CITY OF HERMANTOWN
AGENDA

Pre-Agenda Meeting Monday, March 2, 2026 at 4:30 p.m.
Council Chambers, City Hall - Hermantown Governmental Services Building

City Council Meeting Monday, March 2, 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 26-07 through 26-10 placed on file

6. **PRESENTATIONS**

   A. **Utility & Infrastructure Report**
   Trish Crego, Utility & Infrastructure Director
   (Pre-Agenda Only)

   B. **2026 Legislative Efforts**
   Joe Wicklund, Assistant City Administrator
   (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. **MOTIONS**

   A. Appointment of the following to a three-year term:
   Utility Commission
   -Barry Simonson

   (motion, roll call)

9. **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 17, 2026 City Council Continuation Minutes and February 23, 2026 City Council Work Session Minutes

B. **Accounts Payable** - Approve general city warrants from February 16, 2026 through February 28, 2026 in the amount of $2,991,655.11

10. **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. **2026-30 Resolution Authorizing And Directing The City Administrator And The Economic Development Director To Execute And Deliver A Business Development Infrastructure Application**

(motion, roll call)

B. **2026-31 Resolution Authorizing Support Of The St. Louis Count Business Development Public Infrastructure Program Grant For Improvements On CSAH 49 And CR 284**

(motion, roll call)

C. **2026-32 Resolution Receiving Bids and Awarding Contract To Lakehead Constructors Inc., For Improvement District No. 323 Water System Connection And Booster Station Project In The Amount Of $943,672.00**

(motion, roll call)

D. **2026-33 Resolution Authorizing The Disposal Of Surplus City Property**

(motion, roll call)

E. **2026-34 Resolution Awarding Contract For A Purchase of Two Police Vehicles In The Amount Of $109,323.84 Plus Applicable Taxes And Fees**

(motion, roll call)

11. **RECESS**

2025 CORRESPONDENCE

DATE	LOG #	FROM	TO	REGARDING	FILED
2/17/2026	26-07	Shanna Schmitt, MN Pollution Control Agency	Chad Ronchetti, Hermantown Econ. Dev. Dir.	Hawkline	2/13/2025
2/17/2026	26-08	Emma Richtman, emmarichtman@gmail.com	Wayne Boucher; Mayor, City Council Members' Joe Wicklund, Asst. City Admin.; Alissa McClure, City Clerk & Planning & Zoning Members	Data Center	2/16/2026
2/19/2026	26-09	Emma Richtman, emmarichtman@gmail.com	Joe Wicklund, Asst. City Admin.	Data Center	2/13/2026
2/23/2026	26-10	Molli Reeder, mrose161@hotmail.com	Chad Ronchetti, Econ. Dev. Dir.	Data Center	2/21/2026

Hermantown Utility & Infrastructure Report

ROW, Erosion, Infrastructure, and Other Related Work

March 2, 2026

Fee Revenue

PERMIT/LICENCE	FEE	2025 COUNT	TOTAL
Residential Land Disturbance SEC	$150	25	$3,750
Commercial Land Disturbance SEC	$275	12	$3,025
Local ROW Permit	$200	11	$2,200
Franchise ROW Permit Mediacom, MNPower MN Energy	 AGR (5%) $2/service/month 2/service/month	132	 $24,828 $110,260 $51,454
Private Utility Permit	$50	12	$600
Contractor License	$200	33	$6,600
Driveway Permit	$125	14	$1,750

City of Hermantown Minnesota

Permit Services

Land Disturbance and Erosion Control
- Coordinate with Building Department
- Review Plans with Planning and Zoning
- Submit to Engineering if triggering MS4 review

Licensed Contractor
- Insure that work is installed to the city standard
- Coordinate with Public Works
- Assure work is bonded and insured to prevent poor work that has to be fixed by the city

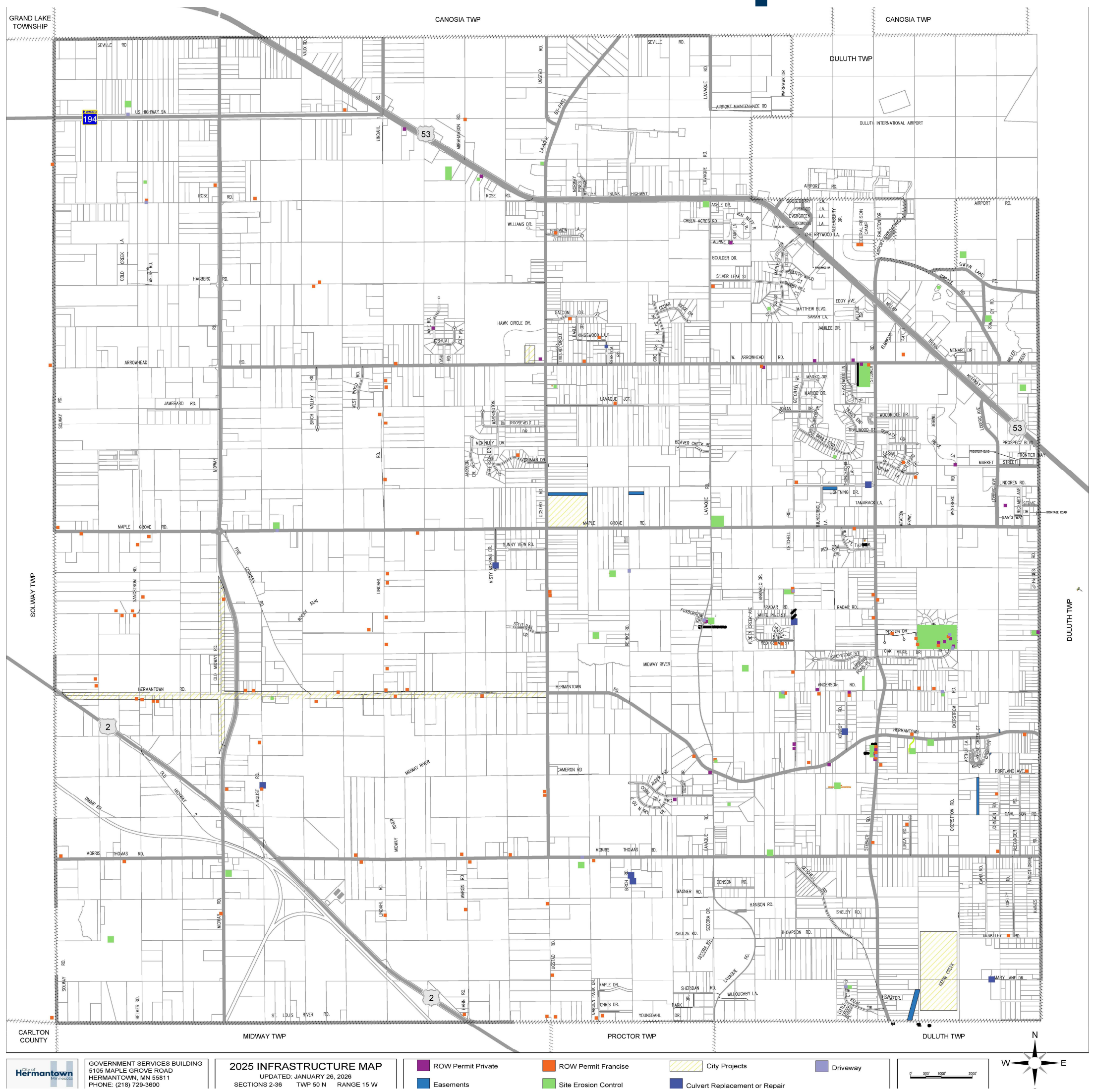
Right of Way
- Coordinate with Public Works
- Coordinate with Building Department
- Preserve Plans to coordinate with GIS map and future locate calls

Private Utility
- Coordinate with Public Works
- Coordinate with Building Department
- Preserve Plans to coordinate with GIS map and future locate calls

Driveway
- Public Works review sizing and flow
- Coordinate with Building Department

