



HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

AGENDA

Thursday, October 15th, 2026, at 5:30 p.m.
Council Chambers
Governmental Services Building

1. ROLL CALL
2. MINUTES – Approval or correction
 - 2.1 July 16, 2026, HEDA Minutes
3. MOTIONS
4. PUBLIC HEARING
5. RESOLUTION
 - 5.1 **2026-02H** Resolution Consenting To The Assignment And Assumption Of Agreements For The Pillars Of Hermantown, Approving Estoppel Certificates Authorizing The Transfer Of The HEDA PayG Note
 - 5.2 **2026-03H** A Joint Resolution Of The City Council Of The City Of Hermantown And The Hermantown Economic Development Authority Urging The Secretary Of The Airforce To Select The 148th Fighter Wing, Minnesota National Guard, As The Home Of The Next National Guard F-35 Lighting II Squadron
6. WORK SESSION
7. RECESS

CITY OF HERMANTOWN

HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

Thursday, July 16, 2026 at 5:30 PM Central

Council Chambers, City Hall – Hermantown Governmental Services Building

Mayor Wayne Boucher:	Present – Came Late to Meeting
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, Executive Director; Mia Thibodeau, HEDA Attorney

1. ROLL CALL

2. MINUTES

2.1 Approve May 21, 2026 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

3.1 Motion to establish the amount of bond At \$300,000 required to be provided by the Treasurer

Motion to establish the amount of bond At \$300,000 required to be provided by the Treasurer. 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

3.2 Motion to approve Annual Report to the City

Motion to approve Annual Report to the City. 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

3.3 Motion to approve for submission to the City Council Budget for 2027

Motion to approve for submission to the City Council Budget for 2027. This motion, made by, Hjelle and seconded by Boucher 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:	Absent

Yea: 5, Nay: 0, Absent: 2

3.4 Motion to approve a report to the City Council on the Enabling Resolution

Motion to approve a report to the City Council on the Enabling Resolution. This motion, made by, Hjelle 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:	Absent

Yea: 5, Nay: 0, Absent: 2

3.5 Motion to approve an audit to submit to the City Council

Motion to approve an audit to submit to the City Council. This motion, made by, LeBlanc 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:	Absent

Yea: 5, Nay: 0, Absent: 2

4. **PUBLIC HEARING**

5. **RESOLUTIONS**

6. **WORK SESSION**

7. **RECESS**

Motion to recess at 5:58 p.m. 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:	Absent

Yea: 5, Nay: 0, Absent: 2

Recorded by:

Chad Ronchetti, Executive Director

HEDA MEETING DATE:		October 15, 2026	
TO:	HEDA Commissioners		
FROM:	Chad Ronchetti, Economic Development Director		
SUBJECT:	Assignment and Assumption of Development Agreements – Sale of Pillars of Hermantown		

☒ **RESOLUTION:** ☐ **WORK SESSION** ☐ **OTHER:** Motion

REQUESTED ACTION

Consent to the Assignment and Assumption of Agreements for the Pillars of Hermantown, approve the related estoppel certificates, and accept the Affidavit of Lost PAYG Note and authorize the transfer of the HEDA PAYG Note to the new owner.

BACKGROUND

Pillars of Hermantown LLC, and the original developer KTJ 360, LLC, are selling the Pillars of Hermantown senior housing development at 4110 Lavaque Road to Ventas Healthcare Realty, LLC. Ventas will take ownership through its purchasing entity, VLSHRE Pillars Hermantown, LLC (the “Buyer”). HEDA is not a party to the sale itself. However, HEDA is a party to the 2022 Development Contract and Business Subsidy Agreement for the project, and is the issuer of the HEDA Pay-As-You-Go (PAYG) Note that reimburses the developer through tax abatement. The seller and Buyer are asking HEDA to consent to the transfer of those agreements and the note, and to confirm the current status of each one.

The terms of these agreements are not changing. The Buyer steps into the seller’s position and takes on the same obligations, and the City and HEDA keep the same rights.

The development has been built out over three separate agreements since 2020:

- **2020 Development Agreement** (May 5, 2020, as amended May 28, 2021) – Original site infrastructure for the Pillars property, including the watermain extension, stormwater improvements, the private access drive, and landscaping. This work is complete and the Certificate of Final Completion has been issued.
- **2022 Development Contract** (June 8, 2022) – City, HEDA, and the developer agreement for the 105-unit senior housing complex. It covers the water improvements, stormwater system, and trail obligations (since released via amendment), and provides tax abatement assistance through a HEDA Pay-As-You-Go (PAYG) Note of up to \$600,000, supported by the City abatement approved under Resolution No. 2022-80. A companion Business Subsidy Agreement was executed the same day.

Hermantown Economic Development Authority

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

- **2025 Development Agreement** (September 15, 2025) – The Hermantown Cottages PUD (Fox Ridge), a 20-unit townhouse expansion on the Pillars site that uses the existing Pillars stormwater pond and access drive. The sewer main, water main, and stormwater improvements for this phase are complete, and the City Engineer issued the Certificate of Final Completion on October 5, 2026.

HEDA is a party only to the 2022 Development Contract, the Business Subsidy Agreement, and the PAYG Note. The 2020 and 2025 Development Agreements are between the City and the developer and are summarized here for context. Each of the documents in this package is described below.

Assignment and Assumption of Agreements

This is the main agreement for the transaction. As of closing, Pillars of Hermantown LLC assigns the 2020 Development Agreement, the 2022 Development Contract, the Business Subsidy Agreement, and the Assessment Agreement to the Buyer. KTJ 360, LLC separately assigns the HEDA PAYG Note and the 2025 Development Agreement, because KTJ remained the named party on those two items when the 2022 Development Contract was assigned to Pillars of Hermantown LLC. The Buyer assumes all obligations under the agreements from closing forward, including ongoing maintenance of the stormwater system that serves both the original development and the Hermantown Cottages. HEDA and the City each sign a consent page attached to the Assignment.

The seller keeps ownership of any security it previously posted with the City, which includes the performance bonds under the 2025 Development Agreement and any unspent balance of the \$50,000 trail escrow. The City continues to hold that security until the conditions for its release under the original agreements are met.

Assessment Agreement

The Assessment Agreement is between the City and the owner and will be approved by the City Council, but it directly supports the PAYG Note. The 2022 Development Contract calls for an Assessment Agreement as a condition of the tax abatement assistance, and it is being executed in connection with this transaction so it can be assigned to the Buyer. The agreement sets a combined minimum market value of \$20,185,700 for the project beginning January 2, 2028: \$18,469,700 for Parcel No. 395-0010-04120 and \$1,716,000 for Parcel No. 395-0010-04121. The owner agrees not to appeal the property's valuation below that amount or seek a tax deferral while the agreement is in place, which protects the tax base that pays the PAYG Note. The agreement ends on the earliest of the termination of the 2022 Development Contract, the PAYG Note being paid in full, or February 2, 2031.

