

CITY OF HERMANTOWN AGENDA

**Pre-Agenda Meeting Monday, November 17, 2025 at 4:30 p.m.
Council Chambers, City Hall - Hermantown Governmental Services Building**

**City Council Meeting Monday, November 17, 2025 at 6:30 pm
Council Chambers, City Hall - Hermantown Governmental Services Building**

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. ANNOUNCEMENTS

Council Members may make announcements as needed.

5. PUBLIC HEARING

Only when necessary. The rule adopted three minutes per person if necessary. Any action required after the public hearing will be taken immediately following the closing of the public hearing.

6. COMMUNICATIONS

A. Correspondence 25-684 through 25-699 placed on file

A. 25-694

From: Dan Lessor, Mortenson Development, Inc.

To: Mayor, City Council, and Planning & Zoning Commission

Re: Application Removal

B. 25-699

From: DSGW Architects & Kraus-Anderson Construction Co.

To: City of Hermantown

Re: Certificate of Substantial Completion — Arena

7. PRESENTATIONS

A. 2026 Budget

Kevin Orme, Director of Finance & Administration

(Pre-Agenda Only)

B. Hawkline Business Park Update

John Mulder, City Administrator

(Pre-Agenda Only)

8. PUBLIC DISCUSSION

This is the time for individuals to address the Council about any item not on the agenda. The time limit is three minutes per person.

9. MOTIONS

10. CONSENT AGENDA

All items on the Consent Agenda are items which are considered routine by the City Council and will be approved by one motion via voice vote. There will be no discussion of these items unless a Council Member or citizen requests, in which event the item will be removed from the Consent Agenda and considered at the end of the Consent Agenda.

- A. **Minutes** - Approval or correction of November 3, 2025 City Council Continuation Minutes
- B. **Accounts Payable** - Approve general city warrants from November 1, 2025 through November 15, 2025 in the amount of \$844,293.00

11. ORDINANCES

- A. **2025-19 An Ordinance Amending Hermantown Code Of Ordinances By Amending Section 350, Accepted And Opened Streets And Roads**

(second reading)
(motion, roll call)

- B. **2025-20 An Ordinance Renewing A Franchise Granted To Mediacom Minnesota, LLC To Construct, Operate And Maintain A Cable Television System In The City Of Hermantown; Setting Forth Conditions Relating To The Continuation Of The Franchise; Providing For The Regulation And Use Of The Cable Television System; And Prescribing Penalties For The Violation Of Its Provisions**

(first reading)

- C. **2025-21 An Ordinance Granting To Minnesota Power A Nonexclusive Franchise To Construct, Operate, Repair And Maintain In The City Of Hermantown, Minnesota, An Electric Distribution System And Transmission Lines, Including Necessary Poles, Lines, Fixtures And Appurtenances, For The Furnishing Of Electric Energy To The City, Its Inhabitants, And Others, And To Use The Public Ways And Public Grounds Of The City For Such Purposes; And Prescribing Certain Terms And Conditions Thereof**

(first reading)

- D. **2025-22 An Ordinance Imposing A Franchise Fee On Minnesota Power**

(first reading)

12. RESOLUTIONS

Roll call will be taken only on items required by law and items requiring 4/5's votes, all others can be done by voice vote.

- A. **2025-171 Resolution Approving Pay Request Number 17 For The NorthStar Ford Arena To Kraus-Anderson Construction Company In The Amount Of \$727,401.87**

(motion, roll call)

- B. **2025-172 Resolution Repealing An Assessment From Parcel No. 395-0010-05738 Related To Road Improvement District No. 541 & 542 (Hermantown Road & Bridge, And Old Midway Road)**

(motion, roll call)

- C. **2025-173 Resolution Approving The Removal Of Restrictive Covenants On City Of Duluth Owned Property And Placing Them On City Of Hermantown Owned Property**

(motion, roll call)

- D. **2025-174 Resolution Approving The Release Of Memorial Associated With Parcel 395-0160-00030**

(motion, roll call)

- E. **2025-175 Resolution Authorizing The City Of Hermantown To Provide Municipal Support Of A St. Louis County Grant Funding Request Via The Minnesota Department Of Transportation Local Road Improvement Program Associated With The Reconstruction Of Ugstad Road CR 284 And Lavaque Bypass CSAH 48 As Part Of The Hawkline Business Park**

(motion, roll call)

13. **CLOSED SESSION**

14. **RECESS**

2025 CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
10/30/2025	25-684	Bailey Leslie, jmleslie56@gmail.com	Eric Johnson, Comm. Dev. Dir.	Hermantown Concerns	10/28/2025
10/30/2025	25-685	Lisa Marlow, lisamarlow@yahoo.com	John Mulder, City Administrator	EQB Request Solution	10/29/2025
10/30/2025	25-686	Eric Johnson, Comm. Dev. Dir.	Kelsey Mack, 3608 Midway Rd.	Appeal Form	10/29/2025
10/30/2025	25-687	Eric Johnson, Comm. Dev. Dir.	Sarah Lerohl, MN Enviornmental Quality Board	Petition for an Environmental Assessment Worksheet for the Hermantown Data Center Project	10/29/2025
11/4/2025	25-688	Bernadine Joselynn	City Council	Data Center	10/26/2025
11/4/2025	25-689	Chad Ronchetti, Econ. Dev. Dir.	Benjamin Hooghkirk	Small Man/Big Ego	11/2/2025
11/4/2025	25-690	JT Haines, jhaines@mncenter.org	John Mulder, City Administrator	November 3, 2025 Letter to Hermantown Re: Environmental Review for Proposed Large Data Center	11/3/2025
11/5/2025	25-691	Peter Taylor, prtaylor2@gmail.com	Wayne Boucher, Mayor, City Council, Eric Johnson, Comm. Dev. Dir., Chad Ronchetti, Econ. Dev. Dir. & John Mulder, City Administrator	Recommendations on Stipulations for Data Center SUP/2025-56- CIDP	11/4/2025
11/5/2025	25-692	Abigail Hencheck, Minnesota Center for Environmental Advocacy	John Mulder, City Administrator, City Council & Planning & Zoning Commission	Environmental Review for Proposed Large Data Center	11/3/2025
11/6/2025	25-693	Joe Wicklund, Asst. City Admin.	Lisa Marlow, lisamarlow@yahoo.com	EQB Request Solution	10/30/2025
11/12/2025	25-694	Dan Lessor, Mortenson Development, Inc.	Wayne Boucher, Mayor, City Council and Planning & Zoning Commission	Data Center	11/10/2025
11/13/2025	25-695	Bernadine Joselynn	Eric Johnson, Comm. Dev. Dir.	Data Center	10/20/2025
11/3/2025	25-696	Don Romano, duluth700@gmail.com	Wayne Boucher, Mayor, City Council, John Mulder, City Administrator, Joe Wicklund Asst.City. Admin, Chad Ronchetti, Econ. Dev. Dir. & Eric Johnson, Comm. Dev. Dir.	Data Center	11/3/2025
11/3/2025	25-697	Gail Garrick	John Mulder, City Administrator & Chad Ronchetti, Econ. Dev. Dir.	Data Center	11/10/2025
11/13/2025	25-698	Theresa Sunde, tsunde@mediacomcc.com	John Mulder, City Administrator	Hermantown, Minnesota Map: Extended Borders	11/11/2025

2025 CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
11/13/2025	25-699	DSGW Architechts & Kraus- Anderson Constrution Company	City of Hermantown	Certificate of Substatial Completion - Arena	11/11/2025



M. A. Mortenson Company
700 Meadow Lane North
Minneapolis, MN 55422

main 763.522.2100
fax 763.287.5430
www.mortenson.com

November 10, 2025

Wayne Boucher
Mayor

Joe Peterson
City Councilor

John Geissler
City Councilor

Brian LeBlanc
City Councilor

Andy Hjele
City Councilor

Matt Fournier
Planning & Zoning Commissioner

Corey Kloquist
Planning & Zoning Commissioner

Amanda Radzak
Planning & Zoning Commissioner

Beth Wentzlaff
Planning & Zoning Commissioner

Ryan Johnson
Planning & Zoning Commissioner

Kevin Hagen
Planning & Zoning Commissioner

Joe Peterson
Planning & Zoning Commissioner

John Stauber
Planning & Zoning Commissioner

Dear Mr. Mayor, City Councilors and Planning Commissioners,

We are writing to inform you that the project team will be respectfully removing its request of review and approval from the Planning and Zoning meeting agenda on November 18, 2025 and the City Council agenda on December 1, 2025.

We take the public's requests for more information seriously, and for this reason, our team is committed to hosting an open house to answer questions and provide further facts about the project. We are working on securing a date and venue that is adequately sized and appropriate to foster meaningful dialogue.

The project team understands the significance of the proposed project, not just as an infrastructure investment, but as a long-term relationship with residents, business owners, the City of Hermantown, St. Louis County, and the greater Northland region.

We look forward to continuing our partnership with the City of Hermantown to ensure this project reflects the values and priorities of the community while meaningfully participating in the public process.

Sincerely,

A handwritten signature in blue ink that reads "Dan Lessor".

Dan Lessor
Mortenson Development, Inc.

AIA® Document G704® – 2017
Certificate of Substantial Completion

PROJECT: (name and address) Hermantown Hockey Arena Addition 4309 Ugstad Road Hermantown, MN 55811	CONTRACT INFORMATION: Contract For: General Construction - Labor & Taxable Materials Date: September 3, 2024	CERTIFICATE INFORMATION: Certificate Number: ONE Date: November 7, 2025
OWNER: (name and address) City of Hermantown 5105 Maple Grove Road Hermantown, MN 55811	ARCHITECT: (name and address) DSGW Architects 2 West 1 st Street, Suite 201 Duluth, MN 55802	CONTRACTOR: (name and address) Kraus-Anderson Construction Company 2000 W. Superior Street, Suite 101 Duluth, MN 55806

The Work identified below has been reviewed and found, to the Architect's best knowledge, information, and belief, to be substantially complete. Substantial Completion is the stage in the progress of the Work when the Work or designated portion is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use. The date of Substantial Completion of the Project or portion designated below is the date established by this Certificate.
(Identify the Work, or portion thereof, that is substantially complete.)

Entire Project

DSGW Architects
ARCHITECT (Firm Name)


SIGNATURE

Eric Lagergren, AIA, CSI,
CDT, NCARB, Architect
PRINTED NAME AND TITLE

November 7, 2025
DATE OF SUBSTANTIAL COMPLETION

WARRANTIES

The date of Substantial Completion of the Project or portion designated above is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below:

(Identify warranties that do not commence on the date of Substantial Completion, if any, and indicate their date of commencement.)
N/A

WORK TO BE COMPLETED OR CORRECTED

A list of items to be completed or corrected is attached hereto, or transmitted as agreed upon by the parties, and identified as follows:
(Identify the list of Work to be completed or corrected.)

To be determined

The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Unless otherwise agreed to in writing, the date of commencement of warranties for items on the attached list will be the date of issuance of the final Certificate of Payment or the date of final payment, whichever occurs first. The Contractor will complete or correct the Work on the list of items attached hereto within THIRTY (30) days from the above date of Substantial Completion.

Cost estimate of Work to be completed or corrected: \$1,983,747.58

The responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work, insurance, and other items identified below shall be as follows:

(Note: Owner's and Contractor's legal and insurance counsel should review insurance requirements and coverage.)

1. All of the listed items will be the responsibility of the Owner beginning on the above date of acceptance, except the Contractor shall be responsible for correction of damage & clean-up as a result of their completion of punch list and warranty work

The Owner and Contractor hereby accept the responsibilities assigned to them in this Certificate of Substantial Completion:

Kraus-Anderson Construction Company CONTRACTOR (Firm Name) City of Hermantown OWNER (Firm Name)	DocuSigned by:  Signed by:  Signed by:	Max Vergeldt Project Manager 11/11/2025 7:14 AM CST PRINTED NAME AND TITLE DATE John Mulder City Administrator 11/11/2025 8:31 AM PST PRINTED NAME AND TITLE DATE
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AIA® Document G704® – 2017

Certificate of Substantial Completion

PROJECT: (name and address) Hermantown Hockey Arena Addition 4309 Ugstad Road Hermantown, MN 55811	CONTRACT INFORMATION: Contract For: General Construction - Tax Exempt Materials Date: September 3, 2024	CERTIFICATE INFORMATION: Certificate Number: ONE Date: November 7, 2025
OWNER: (name and address) City of Hermantown 5105 Maple Grove Road Hermantown, MN 55811	ARCHITECT: (name and address) DSGW Architects 2 West 1 st Street, Suite 201 Duluth, MN 55802	CONTRACTOR: (name and address) Kraus-Anderson Construction Company 2000 W. Superior Street, Suite 101 Duluth, MN 55806

The Work identified below has been reviewed and found, to the Architect's best knowledge, information, and belief, to be substantially complete. Substantial Completion is the stage in the progress of the Work when the Work or designated portion is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use. The date of Substantial Completion of the Project or portion designated below is the date established by this Certificate.
(Identify the Work, or portion thereof, that is substantially complete.)

Entire Project

DSGW Architects ARCHITECT (Firm Name)	 SIGNATURE	Eric Lagergren, AIA, CSI, CDT, NCARB, Architect PRINTED NAME AND TITLE	November 7, 2025 DATE OF SUBSTANTIAL COMPLETION
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WARRANTIES

The date of Substantial Completion of the Project or portion designated above is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below:
(Identify warranties that do not commence on the date of Substantial Completion, if any, and indicate their date of commencement.)
 N/A

WORK TO BE COMPLETED OR CORRECTED

A list of items to be completed or corrected is attached hereto, or transmitted as agreed upon by the parties, and identified as follows:
(Identify the list of Work to be completed or corrected.)
 To be determined

The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Unless otherwise agreed to in writing, the date of commencement of warranties for items on the attached list will be the date of issuance of the final Certificate of Payment or the date of final payment, whichever occurs first. The Contractor will complete or correct the Work on the list of items attached hereto within THIRTY (30) days from the above date of Substantial Completion.

Cost estimate of Work to be completed or corrected: \$305,754.23

The responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work, insurance, and other items identified below shall be as follows:
(Note: Owner's and Contractor's legal and insurance counsel should review insurance requirements and coverage.)

1. All of the listed items will be the responsibility of the Owner beginning on the above date of acceptance, except the Contractor shall be responsible for correction of damage & clean-up as a result of their completion of punch list and warranty work

The Owner and Contractor hereby accept the responsibilities assigned to them in this Certificate of Substantial Completion:

Kraus-Anderson
Construction Company
CONTRACTOR (Firm
Name)
City of Hermantown
OWNER (Firm Name)

DocuSigned by:

SIGNATURE
Signed by:

SIGNATURE

Max Vergeldt	Project Manager	11/11/2025 7:14 AM CST
PRINTED NAME AND TITLE		DATE
John Mulder	City Administrator	11/11/2025 8:31 AM PST
PRINTED NAME AND TITLE		DATE

CITY OF HERMANTOWN

City Council Meeting

Monday, November 3, 2025

6:30 PM Central

MEETING CONDUCTED IN PERSON & VIA ZOOM

Mayor Wayne Boucher: Present

Councilor John Geissler: Present

Councilor Andy Hjelle: Present

Councilor Brian LeBlanc: Present

Councilor Joseph Peterson: Present

CITY STAFF: John Mulder, City Administrator; Eric Johnson; Community Development Director; Joe Wicklund, Assistant City Administrator; Jim Crace, Director of Public Safety; David Bolf, City Engineer; Gunnar Johnson, City Attorney

VISITORS:

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ANNOUNCEMENTS**
5. **PUBLIC HEARING**

- A. Public Hearing on an Ordinance amending the Fee Schedule for Licenses, Permits, and Fees – Section 270 of the Hermantown Code of Ordinances

This public hearing opened at 6:32 p.m. and closed at 6:36 p.m. with the following public comment

Rebecca Gramdorf, 4198 Solway Road, Hermantown, MN - Ms. Gramdorf asked why sewer and water rates are increasing this year. Mr. Mulder explained that the city purchases water from Duluth, which raised its rates by 8 to 9%, and Hermantown is increasing its rates by 4.5%. Sewer rates from the Western Lake Superior Sanitary District also increased. Ms. Gramdorf asked if the rate hikes were related to the data center project, and Mr. Mulder clarified that they were not, stating the increases are strictly for operations.

- A. **2025-18 An Ordinance Amending Hermantown Code Of Ordinances**
Section 270 – Fee Schedule

(motion, roll call)

Motion to approve 2025-18 An Ordinance Amending Hermantown Code Of Ordinances Section 270 – Fee Schedule. This motion, made by Councilor Hjelle and seconded by Councilor Peterson, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

6. **COMMUNICATIONS**

A. Correspondence 25-538 through 25-683 placed on file

7. **PRESENTATIONS**

A. **3rd Quarter Financials**

Kevin Orme, Director of Finance & Administration
(Pre-Agenda Only)

B. **Special Revenue & Enterprise Fund Budgets**

Kevin Orme, Director of Finance & Administration
(Pre-Agenda Only)

C. **Mediacom Presentation**

(Pre-Agenda Only)

8. **PUBLIC DISCUSSION**

Jonathan Thornton, 5869 Hermantown Road, Hermantown, MN - Mr. Thornton expressed frustration over the lack of council dialogue following extensive public comment at the October 20 meeting. He criticized the process surrounding the data center project, stating that the steering committee for the 2045 Comprehensive Plan was not given the opportunity to review the final plan before it was presented. He emphasized that the process lacked transparency and that trust in the council has been eroded.

Kim Parmeter, 5590 Stark Road, Midway Township, MN - Ms. Parmeter, president and CEO of the Hermantown Area Chamber of Commerce, spoke in support of the data center project. She described how data centers support everyday digital life and argued that Minnesota's strict environmental regulations make it a responsible location for such development. She emphasized the potential benefits, including infrastructure

improvements and job opportunities, and urged the council to consider the long-term advantages for the community.

Paul Fish, 3935 Solway Road, Solway Township, MN - Mr. Fish, a longtime resident, criticized the council for what he described as disrespectful treatment of citizens during previous meetings. He expressed disappointment in how passionate testimony from residents was received.

Jim Klukkert, 206 North 11th Avenue West, Duluth, MN - Mr. Klukkert thanked first responders for maintaining order at meetings and emphasized the importance of civility. He criticized city staff for escalating tensions and warned that when elected officials ignore the will of the people, civil disobedience becomes a justified response.

Derek Strom, 5853 Highway 194, Hermantown, MN - Mr. Strom accused the council of being disrespectful and unresponsive. He challenged the stated water usage figures for the data center, claiming they were misleading, and raised concerns about environmental impacts, noise, and rising utility costs. He criticized the speed of the rezoning decision and warned council members of political consequences.

Jeffrey Donahue, 5540 Pine Hill Road, Midway Township, MN - Mr. Donahue argued that the city does not have the right to approve a data center that affects the broader Twin Ports region. He expressed concern about environmental damage, including to Lake Superior, and claimed that the project lacks public support. He warned that the community would resist the development.

Noel Donahue, 5540 Pine Hill Road, Midway Township, MN - Ms. Donahue expressed deep disappointment in the council, stating that she moved to the area for its rural character. She warned that allowing one data center would lead to more and compared the potential transformation of Hermantown to Phoenix, Arizona. She questioned the motives behind the project and expressed concern about water use and environmental degradation.

Dave Thornton, 5861 Hermantown Road, Hermantown, MN - Mr. Thornton, recounted past community efforts to stop unwanted developments and expressed his desire to stop the data center as well. He emphasized that Hermantown was founded to remain rural and criticized the comprehensive plan for shifting toward urban development.

Peter Taylor, 4198 Solway Road, Hermantown, MN - Mr. Taylor raised concerns about the possibility of additional data centers being planned. He cited an email obtained through a data request that suggested other similar projects were being discussed. He urged the council to be transparent and involve the public in decisions about the city's future.

Kirk Ilenda, 3913 North 21st Street, Superior, WI - Mr. Ilenda, representing Lakehead Constructors, spoke in support of the data center, highlighting the economic benefits and job opportunities it would bring. He emphasized the importance of data infrastructure and argued that the project would support both the local economy and technological growth.

Nick Rhinehart, 4976 West Arrowhead Road, Hermantown, MN - Mr. Rhinehart expressed concern that residents' emails and questions were being ignored. He acknowledged the volume of communication the council receives but urged them to find ways to engage with the public and rebuild trust.

Abhi Devireddy, 4958 Greystone Street, Hermantown, MN - Mr. Devireddy, an engineer with experience in data centers, acknowledged residents' concerns but defended the project. He explained that rising electricity rates are due to aging infrastructure and that Lake Superior's water supply is vast. He described data centers as quiet and efficient and offered to share more information with the community.

Tom Bates, 5369 Morris Thomas Road, Hermantown, MN - Mr. Bates offered support to the council, stating that if they ever chose to back out of the data center project, the community would stand behind them. He encouraged them to consider that option if necessary.

Bob Kohlmeier, 5757 St. Louis River Road, Hermantown, MN - Mr. Kohlmeier raised concerns about the zoning designation in his neighborhood. He questioned why the city designated the area as light manufacturing instead of heavy manufacturing, which would better reflect the scale of the proposed data center. He expressed concern that the zoning change allows industrial development in a residential area and asked whether a noise study had been conducted for the extended construction period.

Emma Richtman, 5215 Chris Drive, Hermantown, MN - Ms. Richtman shared her emotional distress over the proposed data center, stating that she has lost sleep and feels physically ill due to the project. She described the anxiety caused by nearby substation construction and expressed concern about the long-term impact of the data center on residents' mental and physical health. She criticized the lack of transparency and accused the city of prioritizing corporate interests over community well-being.

Sarah Winter, 3658 Birch Road, Hermantown, MN - Ms. Winter explained that her family chose to stay in Hermantown for its peaceful, rural character. She expressed concern that the data center would bring light pollution, noise, and long-term construction that would degrade the quality of life. She questioned the promised benefits

of the project, including jobs and tax revenue, and warned that large corporations often minimize their tax obligations.

Clarissa Ek, 3505 Solway Road, Solway Township, MN - Ms. Ek criticized the council's voting record, pointing out that nearly all resolutions and ordinances have been approved without opposition. She argued that this pattern suggests a lack of critical oversight. She accused the council of being unresponsive to residents and described the council as a "good old boys club" that fails to represent the community's diverse voices.

Kerry Herron, 37 4th Street, Proctor, MN - Ms. Herron stated that she should not have to be involved in Hermantown's local politics but felt compelled to speak out due to the seriousness of the issue. She emphasized that the process matters and criticized the secrecy and speed with which the data center project has advanced.

Tim Resberg, 3646 Midway Road, Hermantown, MN - Mr. Resberg raised concerns about the impact of the data center on local wells, property values, and the rural character of the Adolph area. He questioned why the project was not located in an already industrial area and criticized the council for ignoring residents' concerns. He also raised environmental concerns, including noise from generators, fuel leaks, and blasting near ledge rock.

Joanne Bates, 5369 Morris Thomas Road, Hermantown, MN - Ms. Bates stated that while she has not felt disrespected at meetings, she has felt frustrated by the lack of answers from the council. She emphasized that using technology does not make residents hypocrites for opposing the data center and urged the council to respond to community questions.

Kylie Rokus, 615 11th Avenue East, Superior, WI - Ms. Rokus thanked those who stayed late at the previous meeting and expressed support for those opposing the data center. She stated that while technology is useful, it should not come at the expense of the environment or community well-being. She emphasized the importance of making sacrifices for the greater good.

Annette Ralph, 5781 St. Louis River Road, Hermantown, MN - Ms. Ralph shared that she had read about data centers being built in remote areas using renewable energy sources and without harming nearby communities. She urged the council to do more research and consider alternatives that would not negatively impact residents.

Gail Johnejack, 5195 Lavaque Junction Road, Hermantown, MN - Ms. Johnejack stated that the council had broken the community's trust through secrecy and lack of transparency. She questioned how the cumulative impacts of multiple data centers would

be assessed and warned that large corporations often find loopholes to avoid fulfilling their promises.

Owen Lyons, 5143 West Arrowhead Road, Hermantown, MN - Mr. Lyons asked the council whether they had found an alternative site for the data center.

Josh Sandstrom, 3892 Munger Shaw Road, Solway Township, MN - Mr. Sandstrom, who lives about 2.5 miles from the proposed site, expressed concern about declining property values and the impact of nearby power lines. He urged the council to ensure that residents close to the site are compensated and that the project benefits the entire community, not just a corporation.

Kathy Peterson, 4601 Otsego Road, Duluth, MN - Ms. Peterson expressed sadness over the potential impact of the data center on property values and the environment. She urged the council to reconsider the project and not harm the community.

Sarah Lofald, 5502 Hermantown Road, Hermantown, MN - Ms. Lofald reiterated her opposition to the data center and criticized the lack of transparency and rushed approval process. She questioned the validity of the AUAR and expressed concern about the scale of the project and its environmental impact. She asked whether the council would stop the project if enough residents voiced opposition.

James Thorstensen, 5784 Hermantown Road, Hermantown, MN - Mr. Thorstensen stated that the city's comprehensive plan did not mention a data center and that public engagement was lacking. He expressed concern about who would bear the financial burden if the project failed and urged the council to have a contingency plan.

9. **MOTIONS**

10. **CONSENT AGENDA**

- A. **Minutes** - Approval or correction of October 20, 2025 City Council Continuation Minutes
- B. **Accounts Payable** - Approve general city warrants from October 16, 2025 through October 31, 2025 in the amount of \$834,889.29.

Motion to the approve the Consent Agenda. This motion, made by Councilor Geissler and seconded by Councilor LeBlanc, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

11. **ORDINANCES**

A. **2025-19 An Ordinance Amending Hermantown Code Of Ordinances By Amending Section 350, Accepted And Opened Streets And Roads**

(first reading)

12. **RESOLUTIONS**

A. **2025-161 Resolution Adopting Final Assessment Roll For Road Improvement District No. 541 & 542 (Hermantown Road & Bridge and Old Midway Road)**

(motion, roll call)

Jonathan Thornton, 5869 Hermantown Road, Hermantown, MN - Mr. Thornton formally objected to the \$9,400 assessment levied on his properties at 5869 and 5417 Hermantown Road. He cited Minnesota Statute 429.051, arguing that the assessment does not reflect a benefit to his property. Drawing on his 35 years of experience in residential real estate, he criticized the appraisal methodology used, stating that it relied on commercial data irrelevant to single-family homes. He also noted that multiple local realtors supported his position and concluded that the assessment was not legally justified.

Nathan Gilbertson, 5854 Hermantown Road, Hermantown, MN - Mr. Gilbertson argued that the assessment process was flawed due to a conflict of interest. He stated that Sanford Hoff, the appraiser, is a developer with ties to the city and should not have been selected. He warned that the city could lose in court due to procedural errors and emphasized that the assessment does not reflect an increase in market value.

Derek Strom, 5853 Highway 194, Hermantown, MN - Mr. Strom criticized the council for cutting off speakers at the three-minute mark and accused them of ignoring public input. He reiterated his belief that the council had already made up its mind about the data center and other issues, and warned of political consequences.

Tim White, 5467 Hermantown Road, Hermantown, MN - Mr. White, who also owns an adjacent undeveloped parcel, objected to the assessment, stating that it unfairly burdens homeowners for what should be standard public road improvements. He pointed out inaccuracies in the city's findings, including claims of improvements that were either unchanged or worsened. He argued that the assessment does not

meet the legal standard for a special benefit and requested that the resolution be reconsidered.

Sarah Lofald, 5502 Hermantown Road, Hermantown, MN - Ms. Lofald questioned why the city does not allow partial payments for the assessment. She explained that paying the full amount upfront or over 15 years with interest is financially burdensome and suggested that partial payments would be more manageable for many residents.

Motion to approve 2025-161 Resolution Adopting Final Assessment Roll For Road Improvement District No. 541 & 542 (Hermantown Road & Bridge and Old Midway Road). This motion, made by Councilor Hjelle and seconded by Councilor Peterson, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Nay

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 4, Nay: 1

B. 2025-162 Resolution Approving Application Of Assessment Roll Number 541A-35 For Deferral Of Assessment Against The Property For The Construction Of Road Improvement District No. 541 & 542 ("Hardship Deferral")

(motion, roll call)

Motion to approve 2025-162 Resolution Approving Application Of Assessment Roll Number 541A-35 For Deferral Of Assessment Against The Property For The Construction Of Road Improvement District No. 541 & 542 ("Hardship Deferral"). This motion, made by Councilor Geissler and seconded by Councilor LeBlanc, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

C. **2025-163 Resolution Approving Application Of Assessment Roll Number 541A-39 For Deferral Of Assessment Against The Property For The Construction Of Road Improvement District No. 541 & 542 (“Hardship Deferral”)**

(motion, roll call)

Motion to approve 2025-163 Resolution Approving Application Of Assessment Roll Number 541A-39 For Deferral Of Assessment Against The Property For The Construction Of Road Improvement District No. 541 & 542 (“Hardship Deferral”). This motion, made by Councilor LeBlanc and seconded by Councilor Peterson, Carried.

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

Yea: 5, Nay: 0

D. **2025-164 Resolution Approving Application Of Assessment Roll Number 541A-89 For Deferral Of Assessment Against The Property For The Construction Of Road Improvement District No. 541 & 542 (“Hardship Deferral”)**

(motion, roll call)

Motion to approve 2025-164 Resolution Approving Application Of Assessment Roll Number 541A-89 For Deferral Of Assessment Against The Property For The Construction Of Road Improvement District No. 541 & 542 (“Hardship Deferral”). This motion, made by Councilor Hjelle and seconded by Councilor Geissler, Carried.

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

Yea: 5, Nay: 0

E. **2025-165 Resolution Approving A Special Use Permit For Grading And Filling Within A Natural Shoreland Overlay Area**

(motion, roll call)

Owen Lyons, 5143 West Arrowhead Road, Hermantown, MN - Mr. Lyons expressed concern about environmental regulations, stating that he owns riverfront property and is not allowed to disturb vegetation within 150 feet of a trout stream. He emphasized that Hermantown should follow the same rules.

Allison Hafften, 5971 St. Louis River Road - Ms. Hafften asked whether the property in question had already received a special use permit for grading and filling within a shoreland overlay. Mr. Johnson clarified that the Planning and Zoning Commission only makes recommendations, and the final decision rests with the city council. Ms. Hafften also asked about the size of the area being disturbed and the applicable setback requirements. Mr. Johnson responded that approximately 7,000 square feet would be affected and that the 200-foot setback is measured from the ordinary high-water level, as defined by the DNR. Ms. Hafften expressed concern about transparency and potential conflicts of interest involving individuals connected to the project.

Jordan Urshan, 557x Hermantown Road - Mr. Urshan requested approval for a special use permit to build a single-family home and storage building on his property. He explained that the proposed location is within the 200–300 foot shoreland buffer and that the area is already cleared. He emphasized that no wetlands would be disturbed and that the scrutiny of his application is likely due to unrelated controversies in the city.