City of Hermantown Minnesota

Overall Map



City of
Hermantown
Minnesota

NE Hermantown

ROW Permit Private

Easements

Driveway

ROW Permit Franchise

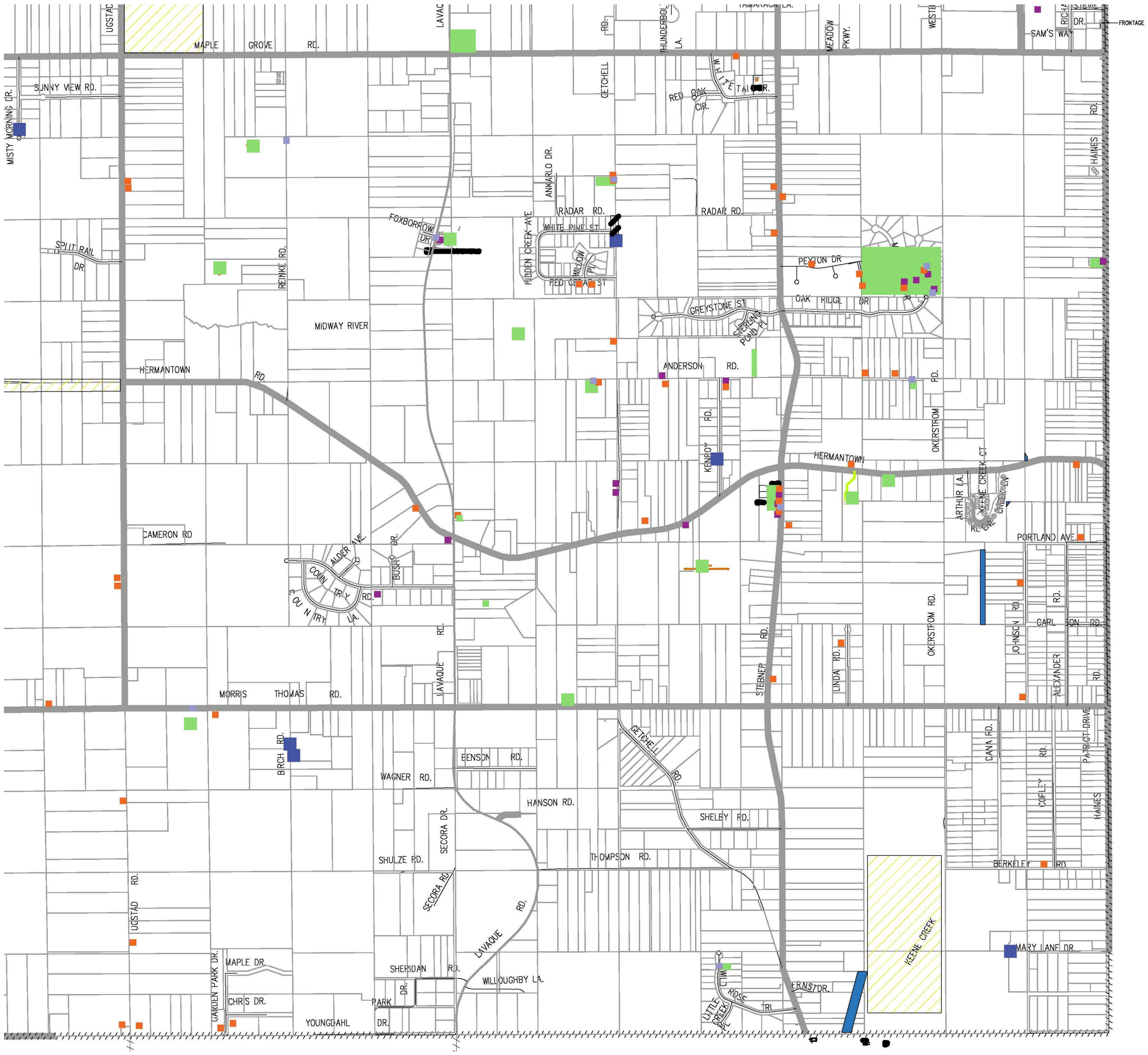
Site Erosion Control

Culvert Replacement or Repair

City Projects

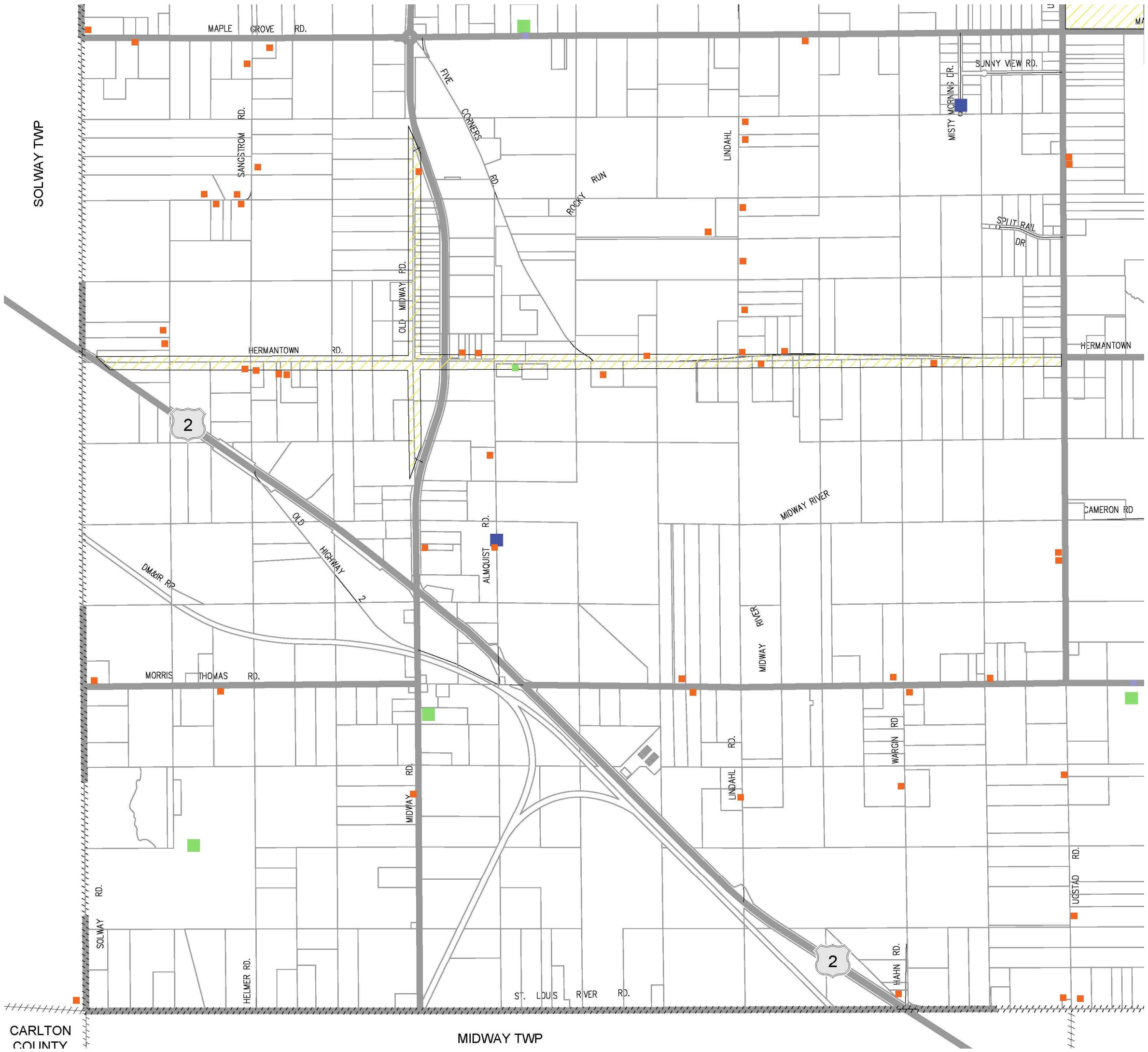
City of Hermantown Minnesota

SE Hermantown



- ROW Permit Private
- Easements
- Driveway
- ROW Permit Franchise
- Site Erosion Control
- Culvert Replacement or Repair
- City Projects

SW Hermantown



ROW Permit Private

Easements

Driveway

ROW Permit Franchise

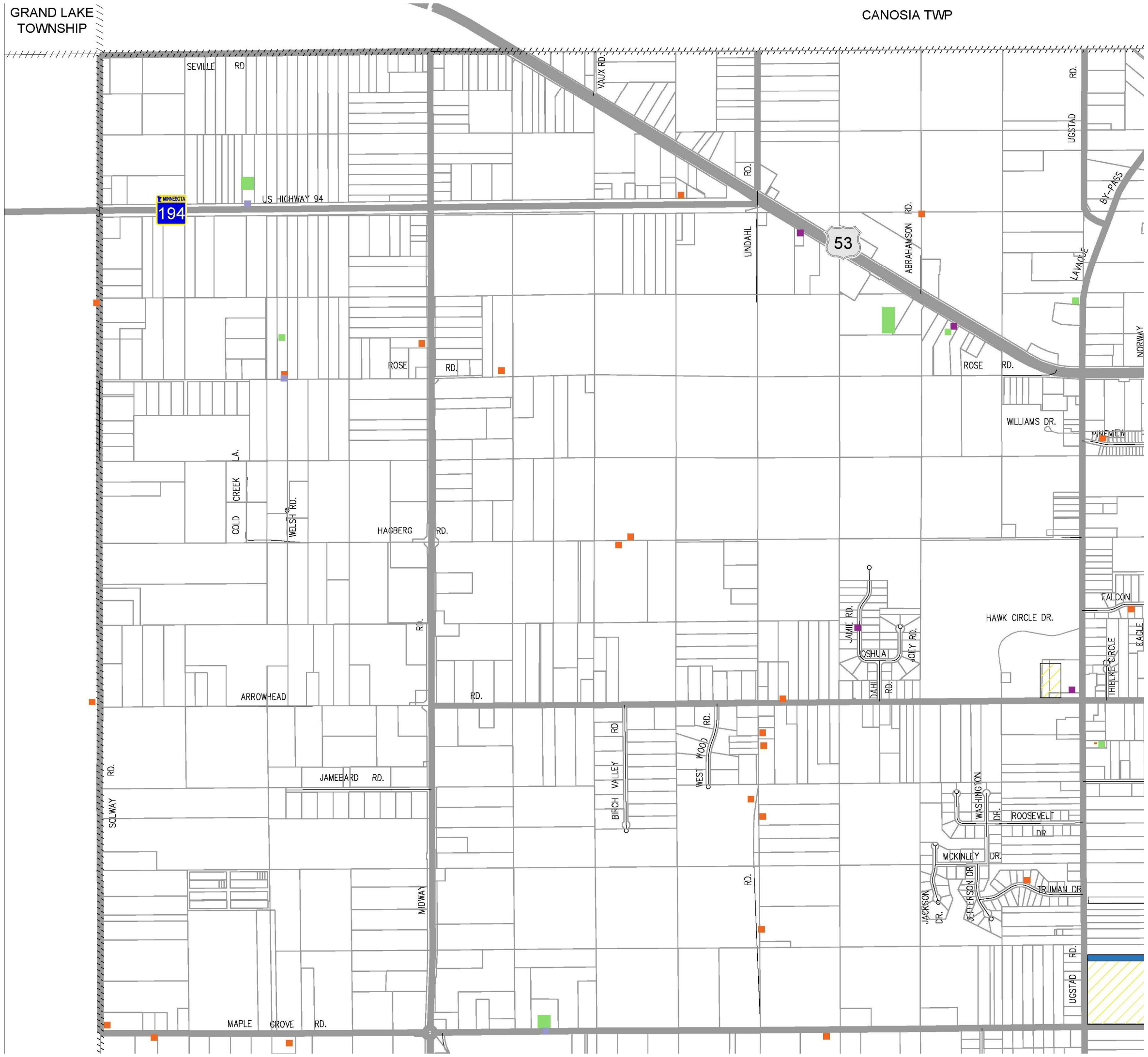
Site Erosion Control

Culvert Replacement or Repair

City Projects

City of Hermantown Minnesota

NW Hermantown



2026 City Project Timeline

Quarter	Task
Winter	Design Lightning Drive Continues
	Easements Lightning Dr/Trail
	2nd Water Connection Bid Opening
	Bid Openiing-HVAC
	Design work continues on Bridge
	Order backorder materials 2nd Water Connection
Spring	Construction Continues Trail segments 3 & 4
	Construction Starts 2nd Water Connection
	Design is Bridge Trail and Segment 3 connection
	Easements Segment Bridge
	Construction Starts-HVAC
	Lighting Drive Bid Opening
Summer	Construction Begins Lighting Drive
	Get Envionmental Permits Trail Bridge
	Finalize design Hawkline Lavaque Bypass project
	Construction Continues 2nd Water Connection
	Construction Continues -HVAC
	Install 2026 Culverts
	Road maintainence Jackson Estates, Country Rd, Johson, Carlson, Portland
Fall	Construction Ends Trail segments 3 & 4
	Winter Hold on 2nd Water Connection
	Construction Ends HVAC Bid Construction
	Bid Construction of Trail Bridge
	Apply for more Construction Grants
	Winter Hold on Lightning Drive

City of Hermantown Minnesota

CITY OF HERMANTOWN
City Council Meeting
Tuesday, February 17, 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; Community Development Director; Joe Wicklund, Assistant City Administrator; Chad Ronchetti, Economic Development Director; Jim Crace, Director of Public Safety; Zach Graves, Fire Chief; Trish Crego, Utility & Infrastructure Director; David Bolf, City Engineer; Gunnar Johnson, City Attorney

VISITORS: 3

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ANNOUNCEMENTS**
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**
8. **CONSENT AGENDA**
   A. **Minutes** - Approval or correction of February 2, 2026 City Council Continuation Minutes
   B. **Accounts Payable** - **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)

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

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

Yea: 5, Nay: 0

9. **RESOLUTIONS**

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

(motion, roll call)

Motion to approve 2026-23 Resolution Authorizing The Disposition Of Surplus Fitness Room Equipment. This motion, made by Councilor LeBlanc 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

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)

Motion to approve 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. 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

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)

Motion to approve 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. This motion, made by Councilor LeBlanc and seconded by Councilor Peterson, Carried.

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

Yea: 5, Nay: 0

D. **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

(motion, roll call)

Motion to approve 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. 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

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)

Motion to approve 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. 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

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 (Hawkline 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)

Motion to approve 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 (Hawkline 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. This motion, made by Councilor Hjelle and seconded by Councilor Peterson, Carried.

