

Hermantown Industrial AUAR Overview

City Council Work Session

July 27, 2026

Roles of RGU and Proposer

RGU: City of Hermantown

- ▶ Responsible for preparation of the AUAR
- ▶ Reviews AUAR to ensure completeness and adequacy

RGU's Consultant: Braun Intertec

- ▶ City retained Braun Intertec to provide oversight over AUAR preparation and review the AUAR on behalf of the City

Project Proposer: Harmony Group LLC

- ▶ Initiated project and AUAR

Project Proposer's Consultant: Kimley-Horn

- ▶ Kimley-Horn prepared the AUAR on behalf of the project proposer, with oversight by Braun Intertec

What is an AUAR?

- ▶ Alternative Urban Areawide Review (AUAR) is a form of environmental review provided for in the rules that apply to environmental review.
 - ▶ Has attributes of an Environmental Assessment Worksheet (EAW) and Environmental Impact Statement (EIS)
 - ▶ Environmental analysis before residential, commercial, warehousing, or light industrial development occurs, informing development decisions
 - ▶ Provides information useful to planning for the management and mitigation of impacts
- ▶ AUAR study and process is managed by a Responsible Government Unit (RGU)
 - ▶ RGU entity for an AUAR is the local unit of government that has land use authority
- ▶ Valid for 5 years for the specific scenario(s) studied; must be updated every 5 years
- ▶ Not valid for projects that are not consistent with the development assumptions in the AUAR
- ▶ An AUAR is not a project approval document – it is used to inform local planning and development decisions

AUAR vs. EIS: Comparable Levels of Analysis, Different Purposes

Environmental review is not a means to approve or disapprove a project or development scenario. It is a source of information to guide approval decisions.

Alternative Urban Areawide Review

Project examples: residential, commercial, warehouse, light industrial

An area or scenario-based review for qualifying anticipated development under Minn. R. 4410.3610.

Environmental review is conducted within a geographic area, with a level of analysis comparable to that of an EIS. Includes a mitigation plan that specifies measures that will be imposed on future development in the area to avoid potential environmental impacts.

Environmental analysis is conducted for assumptions based on the maximum development expected or allowed by the land use designation in the comprehensive plan.

Provides a “big picture” of potential environmental effects early in the development planning process, potentially influencing development design.

Environmental Impact Statement

Project examples: nuclear fuel/waste, mineral mining, pipelines

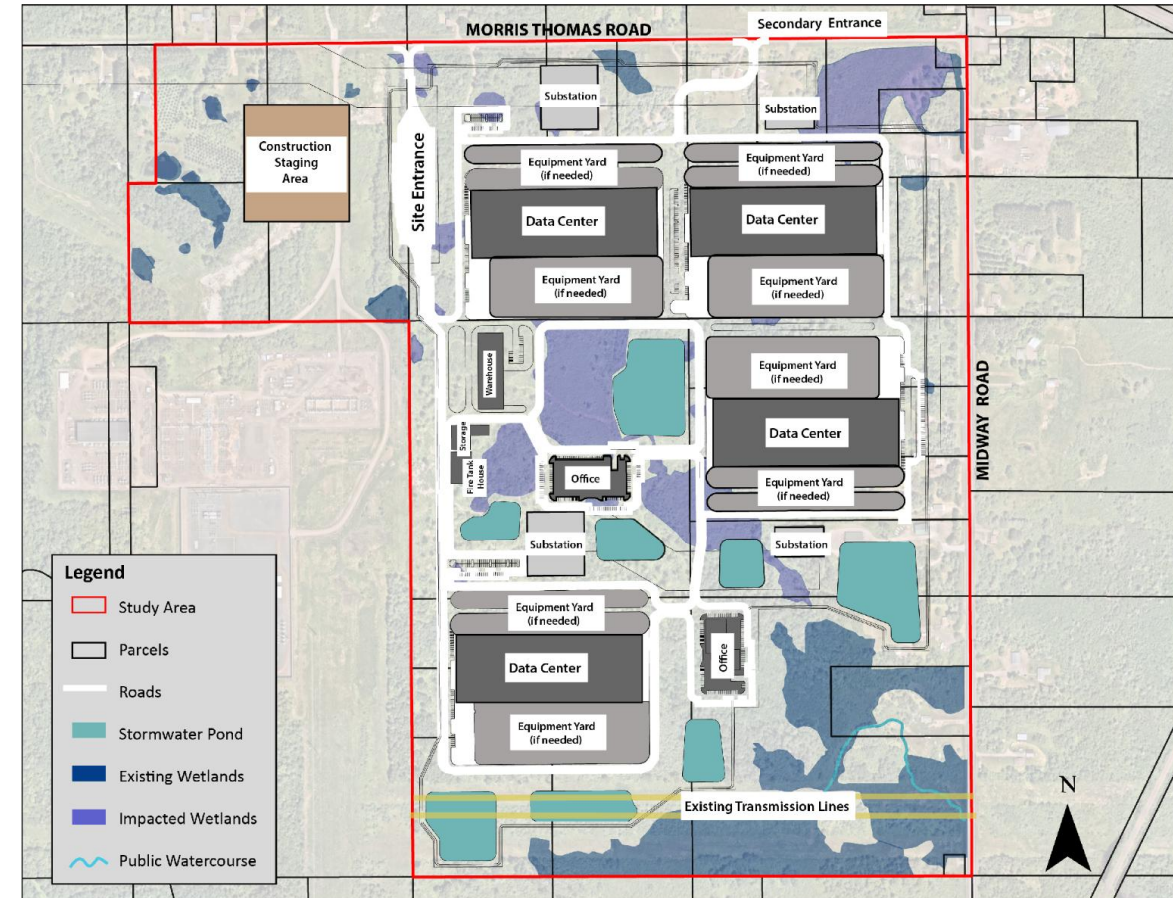
Project-specific review that is required when certain mandatory conditions are met under Minn. R. 4410.4400 and Minn. R. 4410.3610.