Motion to approve 2025-165 Resolution Approving A Special Use Permit For Grading And Filling Within A Natural Shoreland Overlay Area. This motion, made by Councilor Hjelle and seconded by Councilor Peterson, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

F. 2025-166 Resolution Approving Special Use Permit For Construction Of An Accessory Structure In Excess Of 2,400 Square Feet In The S-1 Zoning District At 557x Hermantown Road (395-0010-05560 and 395-0010-05566) And Imposing Conditions Thereon

(motion, roll call)

Motion to approve 2025-166 Resolution Approving Special Use Permit For Construction Of An Accessory Structure In Excess Of 2,400 Square Feet In The S-1 Zoning District At 557x Hermantown Road (395-0010-05560 and 395-0010-05566) And Imposing Conditions Thereon. This motion, made by Councilor Geissler and seconded by Councilor Peterson, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

G. **2025-167 Resolution Approving A Special Use Permit For The Keeping Of Livestock At 5053 Morris Thomas Road, In A R-3, Residential Zoning District**

(motion, roll call)

Motion to approve 2025-167 Resolution Approving A Special Use Permit For The Keeping Of Livestock At 5053 Morris Thomas Road, In A R-3, Residential Zoning District. This motion, made by Councilor Peterson and seconded by Councilor Hjelle, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

H. **2025-168 Resolution Declaring That The Road Jenny Farms Lane And The Related Public Infrastructure Have Been Accepted And Opened By The City Of Hermantown And Authorizing The Mayor And City Clerk To Execute And Deliver An Appropriate Certificate Thereof**

(motion, roll call)

Motion to approve 2025-168 Resolution Declaring That The Road Jenny Farms Lane And The Related Public Infrastructure Have Been Accepted And Opened By The City Of Hermantown And Authorizing The Mayor And City Clerk To Execute

And Deliver An Appropriate Certificate Thereof. This motion, made by Councilor Peterson and seconded by Councilor Geissler Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

I. **2025-169 Resolution Approving Pay Request Number 1 For Keene Creek Trail Segment 4 Construction To Veit & Company In The Amount Of \$46,242.20**

(motion, roll call)

Motion to approve 2025-169 Resolution Approving Pay Request Number 1 For Keene Creek Trail Segment 4 Construction To Veit & Company In The Amount Of \$46,242.20. This motion, made by Councilor Hjelle and seconded by Councilor Peterson, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

J. **2025-170 Resolution Approving Application To Conduct Off-Site Gambling For Hermantown Amateur Hockey Association (“HAHA”)**

(motion, roll call)

Motion to approve 2025-170 Resolution Approving Application To Conduct Off-Site Gambling For Hermantown Amateur Hockey Association (“HAHA”). This motion, made by Councilor Geissler and seconded by Councilor LeBlanc, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

13. **CLOSED SESSION**

14. **RECESS**

Motion to recess at 9:04 p.m. This motion, made by Councilor LeBlanc and seconded by Councilor Hjelle, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

ATTEST:

Mayor

City Clerk

CITY OF HERMANTOWN

CHECKS #72614-72653
11/01/2025 - 11/15/2025

PAYROLL CHECKS

Electronic Checks - #-63422-63471	\$118,223.08
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LIABILITY CHECKS

Electronic Checks - #-63472-63473	\$96,596.14
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Electronic Checks - #-63416-63421	\$90,112.77
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Checks - #72653	\$1,376.32
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PAYROLL EXPENSE TOTAL	\$306,308.31
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ACCOUNTS PAYABLE

Checks - #72614-72649	\$368,001.03
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Electronic Payments #-97687-97723	\$169,983.66
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ACCOUNTS PAYABLE TOTAL	\$537,984.69
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TOTAL	\$844,293.00
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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	NORTHEAST SERVICE COOPERATIVE	Health Ins Nov - Kristi Hansen	816.12	-97723
101	134000	Retiree Insurance/Telephone Reimb.	NORTHEAST SERVICE COOPERATIVE	Health Ins Nov - Clinton Jones	84.39	-97723
101	421100	Police Administration	NORTHEAST SERVICE COOPERATIVE	Health Ins Nov - Clinton Jones	759.51	-97723
101	134000	Retiree Insurance/Telephone Reimb.	NORTHEAST SERVICE COOPERATIVE	Health Ins Nov - Kristi Hansen	90.68	-97723
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimbursement	112.46	-97722
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimbursement	112.46	-97721
101	415300	Administration & Finance	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C458 Oct 2	117.87	-97720
101	415300	Administration & Finance	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C300i	103.55	-97720
101	421100	Police Administration	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C300 & C33	119.58	-97720
101	415300	Administration & Finance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	198.98	-97719
101	419901	City Hall & Police Building Maintenance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	48.11	-97719
602	494900	Sewer Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	193.18	-97719
101	421100	Police Administration	AT&T MOBILITY	Cell Phones PD	1,535.89	-97719
101	431100	Street Department	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	157.78	-97719
101	422100	Fire Administration	AT&T MOBILITY	Cell Phones FD	368.43	-97719
601	494400	Water Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	368.67	-97719
101	419901	City Hall & Police Building Maintenance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	48.15	-97718
101	422100	Fire Administration	AT&T MOBILITY	Cell Phones FD	368.50	-97718
101	415300	Administration & Finance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	149.90	-97718
101	421100	Police Administration	AT&T MOBILITY	Cell Phones PD	1,569.13	-97718
101	431100	Street Department	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	157.91	-97718
601	494400	Water Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	368.78	-97718
602	494900	Sewer Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	193.25	-97718
101	419901	City Hall & Police Building Maintenance	MN ENERGY RESOURCES CORP	Natural Gas CH/PD	384.95	-97717
602	494900	Sewer Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr - 09/	29.87	-97717
101	419901	City Hall & Police Building Maintenance	MN ENERGY RESOURCES CORP	Natural Gas CH/PD	384.68	-97717
101	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas Old CH	109.41	-97717
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr - 09/	41.82	-97717
101	422901	Firehall #1 Maple Grove Road	MN ENERGY RESOURCES CORP	Natural Gas FH #1	470.49	-97717
601	494400	Water Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr - 09/	47.80	-97717
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Old CH	12.16	-97717
275	452200	Community Building	MEDIACOM	EWC - Dedicated Internet	490.00	-97716
101	424100	Building Inspection	KWIK TRIP EXTENDED NETWORK	Gas Building Offical	180.04	-97715
602	494500	Sewer Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Utility 40%	224.21	-97715
101	452100	Parks	KWIK TRIP EXTENDED NETWORK	Gas Park	78.83	-97715
101	419901	City Hall & Police Building Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Building	42.80	-97715
101	422100	Fire Administration	KWIK TRIP EXTENDED NETWORK	Gas FD	1,106.74	-97715
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Car Wash PD	201.98	-97715

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
601	494300	Water Distribution	KWIK TRIP EXTENDED NETWORK	Gas Utility 60%	336.32	-97715
101	431100	Street Department	KWIK TRIP EXTENDED NETWORK	Gas Street	454.95	-97715
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Gas PD	4,209.54	-97715
101	431901	City Garage	ACME TOOLS	Pallet Jack - PW	824.99	-97714
230	214500	Escrow Deposits Payable	BRAUN INTERTEC CORPORATION	O&E Report HM-310212 IX	1,091.50	-97713
602	494500	Sewer Maintenance	WLSSD	2nd Half District Wide Allocat	19,728.50	-97712
602	494500	Sewer Maintenance	WLSSD	Oct Wastewater Charges 103125H	50,621.00	-97712
601	494400	Water Administration and General	VC3, INC.	Replacement Desktops PW	432.60	-97711
101	415300	Administration & Finance	VC3, INC.	Replacement Desktops Admin	865.19	-97711
101	417200	Communications	VC3, INC.	Replacement Desktops Comm	865.19	-97711
602	494900	Sewer Administration and General	VC3, INC.	Replacement Desktops PW	432.60	-97711
101	421100	Police Administration	VC3, INC.	Replacement Desktops PD	865.20	-97711
101	490000	Miscellaneous Functions	TERCH & ASSOCIATES CONSULTING, LLC	Oct 25 HR Services	2,012.50	-97710
230	465100	HEDA	CREATIVE ARCADE	Website Monthly Maintenance	250.03	-97709
101	419901	City Hall & Police Building Maintenance	DOORCO, INC.	Maintenance All Overhead Doors	262.50	-97708
101	431901	City Garage	DOORCO, INC.	OH Door Service	998.00	-97708
415	465200	Community Development	EPC ENGINEERING & TESTING LLC	Hermantown Hockey Arena	1,040.00	-97707
230	465100	HEDA	FRYBERGER, BUCHANAN, SMITH & FREDERICK,	Legal Services - HEDA	1,787.00	-97706
230	465100	HEDA	FRYBERGER, BUCHANAN, SMITH & FREDERICK,	Legal Services - HEDA	1,787.00	-97706
230	465100	HEDA	FRYBERGER, BUCHANAN, SMITH & FREDERICK,	Legal Services - HEDA	1,787.00	-97705
601	494400	Water Administration and General	GOPHER STATE ONE-CALL INC	Oct 25 Locates	108.54	-97704
602	494900	Sewer Administration and General	GOPHER STATE ONE-CALL INC	Oct 25 Locates	72.36	-97704
101	419901	City Hall & Police Building Maintenance	HARTEL'S/DBJ DISPOSAL CO LLC	Garbage Recycling Oct 2025-129	757.02	-97703
101	431901	City Garage	HARTEL'S/DBJ DISPOSAL CO LLC	Yard Trash Disposal Oct 2025 -	200.03	-97703
101	417200	Communications	HERMANTOWN AREA CHAMBER OF COMMERCE	State of Dev Luncheon 2025 - W	40.00	-97702
230	465100	HEDA	HTB PROJECT NAVIGATION, LLC	Hermantown Business Park - Oct	945.00	-97701
602	494500	Sewer Maintenance	SJE-RHOMBUS, INC.	Field Service - SCADA Monitori	3,322.00	-97700
602	494500	Sewer Maintenance	SJE-RHOMBUS, INC.	SCADA Monitoring Oct-Dec 2025	1,264.50	-97700
602	494500	Sewer Maintenance	SJE-RHOMBUS, INC.	Field Service - SCADA Monitori	2,327.50	-97700
101	415300	Administration & Finance	INNOVATIVE OFFICE SOLUTIONS, LLC	Clips/Envelopes	47.34	-97699
101	415300	Administration & Finance	INNOVATIVE OFFICE SOLUTIONS, LLC	Business Cards/Calendar Refill	40.58	-97699
101	452200	Community Building	NORTHLAND FIRE & SAFETY INC	Annual Fire Extinguisher Maint	240.80	-97698
101	419901	City Hall & Police Building Maintenance	NORTHLAND FIRE & SAFETY INC	Annual Fire Extinguisher Maint	1,019.90	-97698
101	431901	City Garage	NORTHLAND FIRE & SAFETY INC	Annual Fire Extinguisher Maint	485.60	-97698
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Preagenda/City Council/Four Sq	2,375.00	-97697
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	MSA Payment Applications	570.00	-97697
230	214500	Escrow Deposits Payable	NORTHLAND CONSULTING ENGINEERS L.L.P.	Project Loon	10,020.00	-97697
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Soumis/Dispensary	320.00	-97697

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	MNDOT District 1 Prescreening	570.00	-97697
232	465100	HEDA	NORTHLAND CONSULTING ENGINEERS L.L.P.	Keene Creek Subdivision - Birc	760.00	-97697
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Cannabis Cultivation Applicati	190.00	-97697
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	iron Workers Union Building Ad	190.00	-97697
230	465100	HEDA	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hawklane Business Park	3,717.50	-97697
412	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Trail Project	17,455.00	-97697
475	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Lightning Drive - SID # 452	3,200.00	-97697
415	465200	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Ice Arena	490.00	-97697
101	421100	Police Administration	ADVANTAGE EMBLEM & SCREEN PRINTING INC	Shirts/Sweatshirts - PD	490.00	-97696
101	421100	Police Administration	INFOBUREAU SERVICES, INC.	Credit Check	15.75	-97695
101	431100	Street Department	NORTHERN ENGINE & SUPPLY INC	Pintle - H4/Lights - H28	1,151.25	-97694
101	421100	Police Administration	TIMECLOCK PLUS, LLC	ScheduleAnywhere License 11/29	1,455.00	-97693
101	421100	Police Administration	SYMBOLARTS	Badges - PD	1,965.50	-97692
101	421100	Police Administration	DRYER & PETERSON, P.C.	Prosecution Services Sep 2025	6,755.24	-97691
101	421100	Police Administration	INTEGRATED OFFICE SOLUTIONS	Copy Overage Konica C3320i	103.58	-97690
101	421100	Police Administration	INTEGRATED OFFICE SOLUTIONS	Copy Overage Konica C300i	174.55	-97690
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	754.91	-97689
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	979.05	-97689
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,144.73	-97689
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,076.70	-97689
101	422100	Fire Administration	MINNEAPOLIS OXYGEN COMPANY	Oxygen Cylinder Rental	234.16	-97688
101	452100	Parks	MENARD INC	RV Anti Freeze	53.82	-97687
601	494300	Water Distribution	MENARD INC	Pallet Jack - Water Parts Shed	349.44	-97687
101	431100	Street Department	MENARD INC	Sideboards - H28	40.98	-97687
101	431100	Street Department	MENARD INC	Brine System Parts	41.24	-97687
101	419901	City Hall & Police Building Maintenance	MENARD INC	Landscape and Exterior Maint.	80.88	-97687
101	421100	Police Administration	ANIMAL ALLIES HUMANE SOCIETY	Sep 2025 Boarding	912.00	72614
101	419100	Community Development	ARROWHEAD ABSTRACT & TITLE CO.	O&E Report HM-310212 IX	100.00	72615
101	422100	Fire Administration	BOUND TREE MEDICAL, LLC	Medical Supplies	350.51	72616
601	494300	Water Distribution	CENTRAL PENSION FUND	Training Per Contract	167.30	72617
602	494500	Sewer Maintenance	CENTRAL PENSION FUND	Training Per Contract	167.29	72617
601	494300	Water Distribution	CENTRAL PENSION FUND	Training Per Contract	111.04	72617
101	431100	Street Department	CENTRAL PENSION FUND	Training Per Contract	167.30	72617
101	431100	Street Department	CENTRAL PENSION FUND	Training Per Contract	111.05	72617
602	494500	Sewer Maintenance	CENTRAL PENSION FUND	Training Per Contract	111.04	72617
101	422903	Firehall #3 Midway Road	CENTURYLINK	Internet FH3 10/22/25-11/21/25	86.99	72618
101	431901	City Garage	CINTAS CORPORATION	Mats/Supplies	42.55	72619
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	8.88	72619

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	30.72	72619
101	431100	Street Department	CINTAS CORPORATION	Uniforms	7.92	72619
101	431100	Street Department	CINTAS CORPORATION	Uniforms	19.07	72619
101	431100	Street Department	CINTAS CORPORATION	Uniforms	7.92	72619
101	431901	City Garage	CINTAS CORPORATION	Mats/Supplies	42.55	72619
101	431100	Street Department	CINTAS CORPORATION	Uniforms	19.07	72619
101	431901	City Garage	CINTAS CORPORATION	Mats/Supplies	62.23	72619
101	431100	Street Department	CINTAS CORPORATION	Uniforms	7.92	72619
101	431901	City Garage	CINTAS CORPORATION	1st Aid Cabinets	181.88	72619
101	431100	Street Department	CINTAS CORPORATION	Uniforms	40.87	72619
601	494400	Water Administration and General	CORE & MAIN LP	Water Radio Annual Fees	7,430.00	72620
602	494900	Sewer Administration and General	CORE & MAIN LP	Water Radio Annual Fees	7,430.00	72620
601	494300	Water Distribution	CORE & MAIN LP	Miller Creek Irrigation Meter	1,468.08	72620
101	490000	Miscellaneous Functions	COSTIN GROUP MN	City Lobbyist	1,500.00	72621
101	431100	Street Department	CRAFCO, INC.	Incorrect Unit Rented - Mastic	-3,375.00	72622
101	431100	Street Department	CRAFCO, INC.	Machine for Water Valves	3,375.00	72622
101	421100	Police Administration	CROW-GOEBEL VETERINARY CLINIC, P A	Vet - Bruno	135.33	72623
101	421100	Police Administration	CROW-GOEBEL VETERINARY CLINIC, P A	Vet - Kyo	45.00	72623
602	494900	Sewer Administration and General	CUSTOMER ELATION INC	09/23/25 - 10/20/25 Answering	32.89	72624
601	494400	Water Administration and General	CUSTOMER ELATION INC	09/23/25 - 10/20/25 Answering	49.34	72624
230	465100	HEDA	DAMON FARBER ASSOCIATES, INC.	24-227 Uptown Hermantown	14,883.48	72625
101	431100	Street Department	DSC COMMUNICATIONS	Snowplow Truck Equipment	1,923.50	72626
101	422100	Fire Administration	FIRE SAFETY USA	Ladder Aerial Maintance	2,140.50	72627
101	452100	Parks	GLENWOOD LLC	Winterized Bathroom Signs	168.00	72628
101	419100	Community Development	HERMANTOWN STAR LLC	Public Hearing Planning and Zo	82.50	72629
101	415300	Administration & Finance	HERMANTOWN STAR LLC	Oct 16 2025 Minutes	90.75	72629
601	220100	Refund Payable	HOIUM, DAVID	Overpayment Refund Acct1164-01	154.36	72630
101	421100	Police Administration	HOLIDAY COMPANIES	Car Washes - Oct 2025	30.00	72631
101	419901	City Hall & Police Building Maintenance	IMPERIALDADE	Kleenex/TP/Gloves/Liners	363.18	72632
101	422100	Fire Administration	LARSON, COREY	EMS Refresher	150.00	72633
101	431100	Street Department	LINDE GAS & EQUIPMENT INC.	CyldrRntSfEnvFee9/20-10/20/25	64.05	72634
101	419901	City Hall & Police Building Maintenance	MN TELECOMMUNICATIONS	Nov 2025 Internet	360.00	72635
101	422901	Firehall #1 Maple Grove Road	MN TELECOMMUNICATIONS	Nov 2025 Internet	90.00	72635
101	419901	City Hall & Police Building Maintenance	NAPA AUTO PARTS	Oil Filter - H26	29.97	72636
416	452100	Parks	NORTHWOODS SODDING, INC.	Top Soil - Fitchner Field	45,509.64	72637
101	415300	Administration & Finance	ORME, KEVIN	Mileage NESC Member Meeting 20	86.80	72638
101	431901	City Garage	OXYGEN SERVICE COMPANY	Acetylene Gas Bottle Rent	21.59	72639
101	431100	Street Department	POMP'S TIRE SERVICE INC	Loader Tire Fix	568.90	72640

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	419100	Community Development	SHEL/DON GROUP INC	Map/Foamcore	50.02	72641
101	431100	Street Department	SMYRNA READY MIX CONCRETE	Washed Sand	4,577.72	72642
101	431100	Street Department	SMYRNA READY MIX CONCRETE	Washed Sand	3,853.08	72642
101	431100	Street Department	SMYRNA READY MIX CONCRETE	Washed Sand	3,687.18	72642
415	465200	Community Development	ST. CLOUD REFRIGERATION, INC.	NORTHSTAR FORD ARENA CHILLER	34,040.00	72643
101	214500	Escrow Deposits Payable	STOKKE, SHAINÉ	Jenny Farms Lane Paving	173,312.50	72644
230	465100	HEDA	STORY NORTH PRODUCTIONS	Video Production - Brand Anthé	9,250.00	72645
232	465100	HEDA	T.P.E.C	3719 Johnson Rd Demolition	18,640.00	72646
232	465100	HEDA	T.P.E.C	3715 Johnson Rd Demolition	22,410.00	72646
101	431100	Street Department	TAPCO INC.	2 yr Annual Subscription- Pedé	5,310.00	72647
101	431100	Street Department	TRANSWEST TRUCKS SUPERIOR	Repair H-8- Brakes	3,933.57	72648
101	419901	City Hall & Police Building Maintenance	UHL COMPANY INC	Repairs to existing life-safet	1,373.00	72649

Totals: 164 records printed 538,097.15



CITY COUNCIL MEETING DATE: November 17, 2025

TO: Mayor & City Council

FROM: Trish Crego, Utility and Infrastructure Director

SUBJECT: Ordinance Amending Chapter 3, Public Property

☐ **RESOLUTION:** ☒ **ORDINANCE:** 2025-19 ☐ **OTHER:**

REQUESTED ACTION

Second reading of Ordinance Amending Chapter 3, Public Property, by updating the accepted and opened streets and roads.

BACKGROUND

This was last updated in 2021. Since 2021 we have added several Roads. The attached Exhibit A has these changes highlighted in yellow.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Ordinance
Exhibit A Section 350- Rev. 2025.

Ordinance No. 2025-19

The City Council of the City of Hermantown does ordain:

**AN ORDINANCE AMENDING HERMANTOWN
CODE OF ORDINANCES BY AMENDING SECTION 350,
ACCEPTED AND OPENED STREETS AND ROADS**

Section 1. Purpose and Intent. The purpose and intent of this Ordinance is to update the accepted and opened streets and roads.

Section 2. Amendment to Chapter 3. Chapter 3, Public Property, of the City of Hermantown Code of Ordinances is hereby amended by updating Section 350, Accepted and Opened Streets and Roads, to read as shown on Exhibit A attached hereto.

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

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

Dated: November 17, 2025

Mayor

Attest:

City Clerk

Adopted: November 17, 2025

Published: _____

Effective Date: _____

EXHIBIT A

City of Hermantown

2025 Road Inventory

Quadrant	Road Name	Road Section	Surface	Length (Miles)
NW	Abrahamson Rd	TH 53 - N 0.128 miles	Gravel	0.272
NE	Adrian Ln	Stebner - E 1.004 miles	Bit.	0.261
NE	Airport Rd	HWY 53 - Airport	Grass	0.030
SE	Alder Ave	County Road - N 0.247 miles	Bit.	0.073
SE	Alexander Rd	Morris Thomas-Portland	Bit.	0.501
SW	Almquist Rd	Hwy 2-Hermantown	Gravel	0.917
SE	Anderson Rd	Getchell-Stebner	Bit.	0.546
SE	Anderson Rd	Dead End Getchell - W 0.057 miles	Gravel	0.259
SE	Anderson Rd	Stebner-Haines	Bit.	0.951
SE	Arthur Ln	Hermantown-Keene Creek	Bit.	0.079
NE	Beaver Creek Rd	Lavaque - W 0.501 miles	Bit.	0.206
SE	Benson Rd	Lavaque - E 0.288 miles	Gravel	0.236
SE	Berkeley Rd	Haines - W 0.217 miles	Bit.	0.310
SE	Birch Rd	Morris Thomas - S 0.053 miles	Gravel	0.249
NW	Birch Valley Rd	Arrowhead - S 0.466 miles	Bit.	0.372
NE	Bullyan Dr	Sugar Maple-Bullyan	Bit.	0.060
SE	Bush Dr	County Road - N 0.231 miles	Bit.	0.080
SE	Carlson St	Alexander-Haines	Bit.	0.122
NE	Cedar Ridge Dr	Grouse Ridge - E 1.103 miles	Bit.	0.231
SE	Chris Dr	Garden Park - E 0.38 miles	Gravel	0.128
NE	Cirrus Dr	TH 53-Airport	Bit.	0.312
NW	Cold Creek Ln	Hagberg Rd North	Gravel	0.250
SE	Copley Rd	Morris Thomas-Berkeley	Bit.	0.500
SE	Country Lane	Country Road - S 0.379 miles	Bit.	0.332
SE	Country Road	Lavaque - W 0.377 miles	Bit.	0.498
NE	Creekwood Place	Trails End - N 0.4 miles	Bit.	0.075
NW	Dahl Rd	Arrowhead - N 0.546 miles	Bit.	0.125
SE	Dana Rd	Morris Thomas - S 0.121 miles	Bit.	0.159
NE	Eagle Dr	Kingswood-Falcon	Bit.	0.148
NE	Evee Dr.	Haines RD	Bit.	0.250
NE	Falcon Dr	Ugstad - E 0.07 miles	Bit.	0.319
SW	Five Corners Rd	Hermantown-Maple Grove	Gravel	1.144
SE	Foxborrow	Lavaque Rd	Gravel	0.250

NE	Frontier Way	Haines - W 0.087 miles	Bit.	0.113
SE	Garden Park Dr	St Louis River Rd-Maple Dr	Gravel	0.180
NE	Getchell Rd	Arrowhead-Trails End	Bit.	0.400
SE	Getchell Rd	Stebner-Morris Thomas	Bit.	0.970
SE	Getchell Rd	Maple Grove - Lightning	Gravel	0.372
SE	Getchell Rd	Anderson-Maple Grove	Bit.	0.850
SE	Getchell Rd	Hermantown-Anderson	Bit.	0.480
SE	Getchell Rd	Anderson-Red Cedar	Gravel	0.150
SE	Getchell Rd	Morris Thomas - Hermantown	Gravel	0.524
SE	Greystone	Stebner - W 0.119 miles	Bit.	0.393
NE	Grouse Ridge Dr	Arrowhead - N 0.363 miles	Bit.	0.379
NW	Hagberg Rd	Midway - E & W 0.18 miles	Gravel	1.372
SW	Hahn Rd	Hwy 2 - N 0.9 miles	Gravel	0.180
NE	Heartwood Ln	Arrowhead - S 2.72 miles	Bit.	0.261
SE	Hermantown Rd	Stebner-Okerstrom	Bit.	0.500
SE	Hermantown Rd	Ugstad-Lavaque	Bit.	1.180
SE	Hermantown Rd	Okerstrom-Haines	Bit.	0.500
SE	Hermantown Rd	Lavaque-Stebner	Bit.	1.080
SW	Hermantown Rd	Lindahl-Ugstad	Bit.	1.000
SW	Hermantown Rd	HWY 2-Midway	Bit.	1.060
SW	Hermantown Rd	Midway-Lindahl	Bit.	0.900
SE	Hidden Creek Ave	Whitepine - Red Cedar	Bit.	0.250
NW	Jackson Dr.	Washington Dr	Bit.	0.500
NW	Jamebard Rd	Midway - W of	Gravel	0.466
NW	Jamie Dr	Joshua - N 0.97 miles	Bit.	0.280
NW	Jefferson	McKinley- S.	Bit.	0.170
NW	Jenny Farms Ln	Maple Grove Road- N.	Bit.	0.030
NW	Joey	Dahl Rd - E of	Bit.	0.153
SE	Johnson Rd	Morris Thomas-Portland	Bit.	0.578
NE	Jonan	E and W of Getchell	Bit.	0.203
NW	Joshua Ln	Dahl Rd - W 1.18 miles	Bit.	0.050
SE	Kenroy Rd	Anderson - S 0.372 miles	Gravel	0.366
NE	Kingswood Ln	Rebecca-Eagle	Bit.	0.181
NE	Lavaque Junction Rd	Ugstad-Lavaque	Bit.	1.004
NE	Lightning Dr	Stebner - W to Thunderchief Ln.	Bit.	0.210
NE	Lightning Dr	Thunderchief Ln - Getchell	Gravel	0.300
SE	Linda Rd	Morris Thomas - N 0.5 miles	Bit.	0.243
NW	Lindahl Rd	TH 53 - N 0.082 miles	Bit.	0.440

NW	Lindahl Rd	Arrowhead - N 0.319 miles	Gravel	0.397
NW	Lindahl Rd	Maple Grove-Arrowhead	Gravel	1.000
NW	Lindahl Rd	Hwy 53/South	Gravel	0.250
SW	Lindahl Rd	HWY 2-Morris Thomas (Dead End @ Creek)	Gravel	0.662
SW	Lindahl Rd	Hermantown-Maple Grove	Gravel	0.999
NE	Lindgren Rd	Loberg-Haines	Bit.	0.070
NE	Lindgren Rd	E and W of Loberg	Gravel	0.363
NE	Loberg Rd	Maple Grove - Hwy 53	Bit.	0.830
NE	Market Street	Loberg-Haines	Bit.	0.250
NE	Market Street	Loberg – Westberg	Bit	0.0250
NE	Maribe Dr	Getchell - E 0.159 miles	Bit.	0.089
NE	Marko Dr	Getchell - E 0.393 miles	Bit.	0.087
SE	Mary Ln Dr	Haines - W 0.125 miles	Gravel	0.319
NW	McKinley Dr	Washington Dr	Bit.	0.500
NE	Menard Dr	Arrowhead - N 0.578 miles	Bit.	0.121
SE	Merganser Ln	Peyton Dr - Oak Ridge Dr	Bit.	0.150
SW	Misty Morning Dr	Maple Grove - S 0.259 miles	Bit.	0.225
NE	Norway Pines Pl	HWY 53 -N 0.234 miles	Bit.	0.160
SE	Oak Ridge Dr	Stebner - E 1.08 miles	Bit.	0.457
SE	Okerstrom Rd	Morris Thomas - S 0.05 miles	Gravel	0.245
SE	Okerstrom Rd	Hermantown-Anderson	Bit.	0.283
SE	Okerstrom Rd	Morris Thomas-Hermantown	Gravel	0.720
SE	Okerstrom Rd	Anderson - N 0.153 miles	Gravel	0.132
SW	Old Hwy 2	Midway Rd West-Hwy 2	Gravel	1.103
SW	Old Hwy 2	Midway Rd. East to Dead End	Gravel	0.320
SW	Old Midway	Midway-Midway	Bit.	0.988
SE	Park Dr	Youngdahl-Sheridan	Gravel	0.085
SE	Peyton Dr	Stebner - E	Bit.	0.350
SE	Peyton Ln	Peyton Dr- S	Bit.	0.050
SE	Portland Rd	Johnson-Haines	Bit.	0.243
NE	Prospect Blvd	Market St. - N 0.374 miles	Bit.	0.083
SE	Radar Rd	Stebner - W 0.272 miles	Gravel	0.174
SE	Radar Rd	Getchell - W 0.397 miles	Gravel	0.250
NE	Rebecca Rd	Arrowhead-Kingswood	Bit.	0.144
SE	Red Cedar St	Getchell - W 0.524 miles	Bit.	0.234
SE	Red Oak Circle	Whitetail - W 0.366 miles	Bit.	0.082
SE	Reinke Rd	Hermantown-Maple Grove	Gravel	1.065

NE	Richard Dr.	Maple Grove	Bit.	0.250
NE	Ridge Circle	Terrace - S 0.261 miles	Bit.	0.056
NW	Roosevelt Dr	Ugstad - W 0.287 miles	Bit.	0.472
NW	Rose Rd	Solway-Midway	Bit.	1.016
NW	Rose Rd	TH 53 - W 0.085 miles	Gravel	0.163
NW	Rose Rd	Midway - E 0.166 miles	Gravel	0.393
NW	Rose Rd	Midway E-0.180	Bit.	0.180
NE	Sams Dr.	Richard Dr.	Bit.	0.250
SW	Sangstrom Rd	Maple Grove - S 5.232 miles	Gravel	0.611
SE	Secora Rd	Wagner - S 0.163 miles	Gravel	0.253
NE	Service Rd (Miner's)	Hwy #53 East of Lavaque	Bit.	0.500
NE	Service Rd (Chalet)	Hwy #53 East of Stebner	Bit.	0.500
SE	Shelby Rd	Getchell-Stebner	Bit.	0.287
SE	Sheridan Rd	Park-Lavaque	Gravel	0.166
NE	Silver Leaf St	Lavaque-Sugar Maple	Bit.	0.435
SW	Splitrail Dr	Ugstad - W 0.174 miles	Bit.	0.199
NE	Stebner	Maple Grove - Hwy #53	Bit.	1.500
SE	Stebner	Morris Thomas-Hermantown	Bit.	0.730
SE	Stebner	Anderson-Maple Grove	Bit.	1.000
SE	Stebner	Hermantown-Anderson	Bit.	0.280
SE	Sterling Pond Pl	Greystone - S 0.06 miles	Bit.	0.053
NE	Sugar Maple Dr	Th 53 - S 0.148 miles	Bit.	0.597
NE	Sundby Rd	Air Base-Swan lake	Bit.	0.259
SW	Sunnyview Rd	Ugstad - W 0.18 miles	Gravel	0.217
NE	Swan Lake Rd	Sundby-Haines	Bit.	0.340
SE	Teal Lane	Peyton Dr- S	Bit.	0.070
NE	Terrace Circle	Stebner - E 0.203 miles	Bit.	0.308
NW	Thielke Circle	W. Arrowhead -N.	Bit.	0.0120
SE	Thompson Rd	Lavaque-Getchell	Bit.	0.591
NE	Thunderchief Ln	Stebner - W 0.14 miles	Gravel	0.105
NE	Timber Hill Ct	Sugar Maple - E 0.181 miles	Bit.	0.057
NE	Trails End Dr	Getchell-Trailwood	Bit.	0.636
NE	Trailwood St	Stebner-Trails End	Bit.	0.119
NW	Truman Drive	Ugstad-Jefferson	Bit.	0.0330
NE	Twin Pines St	Ugstad - E 0.144 miles	Bit.	0.221
SW	Ugstad	Hwy.#53-St.Louis Rover Road	Bit.	5.232
NW	Vaux Rd	TH 53 - N 0.312 miles	Bit.	0.140
NW	W. Arrowhead Rd	Midway-Hwy#53	Bit.	5.500

NW	W. Arrowhead Rd	Midway-Solway	Gravel	1.000
SE	Wagner Rd	Lavaque - W 0.48 miles	Gravel	0.247
SW	Wargin Rd	Morris Thomas - S 0.662 miles	Gravel	0.312
NW	Washington Dr.	Roosevelt Dr	Bit.	0.500
NW	Welsh Rd	Hagberg Rd North	Gravel	0.250
NE	West Pond Dr	Adrian-Terrace	Bit.	0.164
NE	Westberg Rd	Maple Grove Rd – Market St.	Bit.	0.380
NW	Westwood Rd	Arrowhead - S 0.122 miles	Bit.	0.244
SE	White Pine St	Getchell	Bit.	0.500
SE	Whitetail Dr	Maple Grove-Stebner	Bit.	0.312
SE	Wildrose Trail	Getchell - W 0.083 miles	Bit.	0.374
SE	Willow Place	Red Cedar - N 0.597 miles	Bit.	0.067
NE	Woodridge Dr	Stebner - E 0.308 miles	Bit.	0.253
SE	Wood Duck Ln	Peyton Dr- S	Bit.	0.040
SE	Youngdahl Rd	Park - W 0.457 miles	Gravel	0.180



CITY COUNCIL MEETING DATE: 11/17/2025

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Ordinance – Mediacom Franchise

☐ **RESOLUTION:** ☒ **ORDINANCE:** 2025-20 ☐ **OTHER:**

REQUESTED ACTION

Hold first reading of an ordinance extending a cable television franchise agreement with Mediacom.

BACKGROUND

The City has had a franchise agreement with Mediacom in excess of 20 years. The franchise agreement allows them to use the City’s right of way for their infrastructure (cabling, fiber, and posts, etc.) Mediacom provides a franchise fee to the City. The franchise fee goes to the Cable TV Fund and has historically been used for various audio-visual projects.

The current agreement expires in 2025, the new agreement maintains the status quo and would be for an additional 10 years.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Ordinance

ORDINANCE NO. 2025-20

AN ORDINANCE RENEWING A FRANCHISE GRANTED TO MEDIACOM MINNESOTA, LLC TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE CITY OF HERMANTOWN; SETTING FORTH CONDITIONS RELATING TO THE CONTINUATION OF THE FRANCHISE; PROVIDING FOR THE REGULATION AND USE OF THE CABLE TELEVISION SYSTEM; AND PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS PROVISIONS.

The City Council of the City of Hermantown does ordain:

STATEMENT OF INTENT AND PURPOSE

A. The City of Hermantown (“City”), by Ordinance No. 99-04 as amended by Ordinance No. 2009-06 (“Existing Cable Franchise”) granted a franchise to Mediacom Minnesota, LLC for the construction, operation and maintenance of a Cable System in the City.

B. City intends, by adoption of this Ordinance, to provide for the continuation of a Cable System in the City and the continued operation of it.

C. This Ordinance renews the Existing Cable Franchise by amending and restating the Existing Cable Franchise in its entirety (“Franchise Agreement”).

D. City is authorized to renew the Existing Cable Franchise pursuant to 47 U.S.C. §546(h).

BASED ON THE FOREGOING, City hereby renews the Existing Cable Franchise by amending and restating the Existing Cable Franchise in its entirety to read as follows:

FRANCHISE AGREEMENT

This Franchise Agreement is between the City of Hermantown, Minnesota hereinafter referred to as “City” and Mediacom Minnesota LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware, hereinafter referred to as “the Grantee.”

City hereby acknowledges that the Grantee has substantially complied with the material terms of the Existing Cable Franchise under applicable law, and that the financial, legal, and technical ability of the Grantee is reasonably sufficient to provide services, facilities, and equipment necessary to meet the future cable-related needs of the community, and having afforded the public adequate notice and opportunity for comment, desires to enter into this Franchise Agreement with the Grantee for the renewal of the Existing Cable Franchise to provide for the revision of the Existing Cable Franchise and operation and maintenance of a Cable System on the terms set forth herein.

SECTION 1

Definition of Terms

1.1. **Terms.** For the purpose of this Franchise Agreement, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them by the Cable Act (defined herein) as amended from time to time, unless otherwise defined below. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number:

1.1.1. “Basic Cable Service” means any service tier of Cable Service that includes the retransmission of local broadcast television signals. Basic Cable Service as defined herein shall be the definition in 47 U.S.C. § 522(c).

1.1.2. “Cable Act” means Title VI of the Communications Act of 1934, as amended by the Cable Communications Policy Act of 1984, Pub. L. No. 98-549, 98 Stat. 2779 (1984) (codified at 47 U.S.C. §§ 521-611 (1982 & Supp. V 1987)), the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385 and the Telecommunications Act of 1996, Pub. L. No. 104-458 and as the same may, from time to time, be amended.

1.1.3. “Cable Services” shall mean (1) the one-way transmission to Subscribers of (a) Video Programming, or (b) Other Programming Service, and (2) Subscriber interaction, if any, which is required for the selection or use of such Video Programming or Other Programming Service.

