

**CITY OF HERMANTOWN
AGENDA**

**Pre-Agenda Meeting Tuesday, February, 17, 2026 at 4:30 p.m.
Council Chambers, City Hall - Hermantown Governmental Services Building**

**City Council Meeting Tuesday, February 17, 2026 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. COMMUNICATIONS

A. Correspondence 26-04 through 26-06 placed on file

6. PRESENTATIONS

A. Hermantown Police Department - Annual Report

James Crace, Director of Public Safety

(Pre-Agenda Only)

7. PUBLIC COMMENT

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. Speakers who wish to comment at this time or later on agenda items should be signed up prior to the start of the meeting. A sign-up sheet is available in the lobby prior to the meeting for verbal remarks. As always, written comments may be submitted to the City Clerk before the end of the meeting.

8. 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 February 2, 2026 City Council Continuation Minutes

B. **Accounts Payable** - Approve general city warrants from February 1, 2026 through February 15, 2026 in the amount of \$1,138,534.19

C. **2026-22 Resolution Approving Pay Request Number 21 For The NorthStar Ford Arena To Kraus-Anderson Construction Company In The Amount Of**

\$131,831.78

(motion, roll call)

9. 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. 2026-23 Resolution Authorizing The Disposition Of Surplus Fitness Room Equipment

(motion, roll call)

B. 2026-24 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Amendment To The Agreement For Consulting Services With Bolton & Menk, Inc. (City Engineering Services) For The Road Improvement Of Lightning Drive And Thunderchief Lane Including Sanitary Sewer Extension, Other Infrastructure Improvements, And Trail Extension In Section 14

(motion, roll call)

C. 2026-25 Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver A Termination Of Development Contract Amongst Bill & Irv's Properties, Inc., The City Of Hermantown And The Hermantown Economic Development Authority

(motion, roll call)

D. 2026-26 Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver A Termination Of Development Contract Amongst Hawklane Development LLC, The City Of Hermantown And The Hermantown Economic Development Authority

(motion, roll call)

E. 2026-27 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver A Cooperative Agreement Between The County Of St. Louis And The City Of Hermantown

(motion, roll call)

F. 2026-28 Resolution Authorizing And Directing The Mayor And City Clerk To Execute Amendment No. 1 To The Agreement For Engineering Services For Road Improvement District No. 553 (Hawklane Business Park) With Northland Consulting Engineers To Incorporate Services Required Under The Cooperative Agreement With St. Louis County And Increase The Not-To-Exceed Contract Amount To \$699,800

(motion, roll call)

- G. **2026-29 Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver A Development Contract Between Hawklane Development, LLC And The City Of Hermantown**

(motion, roll call)

10. **RECESS**

2025 CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
2/3/2026	26-04	Stacy Caldwell Melcher, St. Louis county Land & Minerals Dept.	Alissa McClure, City Clerk	Public Sale of State Tax-Forfeited Land	1/14/2026
2/4/2026	26-05	John Erickson, DSGW Architecture	John Mulder, City Administrator	Northstar Ford Arena	1/14/2026
2/11/2026	26-06	Minnesota Public Utilities Commission	City of Hermantown	Notice of Cancellation Public Information and Scoping Meetings	2/5/2026

CITY OF HERMANTOWN

City Council Meeting

Monday, February 2, 2026

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; Alissa McClure, City Clerk; Eric Johnson; Community Development Director; Joe Wicklund, Assistant City Administrator; Chad Ronchetti, Economic Development Director; Brandon Holmes, Building Official; Jim Crace, Director of Public Safety; Zach Graves, Fire Chief; Trish Crego, Utility & Infrastructure Director; David Bolf, City Engineer; Gunnar Johnson, City Attorney

VISITORS: 20

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

Mayor Boucher – Thanked the community for its response to the explosion at Green Acres. He expressed appreciation for the efforts of police, fire, medical personnel, and St. Louis County Emergency Management, noting that all contributions were valued and appreciated.

5. **COMMUNICATIONS**

A. Correspondence 26-02 through 26-03 placed on file

6. **PRESENTATIONS**

A. Financial Management Plan — Ehlers

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

B. Community Development Annual Report

Eric Johnson, Community Development Director
(Pre-Agenda Only)

7. PUBLIC COMMENT

Tom Bates, 5369 Morris Thomas Rd, Hermantown, MN – Spoke regarding the proposed hyperscale data center and expressed concern that the Council’s legacy could include environmental harm to Lake Superior. He questioned whether water used by the facility would be returned in better condition than it is taken and noted that water may be available from Sappi. He referenced a second potential data center location near Misty Morning Drive and commented on the Mayor’s handling of negative public discourse.

Sarah Lofald, 5502 Hermantown Road, Hermantown, MN – Acknowledged the Hermantown Fire Department and others for their response to the recent tragedy. She voiced opposition to the proposed data center, citing concerns related to conservation and environmental protection. She expressed unease about transferring undeveloped land to a large Fortune 50 company and stated that the process has felt manipulated toward acceptance. She asked whether the Council will listen if residents continue to show up in opposition.

Emma Richtman, 5215 Chris Drive, Hermantown, MN – Recognized the City’s response to the recent explosion and asked that space be held for Alex Pretti. She described a disconnect between the City and residents regarding the data center and expressed concern about a lack of dialogue and communication. She questioned whether any residents within 300 feet of the proposed project support it and asked why opposition from nearby residents does not carry more weight. She referenced the City of Eagan’s consideration of a moratorium on data centers and crypto mining and noted that Hermantown’s ordinances reference communication facilities but not data centers. She asked the Council to adopt a moratorium on data center exploration.

Joann Bates, 5369 Morris Thomas Rd, Hermantown, MN – Spoke regarding actions by ICE, describing them as a travesty. She urged the City Council to protect residents as able and suggested banning federal law enforcement agencies from using City-owned parking lots, prohibiting the use of masks, and restricting the Police Department from providing information to ICE. She asked the Council to consider where it stands on the issue.

Jeffrey Donahue, 5540 Pine Hill Road, Midway Township, MN – Stated that while the City seeks to enhance public services, there may be better options than the proposed “BlackRock” data center. He encouraged consideration of alternative tax revenue projects that would not negatively impact property values, light, or the quiet character of the area. He stated that an AUAR studies sites rather than projects and argued that an EIS is warranted given the scale of the proposal. He noted the facility would be one of the largest electric users in the state and among the largest businesses by square footage. He urged

the Council to pursue a project that would generate equal or greater tax revenue with fewer impacts.

Noel Donahue, 5540 Pine Hill Road, Midway Township, MN – Stated that although she did not want to attend the meeting. She expressed frustration that residents must address the issue and said she does not believe Hermantown residents should have to confront this situation. She stated she does not prioritize financial gain and feels resentful that she must spend time addressing the proposal rather than being home. She asked the Council to reconsider its actions.

Kathy Riddle, 3950 Old Midway Road – Spoke in opposition to the data center after reviewing research and listening to prior comments. She shared that she built her home in the mid-1970s and is a proud Hermantown resident. She expressed pride in the community's response to the recent catastrophe and noted her career at Hermantown schools helping families relocate. She stated that many families moved to Hermantown seeking a strong, rural community and questioned whether that would continue if the data center is built.

Karen Harmon 5279 W Arrowhead Road – Asked who will own the proposed data center and why that information has not been publicly discussed. She stated that community members want to know who will own such a large project and asked when that information will be made available if it is not currently known.

Clarissa Ek 3505 Solway Road, Midway Township, MN – Echoed appreciation for the community's response to the recent tragedy and stated she is present to continue voicing opposition to the data center. She said that even with ongoing litigation, the Council can choose to walk away from the project. She stated she would see the facility from her backyard and learned of it through the news rather than direct outreach. She expressed concern about impacts to residential desirability and electrical grid usage. She encouraged continued research and consideration of long-term impacts, referencing the seventh-generation principle in decision-making.

8. **CONSENT AGENDA**

- A. **Minutes** - Approval or correction of January 20, 2026 City Council Continuation Minutes and January 26, 2026 City Council Work Session Minutes
- B. **Accounts Payable** - Approve general city warrants from January 16, 2026 through January 31, 2026 in the amount of \$4,943,242.19

Motion to the approve the Consent Agenda. This motion, made by Councilor Geissler 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

9. **RESOLUTIONS**

A. **2026-15 Resolution Authorizing The Purchase Of A Pierce 110' Ascendant Aerial Apparatus In The Amount Of \$1,999,986.00**

(motion, roll call)

Motion to approve 2026-15 Resolution Authorizing The Purchase Of A Pierce 110' Ascendant Aerial Apparatus In The Amount Of \$1,999,986.00. 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

B. **2026-16 Resolution Approving The Terms Of Internal Loan In Connection With The Purchase Of A Ladder Truck Not To Exceed \$1,300,000**

(motion, roll call)

Motion to approve 2026-16 Resolution Approving The Terms Of Internal Loan In Connection With The Purchase Of A Ladder Truck Not To Exceed \$1,300,000. 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

C. 2026-17 Resolution Authorizing The Purchase Of Police Portable And Squad Radios In The Amount Of \$229,231.65

(motion, roll call)

Motion to approve 2026-17 Resolution Authorizing The Purchase Of Police Portable And Squad Radios In The Amount Of \$229,231.65. 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

D. 2026-18 Resolution Authorizing And Directing The City Administrator And The Economic Development Director To Execute And Deliver A Business Development Infrastructure Application

(motion, roll call)

Sarah Lofald 5502 Hermantown Road – Stated that development of the area should proceed with cautious optimism. She referenced the site’s history as a former Superfund site designated by the federal EPA, noting the presence of hazardous materials and contaminated soils that previously prompted households to connect to City water. She stated the matter is serious and cited past estimates placing soil cleanup costs at approximately \$23 million in the 1980s. She urged that assurances be obtained from any developer prior to breaking ground to ensure mitigation of future pollution and stated these issues should be addressed before any application is considered.

Motion to approve 2026-18 Resolution Authorizing And Directing The City Administrator And The Economic Development Director To Execute And Deliver A Business Development Infrastructure Application. 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

E. **2026-19 Resolution Approving A Scope Of Work And Ordering Advertisement For Bids For The HVAC Control Upgrades**

(motion, roll call)

Motion to approve 2026-19 Resolution Approving A Scope Of Work And Ordering Advertisement For Bids For The HVAC Control Upgrades. 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

F. **2026-20 Resolution Authorizing The City Of Hermantown To Waive Municipal Consent To The Minnesota Department Of Transportation For The State Project 6908-72 On Trunk Highway 2 Resurfacing Project**

(motion, roll call)

Motion to approve 2026-20 Resolution Authorizing The City Of Hermantown To Waive Municipal Consent To The Minnesota Department Of Transportation For The State Project 6908-72 On Trunk Highway 2 Resurfacing Project. This motion, made by Councilor Peterson 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

G. **2026-21 Resolution Approving Wage Rates For Part Time Employees In 2026**

(motion, roll call)

Motion to approve 2026-21 Resolution Approving Wage Rates For Part Time Employees In 2026. 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

10. **RECESS**

Motion to recess at 7:19 p.m. 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

ATTEST:

Mayor

City Clerk

CITY OF HERMANTOWN

CHECKS #72846
02/01/2026 - 02/15/2026

PAYROLL CHECKS

Electronic Checks - #-62921-62966	\$112,694.12
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LIABILITY CHECKS

Electronic Checks - #-62967-62969	\$110,407.76
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Checks - #72868	\$1,894.91
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PAYROLL EXPENSE TOTAL	\$224,996.79
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ACCOUNTS PAYABLE

Checks - #72846-72867	\$53,628.72
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Electronic Payments #-97527-975445	\$859,908.68
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ACCOUNTS PAYABLE TOTAL	\$913,537.40
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TOTAL	\$1,138,534.19
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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
601	494300	Water Distribution	CITY OF DULUTH COMFORT SYSTEMS	Dec 2025 Water Charges	124,645.43	-97544
101	415300	Administration & Finance	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C300i	103.55	-97543
260	456101	Cable	MEDIACOM	Internet for Cameras - Fichtne	99.99	-97542
101	422901	Firehall #1 Maple Grove Road	MN ENERGY RESOURCES CORP	Natural Gas - FH #1	2,230.61	-97541
275	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas EWC - Jan	11,629.77	-97541
101	419901	City Hall & Police Building Maintenance	MN ENERGY RESOURCES CORP	Natural Gas - CH/PD	1,825.05	-97541
101	422902	Firehall #2 Morris Thomas Road	MN ENERGY RESOURCES CORP	Natural Gas FH2	419.71	-97541
101	419901	City Hall & Police Building Maintenance	MN ENERGY RESOURCES CORP	Natural Gas CH/PD	1,636.54	-97541
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Comm Building	325.96	-97541
602	494900	Sewer Administration and General	MN POWER	4995600000 4971 Lightning Dr	145.33	-97540
602	494900	Sewer Administration and General	MN POWER	0973881171 Sewer	689.88	-97540
601	494400	Water Administration and General	MN POWER	3623400000 Water	815.50	-97540
605	431160	Street Lighting	MN POWER	0247020000 Street Lights	412.16	-97540
101	431901	City Garage	MN POWER	4995600000 4971 Lightning Dr	363.33	-97540
101	452100	Parks	MN POWER	0606881181 Parks	210.99	-97540
275	452200	Community Building	MN POWER	3481871314 EWC Garage	30.84	-97540
101	422901	Firehall #1 Maple Grove Road	MN POWER	4995600000 City Hall/Police/Fi	2,033.25	-97540
605	431160	Street Lighting	MN POWER	1424100000 Street Lights	593.72	-97540
605	431160	Street Lighting	MN POWER	0041881181 Street Lights	486.03	-97540
605	431160	Street Lighting	MN POWER	3060281959 Street Lights (Roun	20.69	-97540
605	431160	Street Lighting	MN POWER	0733871171 Traffic Lights	885.92	-97540
101	452200	Community Building	MN POWER	0606881181 Community Bldg	699.81	-97540
605	431160	Street Lighting	MN POWER	0234310000 Overhead St Lights	488.94	-97540
601	494400	Water Administration and General	MN POWER	4995600000 4971 Lightning Dr	218.00	-97540
101	431901	City Garage	MN POWER	4995600000 5255 Maple Grove Rd	69.57	-97540
275	452200	Community Building	MN POWER	5498955531 4289 Ugstad Rd/EWC	10,988.17	-97540
101	419901	City Hall & Police Building Maintenance	MN POWER	4995600000 City Hall/Police/Fi	3,180.21	-97540
605	431160	Street Lighting	MN POWER	6175310000 Street Lights	757.23	-97540
101	422903	Firehall #3 Midway Road	MN POWER	4995600000 FH #3 Midway/Rose	105.73	-97540
101	422902	Firehall #2 Morris Thomas Road	MN POWER	4995600000 FH #2 MorrisThomas	149.53	-97540
101	431100	Street Department	BFIRST INDUSTRIAL	Plow Bolts	176.70	-97539
101	431100	Street Department	BFIRST INDUSTRIAL	Plow Bolts	126.64	-97539
232	465100	HEDA	GEI CONSULTANTS, INC.	Hermantown PID - Birch Hills	176.33	-97538
101	415300	Administration & Finance	INNOVATIVE OFFICE SOLUTIONS, LLC	Reinforcement Labels	1.74	-97537
415	465200	Community Development	KRAUS-ANDERSON CONSTRUCTION COMPANY, INC	Hermantown Hockey Arena	143,711.56	-97536
415	465200	Community Development	KRAUS-ANDERSON CONSTRUCTION COMPANY, INC	Hermantown Hockey Arena Retain	523,940.54	-97535