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

Yea: 5, Nay: 0

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

(motion, roll call)

Motion to approve 2026-29 Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver A Development Contract Between Hawkline Development, LLC And The City Of Hermantown. 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

10. **<u>RECESS</u>**

Motion to recess at 6:52 p.m. This motion, made by Councilor Hjelle and seconded by Councilor Peterson, Carried.

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea

Councilor Joseph Peterson: Yea

Mayor Wayne Boucher: Yea

Yea: 5, Nay: 0

ATTEST:

____
Mayor

____
City Clerk

City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811
Minnesota

CITY COUNCIL
WORK SESSION MINUTES
LARGE CONFERENCE ROOM

Monday, February 23rd, 2026
at 4:30 P.M.

ROLL CALL: Councilors Geissler, Hjelle, LeBlanc, and Mayor Boucher

ABSENT: Councilor Peterson

CITY STAFF: John Mulder, City Administrator; Joe Wicklund, Assistant City Administrator; Paul Senst, Public Works Director; Kevin Orme, Director of Finance and Administration; Trish Crego, Director of Utilities and Infrastructure; Eric Johnson, Community Development Director; David Bolf, City Engineer; Gunnar Johnson, City Attorney

OTHERS: 10- 12 visitors (there was no sign in sheet)

DISCUSSION ITEMS

1. **10-year Infrastructure Plan**

Trails: John Mulder explained that the Trail Study had been completed back in 2014 and was accepted by the Greater MN Park, Trails, & Recreation Commission in 2016. He explained that there was trail work done pre-Community Recreation Initiative (CRI), and post-Community Recreation Initiative CRI). Work done before the CRI was funded with grants and other sources, but no property taxes were used. Those segments included:

- The segment from the Keene Creek Park parking lot north to Morris Thomas Road
- The segment from the former Engwall's site on Hermantown Road north to Stebner Park (now called the Boulder Trail)
- The segment within Stebner Park from the parking lot north to Maple Grove Road funded in part with a Community Development Block Grant from St. Louis County, and
- The segment along the south side of Maple Grove Road from Stebner Park to the intersection of Stebner Road and Maple Grove Road.

As part of the explanation, he drew approximate locations on the map.

He then explained the status of the remaining sections that are part of the Community Recreation Initiative. Those segments include:

- The segment from the Keene Creek Parking lot south through park and on easements to a parking lot on Getchell Road near the southern City limits. The Council has awarded the construction contract for this segment and should be completed by the end of 2026 and funded by the Community Recreation sales tax and other grants, but no property taxes.
- The segment from the intersection of Johnson and Carlson Road south to Morris Thomas Road connection the existing trail segment. This is part of the construction contract should be completed by the end of 2026 and funded by the Community Recreation sales tax and other grants, but no property taxes
- The segment from the Johnson/Carlson intersection north to the trail at Hermantown Road at the former Engwall's site is be planned but without a specific construction timeframe. The City Council has reviewed some options that include a long bridge over the creek and floodplain.
- The segment (called Segment 2) from the intersection of Stebner & Maple Grove to the City offices (along Stebner & Lightning Drive) is currently being designed as part of the road and utilities plan for Section 14 by Bolton & Menk. Plans should be ready for approval later in 2026 and completed by the end of 2027.

The big picture review of finding shows we are currently short of funding for the last two sections mentioned, but if the caps for the CRI tax could be removed, the half-percent sales tax could fund the shortfall.

Roads: John Mulder then reviewed the proposed list of Road Improvements that have been completed under the Road Improvement Plan since 2020 by marking them on the map. Prior to the creation of the Road Improvement Pan (RIP), the City did not have a comprehensive plan or funding plan to maintain city streets. The RIP started with City staff rating the pavement quality of each segment of City streets. That work was done in 2015.

He then marked on the map the proposed road improvement projects for 2026-2032.

Those roads include:

Hawkline Business Park	2026
Lightning Drive/ Getchell/ Thunder Chief	2026-2027
Stebner Rd- Morris Thomas to Maple Grove	2028
Ugstad Rd- St. Louis River Rd to Morris Thomas Rd	2029
Marbie/Marko /Joann/North Getchell	2031
Hermantown Rd- Haines-Okerstrom	2031
Hermantown Rd- Lavaque to Ugstad	2032
Getchell Rd- Hermantown Rd to Maple Grove	2032

Oak Ridge Dr Stebner- E .5 miles	2032
Anderson Rd Stebner to Haines	2032

The list is based primarily on the condition of the roads, with the worst roads to be completed first. The list and years could change if opportunities present themselves such as grants and/or new development.

Funding will be a mix of state and federal transportation dollars and city debt which would be covered by city taxes.

Utilities: John Mulder explained that utility improvements, specifically water and sewer, have been driven by either petition - where the land owners petition the City for water and/or sewer and then the City follows State Statute for the assessment process - or because of private development. In the case of the private development, the developer submits plans, which must be approved by the City. The developer then builds the infrastructure, and upon completion, the utilities are turned over to the City for public ownership. In either case, the cost of those utilities are not funded by the general property taxes. In some cases of development, the developer constructs and pays for the new infrastructure, and then the taxes they pay to the City are earmarked for those improvements.

The City currently is anticipating and working with developers on three possible projects:

Hawkline Business Park: This would include an extension of water and sewer from Hwy 53 north on Lavaque Bypass. If this project proceeds, plans would be finalized and bids awarded later in 2026 and constructed in 2027.

Reinke Road extension: There has been some discussion on a short extension of sewer along Reinke Road south of Maple Grove to accommodate some residential development. This is in the very early stages of discussion.

Project Loon: The developer would construct a water main from the site along Morris Thomas and connect to the existing system near Birch Road and north along Midway Road to Hwy 194 to connect to the existing system at Hwy 53 and along Arrowhead to connect to the existing system near Westwood Road. The improvements would require a new water tower near Rose Road and booster stations and some pressure reducing valves. The main purpose of the water improvements would be to provide fire protection. These improvements would be compatible with the rest of the system and provide adequate looping of the water systems (to avoid long dead-end pipes).

The developer would also construct a sewer pipe and necessary lift stations from Morris Thomas Road north along Midway Road and connect to the existing system on Arrowhead Road near Lindahl Road.

Residents would not be assessed and the costs would be funded by the developer with a portion of the taxes they pay to the City.

John Mulder marked the possible water and sewer improvements on the map for the City Council.

2. Following the discussion, the City Council recessed the meeting until Monday, March 2, 2026.

____
Mayor

ATTEST:

____
City Administrator

CITY OF HERMANTOWN

CHECKS #72869-72913
02/16/2026 - 02/28/2026

PAYROLL CHECKS	
Electronic Checks - #-62874-62920	$107,906.29
Electronic Checks - #-62829-62861	$28,154.46
LIABILITY CHECKS	
Electronic Checks - #-62862-62873	$172,815.72
Electronic Checks - #-62825-62828	$6,353.51
Checks - #72906-72912	$7,614.21
PAYROLL EXPENSE TOTAL	**$322,844.19**
ACCOUNTS PAYABLE	
Checks - #72869-72905	$376,249.43
Checks - #72913	$2,316.00
Electronic Payments #-97474-97526	$2,290,245.49
ACCOUNTS PAYABLE TOTAL	**$2,668,810.92**
TOTAL	**$2,991,655.11**

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimbursement	712.01	-97526
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimbursement	8,075.78	-97526
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimbursement	1,715.51	-97526
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimbursement	1,603.97	-97526
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimbursement	119.91	-97526
275	452200	Community Building	MEDIACOM	EWC - Line for Elevator	187.81	-97525
275	452200	Community Building	MEDIACOM	EWC - Telephone	516.10	-97525
275	452200	Community Building	MEDIACOM	EWC - Internet	354.90	-97525
101	422901	Firehall #1 Maple Grove Road	MEDIACOM	Internet FD	40.98	-97525
275	452200	Community Building	MEDIACOM	EWC Dedicated Internet	490.00	-97525
275	452200	Community Building	MEDIACOM	EWC - Cable TV	181.48	-97525
101	419901	City Hall & Police Building Maintenance	MEDIACOM	Phone CH	405.21	-97525
602	494900	Sewer Administration and General	MEDIACOM	Internet PW	71.18	-97525
101	419901	City Hall & Police Building Maintenance	MEDIACOM	Internet CH	163.92	-97525
101	431100	Street Department	MEDIACOM	Internet PW	118.64	-97525
602	494900	Sewer Administration and General	MEDIACOM	Phone PW	13.77	-97525
601	494400	Water Administration and General	MEDIACOM	Phone PW	9.18	-97525
101	431100	Street Department	MEDIACOM	Phone PW	22.95	-97525
601	494400	Water Administration and General	MEDIACOM	Internet PW	47.45	-97525
101	422901	Firehall #1 Maple Grove Road	MEDIACOM	Phone FD	101.30	-97525
101	422100	Fire Administration	WEX HEALTH INC	Monthly Participant /Cobra Fee	9.54	-97524
101	421100	Police Administration	WEX HEALTH INC	Monthly Participant /Cobra Fee	93.54	-97524
101	415300	Administration & Finance	WEX HEALTH INC	Monthly Participant /Cobra Fee	36.14	-97524
101	419901	City Hall & Police Building Maintenance	WEX HEALTH INC	Monthly Participant /Cobra Fee	9.54	-97524
101	419100	Community Development	WEX HEALTH INC	Monthly Participant /Cobra Fee	9.54	-97524
602	494900	Sewer Administration and General	WEX HEALTH INC	Monthly Participant /Cobra Fee	15.90	-97524
101	431100	Street Department	WEX HEALTH INC	Monthly Participant /Cobra Fee	15.90	-97524
601	494400	Water Administration and General	WEX HEALTH INC	Monthly Participant /Cobra Fee	15.90	-97524
602	494900	Sewer Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr -	414.40	-97523
601	494400	Water Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr -	663.05	-97523
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Old CH	102.93	-97523
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr -	580.16	-97523
101	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas Old CH	926.40	-97523
601	494400	Water Administration and General	MN POWER	4995600000 4971 Lightning Dr	208.97	-97522
605	431160	Street Lighting	MN POWER	0733871171 Traffic Lights	814.50	-97522
101	452100	Parks	MN POWER	0606881181 Murphy House	41.11	-97522
101	452200	Community Building	MN POWER	0606881181 Community Bldg	559.04	-97522
101	452100	Parks	MN POWER	0606881181 Parks	207.11	-97522