Estoppel Certificates

Hermantown Economic Development Authority

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

An estoppel certificate is a signed statement to the Buyer and its lender confirming the current status of an agreement: that it is in effect, that there are no defaults, what is owed, and what obligations remain. The Buyer and lender rely on these statements to close, and HEDA cannot later take a position that contradicts what it certified. Staff reviewed each certificate against City and HEDA records and revised the Buyer's drafts where they did not match. HEDA signs two certificates, jointly with the City:

- **2022 Development Contract (City and HEDA)** – Confirms the agreement is in effect with no defaults, the Water Improvements Easement has been delivered and the City owns the water improvements, the City and HEDA have waived the Trail Easement required by the agreement (the trail connection is instead addressed through the \$50,000 trail escrow under the 2025 Development Agreement), the stormwater security has been released, and a final Certificate of Occupancy has been issued. The only remaining obligation is ongoing maintenance of the stormwater system.
- **Business Subsidy Agreement and HEDA PAYG Note (City and HEDA)** – Confirms the agreement and note are in effect, required reporting is current, and the conditions for HEDA's payments have been met. It also states the Benefit Date (August 2025), the outstanding balance of the note, and the next scheduled payment (December 2026, estimated at \$49,909.79).

The City separately signs estoppel certificates for the 2020 and 2025 Development Agreements, which HEDA is not a party to. Those confirm the 2020 infrastructure is complete with only ongoing maintenance remaining, and that the 2025 Hermantown Cottages infrastructure received its Certificate of Final Completion on October 5, 2026.

Affidavit of Lost HEDA PAYG Note

KTJ 360, LLC is the registered holder of the HEDA PAYG Note, but the original note has been lost. In the affidavit, KTJ swears that the note was lost and has not been assigned to anyone else. KTJ agrees to turn over to the Buyer any note payments it receives after the transfer, releases HEDA from any claims related to the note, and indemnifies HEDA for registering the transfer or issuing a replacement note. This protects HEDA from any risk of paying the note twice. The resolution accepts the affidavit and authorizes staff to register the transfer of the note to the Buyer and, if needed, issue a replacement note on the same terms for the outstanding balance.

HEDA PAYG Note Status

The PAYG Note was issued in the principal amount of \$600,000. It is paid solely from the City's tax abatement on the property, carries no interest, and is not a general obligation of the City or HEDA. HEDA has made three payments totaling \$145,403.11 (August 2025, December 2025, and August 2026), leaving a balance of \$454,596.89. No payments will be made after taxes

Hermantown Economic Development Authority

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

payable in 2030, and any balance remaining at that point is not paid. After closing, the remaining payments will go to the Buyer instead of KTJ 360, LLC.

The City Council will consider its consent to the Assignment, the Assessment Agreement, and all four estoppel certificates as a companion item.

SOURCE OF FUNDS (if applicable)

N/A. The sale does not change the City's or HEDA's financial obligations. The remaining PAYG Note payments continue to be paid solely from the City tax abatement on the property.

ATTACHMENTS

HEDA Resolution

Assignment and Assumption of Agreements

Estoppel Certificate – 2022 Development Contract

Estoppel Certificate – Business Subsidy Agreement and HEDA PAYG Note

Affidavit of Lost HEDA PAYG Note

Hermantown Economic Development Authority Resolution No. 2026 -02H

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

Resolution Consenting To The Assignment And Assumption Of Agreements For The Pillars Of Hermantown, Approving Estoppel Certificates, And Authorizing The Transfer Of The Heda PayG Note

WHEREAS, the Hermantown Economic Development Authority (“HEDA”), the City of Hermantown (“City”), and KTJ 360, LLC (“KTJ”) entered into a Development Contract dated June 8, 2022, recorded with the St. Louis County Recorder as Document No. 01447162, for the construction of a 105-unit senior housing complex, as assigned by KTJ to Pillars of Hermantown LLC (“Pillars”) by an Assignment and Assumption of Development Contract, Business Subsidy Agreement and Assessment Agreement dated August 17, 2022, recorded as Document No. 01451529 (the “2022 Development Contract”); and

WHEREAS, HEDA, the City, and KTJ entered into a Business Subsidy Agreement dated June 8, 2022, as assigned by KTJ to Pillars (the “Business Subsidy Agreement”); and

WHEREAS, pursuant to the 2022 Development Contract and City Resolution No. 2022-80, HEDA issued to KTJ a Tax Abatement Pay-As-You-Go Revenue Note, Series 2022, in the original principal amount of \$600,000.00, payable solely from the City tax abatement on the property (the “HEDA PAYG Note”); and

WHEREAS, KTJ remains the registered holder of the HEDA PAYG Note on the registration books of HEDA, and the outstanding principal balance of the HEDA PAYG Note is \$454,596.89; and

WHEREAS, Pillars has agreed to sell the real property commonly known as the Pillars of Hermantown, located at 4110 Lavaque Road, Hermantown, Minnesota (the “Property”), to Ventas Healthcare Realty, LLC, which will take title through VLSHRE Pillars Hermantown, LLC (“Assignee”); and

WHEREAS, Pillars and KTJ propose to assign to Assignee, and Assignee proposes to assume, all rights and obligations under the 2022 Development Contract, the Business Subsidy Agreement, and the HEDA PAYG Note, along with other agreements between the City and Pillars or KTJ, arising from and after the effective date of the sale, pursuant to an Assignment and Assumption of Agreements (the “Assignment”); and

WHEREAS, the Assignment does not modify the terms of the 2022 Development Contract, the Business Subsidy Agreement, or the HEDA PAYG Note, or increase the financial obligations of HEDA, and payments on the HEDA PAYG Note remain payable solely from the City tax abatement on the Property; and

WHEREAS, Assignee and its lender have requested that HEDA deliver, jointly with the City, estoppel certificates confirming the status of the 2022 Development Contract and of the

Business Subsidy Agreement and HEDA PAYG Note (collectively, the “Estoppel Certificates”); and

WHEREAS, the original HEDA PAYG Note has been lost, and KTJ has delivered an Affidavit of Lost PAYG Note (the “Affidavit”) in which KTJ attests that the HEDA PAYG Note has not been assigned to any other person, agrees to remit to Assignee any payments KTJ receives after the transfer, releases HEDA from claims relating to the HEDA PAYG Note, and agrees to indemnify HEDA in connection with the issuance of a replacement note and the transfer of the HEDA PAYG Note; and

WHEREAS, Sections 2.14 and 10.7.8 of the 2022 Development Contract require the execution and delivery of an easement for a City trail (the “Trail Easement”), and the City and HEDA have determined not to require the Trail Easement, the trail connection instead being addressed by the \$50,000.00 escrow deposited with the City under the Development Agreement between the City and KTJ dated September 15, 2025; and

WHEREAS, the Board of Commissioners of HEDA has reviewed the Assignment, the Estoppel Certificates, and the Affidavit and believes it is in the best interest of HEDA to consent to the Assignment and approve the related documents.

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

1. HEDA hereby consents to the Assignment and Assumption of Agreements by and among Pillars of Hermantown LLC, KTJ 360, LLC, and VLSHRE Pillars Hermantown, LLC, attached hereto as Exhibit A.
2. The Estoppel Certificates for the 2022 Development Contract and for the Business Subsidy Agreement and HEDA PAYG Note, attached hereto as Exhibits B and C, are hereby approved.
3. HEDA hereby waives, or to the extent previously waived ratifies and confirms its waiver of, all obligations of the Developer with respect to the Trail Easement under Sections 2.14 and 10.7.8 of the 2022 Development Contract.
4. The Affidavit of Lost PAYG Note, attached hereto as Exhibit D, is hereby accepted. Upon the effective date of the Assignment, HEDA staff are authorized and directed to register the transfer of the HEDA PAYG Note on the registration books of HEDA to VLSHRE Pillars Hermantown, LLC and, if required, to issue a replacement HEDA PAYG Note to VLSHRE Pillars Hermantown, LLC in the outstanding principal amount, on the same terms and conditions as the original HEDA PAYG Note.
5. The President and Secretary of HEDA are hereby authorized and directed to execute and deliver the consent to the Assignment, the Estoppel Certificates, and any replacement HEDA PAYG Note on behalf of HEDA, in substantially the forms attached hereto as Exhibits A through C, together with such changes as are approved by HEDA’s legal counsel and do not materially alter the substance of the documents.
6. HEDA staff are authorized to take such further actions as are necessary to carry out the intent of this resolution.