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
401	419901	City Hall & Police Building Maintenance	LHB INC	HVAC Design & Retrofit Monthly	3,325.75	-97534
101	421100	Police Administration	MACQUEEN EQUIPMENT, LLC	New Heater Core Install - SQD	167.25	-97533
101	419901	City Hall & Police Building Maintenance	MENARD INC	Misc Maint Supplies	43.33	-97532
101	419901	City Hall & Police Building Maintenance	MENARD INC	Misc Maint Supplies	25.49	-97532
101	431901	City Garage	MENARD INC	Elec Conduit Parts Shop Rewire	78.57	-97532
601	494300	Water Distribution	MENARD INC	Sanitary Repair - Rebecca Road	67.31	-97532
601	494300	Water Distribution	MENARD INC	Door Deadbolt @ Hawk Circle Wa	92.65	-97532
101	431901	City Garage	MENARD INC	Air Piping parts at New Openin	74.78	-97532
101	424100	Building Inspection	OVEROM LAW, PLLC	Point Superior Mobile Estates	3,436.00	-97531
101	421100	Police Administration	OVEROM LAW, PLLC	Police Dept Personnel Matters	196.00	-97531
101	421100	Police Administration	OVEROM LAW, PLLC	2024 Police Department Personn	308.00	-97531
260	456101	Cable	OVEROM LAW, PLLC	Mediacom Franchise Renewal	42.00	-97531
101	421100	Police Administration	OVEROM LAW, PLLC	Jon Hanson Complaint against H	112.00	-97531
412	419100	Community Development	OVEROM LAW, PLLC	Hermantown Trail Connector Eas	51.00	-97531
101	419100	Community Development	OVEROM LAW, PLLC	Peyton Acres Development Matte	51.00	-97531
101	419100	Community Development	OVEROM LAW, PLLC	Community Development Matters	168.00	-97531
101	419100	Community Development	OVEROM LAW, PLLC	Titan Premier Title Matter	56.00	-97531
101	419100	Community Development	OVEROM LAW, PLLC	Correction of Airport Restrict	56.00	-97531
230	465100	HEDA	OVEROM LAW, PLLC	Hawkline Infrastructure Develo	646.00	-97531
101	419100	Community Development	OVEROM LAW, PLLC	Accessory Dwelling Units	42.00	-97531
101	416100	City Attorney	OVEROM LAW, PLLC	Data Practices Procedures	490.00	-97531
602	494900	Sewer Administration and General	OVEROM LAW, PLLC	Mahnke Litigation	208.00	-97531
415	465200	Community Development	OVEROM LAW, PLLC	Arena Construction - Rec Facil	187.00	-97531
230	214500	Escrow Deposits Payable	OVEROM LAW, PLLC	Project Loon MCEA Litigation	816.00	-97531
475	431150	Street Improvements	OVEROM LAW, PLLC	Hermantown and Old Midway Rd I	28.00	-97531
475	431150	Street Improvements	OVEROM LAW, PLLC	Old Midway and Hermantown Road	1,096.00	-97531
101	416100	City Attorney	OVEROM LAW, PLLC	General Matters/Retainer	2,200.00	-97531
101	416100	City Attorney	OVEROM LAW, PLLC	Purchase of 5180 W. Arrowhead	280.00	-97531
101	416100	City Attorney	OVEROM LAW, PLLC	Department of Labor and Indust	126.00	-97531
415	465200	Community Development	OVEROM LAW, PLLC	KA Contract Administration - N	170.00	-97531
101	416100	City Attorney	OVEROM LAW, PLLC	2025 Construction Contract Upd	882.00	-97531
230	214500	Escrow Deposits Payable	OVEROM LAW, PLLC	HEDA: Project Loon Development	2,686.00	-97531
475	431150	Street Improvements	OVEROM LAW, PLLC	Lighting Drive-Thunderchief Dr	350.00	-97531
101	416100	City Attorney	OVEROM LAW, PLLC	Minnesota Power Franchise Agre	364.00	-97531
415	465200	Community Development	OVEROM LAW, PLLC	Funding Agreement - Recreation	255.00	-97531
101	416100	City Attorney	OVEROM LAW, PLLC	Bankruptcy Claims	56.00	-97531
412	419100	Community Development	OVEROM LAW, PLLC	Rec Facility: Trail Con - Emin	51.00	-97531
240	433500	Water Improvements	OVEROM LAW, PLLC	Second Water Connection with D	70.00	-97531

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	416100	City Attorney	OVEROM LAW, PLLC	City Clerk Matters	714.00	-97531
101	416100	City Attorney	OVEROM LAW, PLLC	Data Practices Requests	28.00	-97531
101	421100	Police Administration	STATE CHEMICAL SOLUTIONS	Disinfectants - Fitness Room	717.06	-97530
101	421100	Police Administration	VC3, INC.	SIEM/SOAR - Jan	2,672.16	-97529
601	494300	Water Distribution	VIKING INDUSTRIAL CENTER	Winter Gloves	134.14	-97528
101	421100	Police Administration	NORTHEAST SERVICE COOPERATIVE	Health Ins Feb - Clinton Jones	821.77	-97527
101	421100	Police Administration	NORTHEAST SERVICE COOPERATIVE	Health Ins Feb - Kristi Hansen	883.04	-97527
101	134000	Retiree Insurance/Telephone Reimb.	NORTHEAST SERVICE COOPERATIVE	Health Ins Feb - Clinton Jones	91.31	-97527
101	134000	Retiree Insurance/Telephone Reimb.	NORTHEAST SERVICE COOPERATIVE	Health Ins Feb - Kristi Hanse	98.12	-97527
101	421100	Police Administration	ANIMAL ALLIES HUMANE SOCIETY	Jan 2026 Boarding	1,518.00	72846
475	431150	Street Improvements	ARROWHEAD ABSTRACT & TITLE CO.	O&E Report O-310488	100.00	72847
475	431150	Street Improvements	ARROWHEAD ABSTRACT & TITLE CO.	O&E Report O-310494	100.00	72847
475	431150	Street Improvements	ARROWHEAD ABSTRACT & TITLE CO.	O&E Report O-310490	100.00	72847
475	431150	Street Improvements	ARROWHEAD ABSTRACT & TITLE CO.	O&E Report O-310492	100.00	72847
475	431150	Street Improvements	ARROWHEAD ABSTRACT & TITLE CO.	O&E Report O-310491	100.00	72847
101	431100	Street Department	BOLTZ ELECTRIC LLC	Disconnect Light pole that was	133.00	72848
101	431901	City Garage	BOLTZ ELECTRIC LLC	Repair & Add outlet @ Shop Ext	572.25	72848
101	431100	Street Department	CINTAS CORPORATION	Uniforms	62.67	72849
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	30.72	72849
101	431100	Street Department	CINTAS CORPORATION	Uniforms	7.92	72849
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	8.88	72849
101	431901	City Garage	CINTAS CORPORATION	Mats/Supplies	62.23	72849
101	431901	City Garage	CINTAS CORPORATION	Mats/Supplies	42.55	72849
101	431100	Street Department	CINTAS CORPORATION	Uniforms	19.07	72849
101	431100	Street Department	CINTAS CORPORATION	Uniforms	7.92	72849
601	494300	Water Distribution	CORE & MAIN LP	Water Meters	4,567.00	72850
601	494300	Water Distribution	CORE & MAIN LP	Water Meter Setters & Nuts	6,066.56	72850
601	494300	Water Distribution	CORE & MAIN LP	Water Meters	1,787.65	72850
601	494400	Water Administration and General	CUSTOMER ELATION INC	12/16/25 - 1/12/26 Answering	39.63	72851
602	494900	Sewer Administration and General	CUSTOMER ELATION INC	12/16/25 - 1/12/26 Answering	26.42	72851
101	415300	Administration & Finance	HERMANTOWN STAR LLC	Jan 5 2026 Minutes	123.75	72852
101	415300	Administration & Finance	HERMANTOWN STAR LLC	Ordinance 2025-23	53.63	72852
101	419901	City Hall & Police Building Maintenance	IMPERIALDADE	Kleenex/Urinal Screen/Floor Sc	589.26	72853
101	431100	Street Department	INTERSTATE ALL BATTERY CENTER	Batteries H-3	446.85	72854
101	416100	City Attorney	KENNEDY & GRAVEN, CHARTERED	Hermantown Road Special Assess	3,122.22	72855
415	465200	Community Development	KFI ENGINEERS	Northstar Ford Arena	11,505.41	72856
101	421100	Police Administration	LEAGUE OF MINNESOTA CITIES	Peace Officer Accredited Train	1,620.00	72857
101	424100	Building Inspection	NAPA AUTO PARTS	H26 Maintenance	44.99	72858

2/12/2026

Page 4

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
601	494300	Water Distribution	PACE ANALYTICAL SERVICES, LLC	Drinking Water Testing	999.00	72859
101	421100	Police Administration	PATROLPC	MDC Supplies	1,349.43	72860
230	465100	HEDA	RONCHETTI, CHAD	Travel Expenses EDAM Conferenc	153.58	72861
101	421100	Police Administration	SHEL/DON GROUP INC	Property Receipts - PD	209.31	72862
232	465100	HEDA	SHORT ELLIOTT HENDRICKSON INC	Birch Hills Neighborhood Devel	16,615.20	72863
101	421100	Police Administration	TROY'S SERVICE CENTER	Oil & Filter - SQD 18	186.23	72864
101	421100	Police Administration	TROY'S SERVICE CENTER	Oil & Filter - SQD 17	95.66	72864
601	494300	Water Distribution	UNITED RENTALS (NORTH AMERICA) INC	Light Tower Rental	780.00	72865
101	419901	City Hall & Police Building Maintenance	UNITED TRUCK BODY COMPANY INC	Spring Pin Lock	31.73	72866
101	431100	Street Department	YOUNGREN, ALEX W	Boot Allowance	125.00	72867
602	494500	Sewer Maintenance	YOUNGREN, ALEX W	Boot Allowance	62.50	72867
601	494300	Water Distribution	YOUNGREN, ALEX W	Boot Allowance	62.50	72867

Totals: 124 records printed

913,537.40

Resolution No. 2026-22

Resolution Approving Pay Request Number 21 For The NorthStar Ford Arena To Kraus-Anderson Construction Company In The Amount Of \$131,831.78

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 Pay Request No. 21 for Labor & Services, and

Invoice Number	Item	Amount
75355	Labor	\$92,873.04
75356	Materials	\$38,958.74
	Total	\$131,831.78

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. 21 is hereby approved.

2. The City is hereby authorized and directed to pay to Kraus-Anderson Construction Company Kraus Anderson the sum of \$131,831.78 which is the amount represented on Pay Request No. 21 for Labor & Materials

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 February 17, 2026.

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

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution 2026-22 is a true and correct copy of the Resolution as adopted by the City Council on the 17th day of February, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 18th day of February, 2026.

Alissa McClure, City Clerk

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 75355

To Owner:

City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811

Project Number - Project Description:

2222026- Hermantown Hockey Arena Addition

Customer Reference:**Application No. :**

21

Distribution to :

☐	Owner
☐	Architect
☐	Contractor
☐	
☐	

Period To: 1/31/2026

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

Project Ref Nos:

Labor

Contract For:**Contract Date:****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)	\$13,500,179.51
5. RETAINAGE:	
a. 0.99% of Completed Work (Column D + E on G703)	\$134,225.52
b. 0.00% of Stored Material (Column F on G703)	\$0.00
Total Retainage (Line 5a + 5b or Total in Column I of G703)	\$134,225.52
6. TOTAL EARNED LESS RETAINAGE	\$13,365,953.99
(Line 4 Less Line 5 Total)	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENTS	\$13,273,080.95
(Line 6 from prior Certificate)	
8. CURRENT PAYMENT DUE	\$92,873.04
9. BALANCE TO FINISH, INCLUDING RETAINAGE	\$405,456.36
(line 3 less Line 6)	

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$715,820.35	\$0.00
Total Approved this Month	\$0.00	\$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

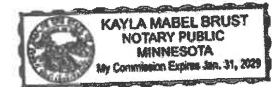
By: *Don Anderson* Date: 2/6/2026
380F16733C124B0

State of: Minnesota

County of: Hennepin

Subscribed and sworn to before me this 6th day of February, 2026

Notary Public: *Kayla Brust*
My Commission expires: 1/31/2029
60668042WE16482

**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 \$92,873.04

(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: *E. J. Smith* Date: 2/10/2026 | 3:18 PM CST
44668042WE16482

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 # : 75355

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. : 21

Application Date : 1/27/2026

Period To: 1/31/2026

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	312,358.28	0.00	0.00	312,358.28	100.00%	0.44	3,151.58	
105-L	Concrete	708,023.03	701,567.88	6,455.15	0.00	708,023.03	100.00%	0.00	7,148.98	
110-L	Structural Precast	159,342.58	158,836.58	0.00	0.00	158,836.58	99.68%	506.00	1,618.54	
115-L	Architectural Precast	129,735.39	129,735.39	0.00	0.00	129,735.39	100.00%	0.00	1,322.01	
120-L	Masonry	624,467.63	624,467.63	0.00	0.00	624,467.63	100.00%	0.00	6,363.33	
124-L	Steel Supply - Change Orders	22,696.37	19,057.55	0.00	0.00	19,057.55	83.97%	3,638.82	194.20	
125-L	Steel Erection	481,100.76	478,020.76	3,080.00	0.00	481,100.76	100.00%	0.00	5,025.03	
130-L	Foundation Insulation & Waterproofing	25,950.00	25,950.00	0.00	0.00	25,950.00	100.00%	0.00	264.43	
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	27.68	
135-L	Site Clearing & Earthwork	1,276,399.58	1,276,399.27	0.00	0.00	1,276,399.27	100.00%	0.31	13,006.51	
140-L	Final Cleaning	38,595.08	38,595.08	0.00	0.00	38,595.08	100.00%	0.00	393.28	
145-L	Carpentry	205,729.41	204,251.41	1,478.00	0.00	205,729.41	100.00%	0.00	2,081.32	
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	341.89	
160-L	Metal Panels	256,130.00	256,130.00	0.00	0.00	256,130.00	100.00%	0.00	2,609.97	
165-L	Roofing	842,334.80	842,334.80	0.00	0.00	842,334.80	100.00%	0.00	8,583.39	
170-L	Applied Fireproofing	19,237.01	19,237.01	0.00	0.00	19,237.01	100.00%	0.00	196.03	
174-L	Doors, Frames & Hardware - Change Orders	17,079.54	0.00	0.00	0.00	0.00	0.00%	17,079.54	0.00	
175-L	Joint Sealants	25,695.00	25,695.00	0.00	0.00	25,695.00	100.00%	0.00	261.83	
180-L	Specialty Doors	10,682.00	10,682.00	0.00	0.00	10,682.00	100.00%	0.00	108.85	
185-L	Aluminum Frames & Glazing	108,751.00	108,751.00	0.00	0.00	108,751.00	100.00%	0.00	1,108.17	
190-L	Drywall	200,292.00	200,292.00	0.00	0.00	200,292.00	100.00%	0.00	2,040.98	
195-L	Tile	153,741.55	148,616.55	5,125.00	0.00	153,741.55	100.00%	0.00	1,514.41	
200-L	Ceilings & Acoustical Treatment	66,807.00	66,807.00	0.00	0.00	66,807.00	100.00%	0.00	680.77	
205-L	Resilient and Carpet Flooring	21,431.00	21,431.00	0.00	0.00	21,431.00	100.00%	0.00	218.38	
210-L	Athletic Flooring	57,237.65	47,869.00	0.00	0.00	47,869.00	83.63%	9,368.65	487.79	
215-L	Epoxy Flooring	149,742.50	149,742.50	0.00	0.00	149,742.50	100.00%	0.00	1,525.88	
220-L	Painting	163,055.49	143,811.00	19,244.49	0.00	163,055.49	100.00%	0.00	1,465.43	
224-L	Specialties - Change Orders	9,750.74	6,642.36	3,108.38	0.00	9,750.74	100.00%	0.00	67.69	
225-L	Signage	11,560.00	0.00	11,560.00	0.00	11,560.00	100.00%	0.00	0.00	