Fund	Account	Department	Vendor Name	Description	Amount	Check #
602	494900	Sewer Administration and General	MN POWER	4995600000 4971 Lightning Dr	139.31	-97522
601	494400	Water Administration and General	MN POWER	3623400000 Water	934.34	-97522
605	431160	Street Lighting	MN POWER	0234310000 Overhead St Lights	482.56	-97522
602	494900	Sewer Administration and General	MN POWER	0973881171 Sewer	724.11	-97522
101	431901	City Garage	MN POWER	4995600000 4971 Lightning Dr	348.28	-97522
101	419901	City Hall & Police Building Maintenance	MN POWER	4995600000 City Hall/Police/Fi	3,308.04	-97522
101	422902	Firehall #2 Morris Thomas Road	MN POWER	4995600000 FH #2 MorrisThomas	140.82	-97522
101	422901	Firehall #1 Maple Grove Road	MN POWER	4995600000 City Hall/Police/Fi	2,114.98	-97522
275	452200	Community Building	MN POWER	3481871314 EWC Garage	24.04	-97522
605	431160	Street Lighting	MN POWER	3060281959 Street Lights (Roun	20.53	-97522
101	422903	Firehall #3 Midway Road	MN POWER	4995600000 FH #3 Midway/Rose	94.19	-97522
605	431160	Street Lighting	MN POWER	0247020000 Street Lights	405.72	-97522
275	452200	Community Building	MN POWER	5498955531 4289 Ugstad Rd/EWC	11,160.34	-97522
605	431160	Street Lighting	MN POWER	6175310000 Street Lights	745.84	-97522
605	431160	Street Lighting	MN POWER	1424100000 Street Lights	538.29	-97522
101	431901	City Garage	MN POWER	4995600000 5255 Maple Grove Rd	41.71	-97522
605	431160	Street Lighting	MN POWER	0041881181 Street Lights	479.10	-97522
101	415300	Administration & Finance	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C458 Jan 2	117.87	-97521
101	421100	Police Administration	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C300 & C33	119.58	-97521
101	421100	Police Administration	AT&T MOBILITY	Cell Phones PD	1,577.20	-97520
101	419901	City Hall & Police Building Maintenance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	48.70	-97520
101	415300	Administration & Finance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	151.62	-97520
101	431100	Street Department	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	159.84	-97520
101	422100	Fire Administration	AT&T MOBILITY	Cell Phones FD	411.85	-97520
602	494900	Sewer Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	215.44	-97520
601	494400	Water Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	402.93	-97520
101	424100	Building Inspection	KWIK TRIP EXTENDED NETWORK	Car Wash BI	11.00	-97519
101	419901	City Hall & Police Building Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Building	172.93	-97519
601	494300	Water Distribution	KWIK TRIP EXTENDED NETWORK	Gas Utility 60%	261.62	-97519
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Gas PD	3,415.96	-97519
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Car Wash PD	214.00	-97519
101	422100	Fire Administration	KWIK TRIP EXTENDED NETWORK	Gas FD	1,011.13	-97519
101	424100	Building Inspection	KWIK TRIP EXTENDED NETWORK	Gas Building Offical	116.92	-97519
101	431100	Street Department	KWIK TRIP EXTENDED NETWORK	Gas Street	381.39	-97519
602	494500	Sewer Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Utility 40%	174.42	-97519
101	419901	City Hall & Police Building Maintenance	ACP CREATIVIT, LLC	Feb 2026 Maintenance	237.85	-97518
101	452200	Community Building	ACP CREATIVIT, LLC	Feb 2026 Maintenance	10.05	-97518
101	422901	Firehall #1 Maple Grove Road	ACP CREATIVIT, LLC	Feb 2026 Maintenance	70.35	-97518

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	431100	Street Department	ACP CREATIVIT, LLC	Feb 2026 Maintenance	16.75	-97518
475	431150	Street Improvements	BOLTON & MENK, INC.	Hermantown/Lighting Dr Reconst	61,351.00	-97517
230	465100	HEDA	CREATIVE ARCADE	Website Monthly Maintenance	250.03	-97516
415	465200	Community Development	DSGW ARCHITECTS, INC.	Hermantown Arena	67,630.41	-97515
101	415300	Administration & Finance	INNOVATIVE OFFICE SOLUTIONS, LLC	File Folders	15.48	-97514
101	415300	Administration & Finance	INNOVATIVE OFFICE SOLUTIONS, LLC	Tape/Folder/File	129.56	-97514
101	415300	Administration & Finance	INTEGRATED OFFICE SOLUTIONS	Copy Overage Konica C300i/C332	233.92	-97513
409	419901	City Hall & Police Building Maintenance	KRAUS-ANDERSON CONSTRUCTION COMPANY, INC	Facility Condition Assessment	7,650.00	-97512
412	419100	Community Development	SRF CONSULTING GROUP, INC.	ROW Aquisitions	766.18	-97511
101	490000	Miscellaneous Functions	TERCH & ASSOCIATES CONSULTING, LLC	Jan 26 HR Services	3,368.75	-97510
101	431901	City Garage	ACME TOOLS	Blade & Crescent Wrench	182.49	-97509
101	431100	Street Department	BFIRST INDUSTRIAL	Plow Bolts	220.71	-97508
602	494500	Sewer Maintenance	BRAUN INTERTEC CORPORATION	Sanitary Sewer System Inspecti	3,972.50	-97507
602	494500	Sewer Maintenance	BRENT'S SEPTIC SERVICE LLC	Lift Station Pump - Ugstad Rd	450.00	-97506
101	452100	Parks	ELITE PORTABLE TOILETS, LLC	Portable Toilets	170.00	-97505
602	494900	Sewer Administration and General	GOPHER STATE ONE-CALL INC	Jan 26 Locates	45.38	-97504
601	494400	Water Administration and General	GOPHER STATE ONE-CALL INC	Jan 26 Locates	68.07	-97504
602	494500	Sewer Maintenance	GPM, INC.	REbuild Sewage Pump Ugstad # L	9,681.50	-97503
101	431100	Street Department	H & L MESABI	Snow Plow Edges	9,524.00	-97502
101	431100	Street Department	LINDE GAS & EQUIPMENT INC.	Cylinder Rent/Safe Env fee 12/	67.66	-97501
101	431100	Street Department	NORTHERN ENGINE & SUPPLY INC	Hoses H28	127.74	-97500
602	494500	Sewer Maintenance	SJE-RHOMBUS, INC.	SCADA Monitoring Jan-Mar 2026	1,264.50	-97499
602	494500	Sewer Maintenance	WLSSD	Jan Wastewater Charges 13126HE	57,101.00	-97498
101	421100	Police Administration	VC3, INC.	SIEM/SOAR - Early Termination	13,360.80	-97497
101	415300	Administration & Finance	VC3, INC.	Monitor	254.00	-97497
101	421100	Police Administration	AXON ENTERPRISE INC	ALPR for Squad Cameras	9,468.30	-97496
101	422100	Fire Administration	CM2 SUPPLY	Oxygen Bottles Refilled	149.97	-97495
101	422100	Fire Administration	CM2 SUPPLY	Oxygen Rental	51.28	-97494
101	421100	Police Administration	DRYER & PETERSON, P.C.	Prosecution Services Jan 2026	6,754.57	-97493
101	422100	Fire Administration	HEIMAN FIRE EQUIPMENT	Bunker Gear	20,080.47	-97492
230	465100	HEDA	HTB PROJECT NAVIGATION, LLC	BDPI Applications - Jan 26	300.00	-97491
101	421100	Police Administration	INFOBUREAU SERVICES, INC.	Credit Check - Kostiuk, Kane	15.75	-97490
101	452100	Parks	INTER CITY OIL CO INC	Fuel (Murphy House)	494.00	-97489
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	997.18	-97489
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	824.56	-97489
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	841.38	-97489
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	2,231.15	-97489

Fund	Account	Department	Vendor Name	Description	Amount	Check #
401	422100	Fire Administration	MACQUEEN EQUIPMENT, LLC	New Fire Truck - Pierce 110' A	1,845,713.00	-97488
101	421100	Police Administration	MACQUEEN EQUIPMENT, LLC	Replaced Antenna & Radio Trans	83.63	-97488
101	421100	Police Administration	MENARD INC	Oil for Vehicle	15.94	-97487
412	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Keene Creek Trail - Segment #3	14,727.50	-97486
101	431901	City Garage	NORTHLAND CONSULTING ENGINEERS L.L.P.	Interior OH door opening - PW	1,215.00	-97486
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Preagenda Meetings	6,780.00	-97486
240	433500	Water Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Second Waterline Connection	780.00	-97486
230	214500	Escrow Deposits Payable	NORTHLAND CONSULTING ENGINEERS L.L.P.	Project Loon	3,564.45	-97486
230	465100	HEDA	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hawkline - SLC Public Improvem	8,900.00	-97486
230	465100	HEDA	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hawkline Public Infrastructure	3,950.00	-97486
412	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Trail Project	1,497.50	-97486
232	465100	HEDA	NORTHLAND CONSULTING ENGINEERS L.L.P.	Keene Creek Subdivision	585.00	-97486
475	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Lightning Drive - SID # 452	2,145.00	-97486
101	416100	City Attorney	OVEROM LAW, PLLC	City Clerk Matters	180.00	-97485
230	214500	Escrow Deposits Payable	OVEROM LAW, PLLC	HEDA: Project Loon Development	2,358.00	-97485
101	419100	Community Development	OVEROM LAW, PLLC	2025 Oppidan Townhouse Dev	15.74	-97485
101	419100	Community Development	OVEROM LAW, PLLC	Titan Premier Title Matter	300.00	-97485
101	419100	Community Development	OVEROM LAW, PLLC	Community Development Matters	390.00	-97485
101	416100	City Attorney	OVEROM LAW, PLLC	General Matters/Retainer	2,300.00	-97485
101	416100	City Attorney	OVEROM LAW, PLLC	Damage to Property Claims	357.00	-97485
101	416100	City Attorney	OVEROM LAW, PLLC	Data Practices Requests	75.00	-97485
415	465200	Community Development	OVEROM LAW, PLLC	Arena Construction - Rec Facil	54.00	-97485
412	419100	Community Development	OVEROM LAW, PLLC	MN Power Easements	12.00	-97485
101	416100	City Attorney	OVEROM LAW, PLLC	Prosecution Contract Matters	30.00	-97485
101	424100	Building Inspection	OVEROM LAW, PLLC	Point Superior Mobile Estates	3,210.00	-97485
602	494900	Sewer Administration and General	OVEROM LAW, PLLC	Mahnke Litigation	60.00	-97485
101	424100	Building Inspection	OVEROM LAW, PLLC	Maple Fields Tenants' Remedies	90.00	-97485
416	452100	Parks	OVEROM LAW, PLLC	Fichtner Field Park Improvemen	162.00	-97485
475	431100	Street Department	OVEROM LAW, PLLC	Old Midway and Hermantown Road	195.00	-97485
101	421100	Police Administration	OVEROM LAW, PLLC	Police Dept Personnel Matters	1,275.00	-97485
230	465100	HEDA	OVEROM LAW, PLLC	Hawkline Access Easement	60.00	-97485
475	431150	Street Improvements	OVEROM LAW, PLLC	Lighting Drive-Thunderchief Dr	1,176.00	-97485
240	433500	Water Improvements	OVEROM LAW, PLLC	Purchase of Willman Property -	258.00	-97485
230	465100	HEDA	OVEROM LAW, PLLC	Hawkline Infrastructure Develo	810.00	-97485
230	214500	Escrow Deposits Payable	OVEROM LAW, PLLC	Project Loon MCEA Litigation	72.00	-97485
101	416100	City Attorney	OVEROM LAW, PLLC	Data Practices Procedures	300.00	-97485
101	416100	City Attorney	OVEROM LAW, PLLC	[redacted] Workers Compensation Cl	90.00	-97485
101	422100	Fire Administration	PRO PRINT INC	EMS Reports	101.19	-97484

