

September 3, 2026

Eric Johnson  
Community Development Director  
City of Hermantown  
5105 Maple Grove Road  
Hermantown MN 55811

RE: Hermantown Industrial Alternative Urban Areawide Review (AUAR) Follow-up

Dear Mr. Johnson

Thank you for meeting with Minnesota Department of Natural Resources (DNR) to discuss our August 25, 2026 letter related to the above-described project. As part of this meeting it was requested that DNR provide some additional clarity on our comments as they relate to characterization of DNR authority and involvement in ensuring proper mitigation for the project and identify specific cumulative effects that may require additional consideration.

#### DNR Authority and Involvement

In general, the AUAR characterizes the DNR as being involved in development of the AUAR and in ensuring proper mitigation for any potential impacts that would require such an action. To clarify, the DNR is a reviewer of the AUAR and has provided technical comments in an advisory role. Acknowledgment of the limited involvement DNR had in helping identify topics to be included in the AUAR would help improve clarity and transparency.

In addition, the AUAR document identifies DNR as an active participant in determining appropriate mitigation. A statement from the City of Hermantown acknowledging that DNR has no regulatory authority over the project and the City of Hermantown is responsible for determining appropriate mitigation would be helpful. However, the DNR is willing to participate in a technical advisory role on topics within our expertise. We would recommend a structured process for receiving and implementing technical advice.

#### Cumulative Effects

The proposed development appears to have the potential for wetland impacts, stormwater runoff, and hydrologic alteration of groundwater systems and nearby watercourses. To help identify minimization and mitigation of these potential impacts it would be beneficial to evaluate a more robust cumulative effects view. The City of Hermantown identified a concern about DNR's usage of the term "connected" when describing a nearby project that would be suitable for inclusion in a cumulative effects analysis. To be clear, the DNR is not asserting the nearby project is a "connected action" that would need to be wholly considered as part of

environmental review. The City of Hermantown as the Responsible Governmental Unit is responsible for determining the appropriate scope of analysis for connected and phased actions as described in the Environmental Quality Board environmental review rules. The DNR was merely suggesting considering the combined total effects of the proposed and nearby projects in the cumulative effects analysis.

We hope these clarifications help the City of Hermantown in their determination of the additional analysis that would be helpful for informing final government decisions on the proposed project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melissa Kuskie', written in a cursive style.

Melissa Kuskie  
Ecological and Water Resources Division Director