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:

Commissioners _____

And the following voted in opposition thereto:

Commissioners _____

WHEREUPON, such resolution was declared duly passed and adopted by the Board of Commissioners of the Hermantown Economic Development Authority on _____, 2026.

STATE OF MINNESOTA)
COUNTY OF ST. LOUIS) SS.
CITY OF HERMANTOWN)

I, the undersigned, being the duly qualified and acting Executive Director of the Hermantown Economic Development Authority, St. Louis County, Minnesota, hereby certify that the above and foregoing Resolution 2026-02H is a true and correct copy of the Resolution as adopted by the Board of Commissioners of the Hermantown Economic Development Authority on the ____ day of _____, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, this ____ day of _____, 2026.

Chad Ronchetti, Executive Director

EXHIBIT A

ASSIGNMENT AND ASSUMPTION OF AGREEMENTS

THIS ASSIGNMENT AND ASSUMPTION OF AGREEMENTS (this “Assignment Agreement”), dated _____, 2026 (“Effective Date”), is entered into by and between Pillars of Hermantown LLC, a Delaware limited liability company (“Pillars”), KTJ 360, LLC, a Minnesota limited liability company (“KTJ”; and, together with Pillars, individually and collectively as the context may require, “Assignor”), and VLSHRE Pillars Hermantown, LLC, a Delaware limited liability company (“Assignee”).

RECITALS

A. WHEREAS, KTJ and the City of Hermantown (“City”) executed that certain Development Agreement dated May 5, 2020 and recorded with the Office of the County Recorder of St. Louis County, Minnesota (the “Recorder’s Office”) on June 8, 2020 as Document No. 01381803, as amended by that certain First Amendment to Development Agreement dated May 28, 2021 by and between KTJ and City and recorded with the Recorder’s Office on June 7, 2021 as Document No. 01415845, and as assigned by that certain Assignment and Assumption of Development Agreement dated August 17, 2022 by and between KTJ, as assignor, and Pillars, as assignee, as consented to by City and recorded with the Recorder’s Office on September 8, 2022 as Document No. 01451528 (collectively, the “2020 Development Agreement”);

B. WHEREAS, KTJ, City and the Hermantown Economic Development Authority (“HEDA”) are parties to that certain Development Contract dated June 8, 2022 and recorded with the Recorder’s Office on July 11, 2022 as Document No. 01447162, as assigned by that certain Assignment and Assumption of Development Contract, Business Subsidy Agreement and Assessment Agreement dated August 17, 2022 (“2022 Assignment”) by and between KTJ, as assignor, and Pillars, as assignee, as consented to by City and HEDA and recorded with the Recorder’s Office on September 8, 2022 as Document No. 01451529 (collectively, the “2022 Development Agreement”);

C. WHEREAS, KTJ, City and HEDA are parties to that certain Business Subsidy Agreement dated June 8, 2022, as assigned by KTJ, as assignor, to Pillars, as assignee, by the 2022 Assignment (collectively, the “Business Subsidy Agreement”);

D. WHEREAS, Pillars and City are parties to that certain Assessment Agreement dated [_____] (the “Assessment Agreement”);

E. WHEREAS, KTJ and City are parties to that certain Development Agreement dated September 15, 2025 (the “2025 Development Agreement”);

F. WHEREAS, the 2020 Development Agreement, 2022 Development Agreement, Business Subsidy Agreement, Assessment Agreement and 2025 Development Agreement are herein referred to collectively as the “Agreements”; and

G. WHEREAS, as of the Effective Date, Pillars has sold to Assignee the real property commonly known as the Pillars of Hermantown, located at 4110 Lavaque Road, Hermantown, Minnesota, and legally described on Exhibit A attached hereto (the “Property”), which is in whole or in part subject to the Agreements;

H. WHEREAS, Pillars desires to assign to Assignee, and Assignee desires to assume from Assignor, all of Assignor’s rights, titles and interests in, to and under the Agreements (except the 2025 Development Agreement) pursuant to and subject to the terms and conditions of this Assignment Agreement; and

I. WHEREAS, KTJ desires to assign to Assignee, and Assignee desires to assume from Assignor, all of KTJ’s rights, titles and interests in, to and under (a) that certain HEDA PAYG Note in the original principal amount of \$600,000.00 payable by HEDA (as more particularly set forth in the 2022 Development Agreement and the Business Subsidy Agreement) (the “PAYG Note”) and (b) the 2025 Development Agreement, pursuant to and subject to the terms and conditions of this Assignment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

AGREEMENT

1. Recitals Incorporated. The Recitals above are true and correct and hereby incorporated in this Assignment Agreement by reference.

2. Assignment and Assumption. As of the Effective Date, but subject to Section 3 hereof, (a) Pillars hereby assigns and transfers to Assignee all of Pillars’ right, title, and interest in, to and under the Agreements (except the 2025 Development Agreement) and (b) KTJ hereby assigns and transfers to Assignee all of KTJ’s right, title, and interest in, to and under the PAYG Note and the 2025 Development Agreement, and Assignee hereby accepts and assumes from Assignor all such right, title, and interest in, to and under the Agreements and the PAYG Note in each case arising from and after the Effective Date. Assignee agrees to assume and perform all of Assignor’s obligations under the Agreements and PAYG Note in each case arising from and after the Effective Date.

3. Exclusion of Security. Assignor and Assignee agree that Assignor retains all right, title and interest to any letter of credit, security or deposit delivered to City or HEDA under the Agreements, including the following (collectively, the “Security”) (i) security pursuant to Sections 2.9 and 13.1.2 of the 2022 Development Agreement, (ii) security pursuant to Sections 3.2 and 3.3 of the 2025 Development Agreement, and (iii) any funds remaining in the escrow made by Assignor pursuant to Section 8.4 of the 2025 Development Agreement. The Security remains the sole property of Assignor and Assignee shall turn over to Assignor, City or HEDA (as applicable) any Security received by Assignee if and to the extent received from City or HEDA.

4. Miscellaneous. Nothing contained in this Assignment Agreement shall operate to limit, modify or waive any of Pillars' or Assignee's obligations or liabilities set forth in that certain Purchase and Sale Agreement dated [October __, 2026], by and between Pillars, as seller, and Assignee (as successor-in-interest to Ventas Healthcare Realty, LLC, a Delaware limited liability company), as purchaser, for the purchase and sale of the Property. This Assignment Agreement is binding on the parties' successors and assigns. This Assignment Agreement may be executed in any number of counterparts, all of which are considered one and the same agreement notwithstanding that all parties hereto have not signed the same counterpart. Signatures of this Assignment Agreement that are made or transmitted by electronic means (including, without limitation, electronic signature, facsimile and email) are valid for all purposes.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement as of the Effective Date of this Assignment Agreement.