1.1.4. “Cable System” or “System” means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within a community, but such term does not include:

- (1) a facility that serves only to retransmit the television signals of one or more television broadcast stations;
- (2) a facility that serves Subscribers without using any public Right-of-Way;
- (3) a facility of common carrier which is subject, in whole or in part, to the provisions of 47 U.S.C. §201 et seq., except that such facility shall be considered a Cable System (other than for purposes of 47 U.S.C. §541(c) to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services;
- (4) an open video system that complies with 47 U.S.C. §573; or

- (5) any facilities of any electric utility used solely for operating its electric utility systems.

Cable System as defined herein shall be the definition set forth in 47 U.S.C. §522(7).

1.1.5. “City Utility System” means facilities used for providing public utility service owned or operated by City or an agency thereof, including sewer, storm water, water service, street lighting and traffic signals, but excluding facilities providing heating, lighting, or other forms of energy.

1.1.6. “City” or “Franchising Authority” means the City of Hermantown.

1.1.7. “Demarcation Point” means a point agreed upon by Grantee and the City up to twelve inches outside of the building wall consistent with the FCC’s rules as of the Effective Date of the Franchise or as later amended.

1.1.8. “Drop” means the cable that connects the ground block on the Subscriber’s residence to the nearest distribution cable of the System to provide Cable Service.

1.1.9. “Effective Date” means the date specified in Section 9.12 hereof, which is January 1, 2026.

1.1.10. “FCC” means Federal Communications Commission or successor governmental entity thereto.

1.1.11. “Franchise” means an initial authorization, or renewal thereof (including a renewal of an authorization which has been granted subject to 47 U.S.C. §546) issued by the City, whether such authorization is designated as a franchise, permit, license, resolution, contract, certificate, agreement, or otherwise, which authorizes the construction or operation of a Cable System or other facilities to provide Cable Services or video programming.

1.1.12. “Franchise Agreement” means the terms and provisions of this Ordinance.

1.1.13. “Grantee” means Mediacom Minnesota LLC, or the permitted lawful successor, transferee, or assignee thereof.

1.1.14. “Gross Revenues” means revenues derived from Cable Services received by Grantee from Subscribers in the Service Area; provided, however, that Gross Revenues shall not include franchise fees, the FCC User Fee, bad debt, tower rent, fees for the sale, leasing, or servicing of equipment, system capacity and/or facilities rent for the provision of non-Cable Services (voice or data services), investment income, advertising revenues, any fees itemized and passed through as a result of Franchise imposed requirements or any tax, fee or assessment of general applicability collected by the Grantee from Subscribers for pass-through to a government agency.

1.1.15. “Multichannel Video Program Distributor or MVPD” means a person such as, but not limited to, a cable operator, a multichannel multipoint distribution service, a direct broadcast satellite service, or a television receive-only satellite program distributor, who makes available for purchase, by subscribers or customers, multiple channels of video programming.

1.1.16. “Open Video Services or OVS” means any video programming Services provided to any person by a Franchisee certified by the FCC to operate an Open Video System pursuant to Section 47 U.S.C. 573, as the same may be amended, regardless of the facilities used.

1.1.17. “Person” means an individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.1.18. “Public Ground” means all real property owned by or dedicated to the City, other than public ways, with respect to which City holds the legal right or title to grant or withhold easement, leasehold or occupancy rights or servitudes.

1.1.19. “Public Way” means the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter held by any governmental entity in the Service Area which shall entitle the Grantee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System.

1.1.20. “Public Rights-of-Way Standards” means the standards contained in Chapter 7819 of the Minnesota Rules, as the same may, from time to time, be amended.

1.1.21. “Service Area” means the present boundaries of the City and shall include any additions thereto by annexation or other legal means.

1.1.22. “Standard Installation” is defined as 125 feet from the nearest tap to the Subscriber’s terminal.

1.1.23. “Subscriber” means a Person who lawfully receives Cable Services from the Cable System with the Grantee’s express permission.

SECTION 2

Grant of Franchise

2.1. **Franchise Required.** It shall be unlawful for any Person to construct, operate or maintain a Cable System, an OVS system or other facilities to provide Cable Services or other video programming in the Service Area without a Franchise authorizing the same, unless applicable federal or State law prohibits the City’s enforcement of such a requirement.

2.2. **Compliance with Minnesota Statutes.** This Franchise Agreement shall comply with all provisions contained in Minnesota Statutes Chapter 238, as the same may, from time to time, be amended, including, without limitation, the provisions of Minnesota Statutes §238.084, as amended.

2.3. **Nonexclusive Franchise.** This Franchise Agreement shall be nonexclusive.

2.4. **Grant of Franchise.** Grantee is authorized to construct and operate a Cable System in, along, among, upon, across, above, over, under, or in any manner connected with Public Ways within the Service Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Public Way such facilities and equipment as may be necessary or appurtenant to the Cable System for the transmission and distribution of Cable Services.

2.5. **Additional Franchises.** The City may grant additional Franchise(s) pursuant to Minn. Stat. §238.081 and 47 U.S.C. §541, as such statutes may, from time to time, be amended. The City agrees that any grant of additional Franchise(s) or other authorizations including OVS authorizations shall require service to the entire Service Area and shall not be on terms and conditions more favorable or less burdensome to the Grantee. In any renewal of this Franchise Agreement, the City, should it seek to impose increased obligations upon the Grantee, must take into account any additional Franchise(s) or authorizations previously granted and find that the proposed increased obligations in the renewal are not more burdensome and/or less favorable than those contained in any such additional Franchise(s) or authorizations.

2.5.1 In the event City grants one or more additional Franchises or one or more non-franchised MVPD's commence providing Cable Service in the City, Grantee shall have the right to modify this Franchise Agreement as provided herein, terminate the Franchise Agreement or reduce the term of this Franchise Agreement in its sole discretion. All Franchises granted or renewed after the date of this Franchise Agreement shall have the same substantive terms and conditions as this Franchise Agreement in order that one MVPD not be granted a competitive advantage over another. Nothing in this provision shall be constructed in such a way as to limit the City's authority to enter into other Franchises.

2.5.2 In the event an MVPD commences operation without a Franchise or is granted a Franchise or permit to operate by the City, the terms and conditions of which do not comply with this Franchise Agreement, Grantee shall notify the City whether it wishes to modify its Franchise Agreement in addition to any rights it may have to modify its Franchise Agreement under state or federal law, terminate the Franchise Agreement or reduce the term of this Franchise Agreement in its sole discretion. The City and the Grantee shall work together in good faith to develop Franchise Agreement modifications which address any competitive inequity and the City shall adopt those modifications within ninety (90) days after receiving notice from Grantee. Failure to adopt the modifications shall allow Grantee to unilaterally opt into the competitor's Franchise or to otherwise reduce or eliminate any obligations imposed by this Franchise Agreement which are not imposed on a competitor in its sole discretion. A MVPD is not an entity that provides direct broadcast

satellite services for purposes of this Section. Notwithstanding any provisions of this Section to the contrary, if the City does not possess authority under applicable laws to require a Franchise from any Person, the provisions of this Section shall not apply.

2.6. Conformance with State and Federal Laws and Rules. The City and Grantee shall conform to state laws and rules regarding Cable Services no later than one (1) year after they become effective, unless otherwise stated. The City and Grantee shall conform to federal laws and regulations regarding Cable Services as they become effective. The Grantee agrees to comply with the terms of any lawfully adopted generally applicable nondiscriminatory local ordinance, to the extent that the provisions of the ordinance do not have the effect of limiting the benefits or expanding the obligations of the Grantee that are granted by this Franchise Agreement. Subject to applicable law, neither party may unilaterally alter the material rights nor obligations set forth in this Franchise Agreement. In the event of a conflict between any lawful ordinance, regulation or resolution and this Franchise Agreement, the Franchise Agreement shall control, provided, however, that this Franchise Agreement is subject to all conditions, limitations and immunities now provided for, or as hereafter amended, by state or federal law, including, without limitation, applicable Public Rights-of-Way Standards. In the event that City elects to adopt a right of way ordinance pursuant to Minn. Stat. Sections 237.162 and 237.163, as the same may, from time to time, be amended, the Grantee will comply with the ordinance or regulation adopted by the City, provided such ordinance is consistent with applicable state or federal law and Public Rights-of-Way Standards.

2.7. Franchise Term. This Franchise Agreement shall be in effect from the Effective Date until December 31, 2035, unless sooner revoked or terminated as provided herein.

2.8. Previous Franchise. Upon acceptance by Grantee as required by Section 9.12 hereof, this Franchise Agreement shall amend and restate any previous Ordinance or Franchise Agreement granting a franchise to Grantee to own, operate and maintain a Cable System within the Service Area.

2.9. Police Powers. Nothing herein shall be construed to prohibit City from exercising its police power to adopt and enforce generally applicable, nondiscriminatory ordinances necessary for the health, safety and welfare of the public.

SECTION 3

Construction and Operation of Cable System

3.1. Compliance with Code. The Cable System and any wires, conduits, cable, and other property and facilities of the Grantee subject to this Franchise Agreement must be located, constructed, installed and maintained so as not to unreasonably interfere with the City Utility System or the safety and convenience of ordinary travel along and over Public Ways and which shall at all times be subject to the reasonable regulation of the City and shall be located, constructed, installed, and maintained in compliance with applicable law. In the event that City elects to adopt a right of way ordinance pursuant to Minn. Stat. Section 237.162 and 237.163

Grantee will comply with the ordinance or regulation adopted by the City, provided such ordinance is consistent with applicable State or Federal law and Public Rights-of-Way standards.

3.2. **Permits.** Pursuant to applicable local law, the Grantee shall obtain a permit from the proper City authority before commencing construction on its Cable System, including the opening or disturbance of any Public Way or Public Ground. In the event that Grantee fails to meet the conditions of such a permit, the City may seek remedies pursuant to applicable local law.

3.3. **Restoration.** After completing work requiring the opening of a Public Way or Public Ground, the Grantee must restore the same to the condition formerly existing and maintain the same in good condition for six (6) months thereafter, except in the event of an intervening damaging event not related to the work of the Grantee, (the final judge to be the City Engineer of the City of Hermantown) and in accordance with all applicable laws, rules, ordinances and regulations, including, without limitation, the Public Rights-of-Way Standards. The work must be completed as promptly as reasonably permitted given weather conditions and Grantee's system operations at such time. If the Grantee does not promptly perform and complete the work in accordance with this Section 3.4, including removal of all dirt, rubbish, equipment and material, and restore the Public Way or Public Ground, the City may, after demand to the Grantee to cure and the passage of a reasonable period of time but not to exceed thirty (30) calendar days following the demand, make the restoration at the expense of the Grantee. The Grantee must reimburse the City for the reasonable cost of such work done for or performed by the City. This remedy is in addition to any other remedies available to the City for noncompliance with this Section.

3.4. **Maintenance of Grantee's Facilities.** Grantee agrees that for the term of this Franchise Agreement, it will use commercially reasonable efforts to maintain facilities and equipment sufficient to meet the current and future Cable Service needs of City and City residents. While maintaining its facilities and equipment, Grantee shall obtain permits as required by this Franchise Agreement and in accordance with all applicable laws, rules, ordinances and regulations, including the Public Rights-of-Way Standards, (if applicable) except that in emergency situations, Grantee shall take immediate unilateral actions as it determines are necessary to protect the public health, safety, and welfare; in which case, Grantee shall notify City as soon as reasonably possible.

3.5. **City Street Improvements.** City will give Grantee at least thirty (30) days prior written notice of plans for street improvements where paving or resurfacing of a permanent nature is involved that affect Grantee's Cable System. The notice shall contain the nature and character of the improvements, the rights-of-way upon which the improvements are to be made, the extent of the improvements and the time when the City will start the work, and, if more than one right-of-way is involved, the order in which this work is to proceed. The notice shall be given to the Grantee a sufficient length of time, considering seasonable working conditions, in advance of the actual commencement of the work to permit the Grantee to move its Cable System or to make any additions, alterations, or repairs to its Cable System.

Nothing in this Franchise Agreement shall be construed to prevent the City from constructing sewers, grading, paving, repairing and/or altering streets or laying down, repairing or removing watermain or constructing any other public utility.

3.6. **No Relief from Liability.** Nothing contained in the Franchise Agreement shall be construed to relieve a Person from liability arising out of the failure to exercise reasonable care to avoid injuring the Grantee's Cable System while performing work connected with grading, regrading, or changing the line of a street or public place or with the construction or reconstruction of a sewer or water system.

3.7. **Trimming of Trees and Shrubbery.** The Grantee shall have the authority to trim trees or other natural growth in order to access and maintain the Cable System.

3.8. **Underground Construction.** In those areas of the Service Area where all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are underground, the Grantee likewise shall construct, operate, and maintain its Cable System underground. Nothing contained in this subsection shall require the Grantee to construct, operate, and maintain underground any ground-mounted appurtenances.

3.9. **Erection, Removal and Joint Use of Poles.** No poles, conduits, or other wire-holding structures shall be erected or installed by the Grantee without prior approval of City with regard to location, height, type and other pertinent aspects. To the extent reasonably possible and economically feasible, Grantee shall utilize existing poles rather than install new poles. If existing poles are available, Grantee shall be obligated to use commercially reasonable efforts to seek the approval of the owner of the existing poles prior to installing new poles and provide such documentation and evidence as City may require as to the practical or economic reasons why Grantee is unable to utilize such existing poles prior to City approving the installation of new poles by Grantee.

3.10. **Relocation of Grantee's Facilities.**

3.10.1. Grantee shall promptly and at its own expense, with due regard for seasonal working conditions, permanently remove and relocate its Cable System in a Public Way when it is necessary to prevent interference, and not merely for convenience of the government, in connection with: (1) a present or future government use of the right-of-way for a public project; (2) the public health or safety; or (3) the safety and convenience of travel over the Public Way.

3.10.2. Notwithstanding Section 3.10.1, Grantee is not required to remove or relocate its Cable System from a Public Way that has been vacated in favor of a nongovernmental entity unless and until the reasonable costs to do so are first paid to Grantee and Grantee is provided with at least thirty (30) days prior written notice.

3.10.3. In the event that City requires removal and relocation of the Cable System, City shall promptly notify the Grantee of the need for removal and relocation, of the City's intent to assess the cost of removal and relocation against the Grantee and the date by which such removal and relocation is required to be completed. If Grantee reasonably believes another party should be responsible for the cost of removal and relocation in accordance with the terms of this Franchise Agreement, Grantee shall, within thirty (30) days, provide

notice to the City of its objection to the requirement that it pay for the removal and relocation.

3.10.4. The City and/or the party that the Grantee believes should be responsible for the removal and relocation costs shall deposit an amount estimated to cover the Grantee's costs for removal and relocation in an escrow account with an Escrow Agent acceptable to City and Grantee. Upon deposit of the escrowed funds, the City may require the removal and relocation of the Cable System at the Grantee's expense within the time specified in the notice provided pursuant to Section 3.10.3, pending a final agreement or determination of which party bears ultimate responsibility for the costs of removal and relocation. Grantee and the City agree to negotiate the question of responsibility for the costs of removal and relocation in good faith. If the parties are unable to resolve a dispute as to responsibility for the cost of removal and relocation within sixty (60) days from the date of Grantee's notice objecting to the payment of costs, either party may seek judicial recourse. The venue for any such proceeding shall be in the District Court sitting in Duluth, Minnesota.

3.10.5. The removal and/or relocation of the Cable System by Grantee required under this Section 3.10 shall be completed on or before the date specified in the notice provided pursuant to Section 3.10.3 so as not to delay the work that gave rise to the need for the relocation and/or removal of the Cable System.

3.11. **Drops to Public Buildings.** Subject to applicable law, Grantee shall provide installation of one (1) cable drop, one (1) cable outlet and monthly Basic Cable Service without charge to the following institutions and such other public or education institutions located within three hundred (300) feet of the Cable System which City and Grantee may agree upon:

Hermantown City Administrative Services Bldg.	5105 Maple Grove Road
Hermantown Police Department	5111 Maple Grove Road
Hermantown Fire Department	5111 Maple Grove Road
Hermantown Fire Hall 2	4900 Morris Thomas Road
Hermantown Fire Hall 3	4494 Midway Road
Hermantown Schools (Admin.)	4307 Ugstad Road
Hermantown High School	4335 Hawk Circle Drive
Essentia Wellness Center	4289 Ugstad Road
Hermantown Elementary School	5365 Arrowhead Road
Hermantown Hockey Arena	4309 Ugstad Road

Hermantown City Public Services Building
(subject to the cable system being located within
300 feet)

4971 Lightning Drive

Former City Hall

5255 Maple Grove Road

Redistribution of the Cable Programming Service provided pursuant to this section shall only be allowed with Grantee's prior written consent. Additional drops and/or outlets in any of the above locations will be provided by Grantee at the cost of Grantee's time and material. Alternatively, at the City's request, the City may add outlets at its own expense, as long as such installation meets Grantee's standards. If any such outlets or the wiring installed or provided by the City do not meet Grantee's standards then Grantee will be under no obligation to provide service to those outlets until such time as they do meet the Grantee's standards. City will bear any additional costs as a result of meeting such standards. Nothing herein shall be construed as requiring Grantee to extend the Cable System to service additional institutions that may be designated by City if any of such sites are more than three hundred (300) feet away from the Cable System. Grantee shall have one (1) year from the date of City Council designation of additional institutions(s) to complete construction of the requested drop and outlet.

3.12. **City Hall Broadcast.** Grantee agrees to continue provide transport of the PEG signal from the Demarcation Point to accomplish live broadcasting from the Administrative Service Building City Council Chambers. Grantee further agrees to review, identify and resolve any technical issues related to transport of the current PEG channel from the Demarcation Point to the headend.

3.13. **Emergency Alert.** Any Emergency Alert System ("EAS") provided by Grantee shall be operated in accordance with FCC regulations. Any use of such EAS by the City will be only in accordance with the applicable state and local plans as approved in accordance with such FCC regulations. Except to the extent expressly prohibited by law, the City will hold the Grantee, its employees, officers and assigns harmless from any claims arising out of use of the EAS, including but not limited to reasonable attorneys' fees and costs.

3.14. **Abandonment.** Notwithstanding any provision in a Franchise Agreement, Grantee may not abandon the Cable System or a portion of it without having given three months prior written notice to the City. Grantee may not abandon the Cable System or a portion of it without compensating the City for damages resulting to it from the abandonment.

3.15. **Compliance with FCC Technical Standards.** The Grantee shall comply with the technical standards for Cable Systems provided in 47 C.F.R. §§76.601-76.617, which regulations are incorporated herein by reference as if fully set forth herein. The results of tests required by the FCC must be filed within ten (10) days of the conduct of the tests with the City. City shall pay for the cost of any special testing requested by the City to determine if the Cable System is in compliance with these technical standards, unless such testing demonstrates non-compliance in which case Grantee shall pay.

3.16. **Public Inspection.** The Grantee shall make available for public inspection: (1) the length and terms of residential subscriber contracts; (2) the current subscriber charges; and (3) the procedure by which subscriber charges are established, unless such provision is contrary to state or federal law.

3.17. **Subscriber Privacy.** No signals of class IV cable communications channel may be transmitted from a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. The request for permission must be contained in a separate document with a prominent statement that the Subscriber is authorizing the permission in full knowledge of its provisions. The written permission must be for a limited period of time not to exceed one year, which is renewable at the option of the Subscriber. No penalty may be invoked for a Subscriber's failure to provide or renew the authorization. The authorization is revocable at any time by the Subscriber without penalty of any kind. Grantee shall further comply with 47 U.S.C. §551, which is incorporated herein by reference.

3.17.1. No information or data obtained by monitoring transmission of a signal from a Subscriber terminal, including but not limited to lists of the names and addresses of the Subscribers or lists that identify the viewing habits of Subscribers, may be sold or otherwise made available to any person other than to the company and its employees for internal business use, or to the Subscriber who is the subject of that information, unless the company has received specific written authorization from the Subscriber to make the data available or unless said information is ordered by a court or subpoenaed;

3.17.2. Written permission from the Subscriber must not be required for the systems conducting system wide or individually addressed electronic sweeps for the purpose of verifying system integrity or monitoring for the purpose of billing.

3.17.3. For purposes of this provision, a "class IV cable communications channel" means a signaling path provided by a cable communications system to transmit signals of any type from a subscriber terminal to another point in the communications system.

3.18. **Complaint Resolution Procedure.** Grantee shall comply with the customer service standards promulgated by the FCC under 47 C.F.R. §76.309.

3.19. **Receipt of Complaints.** Grantee shall provide a toll-free or collect telephone number for the reception of complaints to all Subscribers and shall maintain a repair service cable of responding to Subscriber complaints or requests for service within 24 hours after receipt of the complaint or request.

3.20. **Service Extension Policy.** In order that Subscribers will not be unfairly burdened, the following service extension policy is hereby adopted and agreed to by Grantee:

3.20.1. In the event of annexation by City, or as development occurs, any new territory shall become part of the area covered; provided, however, that Grantee shall not be required to extend service beyond its present Cable System boundaries unless there is

a minimum of twenty- five (25) homes per cable mile and the area is unserved by another cable service provider. Access to cable service shall not be denied to any group of potential residential cable Subscribers because of the income of the residents of the area in which such group resides. Grantee shall be given a reasonable period of time to construct and activate cable plant to service annexed or newly developed areas.

3.20.2. Upon request, Grantee shall construct cable plant to any unserved area, provided, the residents of said area pay Grantee's construction costs less the cost of the first one hundred fifty (150) feet from the existing distribution system. If more than one resident desire to have cable plant extended to provide service then Grantee shall construct cable plant to serve such residents if such residents agree to pay all of the cost of the extension less an amount equal to the cost of the first one hundred fifty (150) feet of cable plant for each such resident. Example: If there are ten (10) homes that desire cable service and three thousand (3,000) feet of cable plant would have to be added to the System to serve such residents then Grantee would pay fifty percent (50%) of the cost of such extension and the residents would pay fifty percent (50%) of the cost of such extension.

3.20.3. **New Developments.** In order to accommodate new developments where there are less than twenty-five (25) homes per cable mile, the City may, but is not obligated to, require the Developer, where feasible, to provide extensions of Cable Service by Grantee to the new development. The cost of the extension is to be borne by the Grantee and the Developer in an exact ratio to which the homes per mile are deficient. Example: If there are ten homes per mile, the Grantee would pay 10/25 of the cost (40%); and the Developer would pay 15/25 of the cost (60%) of such extension.

3.21. **Public Access Provisions.**

3.21.1. **Public, Education and Government Access.**

3.21.1.1. City or its designee is hereby designated to operate, administer, promote, and manage access (public, education, and government programming) (hereinafter "PEG access") to the Cable System established pursuant to this Section 3.24. Grantee shall have no responsibility whatsoever for PEG access except as expressly stated in this Section 3.24.

3.21.1.2. The Grantee shall continue to dedicate three (3) channels for PEG access use. All PEG access channels shall be available to Subscribers on the Basic Service Tier.

The Grantee may use the specially designated access channel for local origination during those hours when the channel is not in use by the general public, local educational authorities, local government or commercial or noncommercial users who have leased time. Grantee shall designate the channel locations of the access channels.

3.21.2.Charges for Use. Channel time and playback of prerecorded programming on the specially designated access channels must be provided without charge to the general public, except that personnel, equipment and production costs may be assessed by City for live studio presentations exceeding five (5) minutes in length. Charges for production costs must be consistent with the goal of affording the public a low-cost means of television access.

3.21.3.Access Rules.

3.21.3.1. City shall implement rules for use of any specially designated access channels. The initial access rules and any amendments thereto shall be maintained on file with City and available for public inspection during normal business hours.

3.21.3.2. Prior to the cablecast of any program on any PEG access channel established herein, City shall require any Person who requests access (public, education; and government) to the Cable System to provide written certification in a form and substance acceptable to Grantee and City which releases indemnifies, and holds harmless City, Grantee and their respective employees, offices, agents, and assigns from any liability, cost, damages and expenses, including reasonable expenses for legal fees arising or connected in any way with said program.

3.21.4.Periodic PEG Access Evaluation. Upon written request from City to Grantee, Grantee and City shall meet to evaluate PEG access channel issues. Both parties agree to meet in good faith and use their best efforts to discuss any proposal for modification presented by the other party. Nothing herein shall presume or require consent to any such proposed modification by City. Modifications to public access may only occur by mutual written consent of both parties.

SECTION 4
Fees; Regulation by the City

4.1. Franchise Fee.

4.1.1. The Grantee shall pay to the City a franchise fee of five percent (5%) of annual Gross Revenues (as defined in subsection 1.14 of this Franchise Agreement). In accordance with the Cable Act, the twelve (12) month period applicable under the Franchise Agreement for the computation of the franchise fee shall be a calendar year. Grantee's responsibility for payment of Franchise Fee under this Agreement shall commence on the first day of the calendar month that is at least 30 days after final execution of this Agreement. Until that time, Grantee shall continue to pay the Franchise Fee under any pre-existing Franchise Agreement with the Local Franchising Authority. Grantee shall commence payment of the franchise fee on the first day of the calendar month that is at least 30 days after final execution of this Agreement. The franchise fee

payment shall be due quarterly and payable within ninety (90) days after the end of each of Grantee's fiscal quarters. Each payment shall be accompanied by a brief report prepared by a representative of the Grantee showing the basis for the computation.

4.1.2. Limitation on Franchise Fee Actions. The period of limitation for audit and recovery by the City of any franchise fee payable hereunder shall be three (3) years from the date on which payment by the Grantee is due to the City, after which period any such payment shall be considered final.

4.2. PEG Fee. City may, upon sixty (60) days written notice ("PEG Fee Notice") to Grantee, require Grantee to impose a monthly per subscriber fee in an amount not to exceed sixty-five cents (65¢) to support Public Education and Governmental ("PEG") access operation and programming ("PEG Fee"). The PEG Fee will be imposed by Grantee on its subscribers effective as of the first day of the third month following the date of the PEG Fee Notice. The PEG Fees shall be remitted to City quarterly along with the Franchise Fee.

In the event that the PEG Fee is imposed, the City and Grantee shall mutually agree upon the language to be utilized for the PEG Fee line item to be listed in the subscriber's monthly bills from Grantee. If such language is not agreed upon, the obligation to collect and remit a PEG Fee to the City is suspended until such agreement is reached. The PEG Fee and related records shall be subject to accounting and inspection in the same manner as the franchise fee required to be paid pursuant to Section 4.1 of this Franchise Agreement.

In the event that the PEG Fee is imposed, the City, in its sole discretion, may opt to discontinue the PEG Fee at any time upon providing Grantee sixty (60) days written notice.

4.3. Audit. The City shall have the right to audit the Grantee's accounting and financial records solely to calculate the City's franchise fees upon thirty (30) days prior written notice. The Grantee shall file annual reports with the City detailing Gross Revenues and other information the City deems appropriate; provided, however, such information shall be deemed a trade secret under applicable Minnesota law and shall not be disclosed by the City, except as mandated by applicable law or court order.

4.4. Renewal of Franchise Agreement.

4.4.1. Any subsequent renewal term of the Franchise Agreement shall be limited to not more than ten (10) years. The City and the Grantee agree that any proceedings undertaken by the City that relate to the renewal of the Franchise Agreement shall be governed by and comply with the renewal provisions of federal law.

4.4.2. In addition to the procedures set forth in the Cable Act, the City agrees to notify the Grantee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of the Grantee under the then current Franchise Agreement term. The City further agrees that such assessments shall be provided to the Grantee promptly so that the Grantee has adequate time to submit

a proposal pursuant to the Cable Act and complete renewal of the Franchise Agreement prior to expiration of its term.

4.4.3. Notwithstanding anything to the contrary set forth in this Subsection 4.4.3, the Grantee and the City agree that at any time during the term of the then current Franchise Agreement, while affording the public appropriate notice and opportunity to comment in accordance with the provisions of federal law the City and the Grantee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise Agreement and the City may grant a renewal thereof.

4.4.4. The Grantee and the City consider the terms set forth in this subsection 4.4 to be consistent with the express renewal provisions of the Cable Act.

4.5. **Conditions of Sale.** If a renewal or extension of the Grantee's Franchise Agreement is denied or the Franchise Agreement is lawfully terminated, and the City either lawfully acquires ownership of the Cable System or by its actions lawfully effects a transfer of ownership of the Cable System to another party, any such acquisition or transfer shall be at the price determined pursuant to the provisions set forth in Section 627 of the Cable Act.

The Grantee and the City agree that in the case of a final determination of a lawful revocation of the Franchise Agreement, the Grantee shall be given at least twelve (12) months to effectuate a transfer of its Cable System to a qualified third party. Furthermore, the Grantee shall be authorized to continue to operate pursuant to the terms of its prior Franchise Agreement during this period. If, at the end of that time, the Grantee is unsuccessful in procuring a qualified transferee or assignee of its Cable System which is reasonably acceptable to the City, the Grantee and the City may avail themselves of any rights they may have pursuant to federal or state law. It is further agreed that the Grantee's continued operation of the Cable System during the twelve (12) month period shall not be deemed to be a waiver, nor an extinguishment of, any rights of either the City or the Grantee.

4.6. **Franchise Transfer.** No sale or transfer of this Franchise Agreement or sale or transfer of stock so as to create a new controlling interest under Minn. Stat. §238.083, shall take place without the written approval of the City, which approval shall not be unreasonably withheld and conditioned that the sale or transfer being completed pursuant to Minnesota Stat. §238.083. The Grantee's right, title, or interest in the Franchise Agreement shall not be sold, transferred, assigned, or otherwise encumbered, other than to an entity controlling, controlled by, or under common control with the Grantee, without prior written notice to the City. No such notice shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise Agreement or Cable System in order to secure indebtedness. Pursuant to Minn. Stat. §238.084, Subd. 1(y), if the Franchise Agreement is transferred or sold by Grantee, the City shall have the right to purchase the Cable System. City shall be deemed to have waived its right to purchase the System under this section in the following circumstances:

4.6.1. If it does not indicate to Grantee in writing, within thirty (30) days of notice of a proposed sale or assignment, its intention to exercise its right of purchase; or

4.6.2 It approves the assignment or sale of the Franchise Agreement as provided within this section.

SECTION 5

Books and Records

The Grantee agrees that the City, upon thirty (30) days written notice to the Grantee and no more than once annually may review such of its books and records at the Grantee's business office, during normal business hours and on a nondisruptive basis, as is reasonably necessary to ensure compliance with the terms of this Franchise Agreement. Such notice shall specifically reference the subsection of the Franchise Agreement that is under review so that the Grantee may organize the necessary books and records for easy access by the City. Alternatively, if the books and records are not easily accessible at the local office of the Grantee, the Grantee may, at its sole option, choose to pay the reasonable travel costs of the City's representative to view the books and records at the appropriate location. The Grantee shall not be required to maintain any books and records for Franchise Agreement compliance purposes longer than three (3) years. Notwithstanding anything to the contrary set forth herein, the Grantee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose books and records of any affiliate which is not providing Cable Service in the Service Area. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act.

SECTION 6

Insurance and Indemnification

6.1. **Indemnification.** During the term of the Franchise Agreement, the Grantee shall indemnify, defend and hold harmless the City, its officers, boards, commissions, councils, elected officials, agents and employees (collectively the "Indemnitees") from and against resulting from property damage or bodily injury (including accidental death) that arise out of the Grantee's construction, operation, maintenance or removal of the Cable System in the Service Area provided that the City shall give Grantee prompt written notice of its obligation to indemnify the City within a reasonable time of receipt of a claim or action pursuant to this subsection.

Notwithstanding the foregoing, the Grantee shall not indemnify the City for any damages, liability or claims resulting solely from the willful misconduct or negligence of the Indemnitees.

6.2. **Insurance Requirements.** The Grantee shall obtain and maintain at all times during the term of this Franchise Agreement the insurance required by this Section.

6.2.1 **Compensation Insurance:** The Grantee shall procure and shall maintain during the term of the Franchise Agreement Worker's Compensation Insurance as required by applicable Minnesota law for all employees to be engaged in work in the Service Area.

6.2.2 **Public Liability and Property Damage Insurance and Vehicle Liability Insurance:** The Grantee shall procure and shall maintain during the term of the Franchise

Agreement Property Damage Insurance and Vehicle Liability Insurance and Grantee's Public Liability Insurance in the amounts specified in the sections below.

6.2.3 Proof of Insurance: The Grantee shall furnish the City with a certificate showing the type, amount, class of operations covered, effective dates and dates of expiration of policies. Such certificates shall contain substantially the following statement: "The insurance covered by this certificate will not be canceled, materially altered, or not renewed, except after thirty (30) days written notice or ten (10 days) for non-payment of premium, has been received by the City." City is to be named as an additional insured on such Certificate and not merely as a Certificate holder. Grantee must provide City with appropriate endorsements to its policy(ies) of insurance reflecting the status of City as an additional insured and requiring that the foregoing notice of cancellation, material alteration or non-renewal be provided to owner by the insurance company providing such insurance policy(ies) to Grantee. In addition, all policies shall contain a waiver of subrogation in favor of City.

6.2.4 Limits of Insurance:

Worker's Compensation: As required by Minnesota law with an "all states" endorsement

Comprehensive General Liability,
Premises and Operations:

Bodily Injury	Each Person	\$1,500,000.00
	Aggregate	\$1,500,000.00

Comprehensive General Liability, Property Damage and Bodily Injury: Each Accident	\$1,500,000.00
General Aggregate:	\$2,000,000.00
Products – Completed Operations Aggregate:	\$2,000,000.00
Fire Legal Liability Each Occurrence	\$100,000.00
Medical Expense:	\$5,000.00

Comprehensive Automobile Liability	\$1,500,000.00
Combined single limit each accident (shall include coverage for all owned, hired and non-owned vehicles).	

Property Damage	Each Accident	\$1,500,000.00
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6.3. Performance Bond.

6.3.1. On the Effective Date and at all times thereafter, until the Grantee has liquidated all of its obligations with City, the Grantee shall furnish a bond to City in the amount of Twenty Thousand and No/100 Dollars (\$20,000.00) in a form and with such

sureties as reasonably acceptable to City. This bond will be conditioned upon the faithful performance of the Grantee according to the terms of this Franchise Agreement and upon the further condition that in the event the Grantee shall fail to comply with any law, ordinance or regulation governing the Franchise Agreement, there shall be recoverable jointly and severally from the principal and surety of the bond any damages or loss suffered by City as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Grantee, plus a reasonable allowance for attorneys' fees and costs, up to the full amount of the bond, and further guaranteeing payment by the Grantee of any claim, liens and taxes due to the City which arise by reason of the construction, operation, or maintenance of the System. The rights reserved by City with respect to the bond are in addition to all other rights City may have under the Franchise Agreement or any other law.