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	SHRED-N-GO INC	Shredding Contract through 01/	161.30	-97483
101	422903	Firehall #3 Midway Road	BELKNAP PLUMBING & HEATING	RPZ Testing - FH3	140.00	-97482
101	419901	City Hall & Police Building Maintenance	BELKNAP PLUMBING & HEATING	RPZ Testing - CH/FH1	140.00	-97482
101	422902	Firehall #2 Morris Thomas Road	BELKNAP PLUMBING & HEATING	RPZ Testing - FH2	280.00	-97482
101	431901	City Garage	BELKNAP PLUMBING & HEATING	RPZ Testing - PW	140.00	-97482
101	422901	Firehall #1 Maple Grove Road	DOORCO, INC.	FH 1 Door Repair	370.75	-97481
101	419901	City Hall & Police Building Maintenance	FIREPRO SPRINKLER SPECIALISTS, INC	Emergency Sprinkler Service -	612.22	-97480
101	431901	City Garage	HARTEL'S/DBJ DISPOSAL CO LLC	Yard Trash Disposal Jan 2026 -	200.03	-97479
101	419901	City Hall & Police Building Maintenance	HARTEL'S/DBJ DISPOSAL CO LLC	Garbage Recycling Jan 2026-129	420.80	-97479
101	431901	City Garage	MENARD INC	Floor Broom & 4" PVC Clamp	59.94	-97478
602	494500	Sewer Maintenance	MENARD INC	Floor Broom & 4" PVC Clamp	55.66	-97478
101	422901	Firehall #1 Maple Grove Road	MENARD INC	General maintenance equip for	95.77	-97478
101	431901	City Garage	MENARD INC	Cleaning Supplies - Shop	234.07	-97478
101	421100	Police Administration	MENARD INC	Measuring Wheel	64.97	-97478
601	494300	Water Distribution	MENARD INC	Screws & Bits H20 Radio Instal	54.02	-97478
415	465200	Community Development	DSGW ARCHITECTS, INC.	Hermantown Arena	46,495.90	-97477
101	452100	Parks	ELITE PORTABLE TOILETS, LLC	Portable Toilets	85.00	-97476
101	419901	City Hall & Police Building Maintenance	FIREPRO SPRINKLER SPECIALISTS, INC	Emergency Sprinkler Service -	612.22	-97475
412	419100	Community Development	SRF CONSULTING GROUP, INC.	ROW Aquisitions	5,363.28	-97474
230	214500	Escrow Deposits Payable	AREA PARTNERSHIP FOR ECONOMICS EXPANSION	Economic Impact Study - Adolfs	10,000.00	72869
475	431150	Street Improvements	ARROWHEAD ABSTRACT & TITLE CO.	O&E Report O-310497	100.00	72870
101	452200	Community Building	BENSON ELECTRIC COMPANY	PEMS Furnace Motor - Old City	133.14	72871
101	421100	Police Administration	BULLDOG COLLISION	Vehicle Repair - PD SQD 18 202	1,000.00	72872
601	494300	Water Distribution	CENTRAL PENSION FUND	Training Per Contract	122.97	72873
602	494500	Sewer Maintenance	CENTRAL PENSION FUND	Training Per Contract	122.97	72873
101	431100	Street Department	CENTRAL PENSION FUND	Training Per Contract	122.97	72873
101	422903	Firehall #3 Midway Road	CENTURYLINK	Internet FH3 01/22/26-02/21/26	86.99	72874
101	431100	Street Department	CINTAS CORPORATION	Uniforms	7.92	72875
101	431100	Street Department	CINTAS CORPORATION	Uniforms	19.07	72875
101	431901	City Garage	CINTAS CORPORATION	1st Aid Cabinets	127.30	72875
101	431100	Street Department	CINTAS CORPORATION	Uniforms	7.92	72875
101	431901	City Garage	CINTAS CORPORATION	Mats/Supplies	62.23	72875
101	431100	Street Department	CINTAS CORPORATION	Uniforms	19.07	72875
101	431901	City Garage	CINTAS CORPORATION	Mats/Supplies	42.55	72875
605	431160	Street Lighting	CITY OF DULUTH	2025 Street Light Maintenance	5,170.80	72876
602	494500	Sewer Maintenance	CITY OF DULUTH	Sewer Agreement 2025	37,866.47	72877
601	494300	Water Distribution	CORE & MAIN LP	Water Meter Gaskets	82.75	72878

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	490000	Miscellaneous Functions	COSTIN GROUP MN	City Lobbyist	1,500.00	72879
101	421100	Police Administration	CROW-GOEBEL VETERINARY CLINIC, P A	Vet - Bruno	315.40	72880
275	490000	Miscellaneous Functions	DULUTH AREA FAMILY YMCA	Parking Lot Work	8,750.00	72881
101	431100	Street Department	DULUTH LAWN & SPORT	Snowblower Parts	48.44	72882
101	415300	Administration & Finance	EHLERS & ASSOCIATES INC	2025 Financial Management Plan	1,180.00	72883
101	415300	Administration & Finance	EHLERS & ASSOCIATES INC	2026 MN Public Finance Seminar	475.00	72883
415	465200	Community Development	HERMANTOWN ISD #700	Hockey Arena Network Hardware	16,000.00	72884
240	433500	Water Improvements	HERMANTOWN STAR LLC	323 Water System Bids	74.25	72885
101	415300	Administration & Finance	HERMANTOWN STAR LLC	Jan 20, 2026 Minutes	66.00	72885
101	415300	Administration & Finance	HERMANTOWN STAR LLC	Budget Statement	181.50	72885
101	421100	Police Administration	HOLIDAY COMPANIES	Car Washes Jan 2026	15.00	72886
230	465100	HEDA	JOHNSON, ERIC	Mileage/Hotel/Meal Ehlers Conf	975.74	72887
230	214500	Escrow Deposits Payable	KIMLEY-HORN AND ASSOCIATES, INC.	Adolph Utility Extension	11,898.85	72888
601	494300	Water Distribution	LEAGUE OF MN CITIES INSURANCE TRUST	MN Energy Gas Main Claim Deduc	10,000.00	72889
412	419100	Community Development	MN DEPARTMENT OF NATURAL RESOURCES	Natural Heritage Review - Trai	120.00	72890
101	419901	City Hall & Police Building Maintenance	MN TELECOMMUNICATIONS	Feb 2026 Internet	360.00	72891
101	422901	Firehall #1 Maple Grove Road	MN TELECOMMUNICATIONS	Feb 2026 Internet	90.00	72891
101	431100	Street Department	MORTON SALT, INC.	Road Salt	1,578.25	72892
101	431100	Street Department	MORTON SALT, INC.	Road Salt	6,745.72	72892
101	431100	Street Department	MORTON SALT, INC.	Road Salt	8,873.63	72892
101	431100	Street Department	MORTON SALT, INC.	Road Salt	5,336.93	72892
101	431100	Street Department	MORTON SALT, INC.	Road Salt	6,957.19	72892
401	421100	Police Administration	MOTOROLA SOLUTIONS, INC.	Police Portable & Squad Radios	229,231.55	72893
101	431100	Street Department	NAPA AUTO PARTS	Washer Fluid	61.14	72894
101	424100	Building Inspection	NAPA AUTO PARTS	Blubs - H28	2.69	72894
101	431901	City Garage	OXYGEN SERVICE COMPANY	Acetylene Gas Bottle Rent	21.59	72895
101	431901	City Garage	OXYGEN SERVICE COMPANY	Welding Gloves	66.30	72895
601	494300	Water Distribution	PACE ANALYTICAL SERVICES, LLC	Drinking Water Testing	999.00	72896
101	421100	Police Administration	PATROLPC	Spare Battery	416.75	72897
101	419901	City Hall & Police Building Maintenance	PROCTOR CANVAS PRODUCTS	Flag Repair	31.25	72898
601	220100	Refund Payable	SERTICH, TALLIE	Overpayment Refund 2074-03	379.73	72899
460	465100	HEDA	ST LOUIS COUNTY AUDITOR	2025-TIF Maintenance Charge	494.30	72900
101	419100	Community Development	ST LOUIS COUNTY RECORDERS OFFICE	Up North Cannabis ROW Easement	46.00	72901
101	422903	Firehall #3 Midway Road	SUPERIOR FUEL COMPANY	Propane FH #3	1,109.11	72902
101	421100	Police Administration	TROY'S SERVICE CENTER	Oil & Filter - SQD 21	96.78	72903
101	421100	Police Administration	TROY'S SERVICE CENTER	Diagnose for Heat - SQD 15	305.95	72903
101	421100	Police Administration	TROY'S SERVICE CENTER	Heater Core replacement - SQD	3,266.96	72903
101	421100	Police Administration	TROY'S SERVICE CENTER	Oil & Filter - SQD 11	184.06	72903

Fund	Account	Department	Vendor Name	Description	Amount	Check #
602	494900	Sewer Administration and General	VALLI INFORMATION SYSTEMS, INC	Jan 2026 Bill Print	604.01	72904
603	441100	Storm Water	VALLI INFORMATION SYSTEMS, INC	Jan 2026 Bill Print	604.02	72904
601	494400	Water Administration and General	VALLI INFORMATION SYSTEMS, INC	Jan 2026 Bill Print	604.01	72904
101	421100	Police Administration	ZENITH AUTO GLASS	Windshield - SQD 19	1,087.21	72905
101	422100	Fire Administration	MAYO CLINIC	EMR	2,316.00	72913

Totals: **231 records printed** **2,668,810.92**

CITY COUNCIL MEETING DATE: March 2nd, 2026

TO: Mayor & City Council

FROM: Chad Ronchetti, Economic Development Director

SUBJECT: DEED Grant Application

☒ **RESOLUTION:** 2026-30 to 2026-31 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approve and updated authorization for reapplication to the Minnesota Department of Employment and Economic Development (DEED) for the Business Development Public Infrastructure (BDPI) Grant related to Hawkline Business Park at the corner of Hwy 53 and Lavaque Bypass

BACKGROUND

On February 2nd, City Council approved the reapplication to DEED for the BDP grant on Hawkline. After staff submitted the updated two applications (one by the City and one by the County – each application for $1 million dollars), DEED informed staff that a commitment of developer funding via property assessment through a Development Agreement was no longer acceptable. Both the City of Hermantown and St. Louis County are required to show funding is on hand and committed to the project. These resolutions meet the updated documentation requirements of DEED for this purpose.

The City of Hermantown will still bond for the developer's contribution and then assess to the property under the terms of the development agreement. DEED simply needs a commitment of the $2,000,000 cash on hand, for which staff is using the Water Utility Fund balance.

The County application also shows the developer commitment as being assessed. However, the County cannot assess property for infrastructure improvements, and due to assessments no longer being a valid "commitment" in the application, the City needs to show proof of funds for the $750,000 of assessment funding in the County's application. This will also be shown through the Water Utility Fund balance, but will use the same process of bonding and assessing.

SOURCE OF FUNDS (if applicable)

Grant matching funds:

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

ATTACHMENTS

Resolution Authorizing BDPI Grant Application
Resolution Authorizing Support for St. Louis County BDPI Grant Application
Cooperative Agreement with St. Louis County for the Public Improvements

Resolution No. 2026-30

<u>Resolution Authorizing And Directing The City Administrator And The Economic Development Director To Execute And Deliver A Business Development Infrastructure Application</u>

BE IT RESOLVED that the City of Hermantown act as the legal sponsor for project(s) contained in the Business Development Infrastructure Application and that John Mulder, the City Administrator of the City of Hermantown, and Chad Ronchetti, the Economic Development Director of the City of Hermantown, are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the City of Hermantown.

BE IT FURTHER RESOLVED that the City of Hermantown has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds, adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that the City of Hermantown has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Hermantown may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that the non-BDPI source(s) of funds identified in the sources and uses outline in the application in the total amount of $2,000,000 are committed and adequate to fully fund the project identified in the application.