PILLARS:

PILLARS OF HERMANTOWN LLC,
a Delaware limited liability company

By: KTJ 360, LLC,
a Minnesota limited liability company
Its: Manager

By: _____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2026, by _____ the _____ of KTJ 360, LLC, a Minnesota limited liability company, the Manager of Pillars of Hermantown LLC, a Delaware limited liability company.

Notary Public, State of Minnesota
Printed Name: _____
My Commission Expires: _____

Drafted By:

Dorsey & Whitney LLP (SZ/MH)
50 South Sixth Street, Suite 1500
Minneapolis MN 55402
(612) 340-2600

KTJ:

KTJ 360, LLC,
a Minnesota limited liability company

By: _____

Name: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____,
2026, by _____ the _____ of KTJ 360, LLC, a Minnesota
limited liability company.

Notary Public, State of Minnesota
Printed Name: _____
My Commission Expires: _____

ASSIGNEE:

VLSHRE PILLARS HERMANTOWN, LLC,
a Delaware limited liability company

By: _____

Name: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2026, by _____ the _____ of VLSHRE Pillars of
Hermantown LLC, a Delaware limited liability company.

Notary Public, State of Minnesota
Printed Name: _____
My Commission Expires: _____

CONSENT TO ASSIGNMENT AND ASSUMPTION OF AGREEMENTS

By its signature below, the City of Hermantown hereby consents to the foregoing Assignment and Assumption of Agreements.

CITY OF HERMANTOWN

Name: Wayne Boucher
Its: Mayor

Name: Alissa McClure
Its: City Clerk

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

The foregoing instrument was acknowledged before me this ____ day of _____, 2026, by Wayne Boucher and Alissa McClure, the Mayor and City Clerk, respectively, of the City of Hermantown.

Notary Public, State of Minnesota
Printed Name: _____
My Commission Expires: _____

CONSENT TO ASSIGNMENT AND ASSUMPTION OF AGREEMENTS

By its signature below, the Hermantown Economic Development Authority hereby consents to the foregoing Assignment and Assumption of Agreements.

HERMANTOWN ECONOMIC DEVELOPMENT
AUTHORITY

Name: _____
Its: _____

Name: _____
Its: _____

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

The foregoing instrument was acknowledged before me this ____ day of _____,
2026, by _____ and _____, the _____ and _____
_____, respectively, of the Hermantown Economic Development Authority.

Notary Public, State of Minnesota
Printed Name: _____
My Commission Expires: _____

Exhibit A
to Assignment and Assumption of Agreements

Legal Description of the Property

Real Property located in St. Louis County, Minnesota, described as follows:

Parcel 1A:

That part of the South half of the West half of the Southwest quarter of the Southwest quarter (S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4) of Section 14, Township 50 North, Range 15 West of the 4th principal meridian described as follows:

Commencing at the Southwest corner of Section 14; thence North 89 degrees 38 minutes 13 seconds East along the South line of the S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4, a distance of 494.00 feet to the point of beginning; thence North 00 degrees 21 minutes 45 seconds West, a distance of 192.00 feet; thence North 23 degrees 36 minutes 35 seconds West, a distance of 67.00 feet; thence South 89 degrees 38 minutes 15 seconds West, a distance of 12.00 feet; thence North 00 degrees 39 minutes 36 seconds West, a distance of 55.00 feet; thence South 89 degrees 38 minutes 15 seconds West, a distance of 270.00 feet; thence North 00 degrees 39 minutes 36 seconds West, a distance of 170.20 feet; thence North 40 degrees 45 minutes 47 seconds East, a distance of 67.60 feet; thence North 19 degrees 31 minutes 36 seconds East, a distance of 136.50 feet to the North line of said S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4; thence North 89 degrees 39 minutes 18 seconds East along said North line, a distance of 389.94 feet to the Northeast corner of said S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4; thence South 00 degrees 23 minutes 36 seconds east, along the East line of said S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4, a distance of 657.92 feet to said South line; thence South 89 degrees 38 minutes 15 seconds West, along said South line, a distance of 171.57 feet to the point of beginning.

And

Parcel 1B:

That part of the South half of the West half of the Southwest quarter of the Southwest quarter (S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4) of Section 14, Township 50 North, Range 15 West of the 4th principal meridian described as follows:

Beginning at the Southwest corner of Section 14; thence North 89 degrees 38 minutes 13 seconds East along the South line of the S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4, a distance of 494.00 feet; thence North 00 degrees 21 minutes 45 seconds West, a distance of 192.00 feet; thence North 23 degrees 36 minutes 35 seconds West, a distance of 67.00 feet; thence South 89 degrees 38 minutes 15 seconds West, a distance of 12.00 feet; thence North 00 degrees 39 minutes 36 seconds West, a distance of 55.00 feet; thence South 89 degrees 38 minutes 15 seconds West, a distance of 270.00 feet; thence North 00 degrees 39 minutes 36 seconds West, a distance of 170.20 feet; thence North 40 degrees 45 minutes 47 seconds East, a distance of 67.60 feet; thence North 19 degrees 31 minutes 36 seconds East, a distance of 136.50 feet to the North line of said S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4; thence South 89 degrees 39 minutes 18 seconds West along said North line, a distance of 275.75 feet to the West line of said S 1/2 of the W 1/2 of the SW 1/4 of the SW 1/4; thence South 00 degrees 24 minutes 11 seconds West along said West line, a distance of 658.12 feet to the point of beginning.

EXHIBIT B

ESTOPPEL CERTIFICATE

_____, 2026

- To: Ventas Healthcare Realty, LLC, a Delaware limited liability company, and its successors and/or assigns (collectively, “**Purchaser**”)
- Re: Pillars of Hermantown, 4110 Lavaque Road, Hermantown, Minnesota (the “**Property**”) and that certain Development Contract by and between Pillars of Hermantown LLC, a Delaware limited liability company (as successor-in-interest to KTJ 360, LLC, a Minnesota limited liability company) (“**Developer**”), the City of Hermantown, Minnesota (the “**City**”) and the Hermantown Economic Development Authority (“**HEDA**”, and, together with the City, collectively, the “**City Parties**”) dated June 8, 2022 and recorded in the Office of the County Recorder of St. Louis County, Minnesota (the “**Recorder’s Office**”) on July 11, 2022, as Document No. 01447162, as assigned to Developer by that certain Assignment and Assumption of Development Contract, Business Subsidy Agreement, and Assessment Agreement dated August 17, 2022 and recorded in the Recorder’s Office on September 8, 2022, as Document No. 01451529 (together with any and all amendments, assignments or other modifications thereto, collectively, the “**Agreement**”)

This Estoppel Certificate (this “**Certificate**”) is made by the City Parties as of the date first set forth above as parties under the Agreement. All capitalized terms used herein and not defined shall have the meanings set forth in the Agreement.