6.3.2. If at any time Grantee undertakes additional construction of the Cable System in City, by way of a line extension, rebuild, upgrade or otherwise, with a projected cost in excess of Seventy Thousand and No/100 Dollars (\$70,000.00), Grantee shall provide a bond to City in the amount equivalent to fifteen percent (15%) of the projected construction cost and shall maintain such bond during the term of said additional construction. This bond shall be in addition to the bond required by Section 6.3 and shall be conditioned upon the completion of construction of the Cable System in accordance with the terms of this Franchise Agreement within the times provided for herein and to indemnify City of any loss or damage, including attorneys' fees and costs, which it may suffer or incur as a result of the failure of Grantee to complete construction of the Cable System as provided herein. Upon completion of said additional construction, Grantee shall provide written notice to City. Within thirty (30) day of receipt of notice of completion of said construction, City shall give written notice to Grantee indicating whether City agrees the construction is complete or specifying those items of construction which City determines are not complete. At such time as City and Grantee mutually agree that said additional construction of the Cable System is complete, Grantee shall provide to City a bond in the amount to the bond existing immediately before the commencement of said additional construction. At the time City agrees the construction is complete, the bond provided by Grantee pursuant to this Section 6.3 shall be released.

6.3.3. The bonds provided within this Section shall also be provided on the condition that funds will be paid to City, upon written demand of City, and after the procedures of this Section have been complied with, in payment for penalties charged pursuant to this Section, in payment for any monies owed by Grantee pursuant to its obligations under this Franchise Agreement, or in payment for any damage incurred as a result of any acts or omissions by Grantee pursuant to this Franchise.

6.3.4. In addition to recovery of any monies owed by Grantee to City or damages to City as a result of any acts or omissions by Grantee pursuant to the Franchise Agreement, City in its sole discretion may charge to and collect from the bonds provided for in this Section provided by Grantee to the City for failure to comply with any of the provisions of this Franchise Agreement a penalty of One Hundred and No/100 Dollars (\$100.00) per day for each day, or part thereof, that such failure occurs or continues.

6.3.5. In the event this Franchise Agreement is cancelled by reason of default of Grantee or revoked, City shall be entitled to collect from the bonds provided under Section 6.3.1, 6.3.2, 6.3.3, or 6.3.4 that amount which is attributable to any damages sustained by City pursuant to said default or revocation. Grantee, however, shall be entitled to the return of such performance bond, or portion thereof as remains at the expiration of the term of the Franchise Agreement.

6.3.6. The rights reserved to City with respect to the bonds provided under Section 6.3.1, 6.3.2, 6.3.3., and 6.3.4 are in addition to all other rights of City whether reserved by this Franchise Agreement or authorized by law, and no action, proceeding or exercise of a right with respect to the performance bond shall affect any other right City may have.

6.4. Procedure for Imposition of Penalties.

6.4.1. Whenever the City finds that Grantee has violated one (1) or more material terms, conditions or provisions of this Franchise Agreement or federal or state law or regulation, a written notice shall be given to Grantee informing it of such violation or liability. The written notice shall describe in reasonable detail the specific violation so as to afford Grantee an opportunity to remedy the violation. Grantee shall have thirty (30) days subsequent to receipt of the notice in which to correct the violation.

6.4.2. Whenever a Franchise Agreement violation has been alleged pursuant to Section 6.4, Grantee may, within thirty (30) days of receipt of notice, notify City that there is a dispute as to whether a violation or failure has, in fact, occurred. Such notice by Grantee to City shall specify with particularity the matters disputed by Grantee and shall toll the running of the cure period provided pursuant to Section 6.4.1. City shall hear Grantee's dispute at the next regularly scheduled meeting. City shall supplement any decision with written findings of fact.

6.4.3. Subject to any tolling of the thirty (30) day time frame pursuant to Section 6.4.2, if Grantee fails to cure such default within thirty (30) days after the giving of such notice, or if such default is of such a character as to require more than thirty (30) days within which to cure the same, and Grantee fails to commence to cure the same within said thirty (30) day period and thereafter fails to use reasonable diligence, in City's reasonable opinion, to cure such default as soon as possible, then and in any event, such default shall be a substantial breach of this Franchise Agreement and City, at its option may elect to either cure the default by drawing on the Security or any bond provided to City by Grantee for the amount claimed or terminate and cancel this Franchise Agreement and all rights and privileges of this Franchise Agreement by placing the issue of revocation and termination of the Franchise Agreement before the City at a regular or special meeting of the City. If City decides there is cause or reason to terminate, the procedure in Section 7 shall be followed.

6.4.4. If City draws upon the Security or any bond provided to City by Grantee or any subsequent Security or any bond provided to City by Grantee delivered pursuant

hereto, in whole or in part, Grantee shall replace and restore the amount withdrawn on the Security or any bond provided to City by Grantee within fifteen (15) days.

6.4.5. If any Security or any bond provided to City by Grantee is not so replaced, City may draw on said Security or any bond provided to the City by Grantee for the whole amount thereof and hold the proceeds, without interest, and use the proceeds to pay costs incurred by City in performing and paying for any or all of the obligations, duties and responsibilities of Grantee under this Franchise Agreement that are not performed or paid by Grantee pursuant hereof, including attorneys' fees incurred by the City in so performing and paying.

6.4.5. The rights reserved to the City with respect to the Security or any bond provided to City by Grantee under this Section 6.4 are in addition to all other right of City whether reserved by this Franchise Agreement or authorized by law, and no action proceeding or exercise of a right with respect to the Security or any bond provided to City by Grantee shall affect any other right City may have.

SECTION 7

Enforcement and Termination of Franchise

7.1. **Franchise Termination.** The City has the right to terminate and cancel the Franchise Agreement and the rights and privileges of the Franchise Agreement if the Grantee substantially violates a provision of the Franchise Agreement, attempts to evade the provisions of the Franchise Agreement, or practices fraud or deceit upon the City. The City shall provide the Grantee with a written notice of the cause for termination and its intention to terminate the Franchise Agreement and shall allow the Grantee a minimum of 30 days after service of the notice in which to correct the violation. The Grantee must be provided with an opportunity to be heard at a public hearing before the governing body of the City before the termination of the Franchise Agreement.

7.2. **The Grantee's Right to Cure or Respond.** The Grantee shall have thirty (30) days from receipt of the notice described in subsection 7.1: (A) to respond to the City, contesting the assertion of such noncompliance, or (B) to cure such default, or (C) in the event that, by the nature of such default, it cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the City of the steps being taken and the projected date that they will be completed.

7.3. **Public Hearing.** In the event that the Grantee fails to respond to the notice described in subsection 7.1 pursuant to the procedures set forth in subsection 7.2, or in the event that the alleged default is not remedied within thirty (30) days or the date projected pursuant to 7.2(C) above, if it intends to continue its investigation into the default, then the City shall schedule a public hearing. The City shall provide the Grantee at least ten (10) days prior written notice of such hearing, which specifies the time, place and purpose of such hearing, and provide the Grantee the opportunity to be heard.

7.4. **Enforcement.** Subject to applicable federal and state law, in the event the City, after the hearing set forth in subsection 7.3, determines that the Grantee is in material default of any provision of the Franchise Agreement, the City may:

7.4.1. Commence an action at law for monetary damages or seek other equitable relief; or

7.4.2. In the case of repeated or ongoing substantial non-compliance with a material term or terms of the Franchise Agreement, seek to revoke the Franchise Agreement in accordance with subsection 7.5.

7.5. **Revocation.** Should the City seek to revoke the Franchise Agreement after following the procedures set forth in subsections 7.1-7.4 above, the City shall give written notice to the Grantee of its intent. The notice shall set forth the exact nature of the repeated or ongoing substantial noncompliance with a material term or terms of the Franchise Agreement. The Grantee shall have ninety (90) days from such notice to object in writing and to state its reasons for such objection. In the event the City has not received a satisfactory response from the Grantee, it may then seek termination of the Franchise Agreement at a public hearing. The City shall cause to be served upon the Grantee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise Agreement.

At the designated hearing, Grantee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the City, to compel the testimony of other persons as permitted by law, and to question witnesses. A complete verbatim record and transcript shall be made of such hearing.

Following the hearing, the City shall determine whether or not the Franchise Agreement shall be revoked. If the City determines that the Franchise Agreement shall be revoked, the City shall promptly provide Grantee with its decision in writing. The Grantee may appeal such determination of the City to an appropriate court. Grantee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Grantee's receipt of the determination of the City.

The City may take any lawful action which it deems appropriate to enforce the City's rights under the Franchise Agreement in lieu of revocation.

7.6. **Force Majeure.** The Grantee shall not be held in default under, or in noncompliance with, the provisions of the Franchise Agreement, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of the Grantee to anticipate and control. This provision includes work delays caused by waiting for utility providers to service or monitor their utility poles to which the Grantee's Cable System is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary.

Furthermore, the parties hereby agree that it is not the City's intention to subject the Grantee to penalties, fines, forfeitures or revocation of the Franchise Agreement for violations of the Franchise Agreement where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Service Area, or where strict performance would result in practical difficulties and hardship to the Grantee which outweigh the benefit to be derived by the City and/or Subscribers.

7.7. **Removal of Facilities.** Upon termination or forfeiture of the Franchise Agreement, unless otherwise required by applicable law, the Grantee shall remove its cable, wires, and appliances from the streets, alleys, and other public places within the Service Area if the City so requests; provided, however, that if Grantee is providing services other than Cable Services or pursuant to applicable law, City shall not require the removal of the System. In the event the Grantee fails to remove its cable, wires, and appliances from the streets, alleys, and other public places within the Service Area, the Grantee will be subject to the procedures of applicable local law.

SECTION 8

Dispute Resolution

8.1 Dispute Resolution.

8.1.1. Grantee and City shall attempt in good faith to resolve any dispute arising out of this Franchise Agreement by negotiation between the parties. Either party may give the other party written notice that a dispute exists ("Notice of Dispute") which shall include a statement of such party's position. Within ten (10) days of the Notice of Dispute, Grantee and City shall meet at a mutually acceptable time and place, and thereafter as long as both parties reasonably deem necessary; to attempt to resolve the dispute.

8.1.2. If the dispute has not been resolved by negotiation within thirty (30) days of the Notice of Dispute, Grantee and City shall attempt in good faith to resolve the dispute by mediation.

8.1.3. If Grantee and City participate in the dispute resolution process provided in this Section 8.1, all relevant time frames established under state or federal law or this Franchise Agreement shall be tolled until the conclusion of said processes.

SECTION 9

Miscellaneous Provisions

9.1. **Actions of Parties.** In any action by the City or the Grantee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

9.2. **Entire Agreement.** This Franchise Agreement constitutes the entire agreement between the Grantee and the City and supersedes all other prior understandings and agreements oral or written. Any amendments to this Franchise Agreement shall be mutually agreed to in writing by the parties.

9.3. **Reservation of Rights.** Acceptance of the terms and conditions of this Franchise Agreement will not constitute, or be deemed to constitute, a waiver, either expressly or impliedly, by Grantee of any constitutional or legal right which it may have or may be determined to have, either by subsequent legislation or court decisions. The City acknowledges that Grantee reserves all of its rights under applicable Federal and State Constitutions and laws.

9.4. **Notice.** Unless expressly otherwise agreed between the parties, every notice or response required by this Franchise Agreement to be served upon the City or the Grantee shall be in writing, and shall be deemed to have been duly given to the required party when placed in a properly sealed and correctly addressed envelope: a) upon receipt when hand delivered with receipt/acknowledgment, b) upon receipt when sent certified, registered mail, c) within five (5) business days after having been posted in the regular mail or d) or the next business day if sent by express mail or overnight air courier.

If to City:	City of Hermantown Attn: City Administrator 5105 Maple Grove Road Hermantown, MN 55811
If to Grantee:	Mediacom Minnesota LLC Attn: Legal Department One Mediacom Way Mediacom Park, NY 10918
With a copy to:	Mediacom Minnesota LLC Attn: Government Relations Director 1504 2 nd Street SE Waseca, MN 56093

The City and the Grantee may designate such other address or addresses from time to time by giving notice to the other in the manner provided for in this subsection.

9.5. **Franchise Administration.** The City Administrator is responsible for the continuing administration of the Franchise Agreement.

9.6. **Descriptive Headings.** The captions to Sections and subsections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

9.7. **Severability.** If any Section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise Agreement.

9.8. **Data Practices Act.** Grantee acknowledges that City is subject to the provisions of the Minnesota Government Data Practices Act.

9.8.1. Grantee must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by City in accordance with this Ordinance/Franchise Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by Grantee in accordance with this Ordinance/Franchise Agreement. The civil remedies of Minnesota Statutes §13.08, apply to Grantee and City.

9.8.2. Minnesota Statutes, Chapter 13, provides that all government data are public unless otherwise classified. If Grantee receives a request to release the data referred to in this Section, Grantee must immediately notify City and consult with City as to how Grantee should respond to the request. Grantee's response shall comply with applicable law, including that the response is timely and, if Grantee denies access to the data, that Grantee's response references the statutory basis upon which Grantee relied. Grantee does not have a duty to provide public data to the public if the public data is available from City.

9.9. **Work Performed by Others.** All provisions of this Franchise Agreement shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Franchise Agreement. Grantee shall provide notice to City of the name(s) and address(es) of any entity, other than Grantee, which performs substantial services pursuant to this Franchise Agreement.

9.10. **Amendment of Franchise Ordinance.** Grantee and City may agree, from time to time, to amend this Franchise Agreement. Such written amendments may be made if City and Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in federal, state or local laws. City shall act pursuant to applicable law pertaining to the ordinance amendment process.

9.11. **No Waiver.** Any waiver of any obligation or default under this Ordinance/Franchise Agreement shall not be construed as a waiver of any future defaults, whether of like or different character.

9.12. **Franchise Term and Effective Date.** This Ordinance/Franchise Agreement shall be in force and effective January 1, 2026 after all of the following have been completed: passage of this Ordinance/Franchise Agreement, publication as required by law, and acceptance by Grantee. If Grantee does not file a written acceptance with the City within sixty (60) days after the date the City Council adopts this Ordinance/Franchise Agreement, or otherwise informs the City,

at any time, that the Grantee does not accept this Ordinance/Franchise Agreement, the City Council by resolution may revoke this Ordinance/Franchise Agreement or seek its enforcement in a court of competent jurisdiction.

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Passed and approved by the City Council of the City of Hermantown, Minnesota, on this _____ day of _____, 2025.

Mayor

ATTEST:

City Clerk

ACCEPTANCE BY GRANTEE

Mediacom Minnesota LLC hereby accepts the terms and provisions of the foregoing and attached Ordinance No. 2025-20, An Ordinance Renewing a Franchise Granted to Mediacom Minnesota, LLC to Construct, Operate and Maintain a Cable Television System in the City of Hermantown; Setting Forth Conditions Relating to the Continuation of the Franchise; Providing for the Regulation and Use of the Cable Television System; and Prescribing Penalties for the Violation of its Provisions, on the date of _____, 2025.

Mediacom Minnesota LLC

By _____
Its _____
Date _____



CITY COUNCIL MEETING DATE: 11/17/2025

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Ordinance – MN Power Franchise Agreement

☐ **RESOLUTION:** ☒ **ORDINANCE:** 2025-21 ☐ **OTHER:**

REQUESTED ACTION

Hold first reading of an ordinance extending a franchise agreement with MN Power.

BACKGROUND

The City has had a franchise agreement with MN Power in excess of 20 years. The franchise agreement allows them to use the City's right of way for their infrastructure (poles, transmission lines, etc.).

The current agreement expires in 2025, There only change is that the fee stayed the same but is now listed in a separate ordinance.

All other items materially maintain the status quo.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Ordinance

CITY OF HERMANTOWN, MINNESOTA

ORDINANCE NO. _____, 2025-21

AN ORDINANCE GRANTING TO MINNESOTA POWER A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN IN THE CITY OF HERMANTOWN, MINNESOTA, AN ELECTRIC DISTRIBUTION SYSTEM AND TRANSMISSION LINES, INCLUDING NECESSARY POLES, LINES, FIXTURES AND APPURTENANCES, FOR THE FURNISHING OF ELECTRIC ENERGY TO THE CITY, ITS INHABITANTS, AND OTHERS, AND TO USE THE PUBLIC WAYS AND PUBLIC GROUNDS OF THE CITY FOR SUCH PURPOSES; AND PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF.

THE CITY COUNCIL OF THE CITY OF HERMANTOWN, MINNESOTA, DOES FIND AND ORDAIN, AND THE TABLE OF SPECIAL ORDINANCES OF THE CITY CODE OF ORDINANCES IS HEREBY REVISED TO INCLUDE THE FOLLOWING:

SECTION 1. FINDINGS.

1.1 In Ordinance Number _____, 2025-21 the City has required each Utility Service Provider to obtain and maintain a franchise with the City and to provide consideration to the general fund of the City for the rights afforded to it in the franchise.

1.2 In the interest of fairness and comparable treatment, the City finds it necessary and desirable to formalize its rules and regulations and to implement the terms of Ordinance Number _____ with respect to the City of Hermantown, and, to the extent feasible and practicable, to all other Utility Service Providers.

SECTION 2. DEFINITIONS. For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Hermantown, County of St. Louis, State of Minnesota and the corporate limits thereof on the Effective Date and as they may be adjusted from time to time hereafter.

Facilities used for providing public utility service owned or operated by the City or agency thereof, including sewer, storm sewer, and water service.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.

Company. Minnesota Power, an operating division of ALLETE, Inc., its successors and assigns including all successors or assignees that own or operate any part or parts of the Electric Facilities subject to this Franchise.

Company Service Area. Those areas within the City to which the Company has been assigned the right to provide electric service, as in effect on the Effective Date or as may be hereafter revised.

Council. The City Council of the City of Hermantown as from time to time constituted.

Effective Date. The effective date of this Ordinance.

Electric Facilities. Electric transmission and distribution substations, towers, poles, lines, guys, anchors, conduits, fixtures, and necessary appurtenances owned or operated by the Company for the purpose of providing electric energy for public or private use.

Extension Rules. The rules adopted from time to time by the Company governing its extension of Electrical Facilities.

Franchise. The grant of rights made by the City to the Company in this Ordinance, subject to its terms and conditions.

Notice. A writing served by any party or parties on any other party or parties at the following addresses:

If to the City: City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811

Attn: City Administrator

If to the Company: Minnesota Power
30 West Superior Street
Duluth, MN 55802
Attn: Vice President – Customer Experience

Any party may change its respective address for the purpose of this Ordinance by written notice to the other parties.

Person. A natural person or any partnership, joint venture, corporation, cooperative, limited liability company or any public corporation, political subdivision or agency of the State or any other legal entity that may be created by law.

Public Ground. All real property owned by or dedicated to the City with respect to which the City holds the legal right or title to grant or withhold easement, leasehold or occupancy rights or servitudes.

Public Way. Any street, alley and other public rights-of-way within the City.

Utility. Transmitting, furnishing, transporting, distributing, delivering, selling, receiving, importing, manufacturing, or causing to be produced, transmitted, furnished, transported, delivered, sold, received, imported, or manufactured, electric energy, natural gas, mixed gas, heat, light, power, and services provided through a cable communication system.

Utility Service Provider. Any Person who performs any one or more of the activities of a Utility to or for the public or to or for any one or more persons within the corporate limits of the City and may, as contemplated herein, be the ultimate user or consumer of the Utility service provided.

SECTION 3. THE FRANCHISE.

3.1. **Grant of Franchise.** The City hereby grants the Company, for a period of ten (10) years from the date this Ordinance is passed and approved by the City, the right to transmit and furnish electric energy for any public or private use within and through the Company Service Area. For these purposes, the Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Ways and Public Grounds within the Company Service Area, subject to the provisions of this Ordinance. The Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to all applicable design and safety codes, the provisions of this Ordinance, zoning ordinances, other applicable ordinances, permit procedures and the customary and necessary practices of the City.

3.2. **Not Exclusive.** This Franchise is not exclusive.

3.3. **Effective Date.** This Franchise shall be in force and effect from and after the passage of this Ordinance and publication as required by law and upon the Company's duly authorized acceptance below as executed within thirty (30) days after passage and publication of this Ordinance or any amendment thereto.

3.4. **Extension of Franchise.** The term of this franchise will automatically extend for successive one (1) year periods unless written notice of termination is provided by either party to the other at least ninety (90) days before the end of the then-current term.

SECTION 4. LOCATIONS; CONSTRUCTION; OTHER REGULATIONS.

4.1. **General.** Electric Facilities shall be located, constructed and maintained by the Company: (i) in as safe and secure a condition or manner as reasonably possible, (ii) so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways, and (iii) so as not to disrupt or interfere with the normal use or operation of any Public Ways, Public Ground or the City Utility System. Electric Facilities may only be located on Public Ground as determined by the City in its sole discretion. The Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Electric Facilities shall be subject to the terms of this Ordinance and such other regulations of the City consistent with authority granted the City to manage its Public Ways and Public Grounds under state law, to the extent not inconsistent with a specific term of this Ordinance.

4.2. **Construction; Maintenance; Repairs.** Whenever the Company desires to open or disturb any Public Way or Public Ground for the purpose of constructing, maintaining, or repairing Electric Facilities, it shall give the City reasonable advance Notice, but not less than ten (10) business days, by filing a written Notice with the City Clerk and shall follow the City's Right of Way Ordinance. In any case, the Company shall not commence such work before obtaining any applicable permit for which the City may impose a reasonable fee, or other appropriate written consent from the City. The Company shall not, during the progress of the work, endanger or unnecessarily obstruct the passage of traffic or the normal and customary use of the Public Ways and Public Ground. During the progress of such work, the Company shall keep the affected Public Ways or Public Ground guarded in order to avoid accidents to persons or property. All work performed by the Company shall comply with all applicable federal, state, and local laws, rules, and regulations.

4.3. **Emergencies.** The requirements for obtaining permits from the City pursuant to Section 5.2 shall not apply if (i) an emergency exists requiring the immediate repair of Electric Facilities and (ii) the Company gives telephone notice to the City before, if reasonably possible, commencement of the emergency repair. Within two (2) business days after commencing the repair, the Company shall apply for any required permits and pay any required fees.

4.4. **Restoration.** Following the completion of any work, the Company shall promptly and diligently restore the affected Public Ways and/or Public Ground to as good a condition as before the work commenced. If the Company fails to promptly restore such Public Ways and/or Public Ground within ten (10) days of Notice by the City, the City may engage an independent contractor at the expense of the Company to perform the restoration of the Public Ways and/or Public Ground as required under this Section. The Company shall pay to the City upon demand the cost to the City of affecting such restoration including the City's administrative expenses and overhead.

4.5. **Avoidance of Damage.** The Company must take reasonable measures to prevent the Electric Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Electric Facilities from damage that could be inflicted on the Electric Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Electric Facilities, if given reasonable Notice by the City of such work prior to its commencement.

4.6. **Field Locations.** The Company shall provide field locations (GIS field maps) for all its underground Electric Facilities when requested by the City within a reasonable period of time. The period of time will be deemed reasonable if it meets the requirements of the one call excavation notice system as now provided in Minnesota Statutes, chapter 216D (commonly known as of the Effective Date as the "Gopher State One Call" system).

4.7. **Shared Use of Poles; Street Lights.** If the City desires to place facilities on the Company's poles, the City shall enter into a License Agreement for Pole Attachment Rental with the Company containing non-monetary terms and conditions substantially similar to those contained in other such Agreements that the Company has with other governmental entities.

4.8. **Tree Trimming.** Subject to such procedures, regulation and supervision as the Council may establish, the Company may, at its cost, trim all trees and shrubs in the Public Ways located within the Company Service Area to the extent the Company finds it necessary to avoid interference with the proper construction, operation, repair and maintenance of any of the Company's Electric Facilities installed or maintained hereunder, provided that the Company shall hold the City harmless from ~~any~~ liability arising therefrom consistent with Section 6.1 of this Agreement.

If at any time any claim of any kind is made against the City for injury to persons or property arising from the acts or failure to act by the Company, its agents, servants, or employees in connection with the operations of the Company under and pursuant to this Franchise, the Company shall fully indemnify, defend and hold harmless the City, its agents, servants or employees from any and all such claims, including, but not limited to, reimbursement of any reasonable attorneys fees and costs and expenses the City may incur in handling, denying, or defending such claims. The Company's obligation to indemnify the City shall not extend to any injury to persons or property caused by the negligent act or failure to act by the City or any actions taken by the Company pursuant to directions of the City if performed within the scope of the City's directions without negligence by the Company. The City shall determine who will defend any such claims arising under this Section 4.8 and the Company will thereafter have complete control of such litigation; provided, however, the Company may not settle any such claims without the prior approval of the City, which approval will not be unreasonably withheld. This Section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City; and the Company, in defending any action shall be entitled to assert every defense or immunity that the City could itself assert in its own behalf. The Company's obligations under this Section shall survive the expiration, amendment, or termination of this Ordinance.

4.9. **Notice of City Improvements.** The City will give the Company reasonable advance Notice of plans for improvements to Public Ways and Public Ground in the Company Service Area where the City has reason to believe that the Company's Electric Facilities may affect or be affected by such improvements. The Notice will contain: (i) the nature and character of the improvements, (ii) the Public Ways and/or Public Ground upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Way or parcel of Public Ground is involved, the order in which the work is to proceed.

4.10. **Acquisition.** The City shall have the right to purchase or otherwise acquire the Company's Electric Facilities or the Company Service Area, or portion(s) thereof, at any time by way of eminent domain under Minnesota Statutes, Chapter 117 or under Minnesota Statutes, Chapter 216B, in either case, as such statutes or amendments to such are in effect on the date the City commences such purchase or acquisition. In that event, the pleading commencing the acquisition proceeding by the City shall be noticed to the Company for it to make any adjustments to its long-range planning for facilities and service for the area affected by the proceeding. Any damages to the Company as a result of such proceeding shall be determined as of the commencement of such proceeding. The Company shall continue to operate the Electric Facilities at the City's sufferance only until such acquisition is completed. The expiration or termination of this Franchise as hereinbefore provided shall not, by itself, be an independent basis of any claim by the Company against the City.

SECTION 5. ELECTRIC FACILITIES RELOCATION.

5.1. **Relocation.** In the event the City reasonably determines that it is necessary for the Company to move any part of its Electric Facilities because the City has determined to change, move or improve its Public Ways or that the Electric Facilities have become or will become a substantial impairment to the existing or imminent public use of Public Ground, upon reasonable Notice by the City to the Company, then the Company will move its Electric Facilities at its sole cost. The City shall consider reasonable alternatives in designing its public works projects so as not to arbitrarily cause the Company unreasonable additional expense in exercising its authority under this Section 5.1. This Section 5.1 shall not constitute a taking by the City nor be construed as a waiver or modification of any easement or prescriptive rights acquired by the Company independent of and without reliance by the Company on this Franchise.

5.2. **No Release of Liability.** Nothing contained herein shall relieve any third party from liability arising out of their failure to exercise reasonable care to avoid injuring the Company's Electric Facilities while performing any work connected with grading, regarding or changing the line of any Public Way or with any construction on or adjacent to any Public Way; provided, however, this Section 5.2 shall not limit the City's rights to indemnification under Section 6.1 nor shall the City in any way be liable to the Company for claims arising from the negligence of any third party.

SECTION 6. INDEMNIFICATION.

6.1. **Indemnification.** If at any time any claim of any kind is made against the City for injury to persons or property arising from the acts or failure to act by the Company, its agents, servants, or employees in connection with the operations of the Company under and pursuant to this Franchise, the Company shall fully indemnify, defend and hold harmless the City, its agents, servants or employees from any and all such claims, including, but not limited to, reimbursement of any reasonable attorneys fees and costs and expenses the City may incur in handling, denying, or defending such claims. The Company's obligation to indemnify the City shall not extend to any injury to persons or property caused by the negligent act or failure to act by the City or any actions taken by the Company pursuant to directions of the City if performed within the scope of the City's directions without negligence by the Company. The City shall determine who will defend any such claims arising under this Section 6.1 and the Company will thereafter have complete control of such litigation; provided, however, the Company may not settle any such claims without the prior approval of the City, which approval will not be unreasonably withheld. This Section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City; and the Company, in defending any action shall be entitled to assert every defense or immunity that the City could itself assert in its own behalf. The Company's obligations under this Section shall survive the expiration, amendment, or termination of this Ordinance.

6.2. **Insurance.** The Company is required to maintain Commercial General Liability Insurance ~~on an occurrence basis~~ protecting it from claims for damages for bodily injury, including death, and for claims for property damage, which may arise from operations under this Ordinance. Insurance minimum limits are as follows:

- \$2,000,000 per occurrence; and
- \$4,000,000 annual aggregate.

The following coverages shall be included: Premises and Operations Bodily Injury and Property Damage; Personal and Advertising Injury Blanket Contractual Liability and Products and Completed Operations Liability.

The City must be endorsed as an Additional Insured.

With the City's consent, which shall not be unreasonably withheld, the Company shall have the option of providing a program of self-insurance to meet its obligation under this Ordinance. In such event, the Company shall submit to the City a Certificate of Self-Insurance or other documents showing proof of its financial responsibility.

~~Before the Effective Date, the Company shall furnish the City a summary of insurance, if any, carried by the Company, or of its self-insured status, in either case demonstrating adequate protection to the City from any and all obligations, liabilities, or claims of any nature whatsoever, growing out of the operation, construction, and maintenance of its Electric Facilities within the City. The Company shall maintain such insurance coverage at all times during this Franchise.~~

6.3. Compliance with Laws; Hazardous Substances. In its operation under this Ordinance, the Company shall observe all federal, state and local laws, rules, regulations and orders with respect to the transmission, distribution, transformation or furnishing of electric energy and the handling of materials, substances and wastes deemed toxic or hazardous to health, natural resources or the environment (collectively, "Hazardous Substances"). The Company shall remove or remediate any Hazardous Substances located on, in or surrounding its Electric Facilities or caused to be located on, in or surrounding the Public Ways and Public Grounds or elsewhere in the City in compliance with all applicable laws, regulations and lawful government orders, and pay or cause to be paid all costs associated therewith. The indemnification terms and conditions of Section 6.1 shall apply to all claims made against the City by any Person, including any governmental agency, who or which asserts any right to costs, damages or other relief based upon the terms and conditions imposed upon the Company under this Section 6.3 or which arise from or are related to the Company's acts or failure to act in compliance with any law, rule, regulation or lawful order governing Hazardous Substances.

SECTION 7. VACATION OF PUBLIC WAYS. The City will consult with the Company at least four (4) weeks prior to its action on any proposed vacation of a Public Way. ~~Except where ordered pursuant to Section 5.1, the vacation of any Public Way after the installation of Electric Facilities shall not operate to deprive the Company of its rights to operate and maintain such Electric Facilities until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to the Company. However, in no case shall the City be liable to the Company for failure to specifically preserve a Public Way in the exercise of its authority under Minnesota Statutes, Section 160.29.~~The City and the Company will comply with Minnesota Rules, 7819.3200 and applicable ordinances consistent with law.

SECTION 8. ABANDONED FACILITIES. The Company shall comply with City ordinances and Minnesota Statutes, Section 216D.01 et seq., as they may be amended from time to time. The Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request and comply with the location requirements

of Section 216D.04 with respect to all Electric Facilities, including abandoned and retired Electric Facilities.

SECTION 9. RATES AND SERVICE. The electric service provided and the rates charged by the Company for electric service, as of the Effective Date, are subject to the jurisdiction of the Commission as provided in Minnesota Statutes, chapter 216B. In the event the Company shall determine after the Effective Date to change its rates or terms and conditions of electric service, the Company shall provide reasonable advance Notice of such proposed action to the City.

SECTION 10. FRANCHISE FEE.

10.1. **Authority.** The City reserves all rights under Minnesota Statutes, Sections 216B.36 and 301B.01 or other law to require a franchise fee at any time during the term of, and in consideration for, this Franchise. The franchise fee may be expressed (i) as a specified charge per measurable unit of electricity being provided, transported, transmitted, sold, furnished, delivered, or received within the City, or (ii) as a percentage of the Gross Revenues received by the Company for its operations within the City, or (iii) a flat fee per customer based on service to retail customers within the City or on some other similar basis, or (iv) in such other manner or fashion as the City may determine. The method of imposing the franchise fee may differ by customer class, by type of Utility, by particular circumstances of a Utility Service Provider, or by other relevant factor, and may combine the methods described in (i) through (iv) above. Any franchise fee must be imposed by a separate ordinance adopted by the City, which ordinance may not become effective until the Company's first full billing cycle that is at least sixty (60) days following the Company's filing notifying the Commission of such fee and including a copy of Company's tariff sheet for the franchise fee. The Company will thereby pass along the costs of such fee to the Company's customers located within the City. The Company agrees to use its commercially reasonable efforts to obtain such Commission authorization.

10.2. **Payment of Fee.** Subject to Commission approval, or no later than 90 days the franchise fee shall be payable monthly and shall be based on the complete billing month for which payment is due. The payment shall be due forty-five (45) days after the end of the month for which the payment is due. Each payment shall be accompanied by a brief report showing the basis for the computation of the payment and such other relevant facts to support the computation as may be requested by the City from time to time. The Company may, in its sole discretion, impose a surcharge equivalent to the franchise fee in its rates for electric service. The Company shall pay the City the franchise fee based upon the prevailing rate and as billed to the customer, but subject to subsequent adjustment in either of the following events: (i) if any amount so billed subsequently becomes uncollectible after reasonable efforts of collection by the Company or (ii) if the Company shall, after any said billings, retroactively reduce its rates or costs to its retail electric customers so that a refund is due from the Company of an amount previously paid or incurred by the retail electric customers. For purposes of calculating the franchise fee, no other adjustment may be made to Gross Revenues, regardless of how calculated or described and whether or not characterized as a rebate, dividend, patronage, refund, return of capital or ownership interest.

10.3. **No Waiver or Release.** No acceptance of any payment shall be construed as an accord that the payment made is in fact the correct amount, nor shall such acceptance of the payment be construed as a release of any claim that the City may have for further sums payable under the

provisions of this Ordinance. All amounts paid shall be subject to audit and re-computation by the City. The Company agrees to make all records necessary to audit the Company's calculation of any payment available for inspection by the City or its designated representative at reasonable times.

10.4. Initial Franchise Fee. The initial franchise fee shall be set by separate ordinance.

10.5. Separate Ordinance. Notwithstanding anything to the contrary, the franchise fee may be changed by the City from time to time by separate ordinance; provided, however, such changes shall not occur more often than once in any calendar year and shall be effective not sooner than the first day of the first calendar month which follows the effective date of the ordinance adopting the change by not less than sixty (60) days subject to Company obtaining Commission approval of the new franchise fee rate but no later than 90 days. Notice of the proposed change shall be given to the Company not later than the effective date of the ordinance adopting the change.