CONTINUATION SHEET

Invoice # : 75355

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. : 21

Application Date : 1/27/2026

Period To: 1/31/2026

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)			
230-L	Athletic Equipment	94,768.02	87,637.52	7,130.50	0.00	94,768.02	100.00%	0.00	893.03
235-L	Window Treatments	8,192.00	8,192.00	0.00	0.00	8,192.00	100.00%	0.00	83.48
240-L	Casework & Countertops	80,629.93	80,629.93	0.00	0.00	80,629.93	100.00%	0.00	821.62
245-L	Ice Rink	2,125,501.21	2,125,500.47	0.00	0.00	2,125,500.47	100.00%	0.74	21,658.85
250-L	Fire Suppression	99,455.00	99,455.00	0.00	0.00	99,455.00	100.00%	0.00	1,013.45
255-L	Combined Mechincal	1,472,077.91	1,472,077.91	0.00	0.00	1,472,077.91	100.00%	0.00	15,000.48
260-L	Controls	93,075.00	89,454.38	3,620.62	0.00	93,075.00	100.00%	0.00	911.54
265-L	Electrical	911,136.10	906,590.10	4,546.00	0.00	911,136.10	100.00%	0.00	9,238.15
270-L	General Conditions	763,475.68	650,454.51	7,194.42	0.00	657,648.93	86.14%	105,826.75	6,237.24
275-L	Site Services	1,166,568.70	1,125,283.43	17,522.17	0.00	1,142,805.60	97.96%	23,763.10	11,216.77
280-L	Building Permits	162,982.19	162,982.19	0.00	0.00	162,982.19	100.00%	0.00	1,002.83
285-L	Performance & Payment Bonds	69,245.28	66,066.00	0.00	0.00	66,066.00	95.41%	3,179.28	384.12
290-L	Umbrella Liability Insurance	129,988.87	124,438.93	1,169.30	0.00	125,608.23	96.63%	4,380.64	1,163.51
295-L	Builder's Risk Insurance	23,533.23	23,532.09	0.00	0.00	23,532.09	100.00%	1.14	194.54
300-L	Warranty Reserve	14,619.11	14,619.11	0.00	0.00	14,619.11	100.00%	0.00	138.17
305-L	KA Contingency	98,269.98	0.00	0.00	0.00	0.00	0.00%	98,269.98	0.00
310-L	KA Fee	263,677.63	256,690.17	1,793.01	0.00	258,483.18	98.03%	5,194.45	2,459.39
	Grand Totals	13,771,410.35	13,407,152.47	93,027.04	0.00	13,500,179.51	98.03%	271,230.84	134,225.52



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

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

A handwritten signature of Logan Carter in black ink, written over a horizontal line.

Logan Carter
Controller

A handwritten signature of Ryan Szarzynski in black ink, written over a horizontal line.

Ryan Szarzynski
Accounting Manager

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 75356

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

Contract For:

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

Application No. : 18

Period To: 1/31/2026

Project Ref Nos:

Contract Date:

Distribution to :

☐ Owner

☐ Architect

☐ Contractor

Tax-Exempt
Materials

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)	\$7,720,932.68
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	 \$7,720,932.68
(Line 4 Less Line 5 Total)	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENTS	\$7,681,973.94
(Line 6 from prior Certificate)	
8. CURRENT PAYMENT DUE	\$38,958.74
9. BALANCE TO FINISH, INCLUDING RETAINAGE	
(line 3 less Line 6)	\$107,855.32

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: Don Anderson Date: 2/6/2026

State of: Minnesota

County of: Hennepin

Subscribed and sworn to before me this 6th day of February, 2026

Notary Public: Kayla Brust

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 \$38,958.74

(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: E. J. [Signature] 2/10/2026 | 3:18 PM CST

By: _____ Date: _____

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 # : 75356

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. : 18

Application Date : 1/27/2026

Period To: 1/31/2026

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		Materials Presently Stored	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	163,338.00	0.00	0.00	163,338.00	100.00%	0.00	0.00		
190-M	Drywall - Materials Only	35,592.00	35,592.00	0.00	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	5,496.00	0.00	0.00	5,496.00	100.00%	0.00	0.00		
210-M	Athletic Flooring - Materials Only	72,665.00	72,665.00	0.00	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	7,660.00	0.00	56,040.00	100.00%	0.00	0.00		
225-M	Signage - Materials Only	30,565.00	0.00	30,565.00	0.00	30,565.00	100.00%	0.00	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	23,460.00	0.00	0.00	23,460.00	100.00%	0.00	0.00		
240-M	Casework & Countertops - Materials Only	104,835.00	104,835.00	0.00	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		

Page 3 of 3

Project Ref Nos.:

[illegible]



KRAUS-ANDERSON®
Construction Company

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

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

Ryan Szarzynski
Accounting Manager



CITY COUNCIL MEETING DATE: February 17, 2026

TO: Mayor & City Council

FROM: Jim Crace, Director of Public Safety

SUBJECT: Disposal of Fitness Room Equipment

☒ **RESOLUTION:** 2026-23 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approve resolution disposing of the replaced Fitness Room equipment.

BACKGROUND

We recently upgraded all of the equipment in the Public Safety Fitness Room. The equipment that we removed from the room is approximately 25 years old and needs to be disposed of. Hermantown Hockey stated that they would be willing to accept the free weights as a donation. The other items could be brought to auction.

SOURCE OF FUNDS (if applicable)

N/A

ATTACHMENTS

Resolution
Old Equipment List

Resolution No. 2026-23

Resolution Authorizing The Disposition Of Surplus Fitness Room Equipment

WHEREAS, the City of Hermantown recently upgraded all equipment in the Public Safety Fitness Room; and

WHEREAS, the equipment removed from the Fitness Room is approximately twenty-five (25) years old and has reached the end of its useful life for City purposes; and

WHEREAS, said equipment is no longer needed for municipal operations and is therefore considered surplus property; and

WHEREAS, Hermantown Hockey has expressed interest in accepting the free weight equipment as a donation; and

WHEREAS, the remaining equipment is suitable for disposal through public auction or other lawful surplus property disposal method.

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

1. The City Council hereby declares the removed Public Safety Fitness Room equipment to be surplus property.
2. The City Council authorizes the donation of the surplus free weight equipment to Hermantown Hockey.
3. The City Council further authorizes City staff to dispose of the remaining surplus fitness equipment through public auction or other authorized disposal method in accordance with City policy and applicable law.

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 February 17, 2026.

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

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above

and foregoing Resolution 2026-23 is a true and correct copy of the Resolution as adopted by the City Council on the 17th day of February, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 18th day of February, 2026.

Alissa McClure, City Clerk

"Old Equipment" List

Equipment	Brand
Elliptical	Octane
Treadmill	Matrix
Smith Machine	Hoist
1/2 Power Rack	Hoist
Seated Leg Press	Cybex
Prone Leg Curl	Cybex
Lat Pull Down	Cybex
Chest Press	Cybex
Leg Extension	Cybex
Adjustable Bench	Cybex
Preacher Curl	ParaBody

Dumbbells **5lbs - 75lbs**

Dumbbell Rack

Plate Rack

Misc. Plates **2.5lbs-45lbs**

CITY COUNCIL MEETING DATE: February 17, 2026

TO: Mayor & City Council

FROM: Trish Crego, Utility and Infrastructure Director

SUBJECT: Engineering Services – Project 547 Amendment 1: Lightning Drive and Thunderchief Lane & a portion of Getchell Rd, including sanitary sewer extension and other infrastructure improvements in Section 14

☒ **RESOLUTION:** 2026-24 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Accept Amendment #1 for the contract from Bolton & Menk, Inc. for Project 547 Lightning Drive and Thunderchief Lane & a portion of Getchell Rd, including Sanitary Sewer Extension and Other Infrastructure Improvements in Section 14 Hearing.

BACKGROUND

As part of the City's Road Improvement Program, the City intends to make improvements on Lightning Drive, Thunderchief Lane, and a portion of Getchell Road - including sanitary sewer extension and other infrastructure improvements in Section 14 in 2026. The City of Hermantown has entered into an agreement with Bolton & Menk, Inc. The City now desires to extend the trail south on Lavaque Road, therefore Bolton and Menk has provided an amendment to the contract. It is recommended that the City accept the amendment from them for the design and construction engineering.

SOURCE OF FUNDS (if applicable)

475-431150-305 Project 547	Special Assessments
Sales Tax (Sanitary, Water, Trail)	Stormwater/Street light utility fees
Grants	General levy (through the issuance of bonds)

ATTACHMENTS

Resolution
Proposal

Resolution No. 2026-24

Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Amendment To The Agreement For Consulting Services With Bolton & Menk, Inc. (City Engineering Services) For The Road Improvement Of Lightning Drive And Thunderchief Lane Including Sanitary Sewer Extension, Other Infrastructure Improvements, And Trail Extension In Section 14

WHEREAS, the City of Hermantown (“City”) has a contract (“Agreement”) with Bolton & Menk, Inc. Engineers (“Engineer”) to provide engineering services as approved by Resolution 2025-96; and

WHEREAS, the City Council previously accepted the preliminary engineering report that did not include trail extension on Lavaque Road; and

WHEREAS, the Engineer has begun revising the plan to build the trail extension along Lavaque Road; and

WHEREAS, the Engineer submitted an amended contract reflecting the changes of said plan as shown on Exhibit A attached hereto to the City to provide such services; and

WHEREAS, the City Council has duly considered the attached amendment to the Agreement for Consulting Services and believes that it is in the best interests of the City of Hermantown for it to accept the changes; and

WHEREAS, the City Council believes that it is in the best interests of the City of Hermantown to accept the proposal and authorize the City Engineer to proceed on the “Project” and direct the Mayor and City Clerk to execute and deliver it on behalf of the City of Hermantown.

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

1. The proposal from the Engineer is hereby accepted and the Engineer is authorized to proceed on the “Project”
2. The source of payment for the consultant services will by Sales Tax City Fund No. 475-431150-305 Project No. 547.

Councilor _____ introduced the foregoing resolution and moved its adoption.

The motion for the amendment (amendment includes an urban road with sidewalk, curb and gutter, terminating with a hammerhead on the property currently owned by the city and adoption of such resolution was seconded by Councilor _____ and upon a vote being taken thereon, the following voted in favor thereof:

Councilors _____

and the following voted in opposition thereto:

Councilors _____

WHEREUPON, such resolution was declared duly passed and adopted on February 17, 2026.

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

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution 2026-24 is a true and correct copy of the Resolution as adopted by the City Council on the 17th day of February, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 18th day of February, 2026.

Alissa McClure, City Clerk



February 11, 2026

David Bolf, PE, City Engineer
City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811

RE: Amendment #1
Lightning Drive, Thunderchief Lane, Getchell Road, & Trail Improvements Dist. 547
City of Hermantown, MN
Project No.: 24X.1390089.000

Dear Mr. Bolf:

This letter outlines Bolton & Menk's proposed services for Amendment #1 for the City of Hermantown ***Lightning Drive, Thunderchief Lane, Getchell Road, & Trail Improvements Dist. 547*** project. This amendment includes additional topographic survey and design necessary for the addition of pedestrian trail improvements to the project along Lavaque Road.

Specific tasks within this amendment include the following:

Task 2.1 – Topographic Survey

This task includes the completion of topographic survey along the west side of Lavaque Road, from Maple Grove Road north approximately 1,300 LF to the proposed trail crossing of Lavaque Road. Included within this task is the completion of a GSOC to located existing utilities within the corridor.

Task 4.5 – Pedestrian Trail Design

This task includes the design and preparation of plans for the proposed construction of a pedestrian trail along the west side of Lavaque Road, including cross-sections.

Based on our understanding of the project and scope of services described above, Bolton & Menk proposes completing this work for a not-to-exceed hourly fee of \$16,000. We will not exceed this fee without prior authorization from the city.

Name: David Bolf, PE, City Engineer

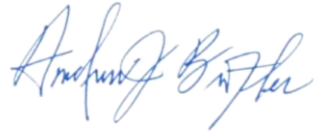
Date: February 11, 2026

Page: 2

Please contact us with any questions or if you wish to discuss this amendment further.

Sincerely,

Bolton & Menk, Inc.



Andy Brotzler, PE

Municipal Senior Project Manager

cc: Trish Crego, Utility & Infrastructure Director

CITY COUNCIL MEETING DATE: February 17, 2026

TO: Mayor & City Council

FROM: Chad Ronchetti, Economic Development Director

SUBJECT: Hawkline Business Park Development Agreement, Cooperative Agreement with St. Louis County, and updated Engineering Contract.

☒ **RESOLUTION:** 2026-25 through 2026-29 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approve several resolutions to restructure and combine the Development Agreements related to Hawkline Business Park at the corner of Hwy 53 and Lavaque Bypass.

BACKGROUND

Site's Significant History

Attached are a series of Resolutions related to the property at Hwy 53 and Lavaque Bypass, also known as Hawkline Business Park.

Council approved the updated application to the Minnesota Department of Employment and Economic Development (DEED) for a Business Development Public Infrastructure Grant (BDPI) on February 2nd.

In order to move forward with the infrastructure upgrades as contemplated by the grant application, several actions need to be taken by Council in order to update the deal structure and create formal partnerships for the construction of public infrastructure.

The Resolutions before you tonight terminate the previous Development Agreements with the landowners, adopt a new singular development agreement for the entire site, create a formal cooperative framework with the County for the construction of their assets, and update the design and engineering agreement to reflect the new project. Details of those resolutions are below.

Resolutions Terminating Previous Development Agreements

The two Development Agreements (Bill & Irv's and Hawkline) approved by City Council in 2024 need to be terminated prior to approving a Development Agreement under the new site development being contemplated. The previous agreements delineated the site into two separate pieces because at the time the development included end uses that were not eligible for grant funding. The funding would then have been

used exclusively for the eligible parcel. DEED has confirmed that the amended development plan would position the entire site for grant eligible uses.