The City Parties hereby certify and represent to Purchaser and its respective affiliates, successors, and assigns, that as of the date first set forth above:

1. The Agreement has not been assigned, modified or amended in any way, except as set forth in the caption above, and the Agreement remains in full force and effect.
2. With respect to the Property, there are no outstanding obligations under the Agreement that remain unsatisfied (including, without limitation, construction or ongoing maintenance and repair obligations related to water-system extensions, internal infrastructure, environmental (vapor) mitigation systems, or otherwise), except for Developer’s future obligations with respect to ongoing repair and maintenance of the Stormwater Systems pursuant to Sections 2.11 and 2.12 of the Agreement.
3. Neither the Property nor Developer are in default with respect to (or have otherwise failed in any material respect to comply with) any obligations under the Agreement, and no condition or event exists that, with the giving of notice or the passage of time (or both) would give rise to any such claim.
4. There are no unpaid costs, reimbursements, delinquent payments or other sums owed by Developer, or otherwise relating to the Property, pursuant to the terms of the Agreement.

5. The City Parties have no outstanding claims, demands, causes of action or offsets against Developer arising out of or in connection with the Agreement, and no condition or event exists that, with the giving of notice or the passage of time (or both) would give rise to any such claim.

6. The City and HEDA have waived all obligations of the Developer with respect to the Trail Easement, including, but not limited to, any obligations described in Sections 2.14 and 10.7.8 of the Agreement regarding the execution and delivery of the Trail Easement.

7. Developer has executed and delivered to the City or HEDA (as applicable) the Water Improvements Easement in accordance with the terms of the Agreement, and the City has taken ownership of the Water Improvements and is solely responsible for the ownership, operation, maintenance and repair thereof.

8. Any letter of credit or other form of security delivered to the City Parties under the Agreement (including, without limitation, Sections 2.9 and 13.1.2 thereof) has been released and returned to Developer (and all conditions to such release have been satisfied), and the City Parties hold no letter of credit or other form of security under the Agreement.

9. A final Certificate of Occupancy has been issued for the Project in accordance with the terms and conditions of the Agreement (including, without limitation, Sections 2.15 and 13.2 thereof).

10. The City Parties have no claim of lien against the Property or Developer under the Agreement.

11. The individual or individuals executing this Certificate have the full power and authority to execute this Certificate on behalf of the City Parties.

12. The City Parties acknowledge that Purchaser and Purchaser's lender(s) are relying upon the accuracy of the statements in this Certificate in acquiring the Property. This Certificate shall be binding upon the City Parties and shall inure to the benefit of and be enforceable by Purchaser and Purchaser's lender(s) and each of their successors and/or assigns.

13. Electronic signatures to, and the electronic transmission of, this Certificate (including without limitation, transmission via electronic mail in scanned "PDF" format) shall be legally binding and shall have the same force and effect as an original ink-on-paper signature manually penned by such signatory.

[Signatures follow]

IN WITNESS WHEREOF, the City Parties hereby execute this Certificate under seal intending reliance hereon by Purchaser. Purchaser shall have the right to rely on a copy or an electronically signed version of this Certificate and the same shall be deemed an original for all purposes.

CITY OF HERMANTOWN

By _____
Its _____

And by _____
Its _____

**HERMANTOWN ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
Its _____

And by _____
Its _____

EXHIBIT C

ESTOPPEL CERTIFICATE

_____, 2026

- To: Ventas Healthcare Realty, LLC, a Delaware limited liability company, and its successors and/or assigns (collectively, “**Purchaser**”)
- Re: Pillars of Hermantown, 4110 Lavaque Road, Hermantown, Minnesota (the “**Property**”) and that certain Business Subsidy Agreement by and between Pillars of Hermantown LLC, a Delaware limited liability company (as successor-in-interest to KTJ 360, LLC, a Minnesota limited liability company) (“**Developer**”), the City of Hermantown, Minnesota (the “**City**”) and the Hermantown Economic Development Authority (“**HEDA**”, and, together with the City, collectively, “**Grantor**”) dated June 8th, 2022 (together with any and all amendments, assignments or other modifications thereto, collectively, the “**Agreement**”), the form of which Agreement is attached as Exhibit 1.7 to that certain Development Contract by and between Developer, HEDA and the City dated June 8, 2022 and recorded in the Office of the County Recorder of St. Louis County, Minnesota (the “**Recorder’s Office**”) on July 11, 2022, as Document No. 01447162, as assigned to Developer by that certain Assignment and Assumption of Development Contract, Business Subsidy Agreement, and Assessment Agreement dated August 17, 2022 and recorded in the Recorder’s Office on September 8, 2022, as Document No. 01451529

This Estoppel Certificate (this “**Certificate**”) is made by Grantor as of the date first set forth above as a party under the Agreement. All capitalized terms used herein and not defined shall have the meanings set forth in the Agreement.

Grantor hereby certifies and represents to Purchaser and its respective affiliates, successors, and assigns, that as of the date first set forth above:

1. The Agreement and the HEDA PAYG Note have not been assigned, modified or amended in any way, except as set forth in the caption above, and the Agreement and the HEDA PAYG Note are in full force and effect.
2. The Property is in compliance with all of the terms, covenants and conditions of the Agreement and the HEDA PAYG Note.
3. There are no sums due and owing to Grantor under the Agreement, including, without limitation, any type of assessment, special or otherwise.
4. Neither the Property nor Developer are in default with respect to (or have otherwise failed in any respect to comply with) any obligations under the Agreement, and no condition or event exists that, with the giving of notice or the passage of time (or both) would give rise to any such default.
5. Grantor has no outstanding claims, demands, causes of action or offsets against Developer arising out of or in connection with the Agreement, and no condition or event exists that, with the giving of notice or the passage of time (or both) would give rise to any such claim.

6. No event has occurred, and no conditions exist, that would terminate the HEDA PAYG Note or cause any remaining payments thereunder to be forgiven, waived, reduced or otherwise not paid when due in accordance with the terms and conditions of the Agreement.

7. All conditions to Grantor's obligation to make payments under the HEDA PAYG Note have been fully satisfied.

8. The Benefit Date is: August 2025.

9. The outstanding principal balance of the HEDA PAYG Note is \$454,596.89.

10. The next payment date under the HEDA PAYG Note is December 2026, and the estimated amount of such next payment is \$49,909.79.

11. All annual reports and other reporting required under the Agreement have been timely submitted by Developer and accepted by Grantor, and no penalty, warning or notice of delinquency has been issued or is outstanding with respect thereto.

12. There are no current, pending or contemplated annual or special assessments applicable to the Property.

13. Grantor has no claim of lien against the Property or Developer under the Agreement.

14. The individual or individuals executing this Certificate have the full power and authority to execute this Certificate on behalf of Grantor.

15. Grantor acknowledge that Purchaser and Purchaser's lender(s) are relying upon the accuracy of the statements in this Certificate in acquiring the Property. This Certificate shall be binding upon Grantor and shall inure to the benefit of and be enforceable by Purchaser and Purchaser's lender(s) and each of their successors and/or assigns.

16. Electronic signatures to, and the electronic transmission of, this Certificate (including without limitation, transmission via electronic mail in scanned "PDF" format) shall be legally binding and shall have the same force and effect as an original ink-on-paper signature manually penned by such signatory.

[Signatures follow]

IN WITNESS WHEREOF, Grantor hereby executes this Certificate under seal intending reliance hereon by Purchaser. Purchaser shall have the right to rely on a copy or an electronically signed version of this Certificate and the same shall be deemed an original for all purposes.

CITY OF HERMANTOWN

By _____
Its _____

And by _____
Its _____

**HERMANTOWN ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
Its _____

And by _____
Its _____

EXHIBIT D

AFFIDAVIT OF LOST PAYG NOTE

[illegible]

PERSONALLY appeared before me the undersigned _____, ("Affiant") who, upon being duly sworn, states on his/her oath as follows:

1. That Affiant is the _____ of KTJ 360, LLC, a Minnesota limited liability company (“Holder”) and makes this Affidavit in such capacity.