BE IT FURTHER RESOLVED that the sources of the the City of Hermantown's matching funds shall be the Water Utility fund which has adequate funding to cover the commitment.

BE IT FURTHER RESOLVED that per MN statute 116J.431 Subd 7, the City of Hermantown understands the grant may be cancelled if the project identified in the Application is not proceeding within 18 months of the execution of a grant agreement, or if not complete after five years of any grant award.

BE IT FURTHER RESOLVED that the City of Hermantown acknowledges that allowing an ineligible business to locate in the area directly served by the funded infrastructure may trigger a default of the grant and cause repayment by the City of Hermantown.

The City of Hermantown certifies that it will comply with all applicable laws, regulations, and rules of the Business Development Infrastructure Application.

NOW, THEREFORE BE IT RESOLVED that John Mulder, the City Administrator of the City of Hermantown, and Chad Ronchetti, Economic Development Director of the City of Hermantown, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the City of Hermantown.

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 ____________________, aye.

and the following voted in opposition thereto:

____

WHEREUPON, such resolution was declared duly passed and adopted March 2, 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 2026-30 is a true and correct copy of the Resolution as adopted by the City Council on the 2nd day of March, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 3rd day of March, 2026.

____

Alissa McClure, City Clerk

Resolution No. 2026-31

<u>Resolution Authorizing Support Of The St. Louis Count Business Development Public Infrastructure Program Grant For Improvements On CSAH 49 And CR 284</u>

BE IT RESOLVED the City of Hermantown ("City") is leading a project to complete transportation improvements and provide municipal utilities to support the development of the Hawkline Business Park ("Project");

BE IT FURTHER RESOLVED the Project includes the improvements to St. Louis County roadways CSAH 48 (Lavaque Bypass) and CR 284 (Ugstad Road);

BE IT FURTHER RESOLVED that St. Louis County will apply to the Department of Employment and Economic Development for $1,000,000 in funding for this project;

BE IT FURTHER RESOLVED the transportation improvements on CSAH 48 and CR 284 have been designated by St. Louis County as County Project No. 0048-948873 as described in the Cooperative Agreement attached hereto;

BE IT FURTHER RESOLVED The City of Hermantown certifies that it will comply with all applicable laws, regulations, and rules of the Business Development Infrastructure Application;

BE IT FURTHER RESOLVED that the City of Hermantown contributed non-BDPI source(s) of funds identified in the sources and uses outlined in St. Louis County's application in the total amount of $750,000 are committed and adequate to fully fund the project identified in the application;

BE IT FURTHER RESOLVED that the sources of the City of Hermantown's matching funds shall be the Water Utility fund which has adequate funding to cover the commitment.

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 __________, aye.

and the following voted in opposition thereto:

Councilors _________

WHEREUPON, such resolution was declared duly passed and adopted March 2, 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 2026-31 is a true and correct copy of the Resolution as adopted by the City Council on the 2nd day of March, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 3rd day of March, 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

CITY OF HERMANTOWN

By: Wayne Boucher
Mayor

Date: 2/17/2026

By: Alissa McClure
City Clerk

Date: 2/17/2026

ST. LOUIS COUNTY

By: A.T. [signature]
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 Hawkline 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 Hawkline Business Park and install city utilities to serve the Hawkline 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: Phil Chapman

Clerk of the County Board/Deputy Auditor

Exhibit A

Northland
Consulting Engineers, L.L.P.

Structural, Civil and Forensic Engineering Services

CITY OF HERMANTOWN

PRELIMINARY ENGINEERING REPORT

AND

FEASIBILITY STUDY

Prepared: November 13th, 2025

Hawkline Business Park

CSAH 48 & CR 284 Improvements

NCE JOB NUMBER: 23-8012

RECOMMENDED: ______________________ 11/13/2025

Hermantown City Engineer — Date

TABLE OF CONTENTS

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.

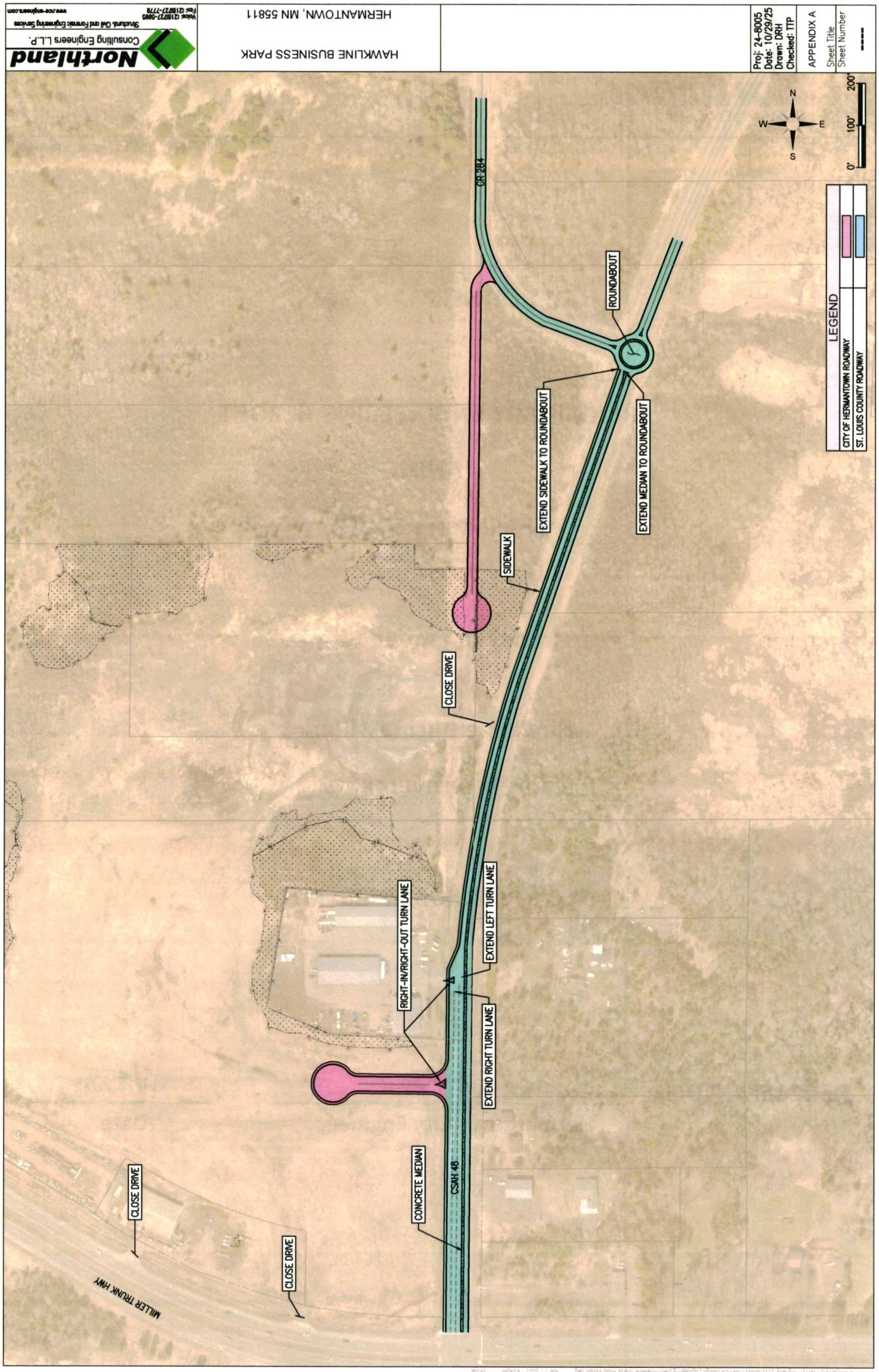
PROJECTED COSTS

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

<u>Appendix A – Project Map</u>


Northland
Consulting Engineers L.L.P.
HAWKLINE BUSINESS PARK
HERMANTOWN, MN 55811
Proj: 24-8005
Date: 10/29/25
Drawn: DRH
Checked: TTP
APPENDIX A
Sheet Title
Sheet Number
N
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100'
200'
LEGEND
CITY OF HERMANTOWN ROADWAY
ST. LOUIS COUNTY ROADWAY
CR 284
ROUNDABOUT
EXTEND SIDEWALK TO ROUNDABOUT
EXTEND MEDIAN TO ROUNDABOUT
SIDEWALK
CLOSE DRIVE
EXTEND LEFT TURN LANE
RIGHT-IN/RIGHT-OUT TURN LANE
EXTEND RIGHT TURN LANE
CONCRETE MEDIAN
CSAH 48
CLOSE DRIVE
CLOSE DRIVE
MILLER TRUNK HWY

Northland
Consulting Engineers, L.L.P.

Structural, Civil and Forensic Engineering Services

CITY OF HERMANTOWN

PRELIMINARY ENGINEERING REPORT

AND

FEASIBILITY STUDY

Prepared: November 13th, 2025

Hawkline Business Park

City Improvements

NCE JOB NUMBER: 23-8012

RECOMMENDED: ______________________ 11/13/2025

Hermantown City Engineer **Date**

TABLE OF CONTENTS

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.