Resolution Approving a Cooperative Agreement with St. Louis County

The construction of the road improvements will be a public-private partnership involving two governmental units, a private developer, and funding from a state agency. Because of this complexity, agreements between all parties are necessary. The Cooperative Agreement with the County simplifies the process by allowing the City to cause the construction of County assets and then turning them over upon completion. This Cooperative agreement details the mechanics of that, including: construction roles and responsibilities, funding sources and cost obligations, and improvement ownership and maintenance responsibilities.

Resolution Approving an Updated Development Agreement

The updated Development Agreement largely keeps the same terms: public improvements delineated; shared funding between developer, City, and now County; and DEED grant compliance. The public improvements still include water and sewer utility extensions across Miller Trunk (SH 53), though the alignment has changed. The improvements now include upgrades to both the County and City roadway systems, along with several access closures to Miller Trunk (SH 53). See the attached maps.

The previous public improvements were budgeted to be approximately \$4 million, but the new budget is \$6.6 million. The City's funding commitment remains the same at approximately \$1 million from sales tax (dedicated to water improvements). The developer's commitment increased by \$750,000 to \$1.75 million, which will be assessed to the property as previously agreed upon. The County has committed \$1.85 million. The BDPI funding remains at \$2 million split evenly between the City and County at \$1 million each. This accounts for a total of \$6.6 million in commitments.

Resolution Amending Engineering Agreement for Design and Construction Engineering

Due to the scope change associated with the new system updates and new utility alignment, the engineering contract for design and construction must be amended. The previous contract was based on an estimated \$4,000,000 project and was a not-to-exceed contract amount of \$531,180 (approximately 13.3% in engineering fees). The new project is estimated at \$5,500,000 in construction costs with the not-to-exceed amendment of \$699,800 (approximately 12.8% engineering fees). To date, Northland has billed just under \$12,00,000 against the previous contract for some predesign work and support of the Cooperative Agreement with the County. The costs associated with design and construction engineering for the entire project will be the responsibility of the City in exchange for the County supporting the hard construction costs with \$2,600,000.

SOURCE OF FUNDS (if applicable)

MN DEED State BDPI Grant
St. Louis Count via Cooperative Agreement



Assessments via a Development Agreements
Sales Tax (via the Water Fund) for water improvements

ATTACHMENTS

Resolution 2026-25 Approving Termination Agreement, Bill and Irvs
Termination of Development Contract, Bill and Irvs
Resolution 2026-26 Approving Termination Agreement, Hawkline
Termination of Development Contract, Hawkline
Resolution 2026-27 Approving SLC Cooperative Agreement
Cooperative Agreement between City and County
Resolution 2026-28 Amending Engineer Agreement, Hawkline
Northland Consulting Engineer Design and Construction Proposal – City Portion
Northland Consulting Engineer Design and Construction Proposal – SLC Portion
Resolution 2026-29 Approving Development Agreement Hawkline
Development Agreement between City and Hawkline Development LLC

Resolution No. 2026-25

Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver A Termination Of Development Contract Amongst Bill & Irv's Properties, Inc., The City Of Hermantown And The Hermantown Economic Development Authority

WHEREAS, Bill & Irv's Properties, Inc. ("Developer") is the owner of certain property on the north side of Trunk Highway 53 ("Property") in the City of Hermantown ("City"); and

WHEREAS, the City of Hermantown ("City"), the Hermantown Economic Development Authority ("HEDA") and Developer entered into the City of Hermantown Development Contract dated October 7, 2024 ("Development Agreement"); and

WHEREAS, the parties mutually agree to terminate the Development Agreement pursuant to the provisions of Article XII of the Development Agreement; and

WHEREAS, a proposed Termination of City of Hermantown BDPI Grant Fund Development Contract ("Termination Agreement") is attached hereto as Exhibit A; and

WHEREAS, the City Council has reviewed the Termination Agreement and believes that it is in the best interests of the City of Hermantown to approve the Termination Agreement and authorize and direct the Mayor and City Clerk to execute and deliver it on behalf of the City of Hermantown.

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

1. The Termination Agreement substantially in the form of the one attached hereto as Exhibit A is hereby approved.
2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Termination Agreement on behalf of the City.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

Councilors _____

And the following voted in opposition thereto:

Councilors _____

WHEREUPON, such resolution was declared duly passed and adopted on February 17, 2026.

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

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution 2026-25 is a true and correct copy of the Resolution as adopted by the City Council on the 17th day of February, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 18th day of February, 2026.

Alissa McClure, City Clerk

TERMINATION OF CITY OF HERMANTOWN DEVELOPMENT CONTRACT

THIS TERMINATION OF CITY OF HERMANTOWN DEVELOPMENT CONTRACT (“Termination Agreement”) is entered into by and between the **City of Hermantown**, Minnesota, a Minnesota statutory city, (“City”), Hermantown Economic Development Authority, an economic development authority under the laws of the state of Minnesota, (“HEDA”) and **Bill & Irv’s Properties, Inc.**, a corporation organized under the laws of the State of Minnesota, (“Bill & Irv’s”) as of December 1, 2025 (“Effective Date”) in response to the following situation:

A. City, HEDA and Bill & Irv’s entered into the City of Hermantown Development Contract dated October 7, 2024 (“Development Agreement”).

B. The Development Agreement contemplated City, HEDA and Bill & Irv’s developing property owned by Bill & Irv’s depicted on Exhibit A attached hereto (“Property”).

C. City, HEDA and Bill & Irv’s desire to terminate the Development Agreement and mutually release each other from any conditions under the Development Agreement.

D. The parties desire to memorialize their understanding of such terms and provisions and effectuate the termination of the Development Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Development Agreement is hereby terminated as of the Effective Date, and all rights, duties and obligations set forth in the Development Agreement are also terminated and of no further force and effect as of the Effective Date.

2. The parties acknowledge and agree that they have not expended any funds under the Development Agreement.

3. The parties hereby acknowledge that each of them has fully performed all duties and obligations set forth in the Development Agreement through the Effective Date and release each other from any and all claims arising out of or relating to the Development Agreement. Bill & Irv’s specifically, without limiting the foregoing, releases any rights retained by Bill & Irv’s under Article II, including any title or ownership in any improvements located on the Property.

4. This Agreement is governed by and to be construed in accordance with the laws of the State of Minnesota.

5. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. This Agreement contains the entire agreement between the parties relating to the termination of the Lease. There are no promises, agreements, conditions,

undertakings, warranties or representations, oral or written, express or implied, between the parties other than as herein set forth.

6. This Termination Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. This Termination Agreement shall be recorded against the property.

7. This Agreement shall be binding upon and inure to the benefit of the parties and their respective representatives, successors and assigns.

8. This Termination may be recorded by City with the County Recorder of St. Louis County, Minnesota according to its terms.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, City has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

CITY:

City of Hermantown

By _____
Wayne Boucher, Its Mayor

And By _____
Alissa McClure, Its City Clerk

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by Wayne Boucher and Alissa McClure, the Mayor and City Clerk, respectively, of the City of Hermantown on behalf of the City of Hermantown, a statutory city organized under the laws of the State of Minnesota.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, HEDA has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

HEDA:

Hermantown Economic Development Authority

By _____
Its _____

And By _____
Its _____

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

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____ and _____, the _____ and _____, respectively, of Hermantown Economic Development Authority on behalf of Hermantown Economic Development Authority, an economic development authority under the laws of the State of Minnesota.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, Bill & Irv's has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

Bill & Irv's:

Bill & Irv's Properties, Inc.

By _____
Its _____

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by _____, the _____, of Bill & Irv's Properties, Inc. on behalf of Bill & Irv's Properties, Inc., a Minnesota corporation.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[END OF SIGNATURES]

This document was prepared by:
Gunnar B. Johnson
Overom Law, PLLC
802 Garfield Avenue
Suite 101
Duluth, MN 55802

EXHIBIT A





Resolution No. 2026-26

Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver A Termination Of Development Contract Amongst Hawkline Development LLC, The City Of Hermantown And The Hermantown Economic Development Authority

WHEREAS, Hawkline Development LLC (“Developer”) is the owner of certain property on the north side of Trunk Highway 53 (“Property”) in the City of Hermantown (“City”); and

WHEREAS, the City of Hermantown (“City”), the Hermantown Economic Development Authority (“HEDA”) and Developer entered into the City of Hermantown BDPI Grant Fund Development Contract dated October 7, 2024 (“Development Agreement”); and

WHEREAS, the parties mutually agree to terminate the Development Agreement pursuant to the provisions of Article XII of the Development Agreement; and

WHEREAS, a proposed Termination of City of Hermantown BDPI Grant Fund Development Contract (“Termination Agreement”) is attached hereto as Exhibit A; and

WHEREAS, the City Council has reviewed the Termination Agreement and believes that it is in the best interests of the City of Hermantown to approve the Termination Agreement and authorize and direct the Mayor and City Clerk to execute and deliver it on behalf of the City of Hermantown.

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

1. The Termination Agreement substantially in the form of the one attached hereto as Exhibit A is hereby approved.
2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Termination Agreement on behalf of the City.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

Councilors _____

And the following voted in opposition thereto:

Councilors _____

WHEREUPON, such resolution was declared duly passed and adopted on February 17, 2026.

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

CITY OF HERMANTOWN)

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution 2026-26 is a true and correct copy of the Resolution as adopted by the City Council on the 17th day of February, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 18th day of February, 2026.

Alissa McClure, City Clerk

TERMINATION OF CITY OF HERMANTOWN BDPI GRANT FUND DEVELOPMENT CONTRACT

THIS TERMINATION OF CITY OF HERMANTOWN BDPI GRANT FUND DEVELOPMENT CONTRACT (“Termination Agreement”) is entered into by and between the **City of Hermantown**, Minnesota, a Minnesota statutory city, (“City”), Hermantown Economic Development Authority, an economic development authority under the laws of the state of Minnesota, (“HEDA”) and **Hawklane Development LLC**, a Minnesota limited liability company, (“Hawklane”) as of December 1, 2025 (“Effective Date”) in response to the following situation:

A. City, HEDA and Hawklane entered into the City of Hermantown BDPI Grant Fund Development Contract dated October 7, 2024 (“Development Agreement”).

B. The Development Agreement contemplated City, HEDA and Hawklane developing property owned by Hawklane depicted on Exhibit A attached hereto (“BDPI Grant Area”).

C. City applied for under a grant from the Great Minnesota Development Public Infrastructure Grant Program (“BDPI Grant”) to pay for a portion of costs of providing infrastructure to the BDPI Grant Area.

D. City, HEDA and Hawklane desire to terminate the Development Agreement and release Hawklane from the conditions of the BDPI Grant.

E. The parties desire to memorialize their understanding of such terms and provisions and effectuate the termination of the Development Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Development Agreement is hereby terminated as of the Effective Date, and all rights, duties and obligations set forth in the Development Agreement are also terminated and of no further force and effect as of the Effective Date.

2. The parties acknowledge and agree that they have not expended any BDPI Grant Funds.

3. The parties hereby acknowledge that each of them has fully performed all duties and obligations set forth in the Development Agreement through the Effective Date and release each other from any and all claims arising out of or relating to the Development Agreement. Hawklane specifically, without limiting the foregoing, releases any rights retained by Hawklane under Article II, including any title or ownership in any improvements located on the BDPI Grant Area.

4. This Agreement is governed by and to be construed in accordance with the laws of the State of Minnesota.

5. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. This Agreement contains the entire agreement between the parties relating to the termination of the Lease. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as herein set forth.

6. This Termination Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. This Termination Agreement shall be recorded against the property.

7. This Agreement shall be binding upon and inure to the benefit of the parties and their respective representatives, successors and assigns.

8. This Termination may be recorded by City with the County Recorder of St. Louis County, Minnesota according to its terms.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, HEDA has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

HEDA:

Hermantown Economic Development Authority

By _____
Its _____

And By _____
Its _____

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

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____ and _____, the _____ and _____, respectively, of Hermantown Economic Development Authority on behalf of Hermantown Economic Development Authority, an economic development authority under the laws of the State of Minnesota.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, Hawkline has caused this Termination Agreement to be duly executed in its name and behalf on or as of the date first above written.

Hawkline:

Hawkline Development LLC

By _____
Its _____

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by _____, the _____, of Hawkline Development LLC on behalf of Hawkline Development LLC, a Minnesota limited liability company.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[END OF SIGNATURES]

This document was prepared by:
Gunnar B. Johnson
Overom Law, PLLC
802 Garfield Avenue
Suite 101
Duluth, MN 55802

EXHIBIT A



Resolution No. 2026-27

Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver A Cooperative Agreement Between The County Of St. Louis And The City Of Hermantown

WHEREAS, the City of Hermantown (“City”) is leading a project to complete transportation improvements and provide municipal utilities to support the development of the Hawklane Business Park (“Project”); and

WHEREAS, the Project includes the reconstruction of portions of CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Road), the construction of new city streets, and the installation of associated utilities necessary to serve the Hawklane Business Park; and

WHEREAS, the transportation improvements on CSAH 48 and CR 284 have been designated by St. Louis County as County Project No. 0048-948873 and are further described in Exhibit A to the Cooperative Agreement; and

WHEREAS, St. Louis County and the City of Hermantown desire to memorialize their respective responsibilities for design, bidding, contract administration, construction engineering, ownership, and long-term maintenance of the Project components; and

WHEREAS, the Cooperative Agreement sets forth each party’s proportionate share of project costs, including mobilization, traffic control, erosion control, and the allocation of contract quantities, overruns, and change orders; and

WHEREAS, under the Cooperative Agreement, Hermantown will prepare plans and specifications for the Project, administer the contract, and provide construction engineering for new city streets and utilities, while St. Louis County will provide construction engineering for CSAH 48 and CR 284 roadway improvements; and

WHEREAS, upon completion of the Project, the City will assume ownership and maintenance of the new city streets, utilities, sidewalks, and storm sewer facilities constructed as part of the local improvements, and St. Louis County will assume ownership and maintenance of improvements to CSAH 48 and CR 284, including lighting, sidewalks, and storm sewer facilities; and

WHEREAS, the City Council finds that entering into the Cooperative Agreement is in the best interests of the City and is necessary to support orderly development and infrastructure investment in the Hawklane Business Park area; and

WHEREAS, the form of the proposed Cooperative Agreement attached hereto as Exhibit A; and

WHEREAS, the City and County are authorized to enter such Cooperative Agreement pursuant to Minnesota Statutes § 471.59; and

WHEREAS, the City Council of the City of Hermantown has reviewed the proposed Cooperative Agreement and has determined that it is justified and considered mutually desirable for the City to participate in in the Project.

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

1. The Cooperative Agreement substantially in the form of the one attached hereto as Exhibit A is hereby approved.
2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Cooperative Agreement.

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 February 17, 2026.

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

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution 2026-27 is a true and correct copy of the Resolution as adopted by the City Council on the 17th day of February, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 18th day of February, 2026.

Alissa McClure, City Clerk



Saint Louis County

Public Works Department • Richard H. Hansen Transportation & Public Works Complex
4787 Midway Road, Duluth, MN 55811 • Phone: (218) 625-3830

James T. Foldesi, P.E.
Public Works Director/
Highway Engineer

December 9, 2025

City of Hermantown
Chad Ronchetti
5105 Maple Grove Rd
Hermantown, MN 55811
cronchetti@hermantownmn.com

Re: Cooperative Agreement for CSAH 48 and CR 284 Roadway Improvements
CP 0048-948873, SAP 069-648-037

Dear Mr. Ronchetti:

Please find enclosed, the Cooperative Agreement for the above listed project. Please have the proper City of Hermantown officials sign the agreement and return to me at clarkc2@stlouiscountymn.gov for further processing:

Once fully executed, a copy will be returned to you.