2. That the original Tax Abatement Pay-As-You-Go Revenue Note, Series 2022 (the “Note”), dated _____ was issued by the Hermantown Economic Development Authority (“HEDA”) and registered in the name Holder on _____ pursuant to the terms of the Development Contract by and between Holder, HEDA and the City of Hermantown dated June 8, 2022 and recorded in the Office of the County Recorder of St. Louis County, Minnesota (the “Recorder’s Office”) on July 11, 2022, as Document No. 01447162, as assigned by Holder by that certain Assignment and Assumption of Development Contract, Business Subsidy Agreement, and Assessment Agreement dated August 17, 2022 and recorded in the Recorder’s Office on September 8, 2022, as Document No. 01451529.

3. That Holder is the current registered holder of the Note upon the books of HEDA kept for that purpose at the principal office of the City of Hermantown, and neither the Note, nor any part thereof, has been assigned to any other person or entity.

4. That said Note has been lost.

5. That Holder agrees to return to VLSHRE Pillars Hermantown, LLC, a Delaware limited liability company (“Transferee”) any payment received by Holder, on or after [_____], in respect of the Note and to pay any costs and attorney’s fees incurred by Transferee after the date hereof, arising as a result of the Note being lost; provided that, Transferee agrees to notify Holder prior to incurring any such costs or fees and allow a reasonable time period for Holder to resolve the matter for which such costs or fees are to be incurred, prior to such fees or costs being incurred.

6. That, in consideration of the foregoing, the Affiant, KTJ 360, LLC, and their heirs, legal representatives, successors, and assigns, agree to: (a) Release and forever discharge HEDA, its legal representatives, successors, and assigns from any and all claims, suits, and/or causes of action that the Holder may have against HEDA in any way relating to or arising out of the Note and/or HEDA's compliance with the request of the Holder in this Affidavit regarding this Note; and (b) Indemnify, defend, hold harmless, and protect HEDA, its legal representatives, successors, and assigns including, without limitation, its registrar and transfer agent, from any and all losses, damages, liabilities, costs, charges, counsel fees, and/or expenses incurred in connection with or in any way relating to or arising out of: (i) The issuance and delivery of a replacement note; (ii) Any payment, transfer, delivery, exchange, or other act made or done with

respect to the Note, whether made or done through accident, oversight, or neglect, or whether made or done on presentation of the Note, without contesting the propriety of such transfer, payment, delivery, exchange, or other act; (iii) any claims resulting from a failure to make payment, transfer, delivery, exchange or other act upon presentation of the Note; and/or (iv) Any breach or violation of any attestation, agreement, representation, or covenant contained in this Affidavit.

WITNESS my signature on October __, 2026.

Holder: KTJ 360, LLC

By:_____

Its:_____

SWORN TO AND SUBSCRIBED BEFORE ME, on October __, 2026.

(Notary Public)

Seal

HEDA MEETING DATE:		October 15, 2026	
TO:	HEDA Commissioners		
FROM:	Chad Ronchetti, Economic Development Director		
SUBJECT:	Joint Resolution of Support for F-35 Basing at the 148th Fighter Wing		

☒ **RESOLUTION:** 2026-03H

☐ **WORK
SESSION**

☐ **OTHER:** Motion

REQUESTED ACTION

Approve a joint resolution of the City Council and the Hermantown Economic Development Authority urging the Secretary of the Air Force to select the 148th Fighter Wing as the home of the next Air National Guard F-35 Lightning II squadron.

BACKGROUND

The Minnesota National Guard is in need of local community leaders to formally voice their support for the 148th Fighter Wing (148th FW) as the U.S. Air Force selects the next two Air National Guard fighter wings to receive the F-35 Lightning II. Nine wings are under consideration. While the 148th FW is competitive on its own merits, vocal and demonstrated community support is a critical factor in the basing decision, and letters and resolutions of support are needed now to help the Wing advance through the first round of selection this fall.

The selection process is expected to proceed as follows:

- July 2026 – Data Collection: The Air National Guard collected data from nine fighter wings on personnel strength, readiness, flying hours, infrastructure, and maintenance metrics.
- December 2026 – Reduce the Field: The Secretary of the Air Force announces select candidate locations for site surveys.
- March 2027 – Site Surveys: Surveys evaluate existing base infrastructure and conversion costs, in addition to community support and resources.
- June 2027 – Wing Selection: Two wings are identified to receive the F-35, with one to two alternates, contingent upon an environmental impact analysis.
- December 2029 – Environmental Study: Final record of decision by the Secretary of the Air Force.
- 2033/2034 – Projected Arrival: First F-35 aircraft arrive at the selected wings.

The 148th FW is based at the Duluth Air National Guard Base, adjacent to Duluth International Airport and the City. The Wing has more than 1,000 Airmen, including 414 full-time personnel,

Hermantown Economic Development Authority

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

and currently flies 22 F-16CM Block 50 aircraft. The F-35 would replace these aircraft and secure a flying mission in northeastern Minnesota for decades.

The Wing is among the largest employers in the region, generating an economic impact of \$107.5 million in fiscal year 2025, and many of its members and their families live, work, shop, and attend school in Hermantown. The attached handouts provided by the Minnesota National Guard summarize the Wing's mission, readiness, and economic impact.

Because the long-term retention of the 148th FW flying mission directly advances HEDA's charge to promote job creation and retain major employers, the resolution is structured as a joint action of the City Council and the HEDA Board of Commissioners.

If adopted, the City Clerk will forward certified copies to the federal, state, military, and regional officials listed in the resolution.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Joint Resolution

148th Fighter Wing Information Handouts

City Council Resolution No. 2026-126

HEDA Resolution No. 2026-03H

**A Joint Resolution Of The City Council Of The City Of Hermantown And The
Hermantown Economic Development Authority Urging The Secretary Of The Air Force
To Select The 148th Fighter Wing, Minnesota Air National Guard, As The Home Of The
Next Air National Guard F-35 Lightning II Squadron**

WHEREAS, the F-35 Lightning II is the United States Air Force's fifth-generation multi-role fighter, designed to provide stealth, advanced sensor fusion, enhanced situational awareness, and reduced vulnerability for the United States and its allies; and

WHEREAS, the United States Air Force will select two Air National Guard fighter wings to receive the F-35, with the Secretary of the Air Force, in consultation with the Director of the Air National Guard, narrowing a field of nine candidate wings between October and December 2026, conducting site surveys in 2027 that weigh community support, and projecting first aircraft arrivals in 2033–2034; and

WHEREAS, the 148th Fighter Wing (148th FW), home of the Bulldogs, is a Minnesota Air National Guard unit based at the Duluth Air National Guard Base, adjacent to Duluth International Airport and the City of Hermantown (the City), where 1,067 Airmen, including 414 full-time personnel, operate and maintain 22 F-16CM Block 50 Fighting Falcons, the most capable F-16 in the Air Force fleet; and

WHEREAS, the 148th FW is one of only two Air National Guard wings trained to provide Suppression and Destruction of Enemy Air Defenses (SEAD/DEAD), a mission that translates directly to the F-35's advanced electronic warfare capabilities, and also flies Defensive and Offensive Counter Air missions and is NORAD Aerospace Control Alert-trained to defend the air sovereignty of North America; and