Environmental review includes detailed information about the extent of environmental impacts from a proposed project, presents alternatives to the proposed project, and identifies methods for reducing adverse environmental effects.

The details of the specific development or project should be sufficiently concrete to enable project-specific review.

Updated Hermantown Industrial AUAR

- ▶ Previous AUAR adopted in October 2025 studied up to 1.8 million SF of light industrial use
- ▶ Updated AUAR studies up to 1.8 million SF of data center use and associated infrastructure on a reduced study area
 - ▶ More resources topics evaluated including cooling technologies, water resources, energy, heat, and fire risk
- ▶ Scoping process to define scenario and outline AUAR review information
 - ▶ Scoping Document accepted and Order to Authorize Preparation of AUAR on May 18, 2026



*Conceptual Development
Scenario Site Layout*

Draft AUAR Comment Period Summary

- ▶ 30-day comment period from June 16 to July 16, 2026
- ▶ 192 public comments
 - ▶ Themes: concerns about water resources, wildlife, lighting, noise, construction, project design, general opposition or support for the project, environmental review process
- ▶ 4 agency and tribal governmental comments (MN SHPO, MPCA, Fond du Lac, 1854 Treaty)
 - ▶ MN SHPO: concurred that no cultural resources are eligible for listing on the National Register of Historic Places adjacent or within the Study Area
 - ▶ MPCA: Request for more analysis of alternative sites and project configurations, utility infrastructure review, trout stream impacts, cumulative effects from utility extensions, long-term mitigation
 - ▶ Fond du Lac and CURE: more environmental, cultural, tribal, and cumulative impacts review through an EIS
 - ▶ 1854 Treaty Authority: concern regarding treaty rights, tribal consultation, environmental review adequacy, and impacts to natural and cultural resources.

Changes to the Final AUAR

Changes to the Final AUAR in response to comments include:

1. More EMF background
2. Field work for spring verification and groundwater monitoring to further evaluate nearby trout streams
3. More information on construction activities and durations
4. Urban heat island background
5. Air quality analysis for potential backup generators
6. List of additives for cooling technology
7. Concept visualizations
8. Explanation of infrasound
9. Agencies responsible for enforcing mitigation plan
10. Additional clarifications in various sections throughout

What does the AUAR Review?

- Analysis and review of AUAR category areas:
 - Project Information and Alternative Sites
 - Land Use & Land Cover
 - Climate Adaptation and Resilience – including estimates of Greenhouse Gas Emissions and Carbon Footprint
 - Permits Required
 - Geology & Soils
 - Water Resources
 - Surface, groundwater, water appropriations, wastewater, stormwater
 - Contamination
 - Wildlife & Habitat
 - Cultural Resources
 - Visual
 - Air
 - Noise
 - Transportation
 - Cumulative Potential Effects
 - Other – Energy (including use, infrastructure and cost), Heat, Electromagnetic Fields, Fire Risk
 - Mitigation Plan

Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Climate Adaptation and Resilience	In the coming decades, area is anticipated to experience increased annual temperatures, precipitation and more frequent heavy rainfall events.	Material choices and site planning will minimize climate impacts. A comprehensive landscape plan will be developed to reduce runoff and increase shade.
Land Use & Zoning	Parcels are zoned and guided as Business and Light Manufacturing, which is consistent with the proposed development	A special use permit is required for a data center use in the City of Hermantown, which would include conditions to mitigate potential land use conflicts.

Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Geology & Soils	Disturbed soils during construction, would require up to approximately 2.3 million total cubic yards of excavation over 184 acres.	Stringent erosion and sediment control measures as part of the stormwater management plans would be implemented in specific drainage areas to limit potential negative impacts to aquatic species in the Midway River.
Surface Water	Conceptual design avoids approximately half of the wetlands on site including DNR & USACE aquatic resources.	- No USACE wetlands within Study Area would be impacted - WCA approval would be needed for any wetland impacts, including mitigation through the purchase of wetland banking credits

Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Groundwater	Cooling systems would not withdraw groundwater or surface water; however, increased impervious surface coverage has the potential to reduce natural infiltration and groundwater recharge if unmanaged	• Comply with the MPCA Construction Stormwater Permit requirements and applicable post construction standards. • Completing a pre-construction survey of groundwater table elevation • Monitoring of groundwater table elevation from on-site wells during construction

Impacts and Mitigation Summary

Resource Area

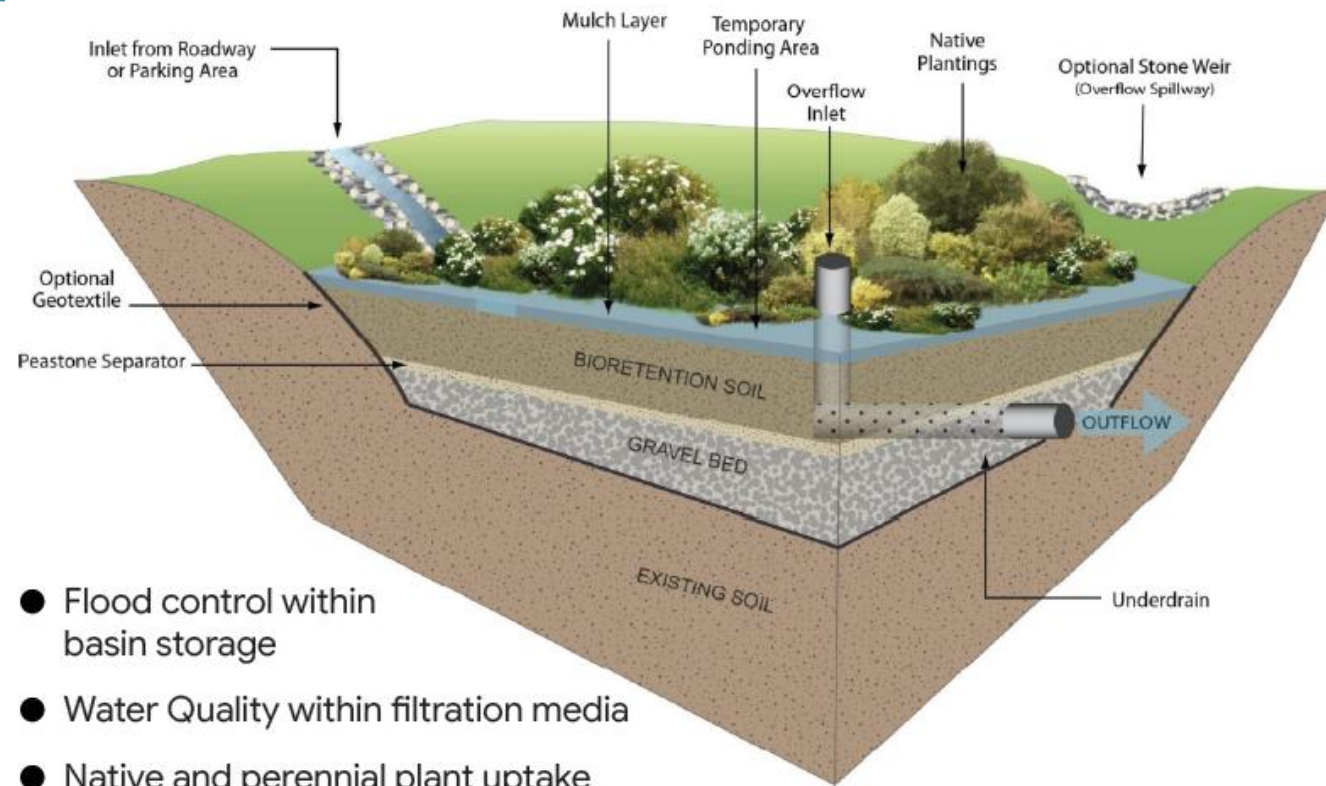
Potential Impact

Storm water

- No stormwater management exists today.
- Trout streams located adjacent to study area.
- Development increases runoff temperature, pollutants, and volume affecting downstream aquatic resources.