SECTION 11. DEFAULTS. If the Company shall be in default in the performance of any of the material terms and conditions of this Ordinance, and shall continue in default for more than thirty (30) days (or fails to initiate the cure of the default within said period and diligently pursue said cure, if the cure of the default cannot reasonably be accomplished within said 30 days) after receiving Notice from the City of such default, the City may elect to cure such default and charge the Company for the costs thereof.

SECTION 12. AMENDMENT PROCEDURE. The City reserves the right to amend this Franchise by ordinance. The Company's rights hereunder are subject to the police power of the City to adopt and enforce ordinances necessary to the health, safety, and welfare of the public, and this Franchise may be amended by the City as deemed necessary or appropriate in the exercise of such power.

SECTION 13. GENERAL PROVISIONS OF ORDINANCE.

13.1. Governing Law. This Franchise is granted and is intended to be performed in the State of Minnesota and shall be construed and enforced in accordance with the laws of the State of Minnesota. The Company shall be subject to personal jurisdiction in the State of Minnesota. All actions related to this Ordinance or its enforcement shall be venued in the District Court of the State of Minnesota within which venue the City is located.

13.2. Right to Repeal. If this Franchise, having become final and operative as herein provided, shall be declared in any part illegal or void, then the City, in its sole discretion, may repeal the entire or any portion of this Ordinance. If any material portion of this Ordinance is declared void or illegal, then this Ordinance shall be void in its entirety.

13.3. Limitation on Applicability. This Ordinance constitutes a franchise between the City and the Company as the only parties and no provision of this Franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

13.4. **Assignment.** The Company may assign this Franchise without the prior approval of, but upon not less than thirty (30) days' prior Notice to, the City. Such Notice shall include the identity of and contact information for, the assignee and the statement of the assignee's plans and intentions for the operation of the Electric Facilities under this Franchise.

SECTION 14. ACCEPTANCE BY THE COMPANY.

14.1. **Acceptance by the Company.** The Company shall, within thirty (30) days after passage and publication of this Ordinance or any amendment thereto, file with the City Clerk in writing its acceptance or rejection as provided in Section 145.2. If such acceptance is not filed or if a rejection is filed within said period, the Company, by its continuing operations, shall be deemed to have accepted the terms and conditions of this Franchise or any amendment hereto, except with respect to such particulars as it may successfully challenge under the procedures specified in Section 14.2.

14.2. **Rejection Procedures.** A rejection of this Franchise or any amendment hereto may be made by the Company only upon the grounds that the terms and conditions hereof or of such amendment exceed the lawful authority of the City under the Constitutions or Laws of the United States or the State of Minnesota or are otherwise unlawful. Any rejection shall be submitted in writing to the City, stating with particularity the points and authorities of law upon which the Company relies. If the City fails to amend this Franchise or otherwise satisfy the Company's objections as stated within thirty (30) days of its receipt of the Company's rejection, the Company shall have the right thereafter to seek appropriate judicial or administrative relief based solely upon those provisions it has alleged are unlawful in its rejection notice. If the Company fails to initiate such legal action within thirty (30) days from the expiration of the aforementioned thirty (30) day period provided for the City's amendment or cure, the Company shall be deemed to have waived its objections and to have accepted the terms of this Franchise or any amendment hereto.

Passed by the City Council of _____ this _____ day of _____, _____.

Mayor

ATTEST:

City Clerk

Published on the _____ day of _____, _____, in the _____,
a paper of general circulation within the City of _____, Minnesota.

The provisions of the foregoing Ordinance are hereby accepted:

DATED _____, _____.

MINNESOTA POWER

By: _____
Its Vice President – Customer Experience

By: _____
Its Secretary



CITY COUNCIL MEETING DATE: 11/17/2025

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Ordinance – MN Power Franchise Fee

☐ **RESOLUTION:** ☒ **ORDINANCE:** 2025-22 ☐ **OTHER:**

REQUESTED ACTION

Hold first reading of an ordinance re-stating the franchise fee with MN Power.

BACKGROUND

The City has had a franchise agreement with MN Power in excess of 20 years. The franchise agreement allows them to use the City's right of way for their infrastructure (poles, transmission lines, etc.). In the past, the fee was part of the franchise agreement. The new agreement removes the fee, and it will be in a separate ordinance

MN Power provides a franchise fee to the City. The franchise fee goes to the Street Light Fund and has historically been used for various street lights & traffic signal lights projects.

This ordinance maintains the status quo, but simply puts the fee in a separate ordinance.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Ordinance

Ordinance No. 2025-22

AN ORDINANCE IMPOSING A FRANCHISE FEE ON MINNESOTA POWER

THE CITY COUNCIL OF THE CITY OF HERMANTOWN DOES ORDAIN THAT:

Section 1. Purpose and Intent. Pursuant to Section 10 of Ordinance No. 2025-21 the City will impose a Franchise Fee on Minnesota Power (herein “Company”). The purpose of the Franchise Fee is to collect a fee to be paid by the Company based on its operations within the City.

Section 2. Notice. The City shall serve Notice of this Ordinance on the Company by certified mail.

Section 3. Calculation of Fee. The City hereby requires the Company to collect a Franchise Fee from retail customers within the City limits, as follows:

- (i) \$2.00 per month for each residential service agreement;
- (ii) \$2.00 per month for each commercial, industrial or other service agreement.

Section 4. Exemption. No Franchise Fee will be imposed upon: (i) a meter if the City has notified the Company that such meter services property owned by the City; or (ii) those meters servicing property owned or leased by the Company; or (iii) dual fuel service agreements.

Section 5. Collection of Fee. Implementation, collection and payment of the Franchise Fee will be as provided in Section 10 of City Ordinance No. 2021-21 subject to any additional requirements imposed by order of the Minnesota Public Utilities Commission.

Section 6. Effective Date. This Ordinance shall be effective with the Company’s first full billing cycle that is at least 60 days following Minnesota Power’s filing with the Minnesota Public Utilities Commission notifying the Commission of this Franchise Fee and including a copy of Minnesota Power’s tariff sheet for the Franchise Fee.

Dated: _____

Mayor

Attest:

City Clerk

Adopted: _____

Published: _____

Effective Date: _____

Resolution No. 2025-171

Resolution Approving Pay Request Number 17 For The NorthStar Ford Arena To Kraus-Anderson Construction Company In The Amount Of \$727,401.87

WHEREAS, the City of Hermantown has contracted with Kraus-Anderson Construction Company for construction management services for the NorthStar Ford Arena (“Project”); and

WHEREAS, Kraus-Anderson Construction Company has performed a portion of the agreed upon work in said Project; and

WHEREAS, Kraus-Anderson Construction Company has submitted separate Pay Requests No. 17 for Labor & Services, and Tax-Exempt material as shown below, and

Invoice Number	Item	Amount
73778	Labor & Services	\$568,461.70
73780	Tax Exempt Material	\$158,940.17
	Total	\$727,401.87

WHEREAS, the City will maintain an accumulated retainage as shown on the pay requests until the final work and documentation is completed, and

WHEREAS, the necessary documentation for the pay request is on file and available for inspection.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hermantown, Minnesota as follows:

1. Pay Request No. 17 is hereby approved.

2. The City is hereby authorized and directed to pay to Kraus-Anderson Construction Company Kraus Anderson the sum of \$727,401.87 which is the amount represented on Pay Request No. 17 for both Labor & Services, and Tax-Exempt material.

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 has been duly passed and adopted on November 17, 2025.

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 73778

To Owner:
City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811

Project Number - Project Description:
2222026- Hermantown Hockey Arena Addition

Customer Reference:

From Contractor:
Kraus-Anderson Construction Company
501 South Eighth Street
Minneapolis, MN 55404

Via Architect:
DSGW Architects
2 West First Street, Suite 201
Duluth MN 55802

Contract For:

Application No.: 17

Period To: 10/31/2025

Project Ref Nos:

Contract Date:

Distribution to:
Owner
Architect
Contractor

Labor, Oct 2025

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM	\$13,055,590.00
2. NET CHANGE BY CHANGE ORDERS	\$715,820.35
3. CONTRACT SUM TO DATE(Line 1 + 2)	\$13,771,410.35
4. TOTAL COMPLETED AND STORED TO DATE (Column G on G703)	\$12,966,933.33
5. RETAINAGE:	
a. 4.91% of Completed Work (Column D + E on G703)	\$636,284.21
b. 0.00% of Stored Material (Column F on G703)	\$0.00
Total Retainage (Line 5a + 5b or Total in Column I of G703)	\$636,284.21
6. TOTAL EARNED LESS RETAINAGE	\$12,330,649.12
(Line 4 Less Line 5 Total)	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENTS	\$11,762,187.42
(Line 6 from prior Certificate)	
8. CURRENT PAYMENT DUE	\$568,461.70
9. BALANCE TO FINISH, INCLUDING RETAINAGE	\$1,440,761.23
(line 3 less Line 6)	

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$690,345.00	\$0.00
Total Approved this Month	\$25,475.35	\$0.00
TOTALS	\$715,820.35	\$0.00
Net Changes By Change Order	\$715,820.35	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Kraus-Anderson Construction Company

By: *Eric Anderson* Date: 11/6/2025
SDP 18733C124892..

State of: Minnesota

County of: Hennepin

Subscribed and sworn to before me this 6th day of November, 2025

Notary Public: *Kayla Brust*
K1155827000415..

My Commission expires: 1/31/2029



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$568,461.70

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: *Eric Anderson* Date: 11/10/2025 | 1:49 PM CST
#8828C40619492..

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

Invoice # :

73778

Page 2 of 3

Application and Certification for Payment, containing Contractor's signed certification is attached.
In tabulations below, amounts are in US dollars.
Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 17

Application Date : 10/31/2025

Period To: 10/31/2025

Project Ref Nos.:

Contract : 2222026- Hermantown Hockey Arena Addition

A	B	C	D		E	F	G		H	I
Item No.	Description of Work	Scheduled Value	Work Completed		Materials Presently Stored	Total Completed and Stored To Date	% (G / C)	Balance To Finish (C-G)	Retainage (If Variable Rate)	
			From Previous Application (D+E)	This Period In Place						
					(Not in D or E)	(D+E+F)				
1	Pre-Construction	60,000.00	60,000.00	0.00	0.00	60,000.00	100.00%	0.00	0.00	
100-L	Demolition	312,358.72	304,019.47	0.00	0.00	304,019.47	97.33%	8,339.25	15,200.97	
105-L	Concrete	701,567.88	701,567.88	0.00	0.00	701,567.88	100.00%	0.00	35,078.40	
110-L	Structural Precast	159,342.58	158,836.58	0.00	0.00	158,836.58	99.68%	506.00	7,941.83	
115-L	Architectural Precast	128,392.77	126,299.42	2,093.35	0.00	128,392.77	100.00%	0.00	6,419.65	
120-L	Masonry	624,467.63	624,467.63	0.00	0.00	624,467.63	100.00%	0.00	31,223.39	
124-L	Steel Supply - Change Orders	19,057.55	0.00	19,057.55	0.00	19,057.55	100.00%	0.00	952.88	
125-L	Steel Erection	475,512.76	449,908.76	25,604.00	0.00	475,512.76	100.00%	0.00	23,775.65	
130-L	Foundation Insulation & Waterproofing	25,950.00	25,950.00	0.00	0.00	25,950.00	100.00%	0.00	1,297.50	
131-L	Mechanical Equipment - Change Orders	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	
133-L	Electrical Equipment - Change Orders	2,716.39	2,716.39	0.00	0.00	2,716.39	100.00%	0.00	135.82	
135-L	Site Clearing & Earthwork	1,236,786.05	1,182,687.10	54,098.64	0.00	1,236,785.74	100.00%	0.31	61,839.31	
140-L	Final Cleaning	38,595.08	0.00	0.00	0.00	0.00	0.00%	38,595.08	0.00	
145-L	Carpentry	204,251.41	190,626.46	13,624.95	0.00	204,251.41	100.00%	0.00	10,212.58	
150-L	Blown/Sprayed Insulation	21.00	0.00	0.00	0.00	0.00	0.00%	21.00	0.00	
155-L	Weather Barrier	33,551.29	33,551.29	0.00	0.00	33,551.29	100.00%	0.00	1,677.57	
160-L	Metal Panels	256,130.00	227,390.00	28,740.00	0.00	256,130.00	100.00%	0.00	12,806.51	
165-L	Roofing	839,902.80	839,902.82	(0.02)	0.00	839,902.80	100.00%	0.00	41,995.14	
170-L	Applied Fireproofing	19,237.01	19,237.01	0.00	0.00	19,237.01	100.00%	0.00	961.85	
174-L	Doors, Frames & Hardware - Change Orders	14,039.75	0.00	0.00	0.00	0.00	0.00%	14,039.75	0.00	
175-L	Joint Sealants	25,695.00	15,075.00	8,793.75	0.00	23,868.75	92.89%	1,826.25	1,193.44	
180-L	Specialty Doors	10,063.00	10,063.00	0.00	0.00	10,063.00	100.00%	0.00	503.16	
185-L	Aluminum Frames & Glazing	108,751.00	87,090.00	13,000.00	0.00	100,090.00	92.04%	8,661.00	5,004.50	
190-L	Drywall	197,619.00	185,740.34	10,563.66	0.00	196,304.00	99.33%	1,315.00	9,815.21	
195-L	Tile	153,616.55	142,035.65	6,580.90	0.00	148,616.55	96.75%	5,000.00	7,430.84	
200-L	Ceilings & Acoustical Treatment	66,807.00	61,807.00	0.00	0.00	61,807.00	92.52%	5,000.00	3,090.36	
205-L	Resilient and Carpet Flooring	20,557.00	0.00	19,312.00	0.00	19,312.00	93.94%	1,245.00	965.60	
210-L	Athletic Flooring	58,124.25	0.00	48,124.25	0.00	48,124.25	82.80%	10,000.00	2,406.21	
215-L	Epoxy Flooring	149,742.50	141,078.50	2,240.00	0.00	143,318.50	95.71%	6,424.00	7,165.93	
220-L	Painting	164,963.49	128,416.00	0.00	0.00	128,416.00	77.85%	36,547.49	6,420.80	
224-L	Specialties - Change Orders	8,580.74	5,472.36	0.00	0.00	5,472.36	63.77%	3,108.38	273.62	
225-L	Signage	11,560.00	0.00	0.00	0.00	0.00	0.00%	11,560.00	0.00	

CONTINUATION SHEET

Invoice # : 73778

Page 3 of 3

Application and Certification for Payment, containing Contractor's signed certification is attached.
In tabulations below, amounts are in US dollars.
Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 17

Application Date : 10/31/2025

Period To: 10/31/2025

Project Ref Nos.:

Contract : 2222026- Hermantown Hockey Arena Addition

A Item No.	B Description of Work	C Scheduled Value	D		E	F	G		H	I
			Work Completed		Materials Presently Stored (Not in D or E)	Total Completed and Stored To Date (D+E+F)	% (G / C)	Balance To Finish (C-G)	Retainage (If Variable Rate)	
			From Previous Application (D+E)	This Period In Place						
	230-L Athletic Equipment	74,284.63	7,393.61	58,099.91	0.00	65,493.52	88.17%	8,791.11	3,274.68	
	235-L Window Treatments	8,192.00	0.00	8,192.00	0.00	8,192.00	100.00%	0.00	409.60	
	240-L Casework & Countertops	80,629.93	43,449.93	37,180.00	0.00	80,629.93	100.00%	0.00	4,031.50	
	245-L Ice Rink	2,125,501.21	2,107,187.97	0.00	0.00	2,107,187.97	99.14%	18,313.24	105,359.40	
	250-L Fire Suppression	108,678.37	95,491.75	3,963.25	0.00	99,455.00	91.51%	9,223.37	4,972.75	
	255-L Combined Mechincal	1,456,530.64	1,362,878.54	37,507.52	0.00	1,400,386.06	96.15%	56,144.58	70,019.32	
	260-L Controls	91,665.00	81,889.00	4,388.50	0.00	86,277.50	94.12%	5,387.50	4,313.88	
	265-L Electrical	894,552.72	840,403.10	51,542.00	0.00	891,945.10	99.71%	2,607.62	44,597.25	
	270-L General Conditions	763,475.68	563,718.16	47,092.83	0.00	610,810.99	80.00%	152,664.69	28,622.53	
	275-L Site Services	1,166,568.70	925,810.66	83,312.45	0.00	1,009,123.11	86.50%	157,445.59	49,230.11	
	280-L Building Permits	162,982.19	162,982.19	0.00	0.00	162,982.19	100.00%	0.00	4,920.67	
	285-L Performance & Payment Bonds	69,245.28	66,066.00	0.00	0.00	66,066.00	95.41%	3,179.28	1,884.80	
	290-L Umbrella Liability Insurance	129,988.87	113,662.09	5,542.11	0.00	119,204.20	91.70%	10,784.67	5,579.35	
	295-L Builder's Risk Insurance	23,533.23	18,787.06	1,723.04	0.00	20,510.10	87.15%	3,023.13	954.57	
	300-L Warranty Reserve	14,619.11	18,127.80	(3,508.69)	0.00	14,619.11	100.00%	0.00	677.96	
	305-L KA Contingency	209,324.96	0.00	0.00	0.00	0.00	0.00%	209,324.96	0.00	
	310-L KA Fee	263,677.63	236,766.05	11,512.81	0.00	248,278.86	94.16%	15,398.77	11,647.12	
	Grand Totals	13,771,410.35	12,368,552.57	598,380.76	0.00	12,966,933.33	94.16%	804,477.02	636,284.21	

Important Notice Regarding Payments to Kraus-Anderson Construction Company

To Whom It May Concern:

As we are sure you are aware, there are more frequent incidents in the news about cyber criminals using email and other electronic means to induce businesses and individuals to reveal their financial information, or to make payments to criminals that are impersonating persons that are actually entitled to receive such information or payments. Any business which is a payer or recipient of large sums of money as part of its regular business activity is a special target for these cyber criminals. The large and repeated payments made by the owners of construction projects to their construction contractors make these parties potential targets, and we know of instances where some project owners have been defrauded into making erroneous payments to third-party imposters as a result of this criminal fraud activity.

The purpose of this letter is to ask for your help to be extra vigilant in how your company makes payments to Kraus-Anderson Construction Company. At the start of our construction project with your company, we provided you with information that included our bank name, routing number, and account number for payments made by ACH or wire transfer, or other specific instructions for paying Kraus-Anderson by check. It is extremely unlikely we would ever change these instructions before the completion of your project and our receipt of final payment from you.

Please do not act on a request to change our account information or method of payment unless you are certain that the request is actually being made by Kraus-Anderson Construction Company. If you receive such a request, it is likely an attempt to defraud you. Therefore, it is important that you contact one of the two Kraus-Anderson Employees listed below if you receive a request in any form—oral, electronic, written, or otherwise—to make changes to our payment instructions and/or banking information:

Logan Carter, Controller
Office phone: 612-255-2364 Cell phone: 612-723-0843

Ryan Szarzynski, Accounting Manager
Office phone: 612-255-2368 Cell phone: 612-210-0570

We hope this information is helpful to you in protecting your company against acts by third-party criminals that may attempt to interfere with the proper processing of legitimate financial transactions. Please contact us if you have any questions.

Sincerely,

KRAUS-ANDERSON CONSTRUCTION COMPANY



Logan Carter
Controller

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 73780

To Owner: City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811

Project Number - Project Description:
222026- Hermantown Hockey Arena Addition

Customer Reference:

From Contractor: Kraus-Anderson Construction Company
501 South Eighth Street
Minneapolis, MN 55404

Via Architect: DSGW Architects
2 West First Street, Suite 201
Duluth MN 55802

Contract For:

Application No. : 17

Period To: 10/31/2025

Project Ref Nos:

Contract Date:

Tax-Exempt, Oct 2025

Distribution to :
☐ Owner
☐ Architect
☐ Contractor

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM	\$7,828,788.00
2. NET CHANGE BY CHANGE ORDERS	\$0.00
3. CONTRACT SUM TO DATE(Line 1 + 2)	\$7,828,788.00
4. TOTAL COMPLETED AND STORED TO DATE (Column G on G703)	\$7,681,973.94
5. RETAINAGE:	
a. 0.00% of Completed Work (Column D + E on G703)	\$0.00
b. 0.00% of Stored Material (Column F on G703)	\$0.00
Total Retainage (Line 5a + 5b or Total in Column I of G703)	\$0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$7,681,973.94
7. LESS PREVIOUS CERTIFICATES FOR PAYMENTS (Line 6 from prior Certificate)	\$7,523,033.77
8. CURRENT PAYMENT DUE	\$158,940.17
9. BALANCE TO FINISH, INCLUDING RETAINAGE (line 3 less Line 6)	\$146,814.06

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total Approved this Month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
Net Changes By Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Kraus-Anderson Construction Company

By:  Date: 11/3/2025

State of: Minnesota

County of: Hennepin

Subscribed and sworn to before me this 3rd day of November, 2025

Notary Public:  Date: 11/3/2025

My Commission expires: 1/31/2029



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$158,940.17

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:  Date: 11/10/2025 | 1:49 PM CST

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

Invoice # : 73780

Page 2 of 3

Application and Certification for Payment, containing Contractor's signed certification is attached.
In tabulations below, amounts are in US dollars.
Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 17

Application Date : 10/27/2025

Period To: 10/31/2025

Project Ref Nos.:

Contract : 2222026- Hermantown Hockey Arena Addition

A Item No.	B Description of Work	C Scheduled Value	D		E		F Materials Presently Stored (Not in D or E)	G		H Balance To Finish (C-G)	I Retainage (If Variable Rate)
			Work Completed		Total Completed and Stored To Date (D+E+F)	% (G / C)					
			From Previous Application (D+E)	This Period In Place							
105-M	Concrete - Materials Only	240,603.00	240,603.00	0.00	0.00	240,603.00	100.00%	0.00	0.00		
110-M	Structural Precast - Materials Only	351,876.00	351,876.00	0.00	0.00	351,876.00	100.00%	0.00	0.00		
115-M	Architectural Precast - Materials Only	777,427.00	777,427.00	0.00	0.00	777,427.00	100.00%	0.00	0.00		
120-M	Masonry - Materials Only	277,969.16	277,969.16	0.00	0.00	277,969.16	100.00%	0.00	0.00		
123-M	Steel Supply - Materials Only	1,031,583.00	1,031,583.00	0.00	0.00	1,031,583.00	100.00%	0.00	0.00		
130-M	Foundation Insulation & Waterproofing - Materials Only	10,683.00	10,683.00	0.00	0.00	10,683.00	100.00%	0.00	0.00		
132-M	Mechanical Equipment - Material Only	697,645.00	612,266.00	0.00	0.00	612,266.00	87.76%	85,379.00	0.00		
134-M	Electrical Equipment - Materials Only	165,308.00	165,308.00	0.00	0.00	165,308.00	100.00%	0.00	0.00		
135-M	Site Clearing & Earthwork - Materials Only	234,221.00	234,220.58	0.00	0.00	234,220.58	100.00%	0.42	0.00		
145-M	Carpentry - Materials Only	30,290.00	30,290.00	0.00	0.00	30,290.00	100.00%	0.00	0.00		
155-M	Weather Barrier - Materials Only	21,744.00	21,744.00	0.00	0.00	21,744.00	100.00%	0.00	0.00		
160-M	Metal Panels - Materials Only	221,600.00	221,600.00	0.00	0.00	221,600.00	100.00%	0.00	0.00		
165-M	Roofing - Materials Only	485,160.00	485,160.00	0.00	0.00	485,160.00	100.00%	0.00	0.00		
170-M	Applied Fireproofing - Materials Only	2,000.00	2,000.00	0.00	0.00	2,000.00	100.00%	0.00	0.00		
173-M	Doors, Frames & Hardware - Materials Only	133,605.00	133,605.00	0.00	0.00	133,605.00	100.00%	0.00	0.00		
180-M	Specialty Doors - Materials Only	41,055.00	41,055.00	0.00	0.00	41,055.00	100.00%	0.00	0.00		
185-M	Aluminum Frames & Glazing - Materials Only	163,338.00	158,357.00	4,981.00	0.00	163,338.00	100.00%	0.00	0.00		
190-M	Drywall - Materials Only	35,592.00	34,880.16	711.84	0.00	35,592.00	100.00%	0.00	0.00		
195-M	Tile - Materials Only	32,885.00	32,885.00	0.00	0.00	32,885.00	100.00%	0.00	0.00		
200-M	Ceilings & Acoustical Treatment - Materials Only	71,494.00	71,494.00	0.00	0.00	71,494.00	100.00%	0.00	0.00		
205-M	Resilient & Carpet Flooring - Materials Only	5,496.00	1,803.00	3,693.00	0.00	5,496.00	100.00%	0.00	0.00		
210-M	Athletic Flooring - Materials Only	72,665.00	0.00	72,665.00	0.00	72,665.00	100.00%	0.00	0.00		
220-M	Painting - Materials Only	25,000.00	25,000.00	0.00	0.00	25,000.00	100.00%	0.00	0.00		
223-M	Specialties - Materials Only	56,040.00	48,380.00	0.00	0.00	48,380.00	86.33%	7,660.00	0.00		
225-M	Signage - Materials Only	30,565.00	0.00	0.00	0.00	0.00	0.00%	30,565.00	0.00		
230-M	Athletic Equipment - Materials Only	301,202.00	301,202.00	0.00	0.00	301,202.00	100.00%	0.00	0.00		
235-M	Window Treatments - Materials Only	23,460.00	0.00	23,460.00	0.00	23,460.00	100.00%	0.00	0.00		
240-M	Casework & Countertops - Materials Only	104,835.00	75,000.00	29,835.00	0.00	104,835.00	100.00%	0.00	0.00		
245-M	Ice Rink - Materials Only	85,249.00	85,248.25	0.00	0.00	85,248.25	100.00%	0.75	0.00		
250-M	Fire Suppression - Materials Only	50,476.00	50,476.00	0.00	0.00	50,476.00	100.00%	0.00	0.00		
255-M	Combined Mechanical - Materials Only	1,274,740.00	1,274,740.00	0.00	0.00	1,274,740.00	100.00%	0.00	0.00		
260-M	Controls - Materials Only	61,730.00	61,730.00	0.00	0.00	61,730.00	100.00%	0.00	0.00		

CONTINUATION SHEET

Invoice # : 73780

Page 3 of 3

Application and Certification for Payment, containing Contractor's signed certification is attached.
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Application No. : 17
Application Date : 10/27/2025
Period To: 10/31/2025
Project Ref Nos.:

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A Item No.	B Description of Work	C Scheduled Value	D		E		F	G		H	I
			Work Completed		Materials Presently Stored (Not in D or E)	Total Completed and Stored To Date (D+E+F)	% (G / C)	Balance To Finish (C-G)	Retainage (If Variable Rate)		
			From Previous Application (D+E)	This Period In Place							
265-M	Electrical - Materials Only	420,479.00	403,700.00	16,779.00	0.00	420,479.00	100.00%	0.00	0.00		
285-M	Performance & Payment Bonds - Materials Only	53,348.00	36,796.00	0.00	0.00	36,796.00	68.97%	16,552.00	0.00		
290-M	Umbrella Liability Insurance - Materials Only	74,374.00	69,341.27	1,445.19	0.00	70,786.46	95.18%	3,587.54	0.00		
295-M	Builder's Risk Insurance - Materials Only	13,308.84	10,724.26	2,330.38	0.00	13,054.64	98.09%	254.20	0.00		
310-M	KA Fee - Materials Only	149,742.00	143,887.09	3,039.76	0.00	146,926.85	98.12%	2,815.15	0.00		

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To Whom It May Concern: !

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The purpose of this letter is to ask for your help to be extra vigilant in how your company makes payments to Kraus-Anderson Construction Company. At the start of our construction project with your company, we provided you with information that included our bank name, routing number, and account number for payments made by ACH or wire transfer, or other specific instructions for paying Kraus-Anderson by check. It is extremely unlikely we would ever change these instructions before the completion of your project and our receipt of final payment from you.

Please do not act on a request to change our account information or method of payment unless you are certain that the request is actually being made by Kraus-Anderson Construction Company. If you receive such a request, it is likely an attempt to defraud you. Therefore, it is important that you contact one of the two Kraus-Anderson Employees listed below if you receive a request in any form—oral, electronic, written, or otherwise—to make changes to our payment instructions and/or banking information:

Logan Carter, Controller
Office phone: 612-255-2364 Cell phone: 612-723-0843

Ryan Szarzynski, Accounting Manager
Office phone: 612-255-2368 Cell phone: 612-210-0570

We hope this information is helpful to you in protecting your company against acts by third-party criminals that may attempt to interfere with the proper processing of legitimate financial transactions. Please contact us if you have any questions.

Sincerely,

KRAUS-ANDERSON CONSTRUCTION COMPANY



Logan Carter
Controller



CITY COUNCIL MEETING DATE: 11/17/2025

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Repealing Assessment – Hermantown Road Parcel 395-0010-05737

☒ **RESOLUTION:** 2025-172 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approve a resolution repealing a specific assessment on Hermantown Road for Parcel 395-0010-05737

BACKGROUND

During the objection hearings, Tim White raised the issue of the fact that he adjoining parcels on Hermantown Road. In the past, when property owners had adjoining and contiguous properties that has a single use the City has allowed those parcels to be treated as a single parcel for the purposes of assessments. Mr. White brought this issue up at the City Council meeting on November 3rd. Staff reviewed this and realized that this should have been treated as one parcel for the purpose of the assessment. The attached resolution removes the assessment on the second parcel

SOURCE OF FUNDS (if applicable)

N/A

ATTACHMENTS

Resolution

Resolution No. 2025-172

Resolution Repealing An Assessment From Parcel No. 395-0010-05738 Related To Road Improvement District No. 541 & 542 (Hermantown Road & Bridge, And Old Midway Road)

WHEREAS, on November 3, 2025 the City of Hermantown (“City”) adopted Resolution 2025-161 ordering an assessment against Parcel No. 395-0010-05738 as part of Road Improvement District No. 541 & 542 (“Project”); and

WHEREAS, the property owner also owns adjacent Parcel No. 395-0010-05734, which was similarly assessed as part of the same project; and

WHEREAS, parcels 395-0010-05737 and 395-0010-05734 are contiguous and have a single use, it is appropriate that the total assessment of \$9,400 remain on parcel No. 395-0010-05734, and be removed from Parcel No. 395-0010-05737; and

WHEREAS, attached hereto as Exhibit A is a copy of the Resolution 2025-161; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hermantown, Minnesota as follows:

1. The assessment in the amount of \$9,400 associated with Assessment Roll No. 541A-75 is hereby removed from Parcel No. 395-0010-05737.

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 November 17, 2025.

EXHIBIT A

Office of City Clerk
Hermantown, MN
Alissa McClure, City Clerk

RESOLUTION NO. 2025-161

**Resolution Adopting Final Assessment Roll For Road Improvement District No. 541 & 542
(Hermantown Road & Bridge and Old Midway Road)**

Motion made by Councilor Hjelle, seconded by Councilor Peterson, to adopt 2025-161 Resolution Adopting Final Assessment Roll For Road Improvement District No. 541 & 542 (Hermantown Road & Bridge and Old Midway Road).

Roll Call: Councilors Geissler, Hjelle, Peterson, and Mayor Boucher, aye. Councilor LeBlanc, nay. Motion carried.

I, Alissa McClure, City Clerk of the City of Hermantown, Minnesota, do hereby certify that I have compared the annexed copy of Resolution passed by the City Council of the City of Hermantown on the 3rd day of November 2025, with the original in my custody as City Clerk of said City, and that the same is a true and correct transcript therefrom.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 4th day of November 2025.

Alissa McClure, City Clerk

By Alissa McClure

City of Hermantown, MN



Resolution No. 2025-161

**Resolution Adopting Final Assessment Roll For Road Improvement District No. 541 & 542
(Hermantown Road & Bridge and Old Midway Road)**

WHEREAS, pursuant to proper notice duly given as required by the law, the City Council held a hearing on the proposed assessment roll for the construction of Road Improvement District No. 541 & 542 (Hermantown Road & Bridge and Old Midway Road) (“Project”); and

WHEREAS, prior to or at such hearing, written and oral objections to the proposed assessment were received from the following parties:

- a. Jonathan Thornton and Jenny Thornton (“Thornton”) with respect to the assessment against property owned by them which property has been assigned PID Number 395-0010-05242 (“Thornton Parcel”);
- b. Jonathan Thornton and Jenny Thornton (“Thornton”) with respect to the assessment against property owned by them which property has been assigned PID 395-0010-05755 (“Thornton Parcel 2”);
- c. Sally Tesdahl and Harold Tesdahl (“Tesdahl”) with respect to the assessment against property owned by them which property has been assigned PID 395-0010-05300 (“Tesdahl Parcel”);
- d. Timothy White and Monica White (“White”) with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-05734 and 395-0010-05738 (“White Parcels”);
- e. Brian Lamphier (“Lamphier”) with respect to the assessment against the property owned by him which property has been assigned PID 395-0010-05756 (Lamphier Parcel”);
- f. Paul Pearson and Jaime Pearson (“Pearson”) with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-08420 (“Pearson Parcel”);
- g. Dennis Lofald and Deborah Lofald (“Lofald”) with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-08494 (“Lofald Parcel”);
- h. Michael Kochendorfer (“Kochendorfer”) with respect to the assessment against the property owed by him which property has been assigned PID 395-0010-08495 (“Kochendorfer Parcel”);
- i. Michael and Loriane Lofald (“M. Lofald”) with respect to the assessment against the property owed by him which property has been assigned PID 395-0010-08633 (“M. Lofald Parcel”);
- j. Sarah Lofald and Richard Hilton (“Hilton”) with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-08635 (“Hilton Parcel”);
- k. James Thorstensen and Debra Thorstensen (“Thorstensen”) with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-08895 (“Thorstensen Parcel”);

- l. Andrew Williams and Erica Williams (“Williams”) with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-08900 (“Williams Parcel”);
- m. Jonathan Semmelroth (“Semmelroth”) with respect to the assessment against the property owned by him which property has been assigned PID 395-0049-00070 (“Semmelroth Parcel”);
- n. David Thornton and Janet Thornton (“D & J Thornton”) with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-05241 (“D & J Thornton Parcel”);
- o. Jeff Gilbert with respect to the assessment against the property owned by him which property has been assigned PID 395-0010-08692 (“Gilbert Parcel”)
- p. Nathan and Rebecca Gilbertson with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-08952 (“Gilbertson Parcel”)
- q. Rachel Lantto with respect to the assessment against the property owned by her which property has been assigned PID 395-0010-05799 (“Lantto Parcel”)
- r. John and Nicole Lofald with respect to the assessment against the property owned by them which property has been assigned PID 395-0010-08630 (“J & N Lofald Parcel”) and
- s. Attorney Benjamin Loetscher (“Loetscher”) with respect to the assessments against the properties at PID 395-0010-05310, 395-0010-08640, 395-0010-08670, 395-0010-05743, 395-0010-08491, 395-0010-05735, 395-0010-05795, 395-0010-05320, 395-0010-05531, 395-0010-05460, 395-0010-05565, 395-0049-00220, 395-0010-05290, 395-0010-08406, 395-0010-05326, 395-0049-00300, 395-0010-08674, 395-0010-08644, 395-0010-08892, 395-0049-00180, 395-0049-00170, 395-0010-08642, 395-0010-08885, 395-0010-05790, 395-0010-08886, 395-0049-00230, & 395-0010-08675 (“Loetscher Parcels”).