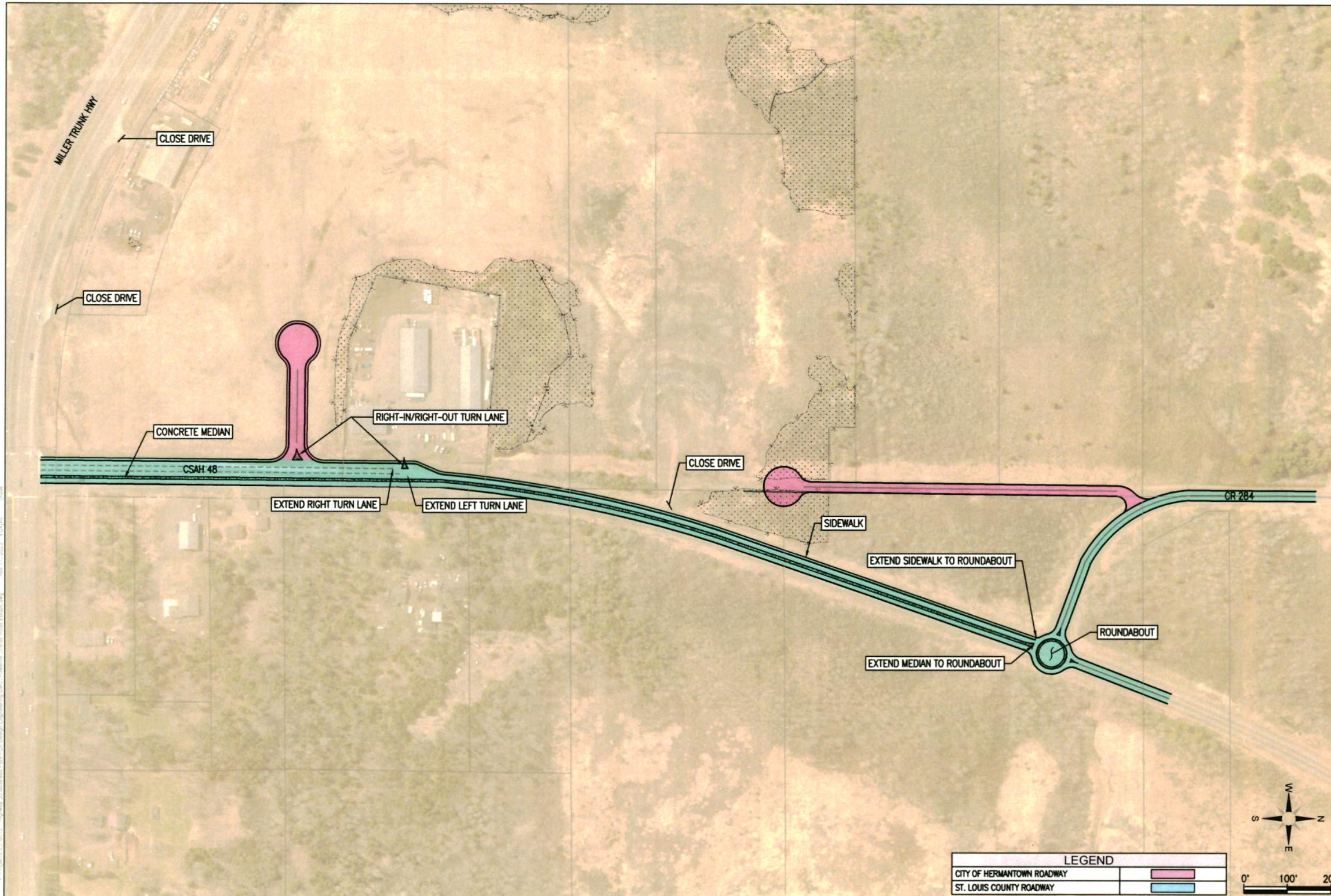
PROJECTED COSTS

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



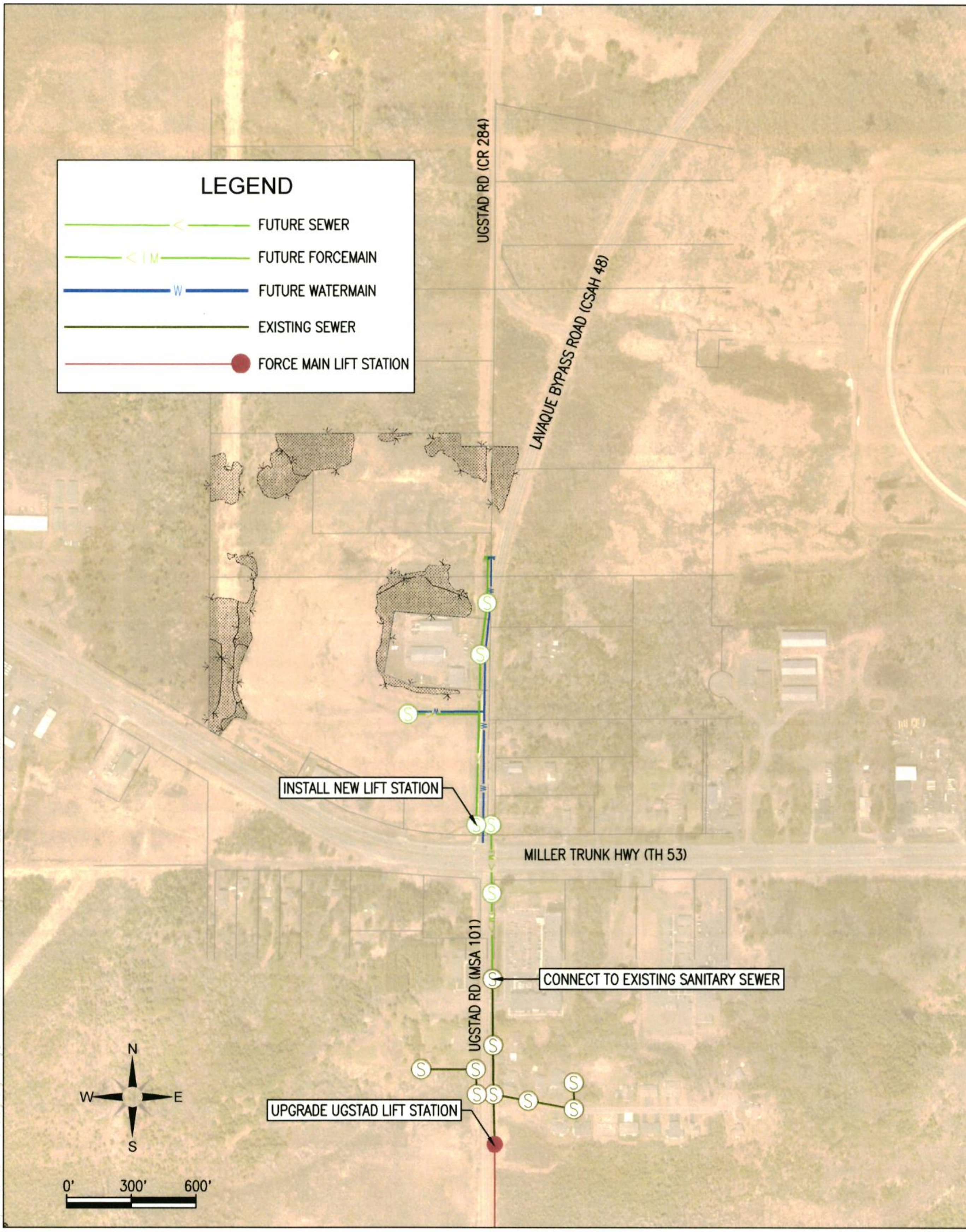
Northland Consulting Engineers L.L.P.
Structural, Civil and Forensic Engineering Services

HAWKLINE BUSINESS PARK
HERMANTOWN, MN 55811

Proj: 24-8005
Date: 10/29/25
Drawn: DRH
Checked: TTP

APPENDIX A
Sheet Title
Sheet Number

Appendix B – Utility Map



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

HAWKLINE 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

CITY COUNCIL MEETING DATE: March 2, 2026

TO: Mayor & City Council

FROM: Trish Crego, Utility and Infrastructure Director

SUBJECT: Award Construction Bid Hermantown Water System Connection and Booster Station

☒ **RESOLUTION:** 2026-32 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Award Construction Bid provided by Lakehead Constructors Inc. for the Hermantown Water System Connection and Booster Station for $943,672.00.

BACKGROUND

The bid opening for the above-mentioned project was conducted on Thursday, February 23, 2026 at 12:00 p.m. using Bid Express. Bids were received from four contractors, with the low bidder Lakehead Constructors, Inc. in the amount of $943,672.00. The engineering estimate for the project is $880,000.00.

It is recommended that the City award the construction contract for the Hermantown Water System Connection and Booster Station to Lakehead Constructors Inc.in the amount of $943,672.00.

SOURCE OF FUNDS (if applicable)

240-433500-305 Proj. 323

ATTACHMENTS

Resolution

Resolution No. 2026-32

<u>Resolution Receiving Bids and Awarding Contract To Lakehead Constructors Inc., For Improvement District No. 323 Water System Connection And Booster Station Project In The Amount Of $943,672.00</u>

WHEREAS, the City of Hermantown duly advertised for bids for Improvement District No. 323 Water System Connection and Booster Station ("Project") within the City of Hermantown; and

WHEREAS, the City will finance the Project from Sales Tax funds; and

WHEREAS, bids on such Project were publicly opened and tabulated by Short Elliot Hendrickson, Inc. ("Consulting Engineer") and the Utility & Infrastructure Director on February 23, 2026; and

WHEREAS, a Recommendation of Award letter which includes a transcript of such bids is attached hereto as Exhibit A; and

WHEREAS, the Consulting Engineer reviewed the bid of the lowest bidder to confirm its accuracy; and

WHEREAS, the Consulting Engineer reviewed the bid of the lowest bidder and found it to be technically responsive to the specifications and also investigated the experience, past record of performance and capacity of the low bidder to perform the work contracted to be performed within the stated time period; and

WHEREAS, on the basis of such review, the Consulting Engineer has recommended that the lowest bidder, Lakehead Constructors Inc, ("Contractor") be awarded the contract for Improvement District No. 323 Water System Connection and Booster Station ("Project"); and

WHEREAS, the City Council has reviewed the form Construction Contract attached hereto as Exhibit B; and

WHEREAS, after fully considering this matter, the City Council believes that it is in the best interests of the City of Hermantown to award the contract for such improvement to Contractor.

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

1. Contractor is hereby found, determined and declared to be the lowest responsible bidder for Improvement District No. 323 Water System Connection and Booster Station.

2. The bid of Contractor is in the amount of $943,672.00 for the Improvement District No. 323 Water System Connection and Booster Station for such bid option in accordance with the plans and specifications and advertisements for bids shall be and hereby is accepted.

3. The Construction Contract attached hereto as Exhibit B is hereby approved substantially in the form of, and the Mayor and City Clerk are authorized and directed to execute said Contract on behalf of the City of Hermantown.

4. Upon execution of such contract by Contractor and its submission of a performance bond, payment bond, and certificate of insurance acceptable to the City Attorney, Mayor, and City Clerk are hereby authorized and directed to execute such contract for and on behalf of the City of Hermantown.

5. The City Clerk is hereby authorized and directed to return forthwith to all bidders, the deposits (bid bonds) made with their bids, except that deposit (bid bond) of the successful bidder and the next lowest bidder shall not be returned until a contract has been executed.

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 March 2, 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 2026-32 is a true and correct copy of the Resolution as adopted by the City Council on the 2nd day of March, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 3rd day of March, 2026.

____
Alissa McClure, City Clerk

EXHIBIT A

Building a Better World
for All of Us®

February 24, 2026

RE: City of Hermantown
Water System Connection and Booster Station
Recommendation Letter
SEH No. HERMT 182882

David Bolf, City of Hermantown City Engineer
Northland Consulting Engineers
102 S 21st Ave W, Ste. 1
Duluth, MN 55806

Dear David:

Bids on the referenced project were opened at 12:00 p.m., Monday, February 23, 2026. There were four bids received and the bids ranged from a high of $1,400,000.00 to a low of $943,672.00. The results were as follows:

Contractor	Total Lump Sum Bid Price
Lakehead Constructors Inc.	$ 943,672.00
Johnson-Wilson Constructors, Inc.	$ 1,053,000.00
Utility Systems of America, Inc.	$ 1,059,000.00
Hovland Inc.	$ 1,400,000.00

The low bid was submitted by Lakehead Constructors Inc. and the bid is approximately 7.2% above the engineer's estimate of $880,000.00. The lowest three bid prices were all within approximately 11% of each other. We reviewed the bids for responsiveness. The low bid was determined to be responsive with all required bid components submitted.

Knowing that Lakehead Constructors Inc. is a competent contractor to complete this project, SEH recommends that the City award the contract to Lakehead Constructors Inc. for their low bid amount of $943,672.00.

If you require further information or have any questions, please do not hesitate to call.

Sincerely,

Richard Parr, PE
Project Manager
(Lic. IL, MN, VA, WI)

X:\FJ\H\HERMT\182882\6-bid-const\ReBid\Recommendation of Award.docx

EXHIBIT B

CONSTRUCTION CONTRACT
Amended January 5, 2026

THIS AGREEMENT, dated the _______ day of _____________, 20___, by and between the **City of Hermantown,** whose address is 5105 Maple Grove Road, Hermantown, Minnesota, 55811 (hereinafter called the "Owner"), and Lakehead Constructors, Inc., whose address is __________________________________ (hereinafter called the "Contractor").