The Mitigation:

Advanced biofiltration basins with underground drains.

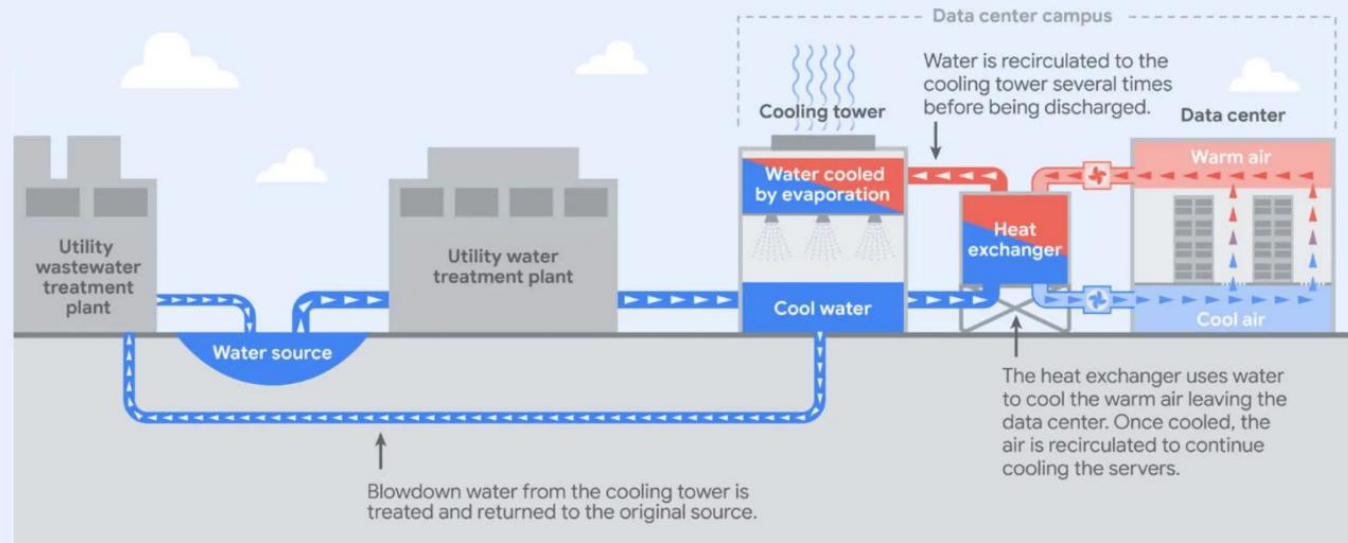


- Flood control within basin storage
- Water Quality within filtration media
- Native and perennial plant uptake
- Deep filtration cools water before outlet

Water & Wastewater Management

- ▶ Proposer is considering two types of non-evaporative cooling technology (dry or air cooled). Both technologies use some water, but the water is within a closed system after being built, cleaned, and commissioned.
- ▶ Uses water and corrosion inhibitors to circulate and safely absorb heat from the servers, which then transfers its captured heat to a chiller unit containing refrigerants which then cools the water.
- ▶ Water would be supplied by City of Hermantown via the City of Duluth. Water and sewer would be extended to the site by the developer and turned over to the City upon completion.