WHEREAS, the 148th FW traces its lineage to the 179th Fighter Squadron, activated in Duluth on September 17, 1948, and has served the State of Minnesota and the Nation with distinction for more than 75 years, including deployments in support of Operations Noble Eagle and Iraqi Freedom; and

WHEREAS, the 148th FW ranks among the Air National Guard's top-performing F-16 units, with 86.1 percent of its aircraft mission-ready and a 71.1 percent aircraft availability rate in fiscal year 2026, and among its top recruiting units, operating at 105.64 percent of authorized end strength with a 93 percent retention rate; and

WHEREAS, the 148th FW operates the largest, most accessible, and most diverse training airspace in the continental United States, saving significant transit time and fuel, and is strategically located for Homeland Defense and Arctic readiness, with a climate ideal for cold-weather operations and training; and

WHEREAS, through the Minnesota National Guard's State Partnership Program with Norway, a NATO ally that flies the F-35, the 148th FW is positioned for multinational F-35 training in the High North; and

WHEREAS, the 148th FW, with more than 1,000 members, is the seventh-largest employer in its region and generated an economic impact of \$107.5 million in fiscal year 2025; and

WHEREAS, many members of the 148th FW and their families live, work, shop, and attend school in Hermantown, and the City and its businesses benefit directly from the Wing's continued presence; and

WHEREAS, the 148th FW Fire Department is the sole fire and rescue service for Duluth International Airport and provides mutual aid to the City of Hermantown; and

WHEREAS, the Airmen of the 148th FW contributed more than 5,000 hours of community service in 2025; and

WHEREAS, the Duluth Air National Guard Base has a runway capable of handling any United States military aircraft, and the State of Minnesota has proactively initiated funding for a new hangar design to accommodate next-generation aircraft, building on regional investment in Duluth International Airport; and

WHEREAS, the Hermantown Economic Development Authority (HEDA) is charged with promoting economic development, job creation, and the retention of major employers in the City of Hermantown, and the long-term retention of the 148th FW flying mission directly advances that purpose; and

WHEREAS, basing the F-35 at the 148th FW would secure a flying mission in northeastern Minnesota for decades, retain high-skill jobs, support regional aerospace and defense-related businesses, and attract new investment to the Hermantown area; and

WHEREAS, the economic impact of the 148th FW extends well beyond the installation itself, benefiting local businesses, contractors, employees, and families throughout Hermantown, Duluth, St. Louis County, and the Arrowhead region, and the F-35 mission would strengthen that relationship for decades to come; and

WHEREAS, as a direct beneficiary of the Duluth Air National Guard Base and Duluth International Airport, the City of Hermantown has a unique interest in ensuring that this installation remains strong, modern, and mission-ready for generations to come; and

WHEREAS, the City Council and HEDA firmly believe there is no better location for the next Air National Guard F-35 mission than the 148th FW, where generations of Airmen have served our State and Nation with distinction; and

WHEREAS, vocal and demonstrated support from federal, state, and community leaders is a critical factor in the Air Force's basing decision; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hermantown, Minnesota and the Board of Commissioners of the Hermantown Economic Development Authority, as follows:

1. The City and HEDA are exceedingly proud to be neighbors and partners of the 148th Fighter Wing and the Airmen and families who serve with it.
2. The City and HEDA remain strongly committed to supporting the Airmen of the 148th Fighter Wing, who work tirelessly to protect our safety and freedom, and will continue to work with regional, state, and federal partners on infrastructure, land use, workforce, and economic development efforts that enhance the Wing's operational readiness and long-term mission capability.
3. The City and HEDA strongly urge the Secretary of the Air Force and the Director of the Air National Guard to advance the 148th Fighter Wing as a candidate location in the December 2026 selection, and ultimately to select the 148th Fighter Wing in Duluth, Minnesota, as the home of the next Air National Guard F-35 Lightning II squadron, replacing its F-16CM Block 50 aircraft.
4. The City and HEDA urge federal and State officials to continue supporting the investments and actions necessary to bring the F-35 mission to the 148th Fighter Wing and to ensure the Wing's continued strength, readiness, and presence in northeastern Minnesota.
5. The City Clerk is directed to forward certified copies of this Joint Resolution to President Donald J. Trump; Secretary of the Air Force Dr. Troy E. Meink; the Director of the Air National Guard; Governor Tim Walz; the Adjutant General of the Minnesota National Guard; United States Senator Amy Klobuchar; United States Senator Tina Smith; Congressman Pete Stauber; State Senator Grant Hauschild; State Representative Natalie Zeleznikar; Colonel Curt Grayson, Commander of the 148th Fighter Wing; Lieutenant Colonel Mindy Davis, Government Relations Officer, Minnesota National Guard; the Mayor and City Council of the City of Duluth; the St. Louis County Board; the Hermantown Area Chamber of Commerce; and the Duluth Area Chamber of Commerce Military Affairs Committee.
6. This Joint Resolution shall take effect upon adoption by both the City Council and the HEDA Board of Commissioners.

HEDA ADOPTION AND CERTIFICATION

Commissioner _____ introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolution was seconded by Commissioner _____ and, upon a vote being taken thereon, the following voted in favor thereof:

Commissioners _____

And the following voted in opposition thereto:

Commissioners _____

WHEREUPON, such resolution was declared duly passed and adopted by the Board of Commissioners of the Hermantown Economic Development Authority on October 15, 2026.

STATE OF MINNESOTA)
COUNTY OF ST. LOUIS) SS.
CITY OF HERMANTOWN)

I, the undersigned, being the duly qualified and acting Executive Director of the Hermantown Economic Development Authority, St. Louis County, Minnesota, hereby certify that the above and foregoing Joint Resolution 2026-02H is a true and correct copy of the Joint Resolution as adopted by the Board of Commissioners of the Hermantown Economic Development Authority on the 15th day of October, 2026.

In Witness Whereof, I have hereunto set my hand this 16th day of October, 2026.

Chad Ronchetti, Executive Director

CITY COUNCIL ADOPTION AND CERTIFICATION

Councilor _____ introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolution was seconded by Councilor _____ and, upon a vote being taken thereon, the following voted in favor thereof:

Councilors _____

And the following voted in opposition thereto:

Councilors _____

WHEREUPON, such resolution was declared duly passed and adopted on October 19, 2026.

STATE OF MINNESOTA)
COUNTY OF ST. LOUIS) SS.
CITY OF HERMANTOWN)

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Joint Resolution 2026-126 is a true and correct copy of the Joint Resolution as adopted by the City Council on the 19th day of October, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 20th day of October, 2026.

Alissa McClure, City Clerk

**148TH FIGHTER WING
MINNESOTA NATIONAL GUARD**



F-35 FIGHTER JET: NEXT GEN FIGHTER



SITUATION

The U.S. Air Force will select two National Guard Wings to receive the newest fleet of fighter jets, the F-35

Lightning II, to be delivered in 2033/2034. While the Minnesota National Guard's 148th Fighter Wing is highly competitive on its own merits, vocal and demonstrated support from federal, state and community leaders is a critical factor in the basing decision. Advocacy is needed **now** to ensure the 148th Fighter Wing progresses through the first round of selections this fall and is ultimately chosen for an F-35 mission, strengthening our ability to support our state and national defense into the future.