WHEREAS, a copy of the written objections and objection hearings agenda are on file with the City Clerk, and

WHEREAS, no other written objections to the proposed assessment roll were received at or prior to the hearing from any other party affected by the assessment; and

WHEREAS, the City Council, having received and considered all of the evidence presented to it at the assessment hearing and the objection hearings, and upon the entire City file in this matter, hereby makes the following:

FINDINGS OF FACT

1. Due and proper notice of the assessment hearings was given to the landowners and other parties affected by the assessment.
2. Due and proper notice of the adjourned hearings was given to the parties objecting to such assessment roll.

3. The methodology followed by the City in determining the amount to be assessed against the affected properties was and is fair, equitable, and reasonable.
4. The amount assessed against the affected properties was and is based upon benefits received by the various properties and the amount assessed against any particular parcel of property does not exceed the benefits received by such parcel of property.
5. With respect to the Thornton Parcel:
 - a. The benefits received by the Thornton Parcel is supported by the Assessment Analysis Report from F.I. Salter ("Report").
6. With respect to the Thornton Parcel 2:
 - a. The benefits received by the Thornton Parcel 2 is supported by the Report.
7. With respect to the Tesdahl Parcel:
 - a. The benefits received by the Tesdahl Parcel is supported by the Report.
 - b. The fact that water and sewer service was not included in the project does not invalidate the benefit received.
 - c. Agree that the road repair was needed.
8. With respect to the White Parcels:
 - a. The ditches, culverts, landscaping, driveway pad, mailboxes, and road work was a tangible improvement to the property.
 - b. The additional driveway entrance was a benefit to the Parcels.
 - c. The Report was performed by a professional appraiser and supports the benefit received.
 - d. Agree that the lack of potholes makes the road easier to drive on.
9. With respect to the Lamphier Parcel:
 - a. Agree that the unimproved road was in dire need of repair.
 - b. The Report supports the benefit received.
10. With respect to the Pearson Parcel:
 - a. The assessment is legally justified under Minnesota law.
 - b. Agree that the road needed to be repaired.
10. With respect to the Lofald Parcel:
 - a. Agrees that the road need to be repaired.
 - b. The trees in question were in the ROW and needed to be removed as part of the project.
11. With respect to the Kochendorfer Parcel:
 - a. The Report supports the benefit received.
12. With respect to the M. Lofald Parcel:
 - a. The assessment process was fair and legal under Minnesota Law.
 - b. Agree that the unimproved road was in bad shape.
13. With respect to the Hilton Parcel:
 - a. The city offered deferrals for qualified individuals.
 - b. The parcel was benefited by the road improvement as documented in the Report.
 - c. The road improvement project has been completed.
14. With respect to the Thorstensen Parcel:
 - a. The city offered deferrals for qualified individuals.

- b. The road improvement project has been completed.
- 15. With respect to the Williams Parcel:
 - a. The assessment process was carried out as provided under Minnesota Law.
 - b. The width of the parcel was considered in the Report.
 - c. The signage was designed by the project engineer.
- 16. With respect to the Semmelroth Parcel:
 - a. The concerns regarding the driveway were addressed by the project engineer.
- 17. With respect to the D & J Thornton Parcel:
 - a. The Report supports the benefits received.
- 18. With respect to the Gilbert Parcel:
 - a. The benefits received by the Gilbert Parcel is supported by the Report.
 - b. The fact that water and sewer service was not included in the project does not invalidate the benefit received.
- 19. With respect to the Gilbertson Parcel:
 - a. The benefits received by the Gilbertson Parcel is supported by the Report.
- 20. With respect to the Lantto Parcel:
 - a. Rachel Lantto did not appear at the individual objection hearing.
 - b. The benefits received by the Lantto Parcel is supported by the Report.
- 21. With respect to the J & N Lofald Parcel:
 - a. John and Nicole Lofald did not appear at the individual objection hearing.
 - b. The benefits received by the J & N Lofald Parcel is supported by the Report.
- 22. With respect to the Loetscher Parcels:
 - a. The work being assessed for is appropriate under Minnesota Law.
 - b. The Report supports the benefits received.
 - c. The Minnesota Legislature has authorized the assessment for local improvement under Minnesota Statutes Chapter 429. The legislature is the proper body to change the current state law regarding special assessments.
 - d. The Report supports the benefits received.

On the basis of the foregoing Findings of Fact, which are hereby adopted, the City Council of the City of Hermantown is hereby resolved as follows:

- 1. The final assessment roll attached hereto as Exhibit A is hereby adopted and shall constitute the special assessment against each piece and parcel of property named therein.
- 2. Such assessment shall be payable as follows:
 - a. The assessments listed on the assessment roll attached hereto as Exhibit B shall be payable in equal annual installments, including principal and interest, extending over a period of fifteen (15) years, with interest at the rate of five and a half (5.5%) per annum, from and after December 31, 2025 in an amount annually required to pay the principal over such period at such interest rate. The first of such installments is to be paid with the general taxes for the year 2025, collectible with such taxes during the year 2026.
 - b. The owner of any property so assessed may, at any time, prior to December 31, 2025 pay the whole of the assessment against such property without interest to

the City of Hermantown, and thereafter at any time prior to November 15 of any year, prepay to the City of Hermantown the whole amount of the principal amount of the assessment remaining due, provided that no such prepayment shall be accepted without payment of (i) all installments, including interest and principal due to and including December 31 of the year of prepayment, and (ii) the original principal amount reduced only by the amount of principal included in such installment computed on an annual amortization basis. Partial prepayments of assessment have not been authorized by ordinance of the City of Hermantown.

3. The Utility Billing Clerk shall file the assessment roll pertaining to this assessment in her office and shall certify in its entirety to the St Louis County Auditor on or before November 30, 2025 the total amount due.
4. The City Clerk shall mail a notice of the adoption of the assessment roll to the owners of each piece and parcel of the property affected by this assessment. Such notice shall be in substantially the form of the one attached as Exhibit B.

Councilor Hjelle introduced the foregoing resolution and moved its adoption.

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

Councilors Geissler, Hjelle, Peterson, and Mayor Boucher, aye.

and the following voted in opposition thereto:

Councilor LeBlanc, nay.

WHEREUPON, such resolution was declared duly passed and adopted November 3, 2025.

EXHIBIT A
FINAL ASSESSMENT ROLL

Road Improvement District No. 541 & 542 Hermantown and Old Midway Roads

Parcel ID	Amount	% Interest	# Years	Project Code	Annual Amount	SID #	Assessment Roll Number
395-0010-08692	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-1
395-0010-08882	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-2
395-0010-08880	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-3
395-0010-05325	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-4
395-0049-00250	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-5
395-0049-00240	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-6
395-0049-00230	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-7
395-0049-00220	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-8
395-0049-00210	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-9
395-0049-00200	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-10
395-0049-00190	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-11
395-0049-00180	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-12
395-0049-00130	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-13
395-0049-00120	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-14
395-0049-00110	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-15
395-0049-00100	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-16
395-0049-00090	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-17
395-0049-00080	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-18
395-0049-00070	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-19
395-0049-00060	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-20
395-0049-00030	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-21
395-0049-00010	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-22
395-0010-05460	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-23
395-0010-05100	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-24
395-0010-05110	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-25
395-0010-05120	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-26
395-0010-05268	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-27
395-0010-05267	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-28
395-0010-05265	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-29
395-0010-05260	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-30
395-0010-05266	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-31
395-0010-05311	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-32
395-0010-05322	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-33
395-0010-05320	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-34
395-0010-05326	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-35
395-0010-08952	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-36
395-0010-05241	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-37
395-0010-05242	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-38
395-0010-08940	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-39
395-0010-05250	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-40
395-0010-08930	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-41
395-0010-08902	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-42
395-0010-05280	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-43
395-0010-08900	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-44
395-0010-08890	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-45
395-0010-08895	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-46
395-0010-08892	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-47
395-0010-08885	\$ 9,400.00	5.5%	15	39584	936.48	541A	541A-48

395-0010-05290	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-49
395-0010-05300	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-50
395-0010-08886	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-51
395-0010-05310	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-52
395-0049-00280	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-53
395-0049-00300	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-54
395-0049-00310	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-55
395-0010-08675	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-56
395-0010-05532	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-57
395-0010-08674	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-58
395-0010-05531	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-59
395-0010-08640	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-60
395-0010-08642	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-61
395-0010-05564	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-62
395-0010-08644	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-63
395-0010-05565	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-64
395-0010-08630	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-65
395-0010-08633	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-66
395-0010-08635	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-67
395-0010-05570	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-68
395-0010-05572	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-69
395-0010-05735	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-70
395-0010-08490	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-71
395-0010-08491	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-72
395-0010-08494	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-73
395-0010-05734	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-74
395-0010-05738	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-75
395-0010-05733	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-76
395-0010-05730	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-77
395-0010-08495	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-78
395-0010-05756	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-79
395-0010-05757	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-80
395-0010-08481	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-81
395-0010-08480	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-82
395-0010-08470	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-83
395-0010-05755	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-84
395-0010-08420	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-85
395-0010-05790	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-86
395-0010-05795	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-87
395-0010-08410	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-88
395-0010-05809	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-89
395-0010-05800	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-90
395-0010-05806	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-91
395-0010-08406	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-92
395-0010-05799	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-93
395-0010-08407	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-94
395-0010-05807	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-95
395-0010-08670	\$	9,400.00	5.5%	15	39584	936.48 541A	541A-96
		\$ 902,400.00	5.5%	15	\$ 89,902.08		

EXHIBIT B

NOTICE OF FINAL ASSESSMENT

November 4, 2025

Resident Name

Address

City, State, Zip

RE: Notice of Final Assessment

Resident Name:

This is to notify you that the final assessment for the construction of Road Improvement District No. 541 & 542 ("Project") was adopted by the City Council of the City of Hermantown on November 3, 2025 pursuant to Minnesota Statutes, Chapter 429. The final assessment is on file for inspection in the office of the City Clerk.

As a result of the adoption of the assessment roll, the assessment against the property owned/occupied/leased by you which has been assigned CVT-Plat-Parcel Number _____, is **\$9,400.00**. Such assessment will be payable, together with interest at the rate of 5.5% per annum with real estate taxes during the years 2026-2041 inclusive payable in the years 2026-2041 inclusive. Such assessment may be prepaid in full without interest, if payment is received by the City prior to December 31, 2025 and thereafter the assessment may be prepaid at any time prior to November 30 of any year if such prepayment includes (i) all installments, including interest and principal due to and including December 31 of the year of prepayment and (ii) the original principal amount reduced only by the amount of principal included in such installments computed on an annual amortization basis. Partial prepayments of the assessment have not been authorized by ordinance of the City of Hermantown.

An owner who filed a written objection with the City Clerk at or before the assessment hearing, or an owner that had reasonable cause for failing to file a written objection at or before the assessment hearing may appeal the assessment against his or her property to the District Court pursuant to Minnesota Statutes, Section 429.081, by serving notice of the appeal upon the Mayor or City Clerk within thirty (30) days after the adoption of the assessment and filing such notice with the Clerk of the District Court within ten (10) days after its service upon the Mayor or City Clerk.

Under Minnesota Statutes, Sections 435.193 to 435.195, the Council may, in its discretion, defer the payment of a special assessment for any homestead property owned by a person sixty-five (65) years of age or older or a person who is retired due to permanent disability or a person in the military ordered into active military service for whom it would be a hardship to make the payments. When deferment of the special assessment has been granted and is terminated for any reason provided in that law, all amounts accumulated plus applicable interest become due. Any assessed property owner meeting the requirements of such law and City of Hermantown Resolution No. 2024-09 may, on a form obtained from the City Clerk, apply for such deferral of payment of a special assessment.

The amount assessed against your particular lot, piece or parcel of land, is **\$9,400.00**. You may at any time prior to December 31, 2025, pay the entire assessment on such property without interest, to the City of Hermantown. No interest shall be charged if the entire assessment is paid by December 31, 2025. You may at any time thereafter pay to the City of Hermantown the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Any such payment must be made before November 30 or interest will be charged through December 31 of the succeeding year. If you decide not to prepay the assessment before December 31, 2025, the rate of interest that will apply is 5.5% percent over fifteen years. Partial prepayments of the assessments have not been authorized by ordinance of the City of Hermantown.

Payments of the amount assessed may be made by check or credit card. If a credit card is used, a credit card service fee of three percent (3%) of the amount paid will be added to the amount paid on the assessment.

CITY OF HERMANTOWN
By Alissa McClure
Its City Clerk



CITY COUNCIL MEETING DATE: November 17, 2025

TO: Mayor & City Council

FROM: Eric Johnson, Community Development Director

SUBJECT: Release of Declaration of Restrictive Covenants

☒ **RESOLUTION:** 2025-173 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approve a Release of Declaration of Restrictive Covenants on City of Duluth owned property.

BACKGROUND

In 2009, the City executed and recorded two Declaration of Restrictive Covenants (Resolution 2009-78). The legal descriptions on the documents included both the SW ¼ and SE ¼ in the NW ¼ of Section 1, Township 50 North, Range 15 West, but should have referenced Section 12. The parcel ID's listed on the documents are associated with properties owned by Hermantown in Section 12.

The erroneous section number ended up placing restrictive covenants on two parcels which are owned by the City of Duluth (010-2747-00070, 010-2747-00071 and 010-2747-00080). The City of Duluth has contacted Hermantown requesting that the restrictive covenants be removed from their parcels.

In turn, Resolution 2009-78 is amended with the proper Section 12 being listed as opposed to Section 1.

SOURCE OF FUNDS (if applicable)

N/A

ATTACHMENTS

Resolution
Release of Restrictive Covenants

Resolution No. 2025-173

Resolution Approving The Removal Of Restrictive Covenants On City Of Duluth Owned Property And Placing Them On City Of Hermantown Owned Property

WHEREAS, the City of Hermantown (“City”) approved Resolution 2009-78 placing restrictive covenants on City owned properties (“Hermantown Properties”); and

WHEREAS, Resolution 2009-78 contained an error in the legal description which assigned the restrictive covenants to properties owned by the City of Duluth (Duluth Properties); and

WHEREAS, the restrictive covenants were recorded with St. Louis County as Documents 1119393 and 1119394; and

WHEREAS, the City of Duluth has requested that the restrictive covenants be removed from the Duluth Properties; and

WHEREAS, the City of Hermantown does not own or have an interest in the real property described in the 1119393 Declaration or the 1119394 Declaration; and

WHEREAS, the City of Hermantown desires that the restrictive covenants be recorded against the Hermantown Properties as described on Exhibit A attached hereto.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hermantown as follows:

1. The removal of the restrictive covenants from the Duluth Properties and the subsequent placing of the restrictive covenants on the Hermantown Properties is hereby approved.

Councilor _____ introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolutions 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 November 17, 2025.

EXHIBIT A
LEGAL DESCRIPTION

Real property in the City of Hermantown, County of St. Louis, State of Minnesota, described as follows:

Parcel 395-0010-03306:

UND 1/2 SE1/4 OF SW1/4 OF NW 1/4 EX THAT PART LYING NORTH OF SWAN LAKE ROAD, SECTION TWELVE (12), TOWNSHIP FIFTY (50) RANGE FIFTEEN (15), ST. LOUIS COUNTY, MINNESOTA

Parcel 395-0010-03321

UND 1/2 SE1/4 OF NW1/4 EX THAT PART OF E 1/2 LYING S OF SWAN LAKE RD AND EX THAT PART LYING N OF SWAN LAKE ROAD, SECTION TWELVE (12), TOWNSHIP FIFTY (50) RANGE FIFTEEN (15), ST. LOUIS COUNTY, MINNESOTA

1119394

Office of the County Recorder
St. Louis County, Minnesota

Recorded on 10/01/2009
at 9:49 AM

Document No. 01119394

Mark A. Monacelli
County Recorder

By Sally Abell, Deputy

AFR 264322



DO NOT REMOVE

Return to

Hennantown

AFR #: 264322

Cash

Chg

Bill

46-

EXHIBIT A
DECLARATION OF RESTRICTIVE COVENANTS

This GRANT OF THESE COVENANTS is made and entered into effective as of the 8th day of September, 2009 by and between the CITY OF HERMANTOWN (hereinafter referred to as the "Covenantor") and the CITY OF HERMANTOWN, a statutory city under the laws of the State of Minnesota (hereinafter referred to as "City") is in response to the following situation:

A. Covenantor is the owner in fee of certain real property located in the County of St. Louis, in the State of Minnesota, shown on and described more particularly in Exhibit A, and referred to herein as the "Conservancy Area."

B. Covenantor desires and intends that the natural elements and the ecological and aesthetic values of the Conservancy Area be maintained and improved in accordance with the terms and conditions of these Covenants.

C. Covenantor and City both desire, intend, and have to common purpose of conserving and preserving in perpetuity the Conservancy Area in a relatively natural condition by placing restrictions on the use of the Conservancy Area and by assigning form the Covenantor to the City, by the establishment of these Covenants, affirmative rights to ensure the preservation of the natural elements and values of the Conservancy Area.

D. These covenants constitute part of the environmental compensatory mitigation required under the Wetland Replacement Plan approved by the City and the U.S. Army Corps of Engineers ("COE") for Covenantor; that the permit would not have been approved except for the creation of these covenants.

E. Covenantor has received valuable consideration for the making of these covenants.

NOW THEREFORE, Covenantor, for valuable consideration received, does hereby establish, give and assign to the City, an assignable right to enforce the following restrictions against Covenantor, its successors and assigns if any; any third party holding, or professing to hold, any legal or equitable title to the Conservancy Area; or any trespasser or interloper committing any act on or near the premises inconsistent with these covenants:

- 1.1 The right of the City to enforce by proceedings at law or in equity the Covenants hereinafter set forth. The right shall include but not be limited to, the right to bring an action in any court of competent jurisdiction to enforce the terms of these Covenants, to require the restoration of this property to its natural condition or to enjoin non-compliance by appropriate injunctive relief. City does not waive or forfeit the right to take action as may be necessary to ensure compliance with terms of these Covenants by any prior failure to act. Nothing herein shall be construed to

entitle City to institute any enforcement action against Covenantor for any changes to the Conservancy Area due to causes beyond Covenantor's control and without Covenantor's fault or negligence (such as changes caused by fire, flood, storm, civil or military authorities undertaking emergency action or unauthorized wrongful acts of third parties).

- 1.2 The right of City, its contractors, agents and invitees, to enter the Conservancy Area, in a reasonable manner and at reasonable times, for the purpose of inspecting the Conservancy Area to determine if Covenantor is complying with the Covenants and promises, and further to observe, study, record and make scientific studies and educational observations.

AND IN FURTHERANCE of the foregoing affirmative rights, Covenantor makes the following covenants on behalf of themselves and its successors and assigns, which covenants shall run with and bind the Conservancy Area in perpetuity:

COVENANTS

- 2.1 There shall be no commercial, industrial or residential activity undertaken or allowed within the Conservancy Area.
- 2.2 There shall be no buildings, dwellings, barns, roads, advertising signs, billboards or other structures built or placed in the Conservancy Area.
- 2.3 There shall be no dredging, filling, excavating, mining, drilling or removal of any topsoil, sand, gravel, rock, minerals or other materials. There shall be no plowing or any other activity that would alter the topography of the Conservancy Area.
- 2.4 There shall be no dumping of trash, ashes, garbage or other unsightly or offensive material, especially including any hazardous or toxic waste.
- 2.5 The hydrology of the Conservancy Area will not be altered in any way or by any means including pumping, draining, diking, impounding or diverting surface or ground water into or out of the Conservancy Area.
- 2.6 No plowing, tilling, cultivating, planting, timbering, or other agricultural activities may take place within the Conservancy Area.
- 2.7 Covenantor is responsible for compliance with all federal, state and local laws governing the safety and maintenance of the property, including the control of noxious weeds within the Conservancy Area.
- 2.8 There shall be no operation of any motorized watercraft, vehicle, or equipment within the Conservancy Area.

- 2.9 There shall be no removal, cutting, mowing, or alteration of any vegetation or change in the natural habitat in any manner.

RESERVED RIGHTS

- 3.1 These covenants do not authorize entry upon or use of the Conservancy Area by the general public.
- 3.2 Covenantor and Covenantor's invitees may hunt and fish in the Conservancy Area so long as they comply with all federal, state and local game and fishery regulations.
- 3.3 Nothing herein shall be construed as limiting the right of Covenantor to sell, give or otherwise convey the Conservancy Area, or any portion or portions thereof, provided that the conveyance is subject to the terms of these Covenants.

GENERAL PROVISIONS

- 4.1 These Covenants shall run with and burden the Conservancy Area in perpetuity and shall bind Covenantor and Covenantor's heirs, successors and assigns. These Covenants are fully valid and enforceable by any assignee of City, whether assigned in whole or in part. Said assignment may be by operation of law or by written notice of assignment to Covenantor.
- 4.2 Covenantor warrants that it owns the Conservancy Area in fee simple, and that Covenantor either owns all property interests in the Conservancy Area which may be impaired by the granting of these Covenants or that there are no outstanding mortgages, tax liens, encumbrances, or other interests in the Conservancy Area which have not been expressly subordinated to these Covenants by signing below. If it is determined at any time that there is any party who may have a property interest in the Conservancy Area that is superior to these Covenants, then Covenantor shall immediately obtain and record a consent and subordination agreement signed by the other party. Acceptance of these Covenants does not release Covenantor from the obligation to obtain and record a consent and subordination agreement signed by any party who may have a property interest in the Conservancy Area that is superior to these Covenants, even if such interest was of record at time of acceptance.
- 4.3 Covenantor agrees to pay any and all real property taxes and assessments levied by competent authority on the Conservancy Area.
- 4.4 Covenantor agrees that the terms, conditions, covenants and restrictions set forth in this instrument will be inserted in any subsequent conveyance of any interest in

said property. Covenantor agrees to notify the City of any such conveyance in writing and by certified mail within 15 days after the conveyance.

- 4.5 City may assign or transfer the right to enforce these Covenants to any federal or state agency or private conservation organization for management and enforcement.
- 4.6 The terms "Covenantor" and "City" as used herein shall be deemed to include, respectively, Covenantor and its successors and assigns. The provisions of this Creation and Grant of Covenants may also be enforced by the State of Minnesota in a court of competent jurisdiction.
- 4.7 The terms "Covenantor" and "City" as used herein shall be deemed to include, respectively, Covenantor and its successors and assigns. The provisions of this Creation and Grant of Covenants may also be enforced by the State of Minnesota in a court of competent jurisdiction. The provisions of this Creation and Grant of Covenants may also be enforced by the United States of America acting through the U.S. Army Corps of Engineers or its assigns.

TO HAVE AND TO HOLD the above described together with all the appurtenances, rights and privileges belonging thereto, either in law or equity, for the proper use and benefit of City and its successors and assigns, forever.

1119394

IN WITNESS WHEREOF, City has caused this Declaration of Restrictive Covenants to be duly executed in its name on or as of the date first above written.

CITY OF HERMANTOWN

By Wayne Boucher
Its Mayor

And By Deborah Lund
Its Clerk

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

The foregoing instrument was acknowledged before me this 15 day of Sept, 2009, by Wayne Boucher and Deborah Lund, the Mayor and City Clerk, respectively, of the City of Hermantown on behalf of the City of Hermantown.

Luanne R. McMillan



EXHIBIT A
[Legal Description]

PARCEL #395-0010-03306

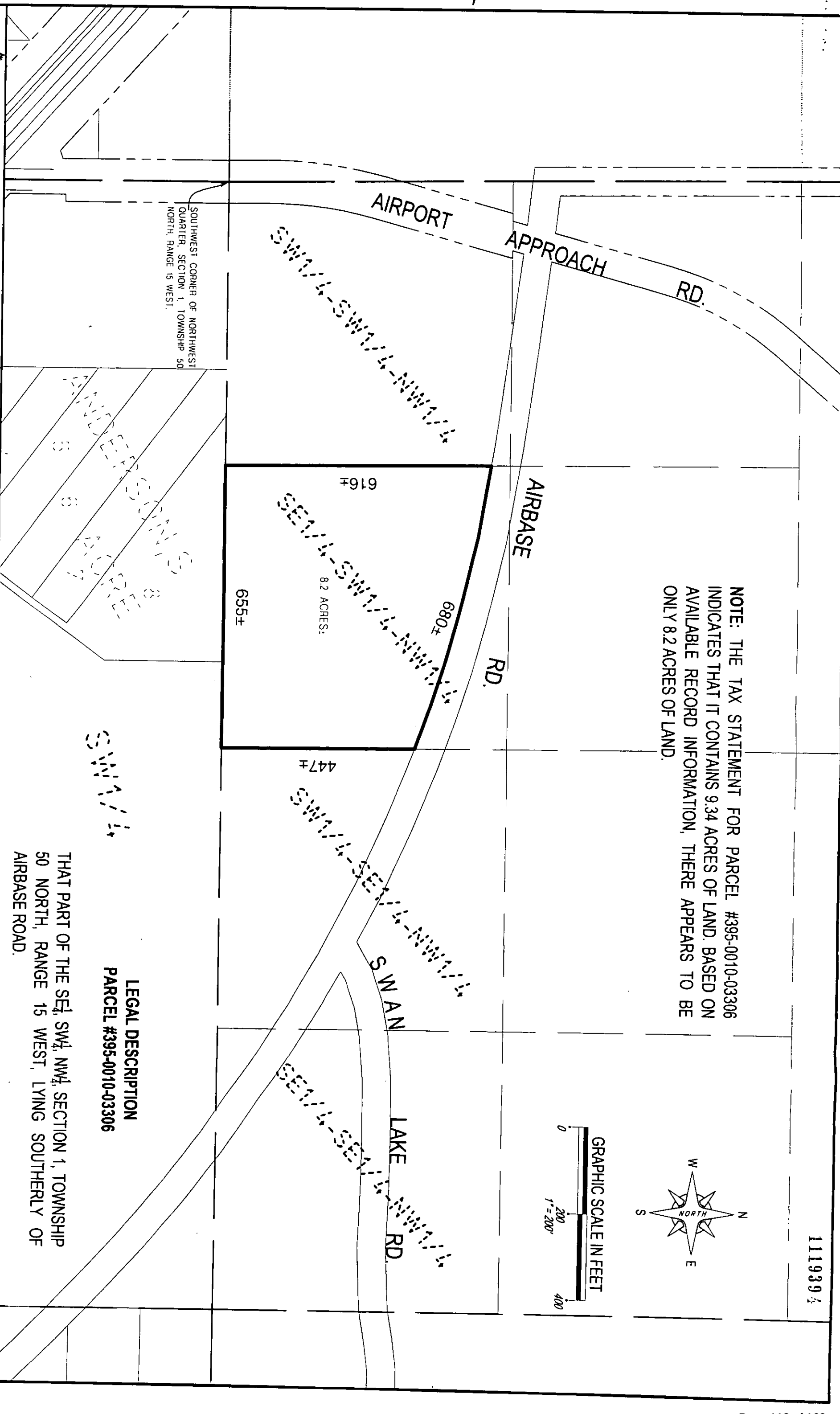
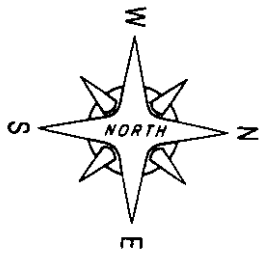
That part of the SE $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$, Section 1, Township 50 North, Range 15 West,
Lying Southerly of Airbase Road

AND

PARCEL #395-0010-03321

The Westerly 3.8 Acres of that part of the SW $\frac{1}{4}$, SE $\frac{1}{4}$, NW $\frac{1}{4}$, Section 1, Township 50
North, Range 15 West, Lying Southerly of Airbase Road

NOTE: THE TAX STATEMENT FOR PARCEL #395-0010-03306 INDICATES THAT IT CONTAINS 9.34 ACRES OF LAND. BASED ON AVAILABLE RECORD INFORMATION, THERE APPEARS TO BE ONLY 8.2 ACRES OF LAND.



SOUTHWEST CORNER OF NORTHWEST QUARTER, SECTION 1, TOWNSHIP 50 NORTH, RANGE 15 WEST.

LEGAL DESCRIPTION
PARCEL #395-0010-03306
THAT PART OF THE SE 1/4, SW 1/4, NW 1/4, SECTION 1, TOWNSHIP 50 NORTH, RANGE 15 WEST, LYING SOUTHERLY OF AIRBASE ROAD.



ENGINEERS • SURVEYORS • PLANNERS
SALO ENGINEERING, INC.
4560 Norway Pines Place • Duluth, Minnesota 55811 • 218/727-8796

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

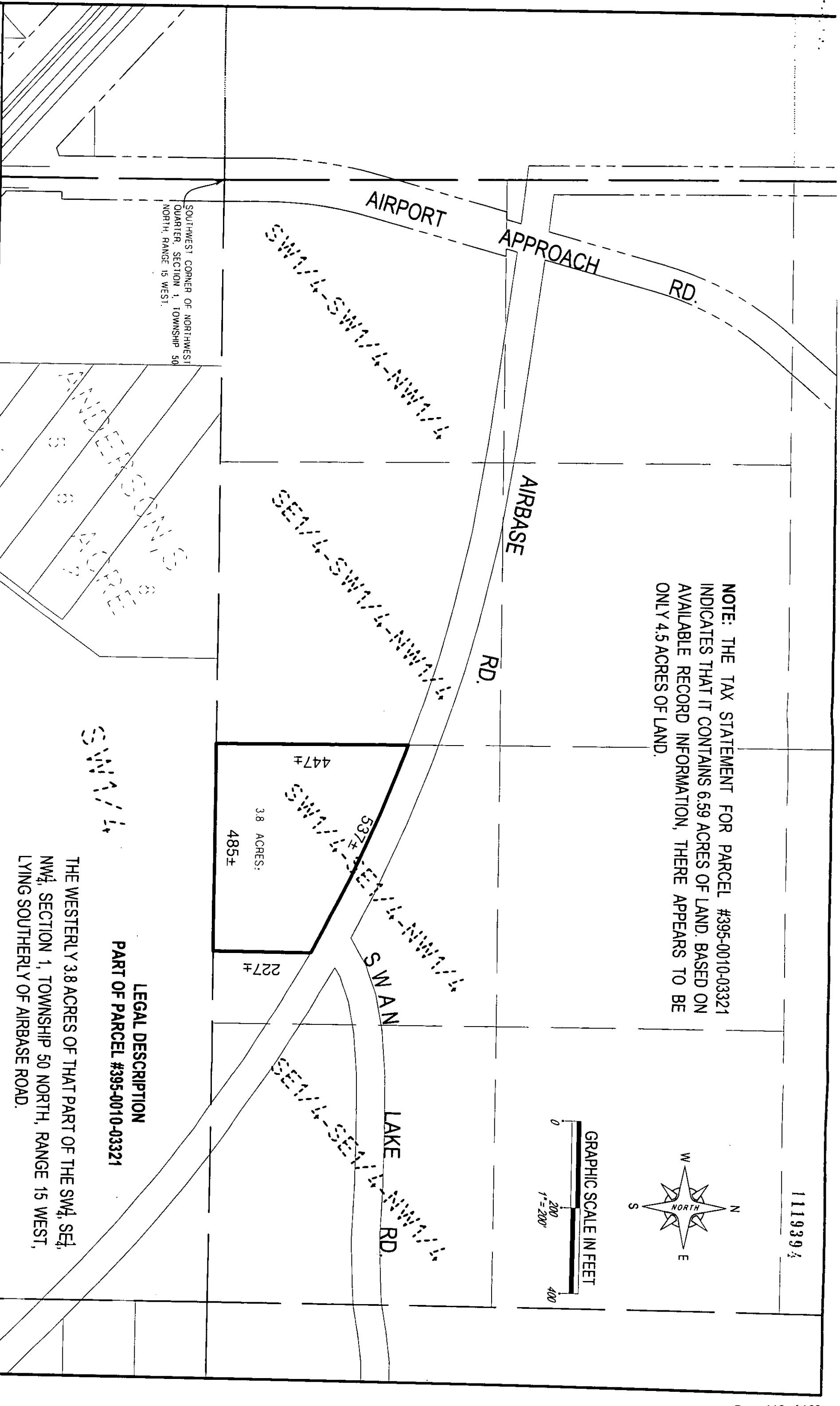
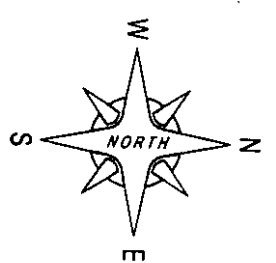
James W. Forde
DATE **8-31-09**
MN. LIC. NO. **18164**

NO	DATE	REVISION	BY	JOB NO.	DATE
1					
2					
3					

WETLAND PARCEL DRAWING FOR:
CITY OF HERMANTOWN

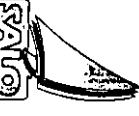
DATE **08/26/09**

NOTE: THE TAX STATEMENT FOR PARCEL #395-0010-03321 INDICATES THAT IT CONTAINS 6.59 ACRES OF LAND. BASED ON AVAILABLE RECORD INFORMATION, THERE APPEARS TO BE ONLY 4.5 ACRES OF LAND.



LEGAL DESCRIPTION
PART OF PARCEL #395-0010-03321

THE WESTERLY 3.8 ACRES OF THAT PART OF THE SW¼, SE¼, NW¼, SECTION 1, TOWNSHIP 50 NORTH, RANGE 15 WEST, LYING SOUTHERLY OF AIRBASE ROAD.



ENGINEERS • SURVEYORS • PLANNERS

SAIC ENGINEERING, INC.