Sincerely,

Christine Clark
Contract Administration Manager

Enclosure(s)

**COOPERATIVE AGREEMENT
BETWEEN**

**ST. LOUIS COUNTY
AND
CITY OF HERMANTOWN**

THIS AGREEMENT, hereinafter referred to as the “Agreement,” is made and entered into between the COUNTY OF ST. LOUIS, a body politic and corporate existing under the laws of the State of Minnesota, hereinafter referred to as “St. Louis County”, and the CITY OF HERMANTOWN, a body politic and corporate existing under the laws of the State of Minnesota, hereinafter referred to as “Hermantown”.

WITNESSETH:

WHEREAS, Hermantown is leading a project to complete transportation improvements and construct city utilities for the Hawkline Business Park Development, hereinafter referred to as the “Project”; and

WHEREAS, the transportation improvements include reconstructing portions of CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd) and constructing new city streets; and

WHEREAS, the transportation improvements on CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd) are further identified as CP 0048-948873, SAP 069-648-037 as described in Exhibit A; and

WHEREAS, St. Louis County and Hermantown will participate in the Project costs as hereinafter set forth and as provided in Exhibit A; and

WHEREAS, St. Louis County and Hermantown will be responsible for ownership and maintenance of improvements completed under the Project as hereinafter set forth.

THEREFORE, with regard to the Project, the parties hereby agree to the following:

1. Hermantown shall prepare the plan, specifications, proposal and engineer’s estimate for the portion of the Project that includes the CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd) roadway improvements and associated construction of new city streets in accordance with the 2025 Edition of the Minnesota Department of Transportation “Standard Specifications for Construction”.
2. Hermantown shall prepare the plan, specifications, proposal and engineer’s estimate for the portion of the Project that includes city utilities.
3. The plans, specifications and proposals will be combined to constitute the Project. Hermantown shall open bids for the Project and provide St. Louis County with an abstract of all bids received. St. Louis County shall promptly review the bid information and provide concurrence. Hermantown shall award the contract for said Project to the lowest responsible bidder in accordance with current Minnesota Statutes.

4. Hermantown shall perform all necessary contract administration and shall administer the terms of the contract from contract award to the certification of final payment for the Project.
5. Hermantown shall perform construction engineering including record keeping and construction inspection for the portion of the Project that includes city streets and city utilities in accordance with the plan and proposal.
6. St. Louis County shall perform construction engineering including record keeping and construction inspection for the portion of the Project that includes the CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd) roadway improvements in accordance with the plan and proposal.
7. Hermantown may make changes to the plans and contract for the portion of the Project that includes the CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd) roadway improvements and will enter into any necessary addenda and change orders with the contractor that are necessary to cause the Project construction to be performed and completed in a satisfactory manner. Hermantown will obtain approval in writing from St. Louis County of any proposed addenda and change orders to the portion of the Project that will affect CSAH 48 (Lavaque Bypass) or CR 284 (Ugstad Rd).
8. Hermantown may make changes to the plans and contract of the portion of the Project that includes the construction of new city streets and city utilities and will enter into any necessary addenda and change orders with the contractor that are necessary to cause the Project construction to be performed and completed in a satisfactory manner.
9. St. Louis County may request additional work or changes to the plans as part of the construction contract for the portion of the Project that includes the CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd) roadway improvements. Such request will be made in writing by St. Louis County and Hermantown will cause the additional work or plan changes to be made.
10. Upon completion of the Project, Hermantown will accept ownership and provide maintenance of the following Project components:
 - a. New city streets and utilities.
 - b. Sidewalk constructed on new city streets.
 - c. Storm sewer facilities constructed for the new city streets.

11. Upon completion of the Project, St. Louis County will accept ownership and provide maintenance of the following Project components:
 - a. Improvements completed to CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd).
 - b. Lighting systems installed on CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd). Maintenance includes replacement of luminaires and replacing lighting units that are knocked down.
 - c. Sidewalk constructed on CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd).
 - d. Storm sewer facilities constructed for CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Rd).
12. St. Louis County will provide electrical power for the lighting systems and pay all monthly electrical service expenses necessary to operate the lighting systems.
13. St. Louis County's and Hermantown's share of the Mobilization, Traffic Control and Erosion Control Supervisor items for the Project shall be equal to their proportionate share of the total estimated cost of the remainder of the pay items in the plans.
14. St. Louis County's cost participation shall be 100 percent of St. Louis County's quantities as provided in the plan and proposal at the contract unit prices for the Project. St. Louis County shall also be responsible for 100 percent of the cost of overrun in St. Louis County's quantities and change orders applied to St. Louis County for the Project.
15. Hermantown's cost participation shall be 100 percent of Hermantown's quantities as provided in the plan and proposal at the contract unit prices for the Project. Hermantown shall also be responsible for 100 percent of the cost of overrun in Hermantown's quantities and change orders applied to Hermantown for the Project.
16. St. Louis County shall pay to Hermantown, upon award of the contract, 95 percent of St. Louis County's obligation as contained in the awarded contractor's bid, within 35 days of receipt of an invoice from Hermantown.
17. Upon completion of the Project, St. Louis County shall pay to Hermantown St. Louis County's remaining obligation of the Project within 35 days of receipt of an invoice from Hermantown. If any funds are received by Hermantown in excess of the Project, they will be returned to St. Louis County without interest.
18. Hermantown shall require all contractors and subcontractors performing work for said Project to name St. Louis County as an insured party in the amounts listed in the insurance requirements contained in the contract.

19. Each party shall be liable for its own acts to the extent provided by law, and each party hereby agrees to indemnify, hold harmless and defend the others, their officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney's fees, which the others, their officers and employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act of omission of the party, its agents, servants or employees, in the execution, performance, or failure to adequately perform its obligations pursuant to this Agreement.
20. To the full extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the Parties that they shall be deemed a "single governmental unit" for the purpose of liability, as set forth in Minnesota Statutes, Section 471.59, Subd. 1a; provided further that for purposed of that statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other party.
21. Any and all employees of Hermantown, while engaged in the performance of any work or service which Hermantown is specifically required to perform under this Agreement, shall be considered employees of Hermantown only and not of St. Louis County. Any and all claims that may or might arise under the Workers Compensation Act of the State of Minnesota on behalf of said employees while so engaged and any and all claims made by any third parties as a consequence of any act of said employees shall be the sole obligation of Hermantown.
22. Any and all employees of St. Louis County, while engaged in the performance of any work or service which St. Louis County is specifically required to perform under this Agreement, shall be considered employees of St. Louis County only and not of Hermantown. Any and all claims that may or might arise under the Workers Compensation Act of the State of Minnesota on behalf of said employees while so engaged and any and all claims made by any third parties as a consequence of any act, of said employees, shall be the sole obligation of St. Louis County.
23. The recitals are incorporated into this Agreement.
24. Each party designates an authorized representative for the purpose of administering this Agreement. A party's authorized representative has the authority to give and receive notices, and to make any other decision required or permitted by this Agreement.

St. Louis County:	Hermantown:
Victor Lund, PE, PTOE (or successor)	Chad Ronchetti (or successor)
Traffic Engineer	Economic Development Director
St. Louis County Public Works	City of Hermantown
4787 Midway Road	5105 Maple Grove Rd
Duluth, MN 55811	Hermantown, MN 55811
218-625-3873	218-729-3600
lundv@stlouiscountymn.gov	cronchetti@hermantownmn.com

25. This Agreement may be terminated only as follows:

- a. At any time by mutual agreement of the parties.
- b. By either party upon 30 days notice if the funding described in Exhibit A is not approved by any governmental entity other than Hermantown or St. Louis County.
- c. By any party at any time upon 30 days notice in the event of default by a party, provided however that such termination shall not be effective if the defaulting party cures such default by the end of the 30-day notice period. In the event of such termination, St. Louis County and Hermantown shall be entitled to pro-rata payment for work and services performed up to the effective date of such termination.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

Cooperative Agreement
St. Louis County and City of Hermantown
CSAH 48 and CR 284 Roadway Improvements for the Hawkline Business Park
CP 0048-948873, SAP 069-648-037

CITY OF HERMANTOWN

ST. LOUIS COUNTY

By: _____
Mayor

Date: _____

By: _____
City Clerk

Date: _____

By:  _____
Deputy County Administrator – Public
Works & Transportation/Highway Engineer

Date: 12/9/2025

By: _____
County Board Chair

Date: _____

By: _____
County Auditor

Date: _____

APPROVED AS TO FORM

By: _____
Assistant County Attorney

Date: _____

Saint Louis County Contract Number:



*Resolution
of the
Board of County Commissioners
St. Louis County, Minnesota
Adopted on: December 2, 2025 Resolution No. 25-550
Offered by Commissioner: Nelson*

**Cooperative Agreement with the City of Hermantown for the CSAH 48 (Lavaque Bypass)
Roadway Improvements Project; CP 0048-948873, SAP 069-648-037**

WHEREAS, The City of Hermantown is leading a project to complete access management improvements for the Hawklane Business Park located in the northwest quadrant of the intersection of US 53 and County State Aid Highway (CSAH) 48 (Lavaque Bypass)/Ugstad Road, which includes roadway improvements on CSAH 48 (Lavaque Bypass); and

WHEREAS, The CSAH 48 (Lavaque Bypass) roadway improvements are anticipated to include construction of a raised median on CSAH 48 (Lavaque Bypass) and a roundabout at the intersection of CSAH 48 (Lavaque Bypass) and County Road 284 (Ugstad Road); and

WHEREAS, The City of Hermantown will construct new city streets to access the Hawklane Business Park and install city utilities to serve the Hawklane Business Park; and

WHEREAS, St. Louis County and the City of Hermantown will develop a cooperative project that is anticipated to be led by the City of Hermantown that will include the CSAH 48 (Lavaque Bypass) roadway improvements.

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to enter into a cooperative agreement, and approve any amendments authorized by the County Attorney, with the City of Hermantown for the CSAH 48 (Lavaque Bypass) roadway improvements project.

RESOLVED FURTHER, That funds necessary for payment to the City of Hermantown will be payable from Fund 220, Agency 220854, Object 652700.

RESOLVED FURTHER, That this project is further identified as CP 0048-948873, SAP 069-648-037.

Commissioner Nelson moved the adoption of the Resolution and it was declared adopted upon the following vote:
Yeas – Commissioners Boyle, Grimm, McDonald, Musolf, Nelson, Jugovich and Chair Harala – 7
Nays – None

STATE OF MINNESOTA
Office of County Auditor, ss.
County of St. Louis

I, **NANCY NILSEN**, Auditor of the County of St. Louis, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 2nd day December, A.D. 2025, and that this is a true and correct copy.

WITNESS MY HAND AND SEAL OF OFFICE at Duluth, Minnesota, this 2nd day of December, A.D., 2025.

NANCY NILSEN, COUNTY AUDITOR

By: 
Clerk of the County Board/Deputy Auditor

Exhibit A

CITY OF HERMANTOWN

PRELIMINARY ENGINEERING REPORT

AND

FEASIBILITY STUDY

Prepared: November 13th, 2025

Hawklane Business Park
CSAH 48 & CR 284 Improvements

NCE JOB NUMBER: 23-8012

RECOMMENDED:



Hermantown City Engineer

11/13/2025

Date

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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 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

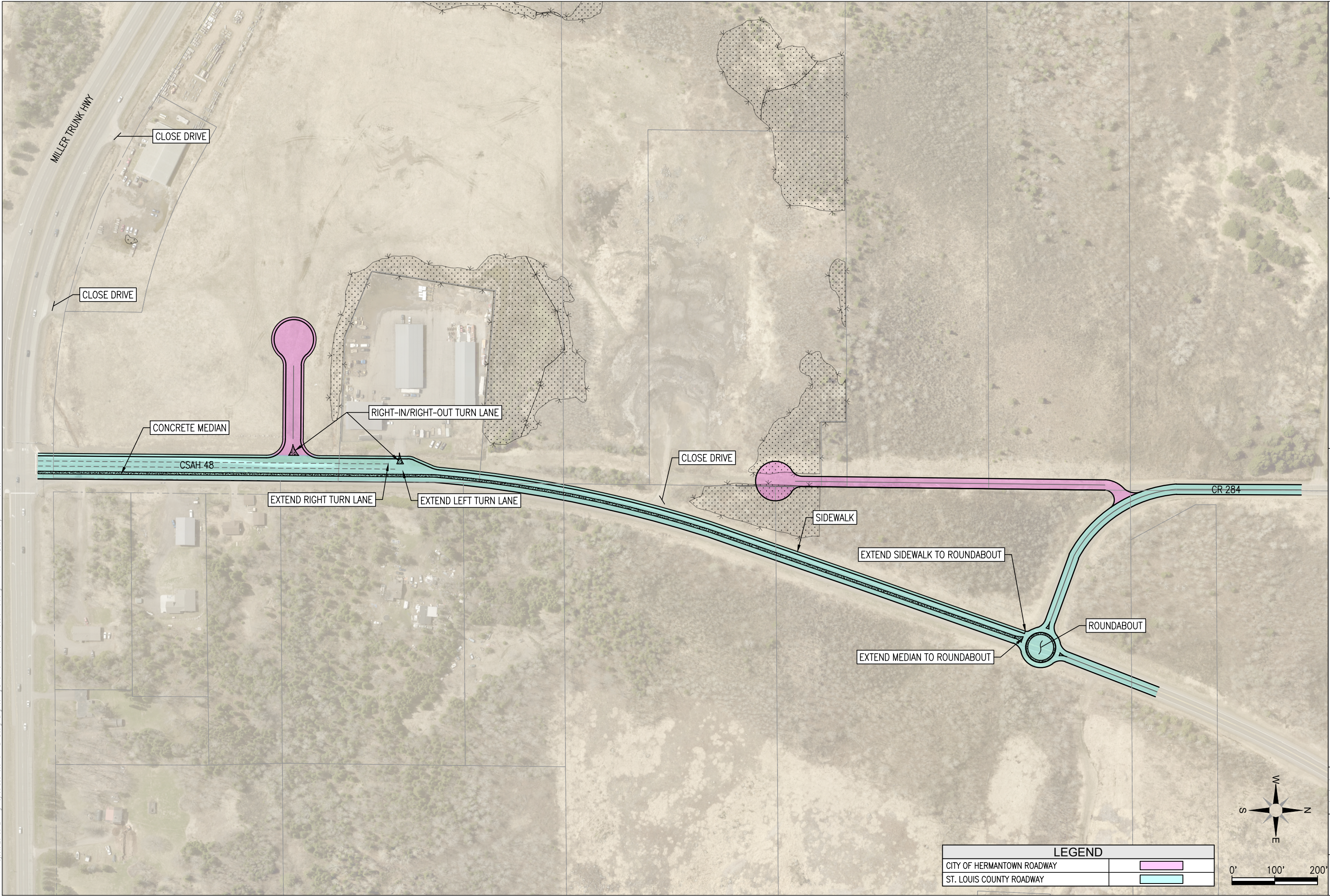
Estimated Construction Costs:	
Urban Roundabout Construction	\$ 2,000,000.00
Lavaque Bypass Improvements	\$ 1,000,000.00
Total	\$ 3,000,000.00
Estimated Total Construction Costs	\$ 3,000,000.00
Design & Construction Engineering	\$ 600,000.00
Estimated Total Project Costs	\$ 3,600,000.00