WHY THE 148TH?



Unmatched Airspace & Location:

The 148 FW operates the largest, most accessible, and diverse training airspace in the continental U.S. This local airspace saves significant transit time and fuel, making it an exceptionally cost-effective training and activation site.

It is strategically located for both Homeland Defense and Arctic readiness, with a climate ideal for vital cold-weather operations and training.

A State Partnership Program relationship with Norway, who flies the F-35, enables vital multinational training in the High North.



Stellar Infrastructure & Community:

The Duluth-based Fighter Wing boasts a runway capable of handling any U.S. military aircraft, and proactive state-level funding initiated for a new hangar design.

The 148 FW is the 7th largest employer in its region, contributing \$107 million to the local economy annually. The Wing has strong support from local businesses and government leaders for its Airmen, their families, and the mission.

Availability of affordable housing and high-quality healthcare supports both mission capabilities and family readiness.



Elite Personnel & Unique Expertise:

The 148 FW is consistently among the top recruiting fighter states in the Air National Guard, operating at over 103% authorized strength with superior medical readiness.

The Wing has decades of specialized experience, specifically the suppression of enemy air defenses (SEAD), a complex mission that translates perfectly to the F-35's advanced electronic warfare skills.

The 148 FW demonstrated exceptional aircraft readiness in fiscal year 2026, with 86.1% of its aircraft mission-ready and an aircraft availability rate of 71.1%, placing it among the Air National Guard's top-performing F-16 fleet units.



SUPPORT THIS INITIATIVE

Minnesota's 148th Fighter Wing is the best-suited fighter wing in the Air National Guard and ready to receive F-35s based on our current expertise, premier location, infrastructure, dedicated NATO partnerships, and strong ties to our local community.

We need your active support now to make it through the selection process. The Secretary of the Air Force, in consultation with the Director of the Air National Guard, will narrow the field of fighter wings considered from October to December 2026. Letters of support or engagements from federal, state, and community are needed to ensure the 148th Fighter Wing advances and stays an elite fighter wing of the next generation.

FOR MORE INFORMATION



Lt. Col. Mindy Davis
Government Relations Officer



612-886-2257



mindy.m.davis.mil@army.mil



<https://mn.gov/mnng/>
<https://www.f35.com/>



Our Timeline

July 2026 - Data Collection

The Air National Guard collects data from nine fighter wings across the nation, focused on personnel strength, Airmen and operational readiness, flying hours performance, infrastructure, and maintenance metrics.

December 2026 - Reduce the Field

The Secretary of the Air Force approves and announces select candidate locations for site surveys.

March 2027 - Site Surveys

Surveys will focus on existing base infrastructure and potential cost to convert spaces for F-35's, in addition to community support and resources.

June 2027 - Wing Selection

Two wings are identified to receive F-35's, with 1-2 alternate sites. Decisions are contingent upon an environmental impact analysis.

December 2029 - Environmental Study

The environmental impact analysis concludes with a final record of decision by the Secretary of the Air Force.

2033/2034 - Projected Arrival

The first F-35 aircraft are projected to arrive at the selected wings.

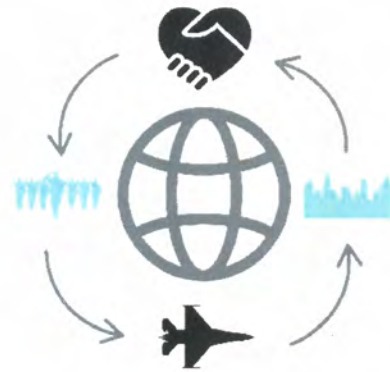


ECONOMIC IMPACT

The 148th Fighter Wing is one of the largest employers in Duluth with over 1,000 members.

In fiscal year 2025, the 148th Fighter Wing had an economic impact of:

\$107.5 MILLION



PERSONNEL

People continue to be the 148th Fighter Wing's greatest resource. They are highly talented, disciplined and committed.

The 148th Fighter Wing's Airmen care for and interact with the community they live and serve in, as evident by over 5,000 community service hours in 2025.

105.64% END STRENGTH

93% RETENTION RATE

OTHER MISSIONS

The **148TH FIGHTER WING FIRE DEPARTMENT** provides 24-hour emergency support as the sole fire and rescue service for the 148th Fighter Wing and Duluth International Airport, while also providing mutual aid to the City of Duluth and surrounding townships.

148TH FIGHTER WING EXPLOSIVE ORDNANCE DISPOSAL identifies and renders safe explosive hazards found within the local area, providing this capability in the region when called upon to respond to Defense Support to Civil Authority calls.

148TH FIGHTER WING COMMUNICATIONS SQUADRON
148th Communications Squadron conducts domestic operations in support of State Active Duty by providing specialized emergency communications equipment which provides and extends radio, cellular and internet communications capabilities.

CONNECT
WITH
US

Colonel Curt Grayson

Wing Commander
218.788.7200
curtis.grayson@us.af.mil

Master Sgt. Megan Shaner

Public Affairs Superintendent
218.788.7274
megan.shaner@us.af.mil



@148thFighterWing



@148_fw



148fw.ang.af.mil





Minnesota National Guard

148th FIGHTER WING

Legacy of Excellence

Our VISION

Build a capable Bulldog team, trained and equipped with modernized aircraft and infrastructure, ready to succeed against current and future threats.

Our MISSION

Provide mission-ready Airmen and equipment to meet state and federal taskings while promoting critical partnerships.

Our VALUES

Positive attitude, customer focused, transparency, and loyalty

STATE MISSION

When Minnesota National Guard units are not mobilized or under federal control, they report to the governor of Minnesota, supervised by the Adjutant General. Under state law, the Minnesota National Guard provides protection of life and property and preserves peace, order and public safety.

FEDERAL MISSION

Maintain well-trained, well-equipped units available for prompt mobilization during war and provide assistance during national emergencies (such as natural disasters or civil disturbances).



FLYING MISSION

The 148th Fighter Wing flies the Block 50 F-16CM, the most capable F-16 in the U.S. Air Force fleet.

The 148th Fighter Wing is one of two Air National Guard wings trained to provide Suppression and Destruction of Enemy Air Defense (SEAD/DEAD) support for our nation.

COMMANDER

Colonel Curt Grayson

AIRCRAFT

22 F-16, Block 50, Fighting Falcon

MISSION DESIGNATION

Suppression of Enemy Air Defense (SEAD)
Defensive Counter Air (DCA)
Offensive Counter Air (OCA)

PERSONNEL

1067 Airmen Assigned
414 Full-time

The 148th Fighter Wing is a NORAD Aerospace Control Alert-trained flying wing capable of defending the air sovereignty of North America when tasked.

When called upon, the 148th Fighter Wing provides Airmen with diverse skills, capabilities and experience with specialized equipment to support Minnesota's domestic operations response efforts.

HISTORY

Today's 148th Fighter Wing can trace its roots to the 393rd Fighter Squadron, initially flying P-38J's during World War II. The 393rd flew its last mission of the war in 1945 and was deactivated.

The unit was reactivated **SEPTEMBER 17, 1948** as the 179th Fighter Squadron in the Minnesota Air National Guard at Duluth, Minnesota, and has grown from the original 50 members into the 148th Fighter Wing we know today. The unit has changed aircraft several times over the years from the F-51D Mustang (flown until 1954) to the current Block 50 F-16CM Fighting Falcon.