4560 Norway Pines Place • Duluth, Minnesota 55811 • 218/727-8796

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

James L. Forde

DATE **8-31-09**

MN. LIC. NO. **18164**

NO	DATE	REVISION	BY	JOB NO.	DATE
1				E-312	08/26/09
2					
3					

WETLAND PARCEL DRAWING FOR:

CITY OF HERMANTOWN

ST. LOUIS COUNTY RECORDER

MARK A. MONACELLI, COUNTY RECORDER

P.O. Box 157 • Duluth, MN 55801-0157

Telephone 218-726-2677

ABSTRACT FILING REQUEST

AFR # 264322

SEP 30 2009

Date this form was completed _____ Client File _____

Name City of Hermantown

Address 5105 Maple Grove Road.

Hermantown MN 55811

Phone () _____ Fax () _____

Amount Enclosed: _____ Check _____ Cash _____ Dep. Acct. _____

Return: Mail ☒ Pick-Up _____ Other (specify) _____

Signature _____

SEP 30 2009

				SPACE BELOW FOR RECORDER'S USE ONLY				
RECORD ORDER	DOCUMENTS - PRIORITIZE	OTHER SERVICES FOR THIS DOCUMENT	FILE IN TORRENS?	CW	CC	WC	DT & MT	RECORDING FEE
99	1	RC					DT	Bill 46-
							MT	
100	2	RC					DT	Bill 46-
							MT	
3							DT	
							MT	
4							DT	
							MT	
5							DT	
							MT	
6							DT	
							MT	
7							DT	
							MT	

Checks for filing fees should be payable to: COUNTY RECORDER.

Checks for deed, mortgage or real estate taxes should be payable to: COUNTY AUDITOR.

NOTE: Documents presented with this request are not filed until they are fully processed in the office of the COUNTY RECORDER.

FOR RECORDER'S USE ONLY. DO NOT WRITE IN THIS BOX

Status H Return 1407 Deposit Acct. # Bill Coded WL Logged WL

R.E. on _____; \$ _____

DOCUMENT # From 1119393 To 1119394

RELEASE FROM DECLARATIONS OF RESTRICTIVE COVENANTS

This Release from Declarations of Restrictive Covenants is made by the City of Hermantown, a statutory city under the laws of the State of Minnesota (the “City”).

The real property legally described in the Declaration of Restrictive Covenants dated September 8, 2009 and recorded in the Office of the St. Louis County Recorder on October 1, 2009 as Document No. 1119393 (the “1119393 Declaration”), is hereby released from all terms and conditions set forth in the 1119393 Declaration.

The real property legally described in the Declaration of Restrictive Covenants dated September 8, 2009 and recorded in the Office of the St. Louis County Recorder on October 1, 2009 as Document No. 1119394 (the “1119394 Declaration”), is hereby released from all terms and conditions set forth in the 1119394 Declaration.

The City does not own or have an interest in the real property described in the 1119393 Declaration or the 1119394 Declaration (and did not at the time of execution), and the 1119393 Declaration and the 1119394 Declaration erroneously included the land described therein.

IN WITNESS WHEREOF, the City has executed this release as of the date indicated below.

CITY OF HERMANTOWN

By: _____
Mayor

By: _____
City Clerk

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

 This instrument was acknowledged before me on _____, 2025, by Wayne Boucher,
Mayor of the City of Hermantown, a statutory city under the laws of the State of Minnesota.

Notary Public

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

 This instrument was acknowledged before me on _____, 2025, by Alissa McClure,
City Clerk, of the City of Hermantown, a statutory city under the laws of the State of Minnesota.

Notary Public

This Instrument was drafted by:
City of Duluth
Office of the City Attorney
411 West First Street
Duluth, Minnesota 55802

CITY COUNCIL MEETING DATE: November 17, 2025

TO: Mayor & City Council

FROM: Eric Johnson, Community Development Director

SUBJECT: Release of Memorial

☒ **RESOLUTION:** 2025-174 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approve a Release of Memorial associated with a parcel within the Square 37 development.

BACKGROUND

In 2016, as part of the Square 37 (Titan Premier) project, located at the NE intersection of W. Arrowhead Road and Lavaque Road, the City executed and recorded a Final Development Plan (Resolution 2016-71). The development plan requires project specific items such as road and utility construction, building setbacks and lot sizes.

The owner of parcel 395-0160-00030 has requested that the memorial associated with the development be removed from their specific property. City staff and the City Attorney has had multiple conversations with the attorney representing the property owner and concur that since the development work associated with the overall project has been completed and the road and utilities have been accepted by the City, that it is appropriate to remove the memorial from the subject property as requested.

SOURCE OF FUNDS (if applicable)

N/A

ATTACHMENTS

Resolution
Location Map
2016-71 Resolution
Release of Memorial

Resolution No. 2025-174

Resolution Approving The Release Of Memorial Associated With Parcel 395-0160-00030

WHEREAS, the City of Hermantown (“City”) approved Resolution 2016-71 requiring development related improvements on land owned by a private developer (“Improvements”); and

WHEREAS, the Resolution was executed and recorded with St. Louis County as document 1002657; and

WHEREAS, the Improvements have been installed by developer and accepted by the City; and

WHEREAS, the property owner of parcel 395-0160-00030 wishes to have the memorial associated with document 1002657 removed from their property; and

WHEREAS, the City of Hermantown desires to release the memorial recorded against parcel 395-0160-00030 as described on Exhibit A; and

WHEREAS, the release of memorial is substantially in the form of the release as described in Exhibit B, attached hereto.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hermantown as follows:

1. The removal of the memorial associated with parcel 395-0160-00030 is hereby approved.

Councilor _____ introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolutions 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 November 17, 2025.

EXHIBIT A
LEGAL DESCRIPTION

Real property in the City of Hermantown, County of St. Louis, State of Minnesota, described as follows:

Parcel 395-0160-00030:

LOT 3, BLOCK 1 SQUARE 37 DEVELOPMENT, SECTION TEN (10), TOWNSHIP FIFTY (50) RANGE FIFTEEN (15), ST. LOUIS COUNTY, MINNESOTA

EXHIBIT B
RELEASE OF MEMORIAL

**CONSENT TO RELEASE OF MEMORIAL 1002657 ON TORRENS
CERTIFICATE 359156**

The City of Hermantown, a statutory city under the laws of the State of Minnesota (the “City”), hereby consents to the removal of memorial 1002657 on Certificate of Title 359156.

The real property legally described in the Final Development Plan dated June 6, 2016, and recorded in the Office of the St. Louis County Recorder on September 2018, as Document No. 1002657, is hereby released by the City from all terms and conditions set forth therein.

The conditions for Memorial 1002657 have since been completed, namely the development plan granted by Resolution 2016-71 dated June 8, 2016.

For the foregoing reasons, the City of Hermantown herein consents to the clearance of said memorial on a new Certificate of Title.

IN WITNESS WHEREOF, the City has executed this release as of the date indicated below.

CITY OF HERMANTOWN

By: _____
Mayor

By: _____
City Clerk

[illegible]

This instrument was acknowledged before me on _____, 2025, by Wayne Boucher, Mayor of the City of Hermantown, a statutory city under the laws of the State of Minnesota.

Notary Public

[illegible]

This instrument was acknowledged before me on _____, 2025, by Alissa McClure, City Clerk, of the City of Hermantown, a statutory city under the laws of the State of Minnesota.

Notary Public

Location Map





Office of the Registrar of Titles
St. Louis County, Minnesota
Recorded on 09/13/2018
At 10:45AM

Document No. 1002657.0

Affecting Certificate(s) of Title
338558.0 338559.0 338560.0

Wendy Levitt
Registrar of Titles

By R MacDonell Deputy
TFR 285950

Document: CONSENT
Grantor: TITAN PREMIER LLC
Grantee: CITY OF HERMANTOWN

Recording Fee: \$86.00
Well Certificate Fee: \$0.00

This page has been added by the St. Louis County Recorder/Registrar of Titles to add the recording information to the attached document.

ACKNOWLEDGMENT AND CONSENT

Titan Premier LLC, a Texas limited liability company, hereby acknowledges that the documents attached hereto are binding upon it and the real estate located in St. Louis County, Minnesota and described on Exhibit A attached hereto.

Titan Premier LLC, a Texas limited liability company, hereby consents to this Acknowledgment and Consent being memorialized on Certificate of Title Nos. 338558, 338559 and 338560.

Dated this 2nd day of August, 2018.

Titan Premier LLC

By 
Kevin Kuklis, its Chief Manager

[ACKNOWLEDGMENT APPEARS ON NEXT PAGE]

Return to:
TFR # 285950
Cash 08046
2018

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

The foregoing instrument was acknowledged before me this 2nd day of August, 2018, by Kevin Kuklis, the Chief Manager of Titan Premier LLC, on behalf of Titan Premier LLC, a Texas limited liability company.



Mary A Melde
Notary Public

THIS DOCUMENT WAS DRAFTED BY:
Steven C. Overom
Maki & Overom, Ltd.
31 W. Superior Street
Suite 402
Duluth, MN 55802

EXHIBIT A*Legal Description of Property Covered by Plat*

Lots 7 and 8, EXCEPT the N'ly 900 feet thereof, AND the E'ly 33 feet of N'ly 900 feet of Lot 8, Block 10, DULUTH HOMESTEADS SUBDIVISION PLAT

and

N'ly 900 feet of Lots 7 and 8, EXCEPT the following parcels, to-wit:

1. the E'ly 33 feet of Lot 8,
2. the S'ly 150 feet of the N'ly 300 feet of Lots 7 and 8,
3. the N'ly 150 feet of Lots 7 and 8,
4. the S'ly 150 feet of the N'ly 450 feet of Lots 7 and 8,
5. the S'ly 150 feet of the N'ly 600 feet of Lots 7 and 8,
6. the S'ly 150 feet of the N'ly 750 feet of Lots 7 and 8,

Block 10, DULUTH HOMESTEADS SUBDIVISION PLAT

SUBJECT to easement for drainage ditches, recorded in the office of the County Recorder in Book 80 of Miscellaneous, page 700.

SUBJECT to Agreement to Petition for Sanitary Sewer and Disclaimer recorded in the office of the County Recorder as Document No. 115981.

SUBJECT to Notice of Mechanic's Liens which may be filed within 90 days from the entry of this decree in the office of the Register of Deeds.

and

Lot 9, Block 10, DULUTH HOMESTEAD SUBDIVISION PLAT, EXCEPT the S'ly 275 thereof. hereinafter, "the Property".

Parcel Id Nos.: 395-0070-00100; 395-0070-00112; and 395-0070-00120

RESOLUTION NO. 2016-71

**RESOLUTION APPROVING FINAL DEVELOPMENT PLAN FOR SQUARE 37
PLANNED UNIT DEVELOPMENT**

Motion made by Councilor Geissler, seconded by Councilor Koski to adopt Resolution 2016-71, Resolution Approving Final Development Plan For Square 37 Planned Unit Development.
Roll Call: Councilors Geissler, Koski, Nelson, Mayor Boucher, aye. Councilor Peterson absent. Motion carried.

I, Deborah Lund, City Clerk of the City of Hermantown, Minnesota, do hereby certify that I have compared the annexed copy of Resolution passed by the City Council of the City of Hermantown on the 6th day of June 2016, with the original in my custody as City Clerk of said City, and that the same is a true and correct transcript therefrom
In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 8th day of



Return to:
TFR # Hermantown
Cash 307497
Chg

Resolution No. 2016-71**RESOLUTION APPROVING FINAL DEVELOPMENT PLAN
FOR SQUARE 37 PLANNED UNIT DEVELOPMENT**

WHEREAS, Mr. Kevin Kuklis submitted an application for a Planned Unit Development to allow for construction of nine new residential lots ("Project") on a site at the northeast quadrant of Arrowhead Road and Ugstad Road in the City of Hermantown; and

WHEREAS, The Hermantown Planning and Zoning Commission held a public hearing on the Preliminary Development Plan at its meeting on May 16, 2016 and approved the Preliminary Development Plan; and

WHEREAS, after due consideration of the entire City file, the testimony at the public hearing and all other relevant matters the City Council hereby makes the following findings related to the Final Development Plan.

A. FINDINGS OF FACT

1. The proposed Final Development Plan (the "Plan") and the Project is consistent with the Hermantown Comprehensive Plan.
2. The tract of land ("Land") affected by the Plan is legally described on **Exhibit A** attached hereto and is under unified control and scheduled to be developed as one unit.
3. The Plan includes provisions for the preservation of natural amenities.
4. The Plan appears to harmonize with both existing and proposed development in the area surrounding the project site.
5. The Plan is comprised of at least two and one half (2 ½) acres of contiguous land.
6. The Plan includes residential uses.
7. Maps were provided with the Plan and contained the following:
 - 1.1 The existing topographic character of the land.
 - 1.2 A composite of all natural amenities of the site including steep slopes, drainage ways plus marshes, ponds and lakes.
 - 1.3 The size of the site and proposed uses of the land to be developed together with an identification of off-site land uses.
 - 1.4 The density of land use to be allocated to the several parts of the development.

- 1.5 The approximate location of thoroughfares.
- 1.6 The location of common open space including private nature preserves.
- 2. The Plan includes the following:
 - 2.1 A statement of the ownership of all land involved in the Planned Unit Development together with a summary of previous development experience by the Developer.
 - 2.2 An explanation of the general character of the planned development.
 - 2.3 A general indication of the expected time schedule of development.
 - 2.4 A statement describing the ultimate ownership and maintenance of all parts of the development including streets, structures and open space.
 - 2.5 A statement describing how all necessary governmental services will be provided to the development.
 - 2.6 A statement indicating the anticipated population that will occupy the development within the Plan with breakdowns indicating the number of school age children, adults and families.
- 3. In order to insure that the spirit and intent of the Hermantown Zoning Code is met modifications must be made to the Plan and conditions imposed on the development proposed by the Plan.
- 4. To accomplish the complex review process for approval of the Plan, the dates and deadlines of Chapter 11, "Planned Unit Developments" were reviewed and requirements met by the Developer.

CONCLUSION

On the basis of the foregoing Findings of Fact, the City Council of the City of Hermantown is hereby resolved as follows:

- 1. The Plan and the Project are hereby approved.
- 2. The Approval of the Plan is subject to the following modifications/conditions:
 - 2.1 The Developer will construct water and sewer service line in accordance with the City's requirements. Developer will also:

- 1.1.1 Provide the plans and specifications for the construction of the water and sewer service lines within the Plan for the City's review and approval prior to commencing construction of such water and sewer service lines.
- 1.1.2 Provide the City a plan on paper and electronically in auto cad format showing the water and sewer service lines to all buildings in the Plan.
- 1.1.3 Install a locating wire or an equally effective means of marking the location of each nonconductive water or sewer lines and all water and sewer service lines.
- 1.1.4 All individual dwelling units within the Plan shall be connected directly to an existing City water and sewer main.
- 1.1.5 Any new City water or sewer mains constructed as part of the project must be accepted by Resolution of the City Council. Said water or sewer mains must meet the design specifications of the City Engineer, and be constructed under the supervision of a designated City Official. No new City water or sewer mains may be accepted by the City until appropriate utility easements are dedicated to the public.
- 2.2 The Developer will cause all buildings within the development to be constructed in accordance with all applicable building and fire codes.
- 2.3 Developer will impose restrictions on the use of the property covered by the Plan through a Declaration of Restrictive Covenants that are filed with the appropriate real estate title recording office prior to the sale of any interests in any of the Land covered by the Plan or prior to the construction of any improvements on the Land covered by the Plan.
- 2.4 The City must review and administratively approve Home Owners Association covenants and other documentation prior to issuance of a Certificate of Occupancy.
- 2.5 A park dedication fee of \$1,100.00 per lot shall be paid prior to the transfer that would accomplish the conveyance of the lot, to be managed concurrently with issuance of the Certificate of Occupancy. This will satisfy the requirements of Hermantown City Code Section 565.14.
- 1.2 One lot will front onto Ugstad Road. The proposed lot has adequate frontage similar in nature to a R-3 zoned lot.
- 1.3 No increase in density has been requested and none is needed to be granted for this Project.

- 1.4 The building setbacks and lot sizes vary as part of this PUD. The following chart lists the provided lot sizes, widths and setbacks for this PUD. The attached site plan illustrates these dimensions and hereto referenced as **Exhibit B** ("Site Plan").

Table 1. R-3 Residential Requirements	R-3 Requirement	Provided
Minimum lot area	1/2 acre	Range of lot sizes from 0.30-2.89 acres
Minimum lot width	100 feet	60 feet minimum
Minimum structure setback	50 feet	25 feet minimum
Minimum side yard	10 feet	28 feet minimum
Minimum rear yard	40 feet	30 feet minimum
Roadway ROW width	66 feet	50 feet

- 1.5 Parking and driveways are permitted in the front yard setback area.
- 1.6 The spacing between buildings as shown on the Site Plan is hereby approved.
- 1.7 Outlot A at the NE intersection of Ugstad Road and Arrowhead Road will be kept in a conservation easement with all wetlands and trees to remain as undisturbed.
- 1.8 Developer must pay all costs and expenses incurred by the City, including attorney's fees, planner fees and out of pocket costs incurred by the City.
- 1.9 The Project will be constructed so that there will be no impact on wetlands.
- 1.10 The Plan and any associated construction must be executed in compliance with the Stormwater Certificate issued for the Project.
- 1.11 An access permit for the Arrowhead Road access point across from must be obtained prior to beginning construction.
- 1.12 Developer must proceed in accordance with the terms of Chapter 11, "Planned Unit Developments" of the Hermantown Zoning Code with regard to the Plan.
- 1.13 Developer must accept the terms and provisions of this Resolution in writing within 30 days of the adoption of this Resolution.

Councilor Geissler introduced the foregoing resolution and moved its adoption.

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

Councilors Geissler, Koski, Nelson, Mayor Boucher, aye. Councilor Peterson absent and the following voted in opposition thereto:

None

WHEREUPON, such resolution was declared duly passed and adopted.

EXHIBIT A

In parts of Lots 7,8 and 9, Block 10, of Lot 10 Block 15 of Duluth Homesteads Subdivision,
being in Section 10, Township 50 North, Range 15, West City of Hermantown, St. Louis
County, Minnesota

ACCEPTANCE OF RESOLUTION

Kevin Kuklis hereby acknowledges and accepts the conditions specified on the foregoing Resolution and covenants and agrees to comply with each and every such condition.

Developer acknowledges that the failure to comply with all of the modifications and conditions shall constitute a violation of the Hermantown Zoning Ordinance and that the City of Hermantown may, in such event, exercise and enforce its rights against the undersigned by instituting any appropriate action or proceeding to prevent, restrain, correct or abate the violation including, without limitation, exercising and enforcing its rights against any security that the undersigned may provide to the City to insure its compliance with the conditions contained in the foregoing Resolution and the Development Agreement to be entered into between City and Developer pursuant to this Resolution.

Developer acknowledges that this Resolution shall be recorded with the title to the property depicted in Exhibit A to the Resolution.

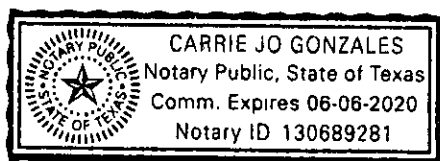
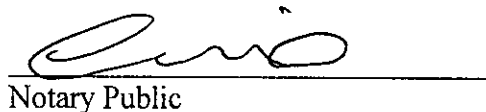
IN WITNESS WHEREAS, Kevin Kuklis has executed this acceptance the 7th day of July, 2016.



KEVIN KUKLIS

Texas
STATE OF ~~MINNESOTA~~)
Harris)ss.
COUNTY OF ~~ST. LOUIS~~)

The foregoing instrument was acknowledged before me this 7th day of July, 2016, by Kevin Kuklis.

Notary Public

RESOLUTION NO. 2016-73

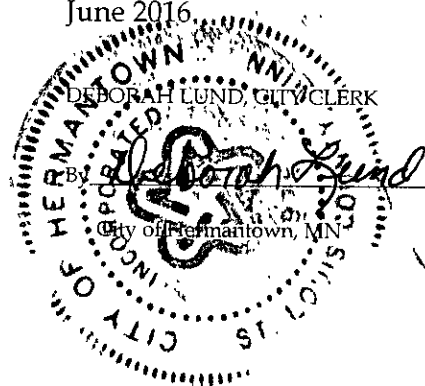
**RESOLUTION APPROVING A WETLAND REPLACEMENT PLAN FOR SQUARE 37
DEVELOPMENT, 5293 WEST ARROWHEAD ROAD (3 LOTS)**

Motion made by Councilor Nelson, seconded by Councilor Koski to adopt Resolution 2016-73, Resolution Approving A Wetland Replacement Plan For Square 37 Development, 5293 West Arrowhead Road (3 Lots). Roll Call: Councilors Geissler, Koski, Nelson, Mayor Boucher, aye. Councilor Peterson absent. Motion carried.

I, Deborah Lund, City Clerk of the City of Hermantown, Minnesota, do hereby certify that I have compared the annexed copy of Resolution passed by the City Council of the City of Hermantown on the 6th day of June 2016, with the original in my custody as City Clerk of said City, and that the same is a true and correct transcript therefrom

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 8th day of

June 2016.



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Resolution No. 2016-73**RESOLUTION APPROVING A WETLAND REPLACEMENT PLAN FOR SQUARE 37
DEVELOPMENT, 5293 WEST ARROWHEAD ROAD (3 LOTS)**

WHEREAS, The Minnesota legislature initially enacted the Wetland Conservation Act (“WCA”) in 1991, amended from time to time by the Minnesota Legislature, and

WHEREAS, Minnesota Rules Chapter 8420 (“WCA Rules”) were adopted to implement the WCA, and whenever any capitalized term is used in this Resolution it shall have the meaning given that term in the WCA Rules unless the context clearly requires otherwise, and

WHEREAS, Under the WCA Rules, the Hermantown City Council is the Local Government Unit (“LGU”) for purposes of administering the WCA in Hermantown, and

WHEREAS, Kevin Kuklis, (“Applicant”) applied to the City of Hermantown for approval of a Replacement Plan for an activity affecting 2,836 square feet of Wetlands (“Project”), for property with a legal description attached hereto as Exhibit A (“Land”), and

WHEREAS, The LGU mailed a copy of the Application and an invitation to submit comments on the Application to the members of the Hermantown Technical Evaluation Panel (“TEP”), and

WHEREAS, The TEP duly considered the Application at a meeting (“TEP Meeting”) held on November 16, 2015, such meeting having included an on-site inspection, completion of technical findings and recommendations on questions of Wetland functions, and the resulting public values, location, size, and type with respect to the Application, described in the TEP Meeting minutes, and

WHEREAS, The TEP recommended approval of the Replacement Plan, and

WHEREAS, Pursuant to the LGU’s WCA Resolution, the Planning Commission of the LGU held a public hearing (“Hearing”) and recommended approval of the Application at its meeting of May 9, 2016, and

WHEREAS, The City Council has duly considered the Application, the record of the Hearing, the entire file of the LGU with respect to the Application, the recommendation of the TEP and Planning Commission and such other matters as it deems relevant, and

WHEREAS, Based on such review and consideration the City Council of the City of Hermantown hereby makes the following:

FINDINGS OF FACT

1. The foregoing whereas clauses are hereby adopted as Findings of Fact of LGU.
2. The Application is complete.

3. The procedures of LGU WCA Resolution have been followed.
4. The recommendations of the TEP have been duly considered.
5. Notice of the Application was provided in accordance with the WCA Rules.
6. The LGU duly considered the replacement standards of the WCA Rules in making its decision on the Application.
7. The LGU duly considered the TEP's determination concerning the Wetland functions and resulting public values, location, size, and type of the Wetlands being altered.
8. The Wetlands impacted by the Project are 2,836 square feet of Type 3, (Shallow Marsh) Type 4, (Manmade – Deep Marsh) and Type 6/7 (Alder Thicket/Hardwood Swamp Mix).
9. Wetland impacts would not be avoided and the Project proposed cannot be reasonably accomplished at one or more of the other sites considered by Applicant and described in the Project application.
10. Applicant has demonstrated to the satisfaction of the LGU that the impact of the Project on Wetlands will be minimized.
11. Applicant has committed to reduce or eliminate further Wetland impacts from the Project by maintaining, operating and managing the Project in a manner that preserves and maintains remaining and adjacent Wetland functions and values by implementing best management practices to protect such Wetland functions and values.
12. The unavoidable Wetland impacts will be mitigated through purchase of credits from a Wetland Bank within State Bank Service area No. 1. Wetland credits will be purchased for replacement at a 1:1 ratio.

CONCLUSION

Based on the foregoing Findings of Fact, which are hereby adopted, the City Council of the City of Hermantown, Minnesota, is hereby resolved as follows:

1. The Application is hereby approved subject to the conditions set forth in Section 3 below.
2. The approval of the Application is expressly subject to the satisfaction of the conditions set forth herein, and the conditions imposed by the U.S. Army Corps of Engineers on any permit issued by it for the activity covered by this Resolution.

3. The Applicant shall adhere to the following conditions:
 1. The approval is for a Wetland Replacement Plan to allow filling of 2,836 square feet of wetlands on the site. Off-site credits will be purchased to facilitate the completion of the plan.
 2. Prior to starting any site work, the following conditions shall be met:
 - a. A preconstruction meeting shall be held with the appropriate development, construction, and City representatives.
 - b. All necessary permits shall be obtained.
 - c. Applicant shall finalize the purchase of credits from the Ronigor Wetland Bank as proposed in the application form.
 - d. Applicant shall pay the City Wetland Impact Fee of \$425.40.
 - e. Applicant shall obtain a Stormwater Certificate from the City of Hermantown.
 - f. Applicant shall provide a financial guarantee in the form of cash escrow or a Letter of Credit in the amount of 125% of the cost of construction of all stormwater management structures to ensure completion of all stormwater management facilities on the site.
 3. Erosion control measures shall be utilized and remain in place throughout the construction period, and shall not be removed until vegetation is established on the site.
 4. Applicant shall comply with the following conditions during construction:
 - a. Development activity shall comply with all City noise ordinances. There shall be no construction activity between the hours of 10 p.m. and 7 a.m.
 - b. The site shall be kept free of dust and debris that could blow onto neighboring properties.
 - c. Public streets shall be maintained free of dirt and shall be cleaned as necessary.
 - d. The City shall be contacted a minimum of 72 hours prior to any work in a public street. Any required Construction or Excavation Permits for construction shall be obtained before work commences. Work in a public street shall take place only upon the determination by the Public Works Superintendent that appropriate safety measures have been taken to ensure motorist and pedestrian safety.
 - e. The Zoning Administrator may impose additional conditions if it becomes necessary in order to mitigate the impact of construction on surrounding properties.
 5. The applicant shall sign a consent form assenting to all conditions of this approval.
 6. The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.

4. The City Clerk shall mail a copy of this Resolution to the Landowner within ten days of the date of adoption of this Resolution.
5. The City Clerk shall provide a certified copy of this Resolution to the Community Development Director within ten days of adoption of this Resolution.
6. The Community Development Director shall forward a Notice of Decision with this Resolution to all members of the TEP and the Commissioner of the DNR within ten days of the date of adoption of this Resolution.

Councilor Nelson introduced the foregoing resolution and moved its adoption.

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

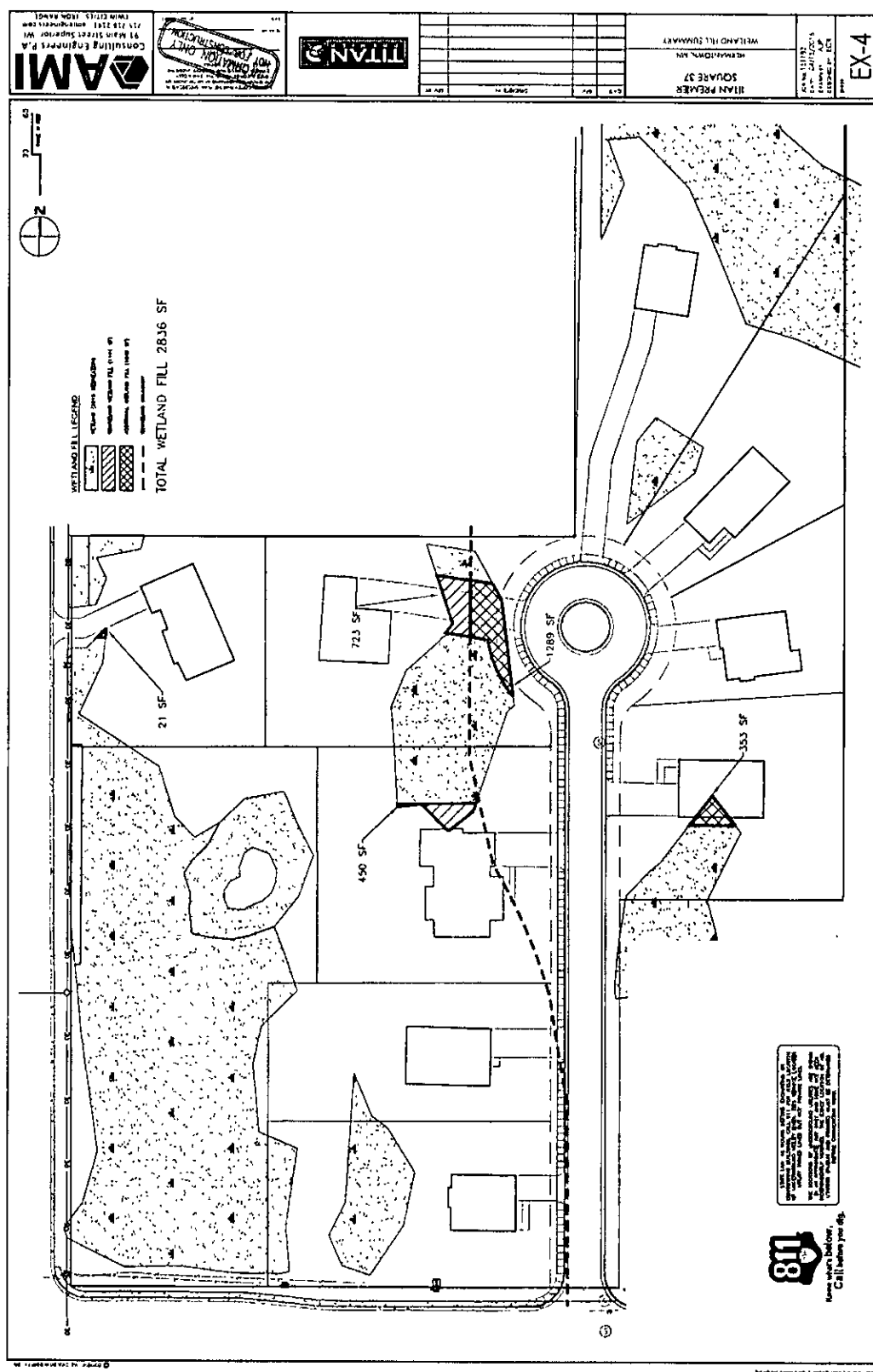
Councilors Geissler, Koski, Nelson, Mayor Boucher, aye. Councilor Peterson absent

and the following voted in opposition thereto:

None

WHEREUPON, such resolution was declared duly passed and adopted.

Exhibit A: Wetland Impact Plan



Wetland Credits Purchase Agreement

1002657

PURCHASE AGREEMENT FOR WETLAND BANKING CREDITS

THIS AGREEMENT is made this 16th day of May, 2016 between

Chris Beniger (Seller) and Titan Premier LLC (Buyer).

1. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the wetland banking credits (Credits) listed below:

CREDITS TO BE SOLD						
Credit Sub-Group ¹	Acres or Sq. Ft.	Wetland Circ. 39 Type ²	Plant Community Type ³	Cost per Acre or Sq. Foot	State Fee 6.5%	Fee Estimate
A.	2836 SF	3		\$1.00 SF	0.065	184.34
B.					0.065	
C.					0.065	
D.					0.065	
E.					0.065	
Totals	2836					\$184.34

☐ Check here if additional credit sub-groups are part of this account and are listed on an attachment to this document.

¹A separate credit sub-group shall be established for each wetland or wetland area that has different wetland characteristics.

²Circular 39 types: 1, 1L, 2, 3, 4, 5, 6, 7, 8, B, U.

³Wetland plant community type: shallow open water, deep marsh; shallow marsh, sedge meadow, fresh meadow, wet to wet-mesic prairie, calcareous fen, open bog or coniferous bog, shrub-carr/aider thicket, hardwood swamp or coniferous swamp, floodplain forest, seasonally flooded basin. See *Wetland Plants and Plant Communities of Minnesota and Wisconsin* (Eggers and Reed, 1997) as modified by the Board of Water and Soil Resources, United States Army Corps of Engineers.

2. Seller represents and warrants as follows:
- The Credits are deposited in an account in the Minnesota Wetland Bank administered by the Minnesota Board of Water and Soil Resources (BWSR) pursuant to Minn. Rules Chapter 8420 0700-.0760.
 - Seller owns the Credits and has the right to sell the Credits to Buyer.

Page 1 of 2

BWSR Form: wea-bank-12 (purchase agreement).doc
Revised 6/26/2014

Wetland Credits Purchase Agreement

3. Buyer will pay Seller a total of \$2,836.00 for the Credits, as follows:
- \$290.00 as earnest money, to be paid when this Agreement is signed; and
 - The balance of \$2,546.00 to be paid on the Closing Date listed below.
4. ☒ Buyer, ☐ Seller agrees to pay to a withdrawal fee of \$ to the State of Minnesota based on 6.5% of the agreed to purchase price. At the Closing Date, ☒ Buyer, ☐ Seller will execute a check made out for this amount, payable to the Board of Water and Soil Resources.
5. The closing of the purchase and sale shall occur on Aug 15, 2016 (Closing Date) at . The Closing Date and location may be changed by written consent of both parties. Upon payment of the balance of the purchase price, Seller will sign a fully executed Application for Withdrawal of the Credits in the form specified BWSR, provide a copy of the Application for Withdrawal to the Buyer and forward the same to the BWSR along with the check for the withdrawal fee.
6. Buyer has applied or will apply to (Local Government Unit (LGU) or other regulatory authority) for approval of a replacement plan utilizing the Credits as the means of replacing impacted wetlands. If the LGU has not approved the Buyer's application for a replacement plan utilizing the Credits by the Closing Date, and no postponement of the Closing Date has been agreed to by Buyer and Seller in writing, then either Buyer or Seller may cancel this Agreement by giving written notice to the other. In this case, Seller shall return Buyer's earnest money, and neither Buyer nor Seller shall have any further obligations under this Agreement. If the LGU has approved the replacement plan and the Seller is ready to proceed with the sale on the Closing Date, but Buyer fails to proceed, then the Seller may retain the earnest money as liquidated damages.

[Signature] 5/17/16
(Signature of Seller) (Date)

[Signature] 5-17-16
(Signature of Buyer) (Date)

ACCEPTANCE OF RESOLUTION

Mr. Kevin Kuklis ("Applicant") hereby acknowledges and accepts the conditions specified on the foregoing Resolution and covenants and agrees to comply with each and every such condition.