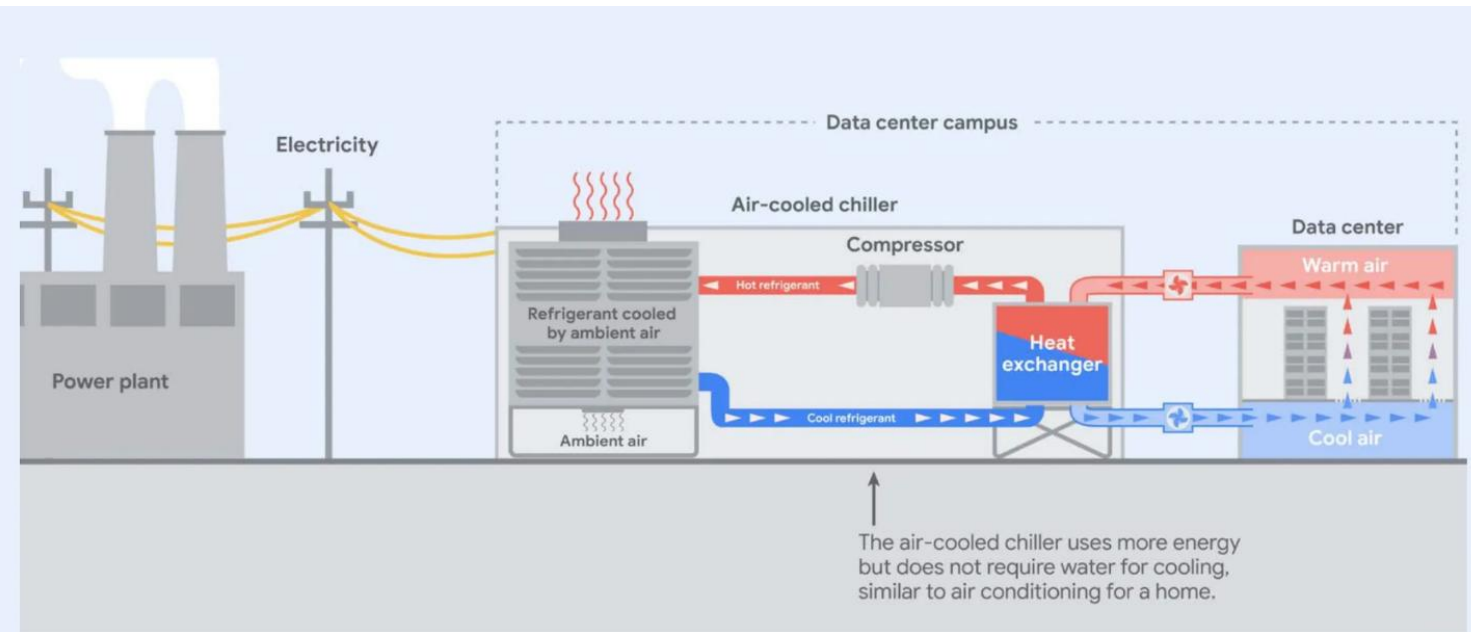
Use	Building Square Footage	Maximum Flow Volume (gallons)	Frequency
Domestic Wastewater	1,800,000	50,000	Daily
Commissioning Water		1.7 million (per building, up to 4 buildings)	Once
Cooling System Maintenance		2,000 (per building, up to 4 buildings)	Up to 12 times annually



Open Loop (for comparison only)



Closed Loop (proposed in Hermantown)



Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Contamination	New waste generated from light industrial/data center use and potential for fuel storage for backup generators	• Hazardous materials would be stored in secure, labeled containers. Refueling/maintenance would occur in designated areas. The development will be compliant with MPCA and federal regulations. • Google's waste diversion rate is currently 84% for e-waste. • Proposed Project may include backup generators for emergency electricity use. Storage tanks are subject to U.S. EPA regulations, enforced by the MPCA to ensure proper use and storage of fuel.

Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Protected Species and Habitat	Suitable habitat for Monarch butterfly, Suckley's cuckoo bumble bee and Northern long-eared bat	• Reseed with native seed mix • Control spread of invasive species • Limit tree clearing where possible, tree clearing timing restrictions • Stormwater management • Lighting design would follow guidance from the U.S. Fish and Wildlife to minimize blue light, uplight, and backlight

Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Cultural Resources	No historic properties and 5 archeological sites were observed within the study area (not eligible for the National Register)	• Developer must follow the Inadvertent Discovery Plan during all ground-disturbing construction activities associated with development. • Proposer will continue coordination with Tribes that have expressed interest in, or have cultural affiliation with, the Study Area throughout the remainder of the project development.
Visual	Development of these lands would have an impact on the visual look of the property.	• Vegetation, screening walls, and grading to ensure site screening • Lighting would be focused on safety and security, not illumination of building facades so no light pollution would be generated.