Funding Sources:	
Deed Grant	\$ 1,000,000.00
Owner Assessment	\$ 750,000.00
SLC Commitment	\$ 750,000.00
SLC Balance	\$ 1,100,000.00
Total	\$ 3,600,000.00

APPENDICIES

Appendix A – Project Map

V:\Projects\23-8012 - Highway 53 Business Park PER Design Engineering\DWG\Hawline Overall Road exhibit.dwg Nov 11, 2025 - 4:04pm chase



LEGEND	
CITY OF HERMANTOWN ROADWAY	
ST. LOUIS COUNTY ROADWAY	

CITY OF HERMANTOWN

PRELIMINARY ENGINEERING REPORT

AND

FEASIBILITY STUDY

Prepared: November 13th, 2025

Hawklane Business Park

City Improvements

NCE JOB NUMBER: 23-8012

RECOMMENDED:



Hermantown City Engineer

11/13/2025

Date

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 - II. Appendix B – Utility 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

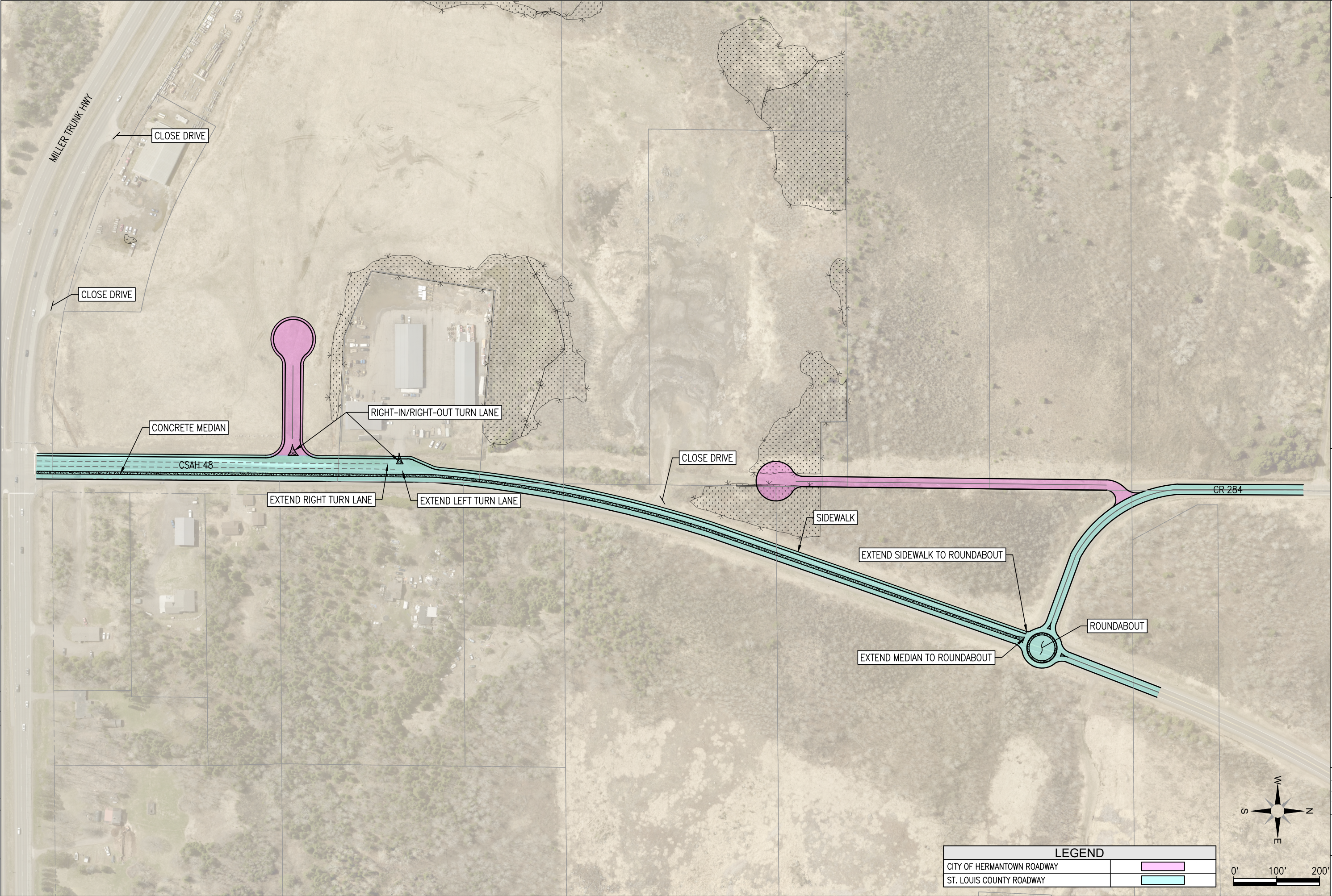
Estimated Construction Costs:	
Urban Roadway Construction (North & South Cul-de-sac)	\$ 1,100,000.00
Sanitary Sewer System	
Gravity Sanitary Sewer	\$ 550,000.00
New lift station	\$ 400,000.00
Remodel Ugstad Lift Station	\$ 100,000.00
Watermain System (2,200 LF @ \$150/FT)	\$ 350,000.00
Total	\$ 2,500,000.00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

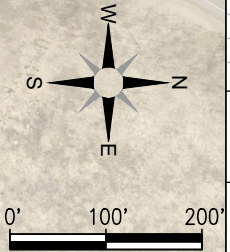
APPENDICIES

Appendix A – Project Map

V:\Projects\23-8012 - Highway 53 Business Park PER Design Engineering\DWG\Hawline Overall Road exhibit.dwg Nov 11, 2025 - 4:04pm chase



LEGEND	
CITY OF HERMANTOWN ROADWAY	
ST. LOUIS COUNTY ROADWAY	



Appendix B – Utility Map

V:\Projects\23-8012 - Highway 53 Business Park PER Design Engineering\DWG\Hawklne Overall Road exhibit1.dwg Nov 13, 2025 - 3:21pm chse

LEGEND

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FUTURE SEWER

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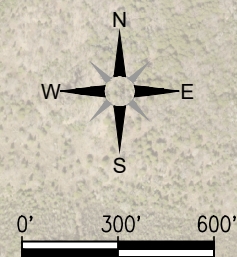
FUTURE FORCEMAIN

W

FUTURE WATERMAIN

EXISTING SEWER

FORCE MAIN LIFT STATION



INSTALL NEW LIFT STATION

MILLER TRUNK HWY (TH 53)

CONNECT TO EXISTING SANITARY SEWER

UPGRADE UGSTAD LIFT STATION

UGSTAD RD (CR 284)

LAVAQUE BYPASS ROAD (CSAH 48)

UGSTAD RD (MSA 101)

Northland
Consulting Engineers L.L.P.

102 South 21st. Ave. West Suite #1
Duluth, Minnesota 55806
Tele: 218.727.5995
Fax: 218.727.7779
www.nce-engineers.com

HAWKLIN BUSINESS PARK

FEASIBILITY STUDY

SANITARY & WATERMAIN EXTENSION

Sheet Title

UTILITY MAP

PROJECT: 23-8012

DATE: 11/13/25

CHECKED: TTP

DRAWN: CAE

Sheet #

EX B

Resolution No. 2026-28

Resolution Authorizing And Directing The Mayor And City Clerk To Execute Amendment No. 1 To The Agreement For Engineering Services For Road Improvement District No. 553 (Hawklane Business Park) With Northland Consulting Engineers To Incorporate Services Required Under The Cooperative Agreement With St. Louis County And Increase The Not-To-Exceed Contract Amount To \$699,800

WHEREAS, the City of Hermantown (“City”) and St. Louis County (“County”) entered into a Cooperative Agreement for Hawklane Business Park infrastructure improvements (CP 0048-948873), under which the City is responsible for preparing plans, specifications, proposals, and engineer’s estimates for roadway, utility, and related improvements; and

WHEREAS, the Cooperative Agreement further provides that the City will administer the construction contract and provide construction engineering for the new city streets and utilities, while the County will provide construction engineering for improvements to CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Road); and

WHEREAS, to fulfill the City’s design and construction engineering responsibilities under the Cooperative Agreement, Northland Consulting Engineers (“Engineer”) submitted two proposals dated November 20, 2025—one for City components of the project and one for County-related project elements—to provide design engineering, bidding assistance, project management, and construction engineering services; and

WHEREAS, the combined scope of services reflected in the two proposals is necessary for the City to complete its obligations under the Cooperative Agreement and to advance Road Improvement District No. 553 (Hawklane Business Park) (“Project”); and

WHEREAS, the City previously approved an Agreement for Engineering Services with a not-to-exceed amount of \$384,760, but the scope of work required under the Cooperative Agreement and the updated proposals requires increasing the total not-to-exceed amount to \$699,800; and

WHEREAS, the City Council finds that executing an amendment to the Agreement for Engineering Services to incorporate the updated proposals and revised contract amount is in the best interests of the City

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

1. The Mayor and City Clerk are hereby authorized and directed to execute and deliver to Engineer Amendment No. 1 to the Agreement for Engineering Services for Road Improvement District No. 553 (Hawklane Business Park), incorporating the engineering services necessary for the City to fulfill its obligations under the Cooperative Agreement with St. Louis County and increasing the not-to-exceed contract amount to \$699,800, substantially in the form attached hereto as Exhibit A.

2. The source of payment for the consultant services will be City Fund No. 475-433500-305 – Project 553.

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 February 17, 2026.

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

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution 2026-28 is a true and correct copy of the Resolution as adopted by the City Council on the 17th day of February, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 18th day of February, 2026.

Alissa McClure, City Clerk

EXHIBIT A

Civil Engineering Fee Proposal



Date: 1/7/2026

Project Title: Hawklane Public Roadway and Utilities
Project Location: Hermantown, MN
Company: City of Hermantown
Client Contact: John Mulder
Full Address: 5105 Maple Grove Road, Hermantown, MN 55811

Client Email: jmulder@hermantownmn.com
Office Phone: 218-729-3600
Cell Phone:

Project Description
Northland Consulting Engineer's understands the City of Hermantown's desire to for a busines park near the intersection of Highway 53 and Lavaque Bypass. This project will include roadway construction including storm sewer, sanitary sewer, and water main construction.

- Scope of Civil Engineering Services**
- 1. Meetings and Communications.
 - 2. Roadway Plan and Profile
 - 3. Utility Plan and Profile
 - 4. Storm Water Management Plan
 - 5. Cost Estimating

Proposed Fee Calculation Table	Estimated Hours / Hourly Rates					
	Principal	PE	Tech.	Clerical	Other	
Design Engineering	\$195.00	\$160.00	\$95.00	\$60.00		Extended Cost
Communications and Meetings with City and Property Owners	20	20				\$ 7,100.00
Project Management	80					\$ 15,600.00
Project Permitting - WLSSD, MDH, MPCA, MNDNR, MNDOT & SLC	8	16	40			\$ 7,920.00
Existing Conditions and Removals		24	40			\$ 7,640.00
Roadway Plan and Profile	8	80	200			\$ 33,360.00
Storm Sewer Plan and Profile	8	12	40			\$ 7,280.00
Water Main Plan and Profile	4	12	40			\$ 6,500.00
Sanitary Sewer Plan and Profile	4	12	40			\$ 6,500.00
Lift Station Design	8	60	120			\$ 22,560.00
Stormwater Management Plan (SWMP)	8	24	24			\$ 7,680.00
Stabilization Plan and Design of Construction SWPPP	4	24	16			\$ 6,140.00
Bidding Documents and Specifications	2	16		8		\$ 3,430.00
Bidding Services		16		8		\$ 3,040.00
					Subtotal	\$ 134,750.00
Construction Engineering	\$195.00	\$160.00	\$95.00	\$60.00		Extended Cost
Project Management	120	200				\$ 55,400.00
Preconstruction Conference and Award Bid		8				\$ 1,280.00
Weekly Construction Meetings and Summaries		20				\$ 3,200.00
Shop Drawing Review		24				\$ 3,840.00
Construction Inspection/Coordinatoin (40 hours per week for 20 weeks)			800			\$ 76,000.00
Review and Prepare Payment Applications	10	20	40			\$ 8,950.00
Record Drawing Preparation		8	40			\$ 5,080.00
					Subtotal	\$ 153,750.00
Total NCE Engineering Fees						\$ 288,500.00

- Assumptions**
- 1. Compensation for services described above will be performed on a Lump-Sum-Fee basis based on the overall project description and scope of services listed above.
 - 2. Additional Services may be required. Additional services will be performed only upon written approval by the client and billed on an hourly rate basis in accordance with NCE current rate schedule.
 - 3. If acceptable, this proposal along with the attached terms and conditions sheet will serve as our contract for the project.

We understand that this proposal including the attached terms and conditions will serve as our contract for this project.

Submitted By

2/9/26

Signature
Date
David Bolf, P.E.
Principal Partner - Civil Department Manager
Northland Consulting Engineers LLP

Accepted By

Signature
Date
Printed Name
Title
Representing

Civil Engineering Fee Proposal



Date: 2/9/2026

Project Title: Lavaque Bypass
Project Location: Hermantown, MN
Company: City of Hermantown
Client Contact: John Mulder
Full Address: 5105 Maple Grove Road, Hermantown, MN 55811

Client Email: jmulder@hermantownmn.com
Office Phone: 218-729-3600
Cell Phone:

Project Description
NCE understands the work described in this proposal is associated with the cooperative agreement COH has with SLC. NCE will provide full design services as shown below in addition to providing project management and contract administration. SLC will provide construction inspection for this project and report quantities to the COH.

