the local, state, and federal tax base? 5 million looks like it was quoted?
 - One can assume these smaller companies would not qualify for the same generous sales tax exemptions and tax abatements as Google's project.
 - In comparison, what is Google's annual contribution when accounting for tax abatements and sales tax exemptions?
 - There needs to be a side by side comparison with these metrics.
 - It would need to show the state and local tax contributions during the term of the tax abatement, and after the abatement has concluded.
 - Furthermore, what is the lifespan for each of the said 5 Scenarios compared to the well reported 15-25 years for a hyper scale data center?
 - Again I would stress that the lifespan of a hyper data center likely undercuts the term of any tax abatements granted to Google - thus the full value will never be felt in the St. Louis County Study Area.
- With the Study area being St. Louis County, and the Adolph area being analyzed, does this not also impact Carlton County?
- Since the 2045 Comp Plan is referred to multiple times, I feel it is important to highlight the description provided in the 2045 Comp Plan, in the Land Use Designation under BLM states, "generally characterized by a broader diversity of jobs, higher development densities and jobs per acre"
 - I did some number crunching with the data provided in the 5 different scenarios to compare to what we know of Google's project thus far
 - I was frustrated that in a hypothetical business, the modeling used for this could not populate a Facility Footprint for all scenarios as well as Estimated Land Requirement
 - Using what I have I came to the following statistics

	Direct Employment	Facility Footprint (sq ft)	Estimated Land Requirement	Jobs/sq ft	Jobs/acre

Scenario 1	215	N/A	N/A	N/A	N/A
Scenario 2	180	700,000	100	.000257	1.8
Scenario 3	80	N/A	130	N/A	.61
Scenario 4	190	360,000	N/A	.000527	N/A
Scenario 5	205	750,000	N/A	.000273	N/A
Google	130*	1,200,000	278	.000108	.467

* Based on 40 full time jobs per first phase, plus 30 jobs for the following 3 phases (of which based on the information in the recent Tax Abatement document are guaranteed for ONLY 5 years)

- o “Inputs and assumptions for each of the five scenarios were provided by APEX and City of Hermantown representatives and supplemented with IMPLAN data to ensure consistency and comparability for this study.”
 - Despite this, there were certain data points left unanswered like facility footprint and estimated land requirements
- With the information provided, one could observe Google has the lowest jobs/sq ft
- Again I yield to the definition provided in the 2045 Comp Plan, “generally characterized by a broader diversity of jobs, higher development densities and jobs per acre”
 - Google takes up the most acreage, yet yields the lowest jobs per acre. This leaves less space for “higher development densities” and “a broader diversity of jobs”
 - In an area with such precious land desired for BLM, when one company dominates the landscape, it leaves little room for honoring the spirit of the definition for BLM.

Thank you for your time and attention to my many comments and questions. Forgive me if some are redundant or hopefully not, incoherent. It's late and the only time I can devote my faculties to this without interruption. If you have made it this far, thank you for taking my thoughts to heart.

Emma Richtman