Tribal Engagement

Tribal coordination began during the 2025 AUAR process and has continued with this updated AUAR. Below is a summary of past and upcoming coordination:

- ▶ Project Proposer engaged the Fond du Lac Resource Manager to have tribal participation with the Archeological and Cultural Resources Survey for the Study Area in fall 2025 which included ~4 weeks of on-site shovel testing.
- ▶ Project Proposer met with the Fond du Lac Reservation Business Committee in fall 2025 to introduce the Project and again in winter 2026 to share a schedule/project update and discuss ongoing coordination.
- ▶ Project Proposer will be engaging the Fond du Lac Resource Manager again this summer on the upcoming cultural resources survey work for the public utility extension.
- ▶ Project Proposer will continue coordination with Tribes that have expressed interest in, or have cultural affiliation with, the Study Area throughout the remainder of the Project development (including Fond du Lac, 1854 Treaty Authority: Grand Portage and Bois Forte Bands)

Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Air	Air emissions from backup emergency generators (nitrogen oxides (NOx), carbon monoxide (CO), greenhouse gases (GHG), and to a lesser extent hydrocarbons (HC), particulate matter (PM), and sulfur dioxide (SO2))	• Project may include backup generators for emergency electricity use and could require additional environmental review and air permit depending on the quantity needed. • Only used for monthly testing and emergency use; expected to require an MPCA Registration Option D permit, with enforceable annual emission limits
GHG	GHG emissions from construction and operation	• Climate adaptation and GHG mitigation measures would be implemented to address GHG emissions from construction and operation

Noise

- ▶ Both A-weighted decibels, or dBA (represents how the human ear hears) and C-weighted decibels, or dBC (sound pressure that emphasizes more low-frequency sound energy) were evaluated related to noise from the cooling technology and generating testing.
- ▶ With mitigation, noise levels during operation will not be louder than today. Mitigation options include:
 - ▶ Acoustic enclosures for cooling equipment
 - ▶ Use quieter cooling equipment
 - ▶ Noise walls
 - ▶ Landscaping (berms)
 - ▶ Noise enclosures for emergency backup generators
- ▶ Generator testing if needed would only occur between 8:00 a.m. and 5:00 p.m., Monday – Friday and would be required to comply with the state 60 dBA daytime limit

Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Transportation	Increased traffic from construction and operations	• Traffic operations are anticipated to remain similar to the existing conditions with the proposed mitigation once the data center is operational. • Mitigation will also be implemented to address construction traffic so all intersections will operate acceptably equal to existing conditions.
Cumulative Potential Effects	Several reasonably foreseeable future projects could impact the same resources	• AUAR evaluates cumulative potential effects in each section and provides mitigation where needed. • Future project impacts would also be addressed via their regulatory permitting and will be individually mitigated to ensure minimal cumulative impacts occur.

Impacts and Mitigation Summary

Resource Area	Potential Impact	Mitigation Strategy
Energy	Proposed data center energy consumption and impacts to grid reliability and customer costs	• This Project would enable the development of 700 megawatts of new clean energy resources without increasing costs to Minnesota Power customers. • Additional mitigation measures would be implemented to address GHG emissions from construction and operation.
EMF	New utilities would emit EMF	• Project's design would include EMF mitigation strategies to ensure that the EMF radiation levels remain well within the safety thresholds.
Fire Risk	Fire at the data center campus	• All fire protection systems and equipment are inspected, tested, and maintained in compliance with state legislation and applicable codes.

Heat

- ▶ No applicable state or local regulatory standards exist governing localized atmospheric warming associated with data centers.
- ▶ Urban heat island effects generally result from the replacement of vegetated land with buildings, pavement, and other impervious surfaces that absorb and re-radiate solar energy.
- ▶ The magnitude and extent of any localized warming from this proposed project or any development are influenced by numerous site-specific factors, including facility size, cooling-system configuration, operating load, atmospheric stability, wind speed and direction, surrounding land cover, vegetation, and regional climate.
- ▶ While there is some heat expelled it is only localized to the cooling equipment and would not result in heat island effect felt offsite. The design of the data center campus would maintain the natural topography where possible, would implement stormwater management ponds/systems, and would use equipment in highly specialized enclosures to mitigate heat.
- ▶ Additional climate adaptation measures would also be implemented as part of construction and design standards.

Next Steps

AUAR Status

- ▶ Submission of the Final AUAR to state agencies for the mandatory 10-day review period is scheduled for August.
- ▶ City Council deliberation and consideration for adoption of the Final AUAR are anticipated this fall.

Public Engagement Strategy

- ▶ Ongoing collaboration with community members, state and local agencies, and tribal governments.
- ▶ Public open house to provide additional detailed information and engagement regarding the project
- ▶ Smaller group discussion with adjacent property owners.
- ▶ Formal announcement regarding Google's community investment initiatives.

More information at hermantowndatacenter.com