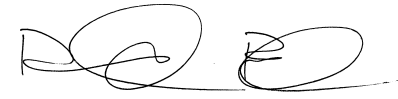
Scope of Civil Engineering Services
1. Meetings and Communications.
2. Roadway Plan and Profile
3. Utility Plan and Profile
4. Storm Water Management Plan
5. Cost Estimating

Proposed Fee Calculation Table	Estimated Hours / Hourly Rates					
	Principal	PE	Tech.	Clerical	Other	
Design Engineering	\$195.00	\$160.00	\$95.00	\$60.00		Extended Cost
Communications and Meetings with City and Property Owners	40	40				\$ 14,200.00
Project Management	80					\$ 15,600.00
Project Permitting - MPCA, MNDNR, MNDOT & SLC	16	24	40			\$ 10,760.00
Existing Conditions and Removals		40	40			\$ 10,200.00
Roadway Plan and Profile	40	80	240			\$ 43,400.00
Storm Sewer Plan and Profile	24	32	120			\$ 21,200.00
Round A Bout Design	40	200	500			\$ 87,300.00
MNDOT State Aid and GDSU Review	20	40	80			\$ 17,900.00
Right of Way Acquisition Coordination	8		8			\$ 2,320.00
Stormwater Management Plan (SWMP)	8	32	40			\$ 10,480.00
Stabilization Plan and Design of Construction SWPPP		32	32			\$ 8,160.00
Bidding Documents and Specifications	8	40		20		\$ 9,160.00
Bidding Services		40				\$ 6,400.00
	Subtotal					\$ 257,080.00
Construction Engineering	\$195.00	\$160.00	\$95.00	\$60.00		Extended Cost
Project Management	200	400				\$ 103,000.00
Preconstruction Conference and Award Bid		8				\$ 1,280.00
Weekly Construction Meetings and Summaries		20				\$ 3,200.00
Shop Drawing Review		8				\$ 1,280.00
Review and Prepare Payment Applications	20	40	40			\$ 14,100.00
Record Drawing Preparation		10	40			\$ 5,400.00
	Subtotal					\$ 128,260.00
Sub-Consultants - Alta Land Survey Company						
Establish SLC ROW	LUMP SUM					\$ 2,500.00
Easement Exhibits and Legal Descriptions	LUMP SUM					\$ 4,500.00
Topographic Survey	LUMP SUM					\$ 7,000.00
Sub-Consultants - CMTA - Lighting Design	LUMP SUM					\$ 11,900.00
	Subtotal					\$ 25,900.00
Total NCE Engineering Fees						\$ 411,240.00

- Assumptions**
- 1. Compensation for services described above will be performed on a Lump-Sum-Fee basis based on the overall project description and scope of services listed above.
 - 2. Additional Services may be required. Additional services will be performed only upon written approval by the client and billed on an hourly rate basis in accordance with NCE current rate schedule.
 - 3. If acceptable, this proposal along with the attached terms and conditions sheet will serve as our contract for the project.

We understand that this proposal including the attached terms and conditions will serve as our contract for this project.

Submitted By



2/9/26

SignatureDate

David Bolf, P.E.
Principal Partner - Civil Department Manager
Northland Consulting Engineers LLP

Accepted By

SignatureDate

Printed Name
Title
Representing

Resolution No. 2026-29

**Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver
A Development Contract Between Hawklane Development, LLC And The City Of
Hermantown**

WHEREAS, the City of Hermantown ("City") previously entered into a Development Contract with Hawklane Development LLC ("Owner") and the Hermantown Economic Development Authority ("HEDA"), which was approved by Resolution No. 2024-171; and

WHEREAS, the City, HEDA, and Owner have mutually agreed to terminate the prior Development Contract, and the City Council has authorized the execution of a Termination Agreement by Resolution No. 2026-26; and

WHEREAS, the City is leading a project to complete transportation improvements and provide municipal utilities, including water and sewer main extensions and public roadway improvements ("Infrastructure Improvements"), to support the development of the Hawklane Business Park; and

WHEREAS, the feasibility, necessity, and estimated costs of the City's portion of the Infrastructure Improvements were detailed in the Preliminary Engineering Report and Feasibility Study prepared by Northland Consulting Engineers, dated November 13, 2025; and

WHEREAS, the City applied for and was awarded a grant ("BDPI Grant") from the State of Minnesota to assist with costs incurred by City in connection with the construction of the Infrastructure Improvements; and

WHEREAS, due to changes in the project scope and resulting partnership with St. Louis County ("County"), the City and County will re-submit separate BDPI Grant applications, each requesting \$1,000,000.00 to fund a portion of their respective infrastructure improvement costs; and

WHEREAS, the City and St. Louis County have entered into a Cooperative Agreement, authorized by Resolution No. 2026-27 to memorialize their respective responsibilities for the design, construction, cost-sharing, ownership, and maintenance of the Project, which includes reconstructing portions of CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Road); and

WHEREAS, the City and Owner desire to supersede the prior Development Contract and enter into a new Development Contract that reflects the current project scope, funding, and the obligations of the City and Owner regarding the Infrastructure Improvements and assessments against the Owner's property; and

WHEREAS, the City Council has reviewed the new Development Contract and finds that its approval is in the best interests of the City of Hermantown and will facilitate the orderly development of the Hawklane Business Park.

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

1. The Development Contract substantially in the form of the one attached hereto as Exhibit A is hereby approved.

2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Development Contract on behalf of the City.

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 February 17, 2026.

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

I, the undersigned, being the duly qualified and acting Clerk of the City of Hermantown, St. Louis County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution 2026-29 is a true and correct copy of the Resolution as adopted by the City Council on the 17th day of February, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 18th day of February, 2026.

Alissa McClure, City Clerk

EXHIBIT A

BDPI GRANT FUND DEVELOPMENT CONTRACT

BY AND BETWEEN

HAWKLINE DEVELOPMENT LLC

AND

CITY OF HERMANTOWN

Dated as of the _____ day of _____, 2026

BDPI GRANT FUND DEVELOPMENT CONTRACT

THIS BDPI GRANT FUND DEVELOPMENT CONTRACT (“Agreement”), is made on or as of the ____ day of _____, 2026 (“Effective Date”), by and among the **City of Hermantown, a statutory city organized under the laws of the State of Minnesota** (hereinafter referred to as “City”), and **Hawklane Development LLC**, a limited liability company organized under the laws of the State of Minnesota (hereinafter referred to as “Owner”), is in response to the following situation:

A. Owner owns the property legally described on Exhibit A-1 attached hereto and depicted on Exhibit A-2 attached hereto and commonly known as “Hawklane Business Park” (“Owner’s Property”).

B. City and Owner desire that development occur on and in the vicinity surrounding Owner’s Property.

C. In furtherance of the foregoing, public roadway improvements, waterline extension, and sewer main extension and associated stormwater control and disposal systems for the foregoing (collectively “Public Infrastructure Improvements”) need to be constructed.

D. City is willing to build certain Public Infrastructure Improvements within the existing public roadways and in easements or right of way conveyed by Owner within or abutting Owner’s Property.

E. City is willing to cause the construction of the City Infrastructure Improvements (defined below) and the cost of the City Infrastructure Improvements, and a portion of those costs will be assessed against Owner’s Property through a special assessment levied on Owner’s Property, as more particularly set forth herein.

F. The County Infrastructure Improvements will be constructed pursuant to a Cooperative Agreement to be entered into between St. Louis County and City of Hermantown.

G. The Infrastructure Improvements, estimated costs, and estimated sources and uses of funding are described in Exhibit B, (CSAH 48 & CR 284) County Infrastructure Improvements, and Exhibit C, City Infrastructure Improvements.

H. City has applied or will apply for a \$1,000,000.00 grant from the Greater Minnesota Business Development Public Infrastructure Grant Program (“BDPI”) to fund a portion of the costs of the City Infrastructure Improvements.

I. This Agreement is contingent upon (i) City being awarded its BDPI grant by [DATE]; (ii) County being awarded its full BDPI grant by [DATE]; and (iii) City and County signing the Cooperative Agreement by [DATE]. If any of the foregoing conditions precedent are not timely met (subject to Force Majeure, as defined herein), then either party may terminate this Agreement by written notice to the other, after which this Agreement shall be of no further force or effect.

J. County has or will apply for a \$1,000,000.00 grant from the BDPI to fund a portion of the costs of the County Infrastructure Improvements.

K. A BDPI Grant funding is or will be subject to certain conditions and limitations (collectively, the “BDPI Grant Conditions”).

L. City and Owner desire to identify the BDPI Grant Conditions and allocate responsibility for complying with the BDPI Grant Conditions in terms of actions and financial obligations.

M. City is willing to construct certain Infrastructure Improvements and pay the portion of the cost of those Infrastructure Improvements related to the waterline extension if and Owner agrees to pay for the costs of the Infrastructure Improvements not paid for by the City, St. Louis County, or the BDPI Grant through a special assessment levied on Owner’s Property.

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I **DEFINITIONS**

Unless the context requires otherwise, when used in this Agreement the terms and phrases listed in this Article shall have the following meanings:

1.1 “BDPI Grant Agreement” means, as the context requires, either one or both of (i) the grant agreement entered into for the City Infrastructure Improvements between the City and State of Minnesota regarding the BDPI Grant, and (ii) the grant agreement entered into for the County Infrastructure Improvements between the County and the State regarding the BDPI Grant.

1.2 “City Engineer” shall mean the person or firm from time to time designated by the City as its City Engineer. As of the Effective Date of this Agreement, the City Engineer is David Bolf of Northland Consulting Engineers L.L.P.

1.3 “City Infrastructure Improvements” means the City Roadway Improvements, the Water Improvements, Sanitary Sewer Improvements, and Stormwater Improvements described in Exhibit C.

1.4 “County Infrastructure Improvements” means the County Roadway and County Stormwater Improvements associated with the County Roadway Improvements as further described in Exhibit B.

1.5 “Owner’s Assessment” means the Agreement of Assessment and Waiver of Irregularity and Appeal attached as Exhibit D.

1.6 “Owner’s Property” means the real property legally described on Exhibit A-1 attached hereto and depicted on Exhibit A-2 attached hereto and commonly known as “Hawkline Business Park”.

1.7 “State” means the State of Minnesota.

1.8 “Stormwater Improvements” means the stormwater control and disposal system for the Public Infrastructure attached as Exhibit B and Exhibit C.

1.9 “Water Improvements” means the extensions to the City’s water system that are part of the City Infrastructure Improvements, as more particularly described in Exhibit C.

1.10 “Water Improvements Payment” means the amount the City will pay (outside of the BDPI Grant Funding for the City Infrastructure Improvements) to build the Water Improvements pursuant to Section 3.2 hereof. The Water Improvements Payment will not exceed One Million Twenty Thousand Three Hundred Five and No/100 Dollars (\$1,020,305.00).

ARTICLE II

REPRESENTATIONS AND WARRANTIES AND COVENANTS BY OWNER

Owner represents and warrants, covenants and agrees as follows:

2.1. Owner is a Minnesota Limited Liability company duly organized and in good standing under the laws of the State of Minnesota and is not in violation of any provisions of its organizational documents or the laws of the State of Minnesota, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its limited liability company.

2.2. Neither the execution or delivery of this Agreement, or the fulfillment of or compliance with any of the terms and conditions of this Agreement, is prevented, limited by or conflicts with or results in the breach of, the terms, conditions or provisions or any company restriction or any other agreement or instrument of whatever nature to which Owner is now a party or by which it is bound, or constitutes a default under any of the foregoing.

2.3. Owner will cooperate with City with respect to any third-party litigation commenced with respect to this Agreement or the City Infrastructure Improvements.

2.4. Owner will provide at no charge to the City or County the necessary easements and right of way for the Public Infrastructure Improvements.

2.5. Owner agrees to pay an assessment (“Owner’s Assessment”) against Owner’s Property for the costs (hard costs and soft costs) set forth in Section 3.2 in connection with the construction of the Public Infrastructure Improvements by signing the Agreement of Assessment and Waiver of Irregularity and Appeal attached as Exhibit D.

2.6. The Agreement of Assessment and Waiver of Irregularity and Appeal will be filed for record with the appropriate County land title recording office to reflect the fact that this Agreement of Assessment and Waiver of Irregularity and Appeal is binding upon Owner and the heirs, successors and assigns of Owner and “runs with the land.”

2.7. Owner shall pay to City’s utility department all applicable water and sewer hook-up charges prior to obtaining a building permit for any development on Owner’s Property.

2.8. Owner agrees to comply with the terms of the Stormwater Certificate issued by the City for the Project.

2.9. The agreement by the parties set forth under this Article II shall constitute a Development Agreement as that term is used in Minnesota Statutes § 462.3531.

2.10. Owner agrees and binds itself to provide free of cost to City all necessary rights-of-way and suitable easements required to construct and maintain the Public Infrastructure Improvements described in this Agreement.

ARTICLE III **CONSTRUCTION OF** **INFRASTRUCTURE IMPROVEMENTS**

3.1. City shall prepare plans and specifications for the City’s Public Infrastructure Improvements and as provided in the Cooperative Agreement between County and City. All Public Infrastructure Improvements shall be constructed in a workmanlike manner, lien free, and in compliance with all applicable laws and the BDPI Grant Agreement.

3.2. Upon completion of the construction of the City’s Infrastructure Improvements, the City shall contribute to the cost of the Water Improvements (hard costs and soft costs) up to a maximum of One Million Twenty Thousand Three Hundred Five and No/100 Dollars (\$1,020,305.00), utilize the BDPI Grant Funding to pay for costs of the Public Infrastructure Improvement other than the Water Improvements, utilize funding committed by the County for County Infrastructure Improvements, and then create an assessment against Owner’s Property for the balance of the cost of the Public Infrastructure Improvements not covered by the City or BDPI Grant proceeds.

3.3. The costs incurred in connection with the construction of the City Infrastructure Improvements shall be allocated amongst the City Water Improvements, City Sewer Improvements, City Stormwater Improvements and City Road Improvements subject to the calculation of final costs from each of the improvements based on good engineering standards and practices. Without limiting

the foregoing, the City Engineer intends to prorate total engineering costs, common excavation that benefits all of the improvement categories and soil correction amongst the various improvement categories based on the estimates set forth in Exhibit C attached hereto.

ARTICLE IV

COMPLIANCE WITH BDPI GRANT AGREEMENT

Owner hereby agrees that the Owner's Property, to the extent required by the BDPI Grant Agreement, will be subject to the terms and conditions of the BDPI Grant Agreement. Without limiting the generality of the foregoing, Owner hereby specifically agrees:

4.1. To list any vacant or new positions that Owner may have with a State workforce center as required by Minnesota Statutes § 116L.66.

4.2. To pay any costs (hard costs and soft costs) of the Public Infrastructure Improvements that are not covered by the BDPI Grant Funding, the City or the County as further described in Section 3.2.

4.3. To comply with the provisions of Minnesota Statutes § 16C.075 regarding e-verification of employment.

4.4. To comply with the provisions of Minnesota Statutes § 116J.431 and all applicable provisions of the BDPI Grant Agreement.

4.5. Owner agrees to not recruit or target a business currently located in another Minnesota community to relocate significant operations on the Owner's Property. Furthermore, before any business that is within thirty (30) miles of the Owner's Property decides to relocate significant operations to the Owner's Property, evidence that the current, host community for that business agreed that the current community could not accommodate the businesses' needs shall be secured and provided to the State. This provision shall apply for twenty-four (24) months after the Public Infrastructure Improvements are completed.

4.6. Owner must ensure that Owner and all contractors and subcontractors comply with applicable prevailing wage requirements including submitting all required certified payroll records, as required by Minnesota Statutes § 116J.871, to the following email address: wagedata.deed@state.mn.us for all development within the Owner's Property.

4.7. This Agreement will be recorded against the Owner's Property to the extent required by the BDPI Grant Agreement.

ARTICLE V

LIMITATIONS ON AGREEMENT

The provisions of this Agreement shall only be applicable to the construction and funding of the Public Infrastructure Improvements. The construction of any building on Owner's Property is subject to compliance with all other requirements, including zoning, business permitting, stormwater maintenance, payment of building permits, impact, applicable fees, and environmental matters.

ARTICLE VI

ASSIGNMENT AND TRANSFER

5.1. **Representation as to Development.** Owner represents and agrees that its undertakings pursuant to the Agreement, are, and will be, for the purpose of promoting the redevelopment of Owner's Property. Owner further recognizes that, in view of (i) the importance of the development of the Infrastructure Improvements to the general welfare of the community; and (ii) the fact that any act or transaction involving or resulting in a change in the identity of the parties in control of Owner is of particular concern to the community and City (iii) that City is entering into the Agreement with Owner, and, in so doing, is willing to accept and rely on Owner for the faithful performance of all undertakings and covenants hereby by Owner to be performed, that the provisions of this Article VI are being included in this Agreement.