Applicant acknowledges that the failure to comply with all of the modifications and conditions shall constitute a violation of the Hermantown Zoning Ordinance and that the City of Hermantown may, in such event, exercise and enforce its rights against the undersigned by instituting any appropriate action or proceeding to prevent, restrain, correct or abate the violation including, without limitation, exercising and enforcing its rights against any security that the undersigned may provide to the City to insure its compliance with the conditions contained in the foregoing Resolution.

Applicant acknowledges that this Resolution shall be recorded with the title to the property described in the text of the Resolution.

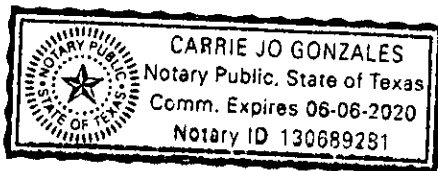
July IN WITNESS WHEREAS, Mr. Kevin Kuklis has executed this acceptance this 7th day of July, 2016.

Kevin Kuklis

STATE OF ~~MINNESOTA~~ ^{Texas})
COUNTY OF ~~ST. LOUIS~~ ^{Harris})ss.

The foregoing instrument was acknowledged before me this 7th day of July, 2016, by Mr. Kevin Kuklis.

Carrie Jo Gonzales
Notary Public



Office of City Clerk

Hermantown, MN

DEBORAH LUND, City Clerk

1002657

RESOLUTION NO. 2016-74

RESOLUTION APPROVING A SPECIAL USE PERMIT FOR THE GRADING AND FILLING WITHIN A SHORELAND OVERLAY ZONING DISTRICT

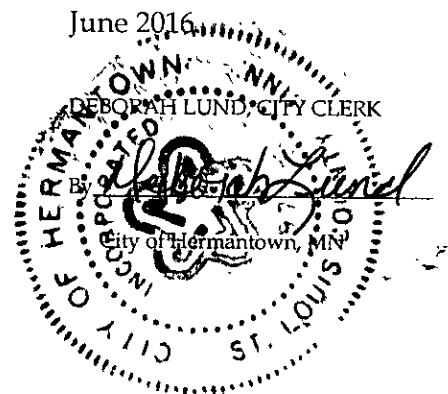
Motion made by Councilor Geissler, seconded by Councilor Koski to adopt Resolution 2016-74, Resolution Approving A Special Use Permit For Grading And Filling Within A Shoreland Overlay Zoning District. Roll Call: Councilors Geissler, Koski, Nelson, Mayor Boucher, aye. Councilor Peterson absent. Motion carried.

I, Deborah Lund, City Clerk of the City of Hermantown, Minnesota, do hereby certify that I have compared the annexed copy of Resolution passed by the City Council of the City of Hermantown on the 6th day of June 2016, with the original in my custody as City Clerk of said City, and that the same is a true and correct transcript therefrom

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said

City of Hermantown, the 8th day of

June 2016.



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RESOLUTION APPROVING A SPECIAL USE PERMIT FOR THE GRADING AND FILLING WITHIN A SHORELAND OVERLAY ZONING DISTRICT

WHEREAS, Mr. Kevin Kuklis ("Applicant"), owner of the property at 5293 West Arrowhead Road (3 lots), submitted an application for a Special Use Permit for the grading and filling within a Shoreland Overlay Zoning District for construction of a Planned Unit Development (PUD) (the "Project"), with a legal description as follows:

**Property ID: 395-0070-00100
395-0070-00112
395-0070-00120**

In parts of Lots 7,8 and 9, Block 10, of Lot 10 Block 15 of Duluth Homesteads Subdivision, being in Section 10, Township 50 North, Range 15, West City of Hermantown, St. Louis County, Minnesota

WHEREAS, The Hermantown Planning and Zoning Commission held a public hearing on the Special Use Permit application at its meeting on May 17, 2016 and recommended approval of the Special Use Permit at such meeting; and

WHEREAS, after due consideration of the entire City file, the testimony at the public hearing and all other relevant matters the City Council hereby makes the following findings related to the Special Use Permit.

FINDINGS OF FACT

1. The proposed development is likely to be compatible with development under the general conditions of this chapter on substantially all land in the vicinity of the proposed development. *The proposed use is a single-family detached residential at an overall density of 1 unit/lot per acre which is compatible with the surrounding residential neighborhood.*
2. The proposed use will not be injurious to the use and enjoyment of the environment, or detrimental to the rightful use and enjoyment of other property in the immediate vicinity of the proposed development. *The proposed development is similar in nature and character to the surrounding homes and structures. Temporary and permanent treatment of the land will help control stormwater and runoff concerns. The PUD allows the lots and buildings to be arranged to reduce environmental impacts.*
3. The proposed use is consistent with the overall Hermantown Comprehensive Plan and with the spirit and intent of the provisions of this chapter. *The area is designated for residential development in the Comprehensive Plan. The proposed use is single-family residential at an overall density of 1 unit/lot per acre which is compatible with the surrounding residential neighborhood.*

4. The proposed use will not result in a random pattern of development with little contiguity to existing programmed development, and will not cause negative fiscal and environmental effects upon the community. *The existing development surrounding this site is single family residential; the proposed use continues this character.*
5. Other criteria required to be considered under the provisions of this code for any special use permit. *The applicant will follow the rules for grading and filling in a Shoreland Overlay Zone.*
6. The entire contents of Planning Case No. 16-09-PUD are hereby incorporated by reference.
7. The Hermantown Planning Commission held a public hearing on the proposed work at its May 17, 2017 meeting. Five citizens spoke to express their concern regarding screening of adjacent properties, potential drainage/flooding issues, traffic issues and light pollution.

CONCLUSION

On the basis of the foregoing Findings of Fact, the City Council of the City of Hermantown is hereby resolved as follows:

1. The Special Use permit for the Project is hereby approved.
2. The Approval of the Special Use Permit is subject to the following modifications/conditions:
 - 2.1 The approval shall be constructed as depicted on the Official Exhibits.
 - 2.2 Erosion control measures shall be utilized and remain in place throughout the construction period, and shall not be removed until vegetation is established on the site. The Applicant shall agree to comply with the stricter requirements of either the Hermantown Shoreland Overlay Ordinance or a Hermantown Land Alteration Permit, if one is required. The Shoreland Overlay requirements are:
 - 2.2.1 The smallest amount of bare ground is exposed for as short a time as feasible;
 - 2.2.2 Temporary groundcover, such as mulch, is used, and permanent groundcover, such as sod, is planted;
 - 2.2.3 Adequate methods to prevent erosion and trap sediment are employed;
 - 2.2.4 Fill is stabilized to accepted engineering standards;
 - 2.2.5 Adequate methods are employed to reduce the runoff and/or flow of water on or over the affected shoreland so that the grading, filling or alteration of the natural topography does not contribute to downstream flooding;
 - 2.2.6 Adequate methods are employed to preserve water quality so that the grading, filling or alteration of the natural topography will not detrimentally affect the quality of the public waters of the City of Hermantown;

- 2.2.7 Adequate methods are employed for the preservation or establishment of local vegetation that provides wildlife habitat and screening; and
 - 2.2.8 Fill used will consist of suitable material free from toxic pollutants in other than trace quantities.
- 2.3 The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.
 - 2.4 Failure to meet any condition of this Special Use Permit may result in revocation of the Special Use Permit.
 - 2.5 The approval of this Special Use Permit requires construction to begin within one year of the date of approval. If construction is not started within one year of the date of this approval, this SUP approval shall be considered null and void.

Councilor Geissler introduced the foregoing resolution and moved its adoption.

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

Councilors Geissler, Koski, Nelson, Mayor Boucher, aye. Councilor Peterson absent

and the following voted in opposition thereto:

None

WHEREUPON, such resolution was declared duly passed and adopted.

ACCEPTANCE OF RESOLUTION

Mr. Kevin Kuklis ("Applicant") hereby acknowledges and accepts the conditions specified on the foregoing Resolution and covenants and agrees to comply with each and every such condition.

Applicant acknowledges that the failure to comply with all of the modifications and conditions shall constitute a violation of the Hermantown Zoning Ordinance and that the City of Hermantown may, in such event, exercise and enforce its rights against the undersigned by instituting any appropriate action or proceeding to prevent, restrain, correct or abate the violation including, without limitation, exercising and enforcing its rights against any security that the undersigned may provide to the City to insure its compliance with the conditions contained in the foregoing Resolution.

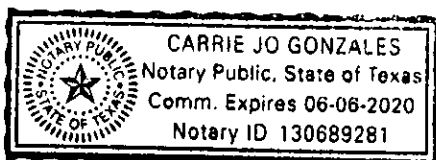
Applicant acknowledges that this Resolution shall be recorded with the title to the property described in the text of the Resolution.

IN WITNESS WHEREAS, Mr. Kevin Kuklis has executed this acceptance this 7th day of July, 2016.

Kevin Kuklis

Texas
STATE OF ~~MINNESOTA~~)
Harris)ss.
COUNTY OF ~~ST. LOUIS~~)

The foregoing instrument was acknowledged before me this 7th day of July, 2016, by Mr. Kevin Kuklis.



Carrie Jo Gonzales
Notary Public

**CONSENT TO RELEASE OF MEMORIAL 1002657 ON TORRENS
CERTIFICATE 359156**

The City of Hermantown, a statutory city under the laws of the State of Minnesota (the “City”), hereby consents to the removal of memorial 1002657 on Certificate of Title 359156.

The real property legally described in the Final Development Plan dated June 6, 2016, and recorded in the Office of the St. Louis County Recorder on September 2018, as Document No. 1002657, is hereby released by the City from all terms and conditions set forth therein.

The conditions for Memorial 1002657 have since been completed, namely the development plan granted by Resolution 2016-71 dated June 8, 2016.

For the foregoing reasons, the City of Hermantown herein consents to the clearance of said memorial on a new Certificate of Title.

IN WITNESS WHEREOF, the City has executed this release as of the date indicated below.

CITY OF HERMANTOWN

By: _____
Mayor

By: _____
City Clerk

[illegible]

This instrument was acknowledged before me on _____, 2025, by Wayne Boucher, Mayor of the City of Hermantown, a statutory city under the laws of the State of Minnesota.

Notary Public

[illegible]

This instrument was acknowledged before me on _____, 2025, by Alissa McClure, City Clerk, of the City of Hermantown, a statutory city under the laws of the State of Minnesota.

Notary Public



CITY COUNCIL MEETING DATE: November 11, 2025

TO: Mayor & City Council

FROM: Trish Crego, Director Utilities and Infrastructure

SUBJECT: Resolution Approving Application to the MNDOT for Local Road Improvement Program Funding for Ugstad Road CR 284 and Lavaque Bypass CSAH 48

☒ **RESOLUTION:** 2025-175 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approve a grant funding application to the Minnesota Department of Transportation (MNDOT) in order to reconstruct Ugstad Road CR 284 and Lavaque Bypass CSAH 48 as part of the Hawkline Business Park.

BACKGROUND

This new application is to MNDOT for a Local Road Improvement Program funding would help to reconstruct the intersections of Ugstad Road CR 284 and Lavaque Bypass CSAH 48 as part of the Hawkline Business Park. A feasibility study was completed in November of 2025 and estimated a total cost of \$3 million.

The grant application for \$1.5 million is for the 2026 funding season, and was co-prepared with St. Louis County. The City match does not need to be spent until the 2027 funding year, assuming a successful award. If the City is awarded the grant, we would then be required to enter into an operations and maintenance agreement associated with this road segment at the time of the grant award.

SOURCE OF FUNDS (if applicable)

State Aid Funding. The program is administered by MNDOT's State Aid for Local Transportation Division.

ATTACHMENTS

Resolution
Feasibility Studies

Resolution No. 2025-175

Resolution Authorizing The City Of Hermantown To Provide Municipal Support Of A St. Louis County Grant Funding Request Via The Minnesota Department Of Transportation Local Road Improvement Program Associated With The Reconstruction Of Ugstad Road CR 284 And Lavaque Bypass CSAH 48 As Part Of The Hawkline Business Park

BE IT RESOLVED by the city council of the City of Hermantown, Minnesota, as follows:

WHEREAS, the Local Road Improvement Program (LRIP) is a state bonded program to finance local infrastructure projects; and

WHEREAS, the Minnesota Department of transportation state aid for local transportation office administers the local road improvement program for local agencies; and

WHEREAS, that LRIP funds can be used on reasonable elements associated with roadway construction and that other costs, including but not limited to: consultant engineering and inspection, utility construction, as well as construction costs above the LRIP award will need to have alternate funding sources; and

WHEREAS, the City of Hermantown and St. Louis County have collaborated in preparing an LRIP application for the construction of 1800 feet of street improvements on Ugstad Road CR 284 and Lavaque Bypass CSAH 48 as part of the Hawkline Business Park; and

WHEREAS, the St. Louis County Board of Commissioners has passed a resolution agreeing to act as the sponsoring agency for the project; and

WHEREAS, the grant application provides a full description of the project including the transportation deficiencies and how the improvements will address those deficiencies; and

WHEREAS, the project budget is \$6.6 million and is scheduled for construction in 2027 if the grant would be awarded; and

WHEREAS, the funded request for the local road improvement program is in the amount of \$1.5 million; and

WHEREAS, the City of Hermantown will be responsible for all costs not covered by the LRIP, including but not limited to, design engineering, construction engineering and inspection of construction, and construction costs above the local road improvement program award; and

WHEREAS, the City of Hermantown will be able to use a combination of local assessments and sales tax revenue, to cover the costs of the project not funded by the LRIP.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Hermantown supports the street improvements on Ugstad Road CR 284 and Lavaque Bypass CSAH 48 as part of the Hawklane Business Park; and

BE IT FURTHER RESOLVED, the City Council supports the submittal of the local road improvement application and will pay all costs associated with the project beyond the Local Road Improvement Program grant award; and

BE IT FURTHER RESOLVED the City Council of the City of Hermantown agrees to maintain such improvement; and

BE IT FURTHER RESOLVED, the City Council supports the submittal of the local road improvement application and will pay all costs associated with the project beyond the Local Road Improvement Program grant award.

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 November 17, 2025.

CITY OF HERMANTOWN

PRELIMINARY ENGINEERING REPORT

AND

FEASIBILITY STUDY

Prepared: November 11th, 2025

Hawklane Business Park

City Improvements

NCE JOB NUMBER: 23-8012

RECOMMENDED:



Hermantown City Engineer

11/11/2025

Date

TABLE OF CONTENTS

1. LEGAL BASIS FOR REPORT
2. REPORT
3. APPENDICIES
 - I. Appendix A – Project Map

LEGAL BASIS FOR REPORT

This report is prepared pursuant to a Resolution approved by the Hermantown City Council calling for the preparation of a preliminary engineering report, pursuant to Minnesota Statutes Section 429.031.

This report is prepared in accordance with said Section 429.031. Specifically, this report hereby advises the City Council, in a preliminary way, as to whether the proposed improvement is necessary, cost-effective, and feasible and as to whether it should best be made as proposed or in connection with some other improvement.

This report also includes the estimated cost of the improvements as recommended.

The compensation paid to Northland Consulting Engineers, LLC. for preparing this report is based on the following factors:

1. The time and labor required.
2. The experience and knowledge of the preparer.
3. The complexity and novelty of the problems involved.
4. The extent of the responsibilities assumed.

The compensation paid to Northland Consulting Engineers, LLC. for preparing this report is not based on a percentage of the estimated cost of the improvement.

PURPOSE

The purpose of this report is to determine the necessity, cost effectiveness, and economic feasibility for city improvements to a plot of land for a future business park.

BACKGROUND

The City of Hermantown is considering the creation of a new business park near the intersection of Miller Trunk Highway 53 (TH 53) and Lavaque Bypass Road. This is being investigated due to the recent Environmental Protection Agency's (EPA) delisting of a 50-acre super fund cleanup site. The attached exhibit shows the location of the proposed business park. The site is comprised of 35-acres.

SITE EVALUATION

The business park is bounded by TH 53 to the South, Lavaque Bypass Road to the east, a power-line easement to the west, and state-owned tax forfeit land to the north, excluding (3) lots furthest to the South. Northland Consulting Engineers (NCE) met with St. Louis County (SLC) and the Minnesota Department of Transportation (MNDOT) to discuss access points to the future development. MNDOT's preference is the (2) existing driveways on the north side of TH 53 be removed and access be provided by an alternative route off Lavaque Bypass Road. SLC's response

was to build a roundabout approximately 2,400 feet north of the intersection with TH 53. Lavaque Bypass Rd would be improved in the process. A 400' city roadway with a cul-de-sac would access the improved parcel. Another city street would connect to Ugstad Rd, approximately 300' West of the roundabout where old Ugstad Rd was located. This 800' road will run South to serve the adjacent parcels, as shown in *Appendix A*.

SITE CONSTRAINTS

Like most sites that remain undeveloped, this site has constraints that affect feasibility. This 35-acre park has both a power line easement and a snowmobile trail that run West of the property. Another site constraint is the large areas of wetlands that exist across the parcels. If the business park gets developed, we anticipate a small square footage of wetlands will be impacted.

ZONING

The property considered to be included in the new business park currently is high density commercial. The creation of a new business park will likely include a new zoning district to accommodate existing businesses and attract new businesses. The new business park is within the airport zoning district. Most of the business park falls within the airport zoning district #2. Any potential business will need to adhere to the requirements within that district.

UTILITIES

Sanitary Sewer:

Currently all developed parcels have individual on-site treatment systems. The closest sanitary sewer is about 500' south of TH 53 along Ugstad Road. To serve the business park, the sanitary sewer will need to be directionally drilled under TH 53. The interior will be served with a new public gravity system. This will flow to a centrally located municipal lift station. The lift station will pump the sanitary sewer south across TH 53. Additionally, a lift station along Ugstad Road will need to be upgraded to meet the demand of the increased flow from the business park.

Water Main:

Currently none of the parcels are served by the public water supply. The closest water main runs along the south side of TH 53. To serve the business park there will likely be a water main crossing drilled under TH 53, under Lavaque Bypass Road. The main will run up Lavaque Bypass Rd & fork into the business park. The system will continue North to provide services to future development.

Storm Sewer:

No storm exists within the site. None of the existing developments have stormwater treatment devices. When developed, a new storm sewer system will treat & attenuate the roadway.

Power:

Minnesota Power has utilities on the business park. As the planning for this moves forward, we will engage Minnesota Power to lay out new electric services.

Gas:

Minnesota Energy Resources has a gas main running along TH 53. New services will need to be coordinated as lots develop.

High Speed Internet:

In recent years this has been a business attractor. Now this is a business necessity. The city has and continues to be an active participant working with local providers to serve the Hermantown Community.

ROADWAYS

The business park will include one entry off Lavaque Bypass Rd. Additionally, a city road will be installed heading South off Ugstad Rd, 300' West of the roundabout. The pavement section will be designed as a 10-ton roadway and will take into consideration the geotechnical recommendations. The roadways will be 28-feet-wide with curb and gutter on both sides. The road will also have a system of catch basins and manholes to collect stormwater runoff. A five-foot-wide sidewalk would also be included on a single side of the roadway. One cul-de-sac will be provided with 300' of roadway off Lavaque Bypass Rd, immediately South of 5309 Miller Trunk Hwy. The other cul-de-sac will be at the southern end of the city route off Ugstad, with approximately 900' of roadway. Both cul-de-sacs will neck down to 28 feet with curb & gutter.

WETLANDS

A desktop delineation of wetlands within the boundary was performed during the previous phase of the project. A formal wetland delineation was performed in areas that were expected to impact wetlands. The project will impact wetlands in several locations. Prior to design, the formal wetland delineation will need to be reviewed by the local governing unit (LGU). Impacts to wetlands that are cumulatively less than 10,000 square feet can be submitted to the LGU and Army Corp as a de minimus exemption. A de minimus exemption would not require mitigation or wetland credit purchase. Any impacts over 10,000 square feet will require wetland mitigation and wetland credit purchase through a wetland bank. Since this is a common plan of development, if the 10,000 square foot de minimus is used as part of the initial public improvements, any new development within wetlands would be required to mitigate wetlands and purchase credits.

CONCLUSION

Based on discussions with the City Administrator and Public Works Director, it is NCE's recommendation that the City Council approve preliminary engineering report for two city streets & utility improvements near the intersection of Trunk Highway 53 and Lavaque Bypass Road. These improvements are necessary to bring new businesses to the community. New roadways, utilities, and access to developable land will be lucrative to prospective businesses. New business within the community creates economic growth and opportunities.

PROJECTED COSTS

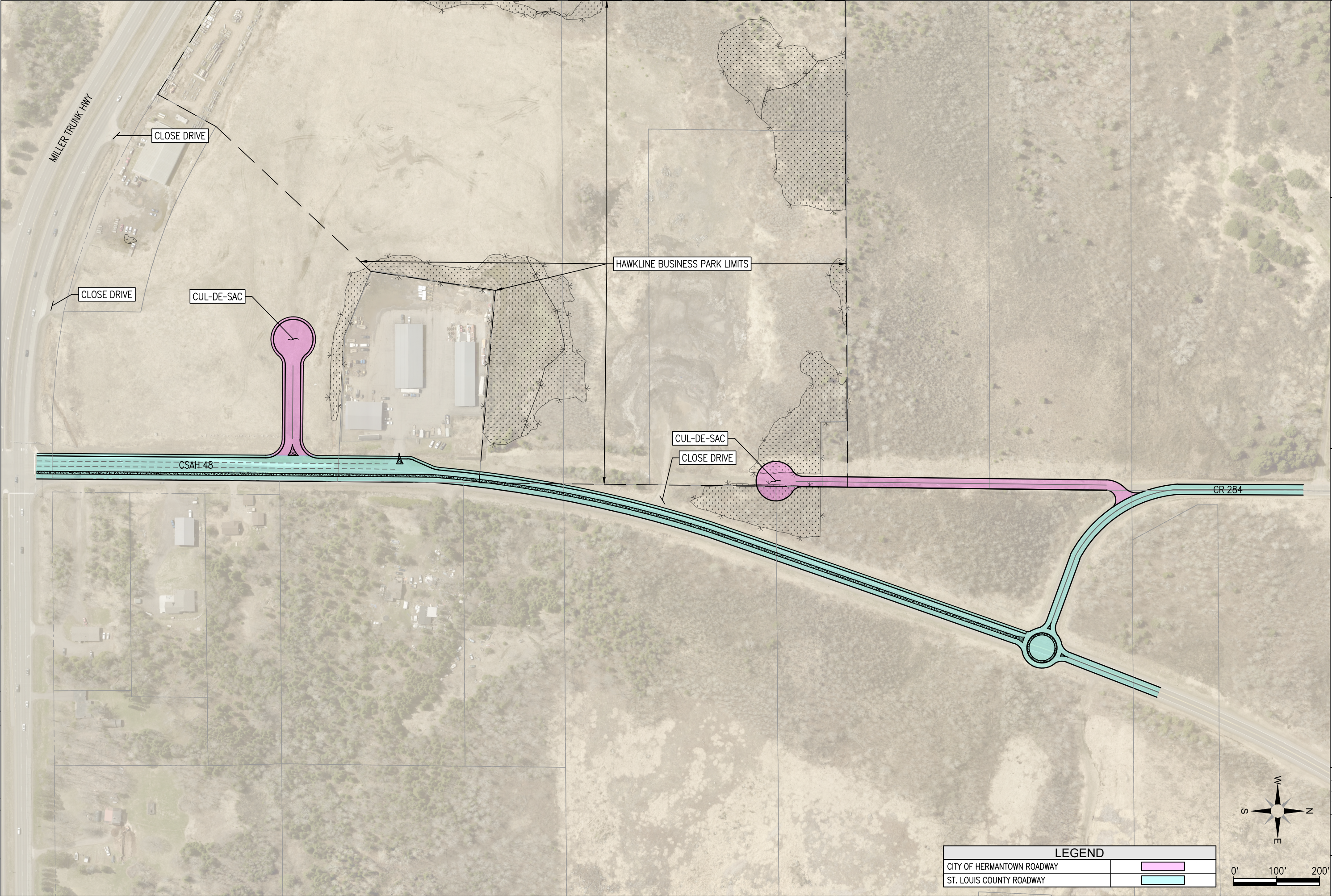
Estimated Construction Costs:	
Urban Roadway Construction (North & South Cul-de-sac)	\$ 1,100,000.00
Sanitary Sewer System	
Gravity Sanitary Sewer	\$ 550,000.00
New lift station	\$ 400,000.00
Remodel Ugstad Lift Station	\$ 100,000.00
Watermain System (2,200 LF @ \$150/FT)	\$ 350,000.00
Total	\$ 2,500,000.00
Estimated Total Construction Costs	\$ 2,500,000.00
Design & Construction Engineering	\$ 500,000.00
Estimated Total Project Costs	\$ 3,000,000.00

Funding Sources:	
Sales Tax	\$ 1,000,000.00
Land Owner Assessment	\$ 1,000,000.00
Deed Grant	\$ 1,000,000.00
Total	\$ 3,000,000.00

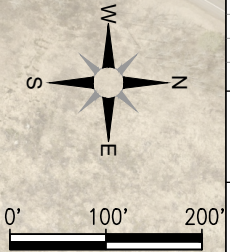
APPENDICIES

Appendix A – Project Map

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LEGEND	
CITY OF HERMANTOWN ROADWAY	
ST. LOUIS COUNTY ROADWAY	



CITY OF HERMANTOWN

PRELIMINARY ENGINEERING REPORT

AND

FEASIBILITY STUDY

Prepared: November 11th, 2025

Hawklane Business Park
CSAH 48 & CR 284 Improvements

NCE JOB NUMBER: 23-8012

RECOMMENDED:



Hermantown City Engineer

11/11/2025

Date

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1. LEGAL BASIS FOR REPORT
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LEGAL BASIS FOR REPORT

This report is prepared pursuant to a Resolution approved by the Hermantown City Council calling for the preparation of a preliminary engineering report, pursuant to Minnesota Statutes Section 429.031.

This report is prepared in accordance with said Section 429.031. Specifically, this report hereby advises the City Council, in a preliminary way, as to whether the proposed improvement is necessary, cost-effective, and feasible and as to whether it should best be made as proposed or in connection with some other improvement.

This report also includes the estimated cost of the improvements as recommended.

The compensation paid to Northland Consulting Engineers, LLC. for preparing this report is based on the following factors:

1. The time and labor required.
2. The experience and knowledge of the preparer.
3. The complexity and novelty of the problems involved.
4. The extent of the responsibilities assumed.

The compensation paid to Northland Consulting Engineers, LLC. for preparing this report is not based on a percentage of the estimated cost of the improvement.

PURPOSE

The purpose of this report is to determine the necessity, cost effectiveness, and economic feasibility for improvements to a plot of land for a future business park.

BACKGROUND

The City of Hermantown is considering the creation of a new business park near the intersection of Miller Trunk Highway 53 (TH 53) and Lavaque Bypass Road (CSAH 48). This is being investigated due to the recent Environmental Protection Agency's (EPA) delisting of a 50-acre super fund cleanup site. The attached exhibit shows the location of the proposed business park. The site is comprised of 35-acres.

SITE EVALUATION

The business park is bounded by TH 53 to the south, CSAH 48 to the East, a power-line easement to the west, and state-owned tax forfeit land to the north, excluding (3) lots furthest to the South. Northland Consulting Engineers (NCE) met with St. Louis County (SLC) and the Minnesota Department of Transportation (MNDOT) to discuss access points to the future development. MNDOT's direction is the (2) existing driveways on the north side of TH 53 be removed and access be provided by an alternative route off CSAH 48. SLC's response was to develop a roundabout

approximately 2,400 feet north of the intersection with TH 53. This would replace the “T” intersection of CR 284 & CSAH 48. This will allow CSAH 48 to effectively manage the increase in traffic from the newly developed parcel. Improvements include 2,400 LF of reconstructed roadway along CSAH 48, a roundabout, & 400 feet of improvements along Ugstad Rd (CR 284).

SITE CONSTRAINTS

Like most sites that remain undeveloped, this site has constraints that affect feasibility. This 35-acre park has both a power line easement and a snowmobile trail that run West of the property. Another site constraint is the large areas of wetlands that exist across the parcels.

ZONING

The property considered to be included in the new business park currently is high density commercial. The creation of a new business park will likely include a new zoning district to accommodate existing businesses and attract new businesses. The new business park is within the airport zoning district. Most of the business park falls within the airport zoning district #2. Any potential business will need to adhere to the requirements within that district.

ROADWAYS

The business park will include one right-in/right-out entry off CSAH 48. Additionally, a roundabout will be installed at the CSAH 48 & CR 284 intersection. A new city road will be installed heading South off CR 284, West of the roundabout. The pavement section will be designed as a 10-ton roadway and will take into consideration the geotechnical recommendations. The roadways will be a two-way road with a concrete median. The road will have curb and gutter on both sides along with a system of catch basins to collect stormwater runoff. A six-foot-wide walk will be built on one side of the roadway. The right-turn lane will extend 600’ North. A new raised concrete median will be constructed on CSAH 48 from TH 53 North to the new roundabout at the CR 284 intersection.

WETLANDS

A desktop delineation of wetlands within the boundary was performed during the previous phase of the project. A formal wetland delineation was performed in areas that were expected to impact wetlands. The project will impact wetlands in several locations. Prior to design, the formal wetland delineation will need to be reviewed by the local governing unit (LGU). Impacts to wetlands that are cumulatively less than 10,000 square feet can be submitted to the LGU and Army Corp as a de minimus exemption. A de minimus exemption would not require mitigation or wetland credit purchase. Any impacts over 10,000 square feet will require wetland mitigation and wetland credit purchase through a wetland bank. Since this is a common plan of development, if the 10,000 square foot de minimus is used as part of the initial public improvements, any new development within wetlands would be required to mitigate wetlands and purchase credits.

CONCLUSION

Based on discussions with the City Administrator and Public Works Director, it is NCE's recommendation that the City Council approve preliminary engineering report for improvements from the intersection of Miller Trunk Highway 53 and Lavaque Bypass Road to Ugstad Rd. These improvements are necessary to bring new businesses to the community. New roadways and access to developable land will be lucrative to prospective businesses. New business within the community creates economic growth and opportunities.

PROJECTED COSTS

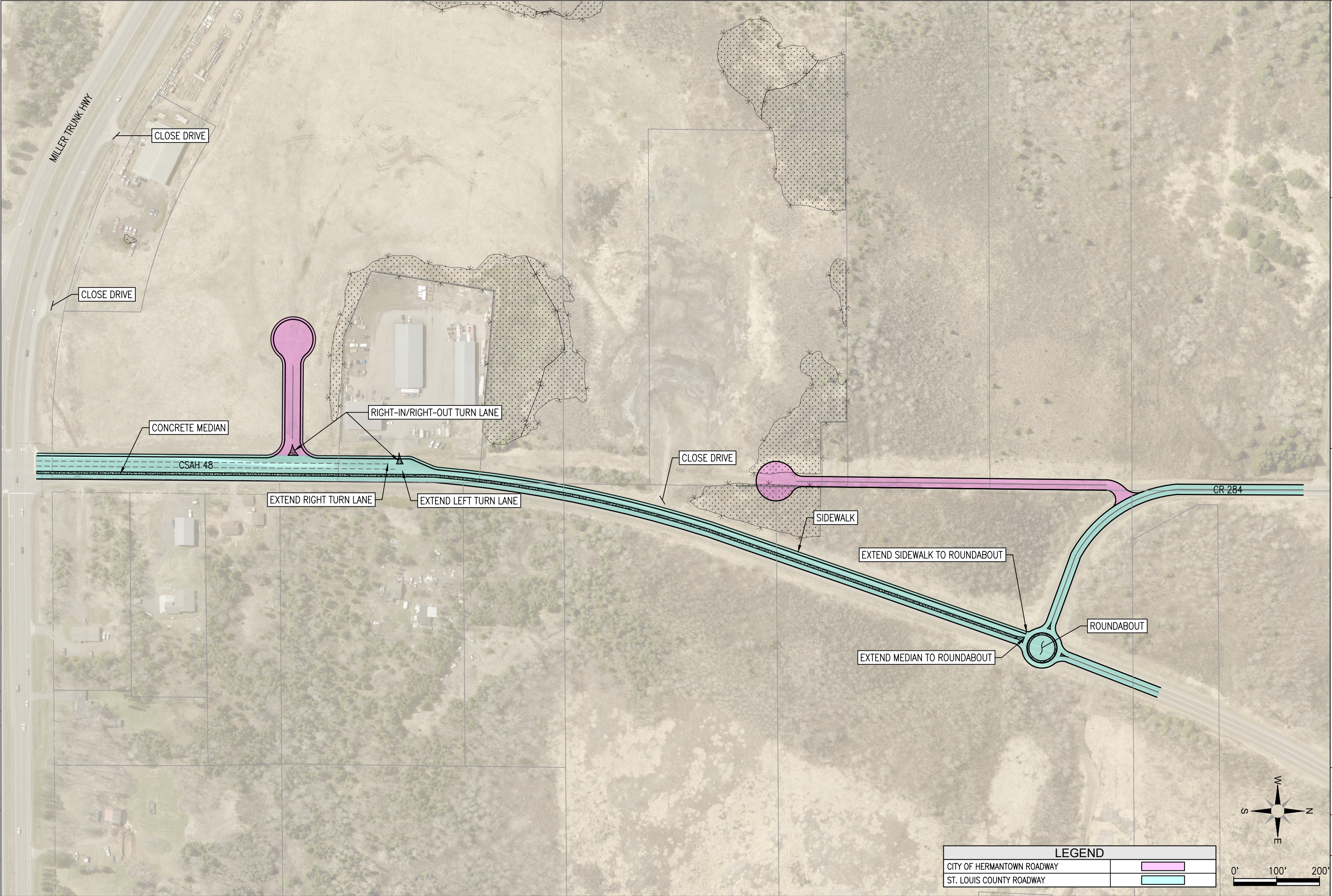
Estimated Construction Costs:	
Urban Roundabout Construction	\$ 2,000,000.00
Lavaque Bypass Improvements	\$ 1,000,000.00
Total	\$ 3,000,000.00
Estimated Total Construction Costs	\$ 3,000,000.00
Design & Construction Engineering	\$ 600,000.00
Estimated Total Project Costs	\$ 3,600,000.00

Funding Sources:	
Deed Grant	\$ 1,000,000.00
LRIP	\$ 1,500,000.00
SLC Balance	\$ 1,100,000.00
Total	\$ 3,600,000.00

APPENDICIES

Appendix A – Project Map

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ST. LOUIS COUNTY ROADWAY	