5.2. **Prohibition Against Transfer of Property and Assignment of Agreement.** For the foregoing reasons, Owner represents and agrees that, prior to the completion of the construction of the Infrastructure Improvements:

5.2.1. Except for the granting of easements and right of way necessary for the Public Infrastructure Improvements, leases with users of any development of Owner's Property in the ordinary course of business, and except as permitted by Section 5.2, and except for a pending purchase and sale agreement to Scannell Properties #791, LLC, an Indiana limited liability company ("Buyer"), Owner (except as so authorized) has not made or created, and that it will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust or power, or transfer in any other mode or form of, or with respect to, the Agreement or Owner's Property or any part thereof or any interest therein, or any contract or agreement to do any of the same without the prior written approval of City, which approval will not be unreasonably withheld. Notwithstanding anything to the contrary set forth in this Agreement, a transfer of fee simple title of Owner's Property to (a) Buyer, (b) a related entity under control of Owner or an affiliate of Owner or (c) an entity that acquires all or substantially all of the assets of Owner, shall not be in violation hereof or require the consent of the City or compliance with Section 5.2.2, but such a transfer shall be noticed to City not less than ten (10) business days in advance of its occurrence.

5.2.2. City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any approval for a transfer that requires the City's consent, the following:

5.2.2.1. Any proposed transferee shall have the qualifications and financial capability, as reasonably determined by City, necessary and adequate to fulfill the obligations undertaken in the Agreement by Owner (or, in the event the transfer is of or relates to part of Owner's Property, such obligations to the extent that they relate to such part).

5.2.2.2. Any proposed transferee, by instrument in writing reasonably satisfactory to City and in form recordable in the land records, shall, for itself and its successors and assigns, and expressly for the benefit of City expressly assume all of the obligations of Owner under the Agreement and agree to be subject to all the conditions and restrictions to which Owner is subject (or, in the event the transfer is of or relates to part of Owner's Property, such obligations, conditions and restrictions to the extent that they relate to such part).

ARTICLE VII **NO CLAIMS**

Owner represents and warrants to City that as of the Effective Date of this Agreement, neither Owner nor any agent, subcontractor or any other party affiliated with Owner has any existing claims or causes of action against City in connection with this Agreement or the construction of the Public Infrastructure Improvements.

ARTICLE VIII **FEES**

Owner acknowledges that as of the Effective Date of this Agreement, the following fees will be applicable to any development on Owner's Property and Owner shall, prior to the delivery of a building permit for any such development, pay the following fees to the City:

17.1. No water availability fee or sewer availability fee will be charged for any development on Owner's Property. All other applicable fees, including but not limited to WLSSD Capacity Availability, park dedication, wetland mitigation, storm water certificate, building permit, water and sewer connection and sign, shall be paid by the Owner in accordance with the City's then current Fee schedule.

ARTICLE IX

Except for the approvals provided herein, nothing herein shall be construed as a permit or approval by City or an agreement by City to issue or provide any permit or approval to Owner with respect to the construction of any development by Owner. Without limiting the generality of the foregoing, Owner acknowledges and agrees that even if it satisfies all of the requirements imposed on it under this Agreement that no development may be constructed unless and until all other required permits are obtained by Owner from all relevant governmental agencies.

ARTICLE X

It is hereby understood and agreed that the public undertakings and the public expenditures are limited to those undertakings expressly set forth in this Agreement.

ARTICLE XI

Any legal notices required or desired shall be in writing and delivered by U.S. certified mail, return receipt requested, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

If to City: City of Hermantown
Attn: Economic Development Director
5105 Maple Grove Road
Hermantown, MN 55811

Email: cronchetti@hermantownmn.com

With a copy to:

Gunnar Johnson
Overom Law, PLLC
802 Garfield Avenue
Suite 101
Duluth, MN 55802

Email: gjohnson@overomlaw.com

If to Owner:

Hawkline Development LLC
Attn: William Wilson and Michael Koski
5792 N. Tischer Road
Duluth, MN 55804

Email: *bill@5west.org*
mike@mkoski.com

If requested by recipient, any notice delivered by email shall be followed by personal or mail delivery of such correspondence and any attachments. Notices shall be deemed effective upon the earlier of receipt when delivered, or, if mailed, upon return receipt, or, if emailed, upon transmission to the designated email address of said addressee.

ARTICLE XII **BINDING EFFECT**

This Agreement shall inure to the benefit of and shall be binding upon City and Owner and their respective successors and assigns. It is intended and agreed that such agreements and covenants shall be covenants running with Owner's Property and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement itself, be, to the fullest extent permitted by law and equity, binding for the benefit of City and enforceable by City against Owner and successors and assigns. City will record this Agreement with the appropriate land title recording office.

ARTICLE XIII **AMENDMENTS, CHANGES AND MODIFICATIONS**

Neither this Agreement nor any other document to which Owner is a party, or which is made for the benefit of City, relating to the transactions contemplated hereunder may be effectively amended, changed, modified, altered or terminated, nor may any provision be waived hereunder, except upon the written approval of both the Owner and the City or except as otherwise expressly set forth herein.

ARTICLE XIV **SEVERABILITY**

In the event any provisions of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

ARTICLE XV
LIMITATION ON CITY LIABILITY

No agreements or provisions contained in this Agreement nor any agreement, covenant or undertaking by City contained in any document executed by City in connection with this Agreement and the transactions contemplated herein or therein, shall give rise to any charge against its general credit or taxing powers.

ARTICLE XVI
LAWS GOVERNING

This Agreement shall be interpreted in accordance with and governed by the laws of the State.

ARTICLE XVII
HEADINGS

The titles of articles and sections herein are for convenience only and are not a part of this Agreement.

ARTICLE XVIII
DEFAULT

If Owner fails to perform its obligations hereunder and such failure continues after sixty (60) days written notice of such default is given to Owner by City, then, in that event, City may take any one or more of the following actions:

17.1. Suspend its performance under this Agreement until it receives adequate assurances from Owner that Owner will cure the default and continue its performance under this Agreement.

17.2. Take whatever action, at law or in equity, which may appear necessary or desirable to City to collect any payments due it hereunder including reasonable attorney's fees incurred in connection with such actions or under this Agreement, or to enforce performance and observance of any obligation, agreement or covenant of Owner under this Agreement.

17.3. Notwithstanding the foregoing, if Owner's failure to perform its obligations hereunder reasonably requires more than sixty (60) days to cure, such failure shall not constitute a default provided that the curing of such failure is promptly commenced upon receipt by Owner of the notice of the failure, and with due diligence is thereafter continuously prosecuted to completion and is completed within a reasonable period of time, and provided that Owner keeps City informed of its progress in curing the failure.

17.4. **Mutual Waiver.** Each of the Owner and City agree that it may seek only direct damages for any uncured breach by the other party hereunder, and hereby waives any right to seek or recover indirect, incidental, punitive, special, exemplary or consequential damages.

ARTICLE XIX
COUNTERPARTS AND RECITALS

This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument. The recitals are material to this Agreement and are hereby incorporated in and made a part of the Agreement.

ARTICLE XX
FORCE MAJEURE

All obligations of the parties hereunder shall be extended by events of “Force Majeure.” The term “Force Majeure” means any delays that are the direct result of strikes, other labor troubles, war, terrorist acts, natural disasters, adverse weather conditions, fire or other casualty, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit that results in delays and delays described in any force majeure provision that is contained in construction contract for any such work, the effect of such provision which is to extend the time allowed the contractor under such construction contract to complete the work, or any other event not within the reasonable control of the party.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, City has caused this Agreement to be executed by its duly authorized representatives as of the date first above written.

CITY:

City of Hermantown

By _____
Its Mayor

And By _____
Its City Clerk

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by Wayne Boucher and Alissa McClure, the Mayor and City Clerk, respectively, of the City of Hermantown on behalf of the City of Hermantown, a statutory city organized under the laws of the State of Minnesota.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, Owner has caused this Agreement to be executed by its duly authorized representatives as of the date first above written.

OWNER:

Hawklane Development LLC

By _____
Its _____

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by _____, the _____, of Hawklane Development LLC on behalf of Hawklane Development LLC, a Minnesota limited liability company.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____ Notary Public

My commission expires: _____
(month/day/year)

[END OF SIGNATURES]

EXHIBIT LIST

Exhibit A-1	Owner's Property Legal Description
Exhibit A-2	Owner's Property Map
Exhibit B	County Infrastructure Feasibility Study
Exhibit C	City Infrastructure Feasibility Study
Exhibit D	Agreement of Assessment and Waiver of Irregularity and Appeal

EXHIBIT A-1
Owner's Property Legal Description

PARCEL I

South Half of Northeast Quarter of Southeast Quarter of Section 4, Township 50 North, Range 15 West of the 4th Principal Meridian, except:

The Northerly 462.00 feet of the Easterly 830 feet. St. Louis County, Minnesota (*as to parcel 395-0010-00820*)

PARCEL II

South Half of Northeast Quarter of Southeast Quarter of Section 4, Township 50 North, Range 15 West of the 4th Principal Meridian, described as follows:

The Northerly 462.00 feet of the Easterly 830 feet. Except the Northerly 60.00 feet of the Easterly 153.00 feet. St. Louis County, Minnesota (*as to parcel 395-0010-00822*)

PARCEL III

The Land referred to herein below is situated in the County of St. Louis, State of MN, and is described as follows:

That part of the SE1/4 of the SE1/4 of Section 4, Township 50 North, Range 15 West, described as follows:

Commencing at the Southeast corner of said SE1/4 of SE1/4, thence south 87°31'26" West, assumed bearing, along the South line of said SE1/4 of SE1/4 a distance of 385.26 feet; thence North 1°27'45" West a distance of 156.56 feet to the point of beginning on a non-tangent curve being the Northerly Right of Way line of U.S. Highway #53, and said point of beginning being 384.2 feet Westerly of, measured at right angles, the East line of said SE1/4 of SE1/4; thence Northwesterly on said Right of Way curve concave to the Northeast, having a radius of 1303.40 feet, an arc distance of 444.66 feet to a point, the chord of said arc bearing North 70°51'33" West a distance of 442.51 feet; thence North 61°00'09" West tangent to said curve a distance of 110.00 feet along said Right of Way; thence North 28°54'51" East a distance of 160.00 feet; thence South 61°05'09" East a distance of 110.00 feet to a point; thence Southeasterly along a tangent curve having a radius of 1143.40 feet, a chord bearing South 70°05'25" East a distance of 357.91 feet, an arc distance of 359.39 feet to a point, said point being 384.2 feet Westerly of, measured at right angles, the East line of said SE1/4 of SE1/4, thence South 1°27'45" East non-tangent to said curve and parallel to the East line of said SE1/4 of SE1/4 a distance of 163.32 feet to the point of beginning, St. Louis County, Minnesota (*as to parcel 395-0010-00853*)

PARCEL IV

The Southeast Quarter of the Southeast Quarter Ex part for Highway and also except 1.88 Acres along highway # 53 and also Except: That part of the Southeast Quarter of the Southeast Quarter of Section 4, Township 50 North, Range 15 West St. Louis County, Minnesota, described as follows:

Commencing at the southeast corner of said Section 4; thence North 00 degrees 40 minutes 26 seconds East, along the east line of said SE1/4-SE1/4 a distance of 797.90 feet to the point of beginning; thence North 87 degrees 14 minutes 19 seconds West a distance of 338.83 feet; thence North 67 degrees 27 minutes 49 seconds West a distance of 165.41 feet; thence North 09 degrees 05 minutes 43 seconds East a distance of 291.59 feet; thence South 85 degrees 07 minutes 56 seconds East a distance of 450.62 feet to the east line of said SE1/4-SE1/4 thence South 00 degrees 40 minutes 26 seconds West, along said east line a distance of 329.43 feet to the point of beginning, St. Louis County, Minnesota (*as to parcel 395-0010-00854*)

This is Abstract property.

Property Address: 5315 Miller Trunk Highway, Hermantown, MN 55811

Tax Identification Nos.: 395-0010-00853; 395-0010-00822; 395-0010-00820; 395-0010-00854

ALSO DESCRIBED AS:

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

Parcel 1:

The Northerly 462.00 feet of the Easterly 830 feet of the South Half of the Northeast Quarter of the Southeast Quarter, Section 4, Township 50 North, Range 15 West of the Fourth Principal Meridian; EXCEPT the Northerly 60.00 feet of the Easterly 153.00 feet thereof.

Abstract Property.

Parcel 2:

The South Half of the Northeast Quarter of the Southeast Quarter except the Northerly 462 feet of the Easterly 830 feet thereof, Section 4, Township 50 North, Range 15 West, St. Louis County, Minnesota.

Abstract Property

Parcel 3:

All that part of the Southeast Quarter of Southeast Quarter (SE 1/4 of SE 1/4), Section Four (4), Township Fifty (50) North of Range Fifteen (15) West of the Fourth Principal Meridian, which lies Northerly of U.S. Highway #53, EXCEPT that part described as follows:

Commencing at the southeast corner of said Section 4; thence North 00 degrees 40 minutes 26 seconds East, along the east line of said SE 1/4-SE 1/4 a distance of 797.90 feet to the point of beginning; thence North 87 degrees 14 minutes 19 seconds West a distance of 338.83 feet; thence North 67 degrees 27 minutes 49 seconds West a distance of 165.41 feet; thence North 09 degrees 05 minutes 43 seconds East a distance of 291.59 feet; thence South 85 degrees 07 minutes 56 seconds East a distance of 450.62 feet to the east line of said SE 1/4 SE 1/4; thence South 00 degrees 40 minutes 26 seconds West, along said east line a distance of 329.43 feet to the point of beginning.

Abstract Property.

EXHIBIT A-2
Owner's Property Depiction



EXHIBIT B

County Infrastructure Improvements -- Feasibility Study CSAH 48 & CR 284



Structural, Civil and Forensic Engineering Services

CITY OF HERMANTOWN

PRELIMINARY ENGINEERING REPORT

AND

FEASIBILITY STUDY

Prepared: November 13th, 2025

Hawklane Business Park

CSAH 48 & CR 284 Improvements

NCE JOB NUMBER: 23-8012

RECOMMENDED:

A handwritten signature in black ink, appearing to be "D. D. E.", is written over a horizontal line.

Hermantown City Engineer

11/13/2025

Date

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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 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
Owner Assessment	\$ 750,000.00
SLC Commitment	\$ 750,000.00
SLC Balance	\$ 1,100,000.00
Total	\$ 3,600,000.00

APPENDICIES

Appendix A – Project Map

Exhibit C
City Infrastructure Improvements -- Feasibility Study City Improvements



Structural, Civil and Forensic Engineering Services

CITY OF HERMANTOWN

**PRELIMINARY ENGINEERING REPORT
AND
FEASIBILITY STUDY**

Prepared: November 13th, 2025

**Hawklane Business Park
City Improvements**

NCE JOB NUMBER: 23-8012

RECOMMENDED: 

Hermantown City Engineer

11/13/2025

Date

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3. APPENDICIES
 - I. Appendix A – Project Map
 - II. Appendix B – Utility 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

Appendix B – Utility Map