WITNESSETH:

WHEREAS, the Owner intends to construct "Water System Connection and Booster Station" ("Project") in St. Louis County, Minnesota, as more particularly described in plans, specifications, and drawings ("Plans/Drawings and Specifications") prepared by Short Elliot Hendrickson, Inc., ("Engineer"), and

WHEREAS, Contractor desires to construct such Project and perform the related work in accordance with its bid ("Bid") made on the 23rd day of February 2026.

NOW, THEREFORE, the Owner and the Contractor, for the consideration hereinafter set forth, agree as follows:

ARTICLE I
SCOPE OF CONTRACT

1.1 The Contract. The Contract between the parties consists of this Construction Contract, and the items more specifically described on Exhibit A attached hereto are hereafter collectively called the "Contract Documents." The provisions of this Construction Contract take precedence over any inconsistent provision in any of the other Contract Documents. This Contract constitutes the entire agreement between the parties and any previously existing contract concerning the work contemplated by the Contract Documents or otherwise is hereby revoked.

1.2 Work to be Performed. The Contractor shall construct the Project in accordance with the Contract Documents ("Work").

1.3 Identity of Engineer. The Plans/Drawings and Specifications have been prepared by Engineer. The Inspecting Engineer/Architect for the administration of the Construction Documents is the Engineer.

1.4 Master Drawings and Specifications. A master set of the Plans/Drawings and Specifications initialed by the parties hereto and by the Engineer have been placed on file with the City Clerk of the Owner, and such master set, as amended from time to time pursuant to Section 1.5 hereof, shall govern in all matters which arise with respect to the Plans/Drawings and Specifications.

1.5 Changes in Contract Documents. All changes in the Plans/Drawings and Specifications or any terms of the Contract Documents, or orders for extra work or changes by altering or adding to the Work ("Change Order") must be approved by the City Council of Owner and placed on file with the Owner. Any changes in the Plans/Drawings and Specifications or orders for extra work, or changes by altering or adding to or eliminating any of such Work which will result in any net construction cost increase or decrease, or will change the Project design concept, may be effected only with the prior approval of the City Council of Owner. For purposes of this Section 1.5, the net construction cost for any such changes shall include costs and expenses of labor, materials for construction, equipment and fixtures, field engineering, sales taxes, workers' compensation insurance, social security taxes, general liability insurance and other necessary approvals, job overhead and all other expenses directly connected with the construction of such changes, but excluding kickbacks, rebates, discounts, penalties or fines received or receivable, or paid or payable, in connection with such changes, and excluding any return on or cost of the Contractor's working capital. No changes, additions or alterations may be made to this Construction Contract without the prior written approval of the City Council of Owner. NO COMPENSATION WILL BE PAID TO CONTRACTOR FOR ANY CHANGE IN THE CONTRACT DOCUMENTS UNLESS SUCH CHANGE ORDER IS APPROVED PRIOR TO SUCH CHANGE BEING MADE BY THE CITY COUNCIL OF OWNER.

1.6 Payment for Changes. Charges or credits for work covered by a Change Order approved by the City Council of Owner under Section 1.5 hereof shall be determined by the unit bid prices contained in the Bid of Contractor. Contractor agrees that the provisions of this Section 1.6 are intended to be the provisions referred to under Section 1903 of the 2025 Edition of the Minnesota Department of Transportation Standard Specifications for Construction and the 2025 Supplement thereto (collectively "MNDOT Standard Specifications") and accordingly, the provisions of Section 1903 of the MNDOT Standard Specifications are not applicable. NO PAYMENT FOR ANY CHANGE WILL BE PAID TO CONTRACTOR UNLESS SUCH CHANGE ORDER IS APPROVED PRIOR TO SUCH CHANGE BEING MADE BY THE CITY COUNCIL OF OWNER.

ARTICLE II
TIME

2.1 Commencement of the Work and Substantial Completion. The Work shall be completed in accordance with the Contract Documents to the satisfaction of the Engineer and the Owner on or before March 26th, 2027 ("Required Completion Date"). The date by which the Work shall be completed may be extended by Change Order only with the prior approval of the City Council of Owner.

The date of Completion as used herein shall be the date that the Engineer and the Owner determine in writing that the Work has been completed to the Owner's satisfaction and as required by the Specifications.

2.2 Guarantee, Special Guarantees, Assignment of Warranties, and Latent Defect Guarantee. The Contractor hereby agrees to correct any defects due to faulty materials or workmanship which exist within one (1) year from the Date of Completion at no expense to Owner. Notwithstanding anything contained herein to the contrary, the Contractor makes the following additional special guarantees, and agrees to correct any defects in materials or workmanship in the following items during the period specified:

2.2.1 Contractor shall replace, at no expense to Owner, all grass or landscaping in the Project which become seriously diseased or die within two (2) years from the Date of Completion or planting, whichever last occurs.

2.2.2 The Contractor shall assign to the Owner all warranties received by the Contractor on items incorporated in the Project, provided, however, that such assignment shall not release Contractor from the warranties and guarantees contained in this Section 2.2.

2.3 Responsibility for Heat, Utilities, and Insurance. Contractor agrees to supply all heat, gas, electrical water and sewer services to the Project necessary to complete the Work in accordance with the Contract Documents, and to keep in effect from the inception of construction or such other time as the Owner may require, the insurance required by Article VI of this Construction Contract.

2.4 Time of Completion of Work. The Work shall have been deemed to have been completed as of the date of the final inspection or reinspection, if, upon such inspection or reinspection, the Owner and Engineer find in writing that the Work is completed to the Owner's and Engineer's satisfaction, and as required by the Plans and Specifications and that no further portion of the Work remains to be done at the site. It is specifically agreed that completion shall be deemed to have occurred, if, in the Owner's and Engineer's opinions, all portions of the Work have been completed on the site to the Owner's and Engineer's satisfaction and as required by the Plans/Drawings and Specifications.

2.5 Liquidated Damages for Failure to Complete Construction. Contractor shall pay to Owner the sum of One Thousand Two Hundred Dollars ($1,200.00) per calendar day as liquidated damages for each calendar day that the completion of the construction of the Project is delayed beyond the Required Completion Date. In addition, in such event, the Contractor shall pay within 15 days after being invoiced by Owner for such costs, all engineering costs and administrative costs, including attorneys' fees, incurred in connection with the administration and enforcement of this Contract and the Work after the Required Completion Date. Contractor acknowledges that Owner will incur substantial additional direct and indirect costs, including added traffic control costs, planning costs, road cleaning costs and costs of providing health and safety precautions and protections that are very difficult to quantify if Contractor does not complete Project strictly in accordance with the Plans/Drawings and Specifications as required by Section 2.1 hereof. Therefore, Contractor has agreed to pay liquidated damages in the aforesaid amount to the Owner if it does not fulfill its obligations to the Owner with respect to the construction of the Project by the Required Completion Date. Contractor agrees that the amount of liquidated damages has been determined as a result of good faith negotiations between Owner and Contractor and represents the parties' agreement with respect to the quantification of the damages to be sustained by the Owner as a result of a failure by Contractor to complete the Project by the Required Completion Date.

ARTICLE III
CONTRACT SUM AND PAYMENTS

3.1 Unit Price Contract. Subject to the provisions of Contract Documents and assuming the Engineer's estimates of quantities are the actual quantities, the Owner shall pay to the Contractor, for the performance of the Work hereunder, a total contract sum of amount Dollars ($____________________________). Such total contract sum shall be increased or decreased by the Owner only as provided in Section 1.5 hereof, but may, by virtue of this Contract being a unit price contract, be increased or decreased to reflect actual quantities being more or less than the Engineer's estimate.

3.2 Application for Payment for Work. Not to exceed once each month after the commencement of the Work, the Contractor shall make, on days to be reasonably designated by the Owner, a monthly request to the Owner for payment for Work done during the preceding month. This request will be prepared initially by the Engineer and approved by the Contractor before being submitted to the Owner. Upon written approval of the Owner and the Engineer and compliance with the Contract Documents, the Contractor shall be entitled to payment thereon in an amount equal to (a) the total value of classes of the Work acceptably completed, plus (b) the value of materials and equipment not incorporated in the Work, but delivered and suitably stored in a manner acceptable to the Owner, less five percent (5%) thereof and less prior payments. Notwithstanding the above, no advances for materials stored on or off the site will be made unless the Contractor shall have notified the Owner of its intention to so store materials and shall have secured the Owner's permission to do so prior to the delivery of such materials. The Contractor agrees that no materials or equipment required by the Plans/Drawings and Specifications will be purchased under a conditional sales contract or with the use of any security agreement or other vendor's title or lien retention instrument. Contractor acknowledges and agrees that no payment will be made unless approved by the City Council of Owner at a regular meeting thereof and that a request for payment must be made at least two weeks in advance of a regular meeting in order for it to be considered at such meeting. If payment is approved at such meeting, Owner will pay the amount approved to Contractor within 15 business days of such approval.

3.3 Retainage. "Substantial Completion" shall mean the date when construction is sufficiently completed so that the Owner can occupy or use the improvement for the intended purpose, consistent with Minn. Stat. §541.051, subd. 1(a). For streets, highways, and bridges, "Substantial Completion" is defined as the date when construction related traffic devices and ongoing inspections are no longer required.

3.3.1 Retainage Release Date. Retainage shall be released no later than 60 days after Substantial Completion of the Work, subject to the terms of this Section 3.3. If Owner reduces the amount of retainage, the Contractor must reduce retained for any subcontractors at the same rate.

3.3.2 Contractor must pay all remaining retainage to its subcontractors no later than ten (10) days after receiving payment of retainage from Owner, unless there is a dispute about the work under a subcontract. If there is a dispute about the work under a subcontract, the Contractor must pay out retainage to any subcontractor whose work is not involved in the dispute and must provide a written statement detailing the amount and reason for the withholding to the affected subcontractor.

3.3.3 Upon written request of a subcontractor, Owner shall notify the subcontractor of a progress payment, retainage payment or final payment made to the Contractor.

3.4 Allowable Withholdings. Payments may be withheld or reduced by the Owner, if in the Owner's determination, the work is not proceeding in accordance with the Contract Documents.

3.4.1 After Substantial Completion, allowable withholdings are (1) 250% of the cost to correct or complete work known at the time of Substantial Completion, and (2) the greater of Five Hundred and No/100 Dollars ($500.00) or one percent (1%) of the Total Contract Sum for "final paperwork." "Final paperwork" is defined as documents required to fulfill contractual obligations including, but not limited to, operation manuals, payroll documents for projects subject to prevailing wage requirements, and the withholding exemption certificate required by Minn. Stat. § 270C.66 and any other certificates required by applicable law. If any payment is withheld for these reasons, a written statement must be promptly provided to the Contractor, including the amount and basis of withholding. Withheld funds must be paid within sixty (60) days after completion of the work or submission of final paperwork.

3.5 Retainage for Warranty Work Prohibited. Withholding retainage for warranty work is prohibited. This provision does not waive any rights to warranty claims.

3.6 Construction Projects Funded State or Federal Aid. Notwithstanding anything to the contrary contained herein, the portion of a construction project funded by federal or state aid is only required to be paid when the federal or state aid has been received by Owner.

3.7 Final Payment. The balance due the Contractor hereunder, including the retainage provided by Section 3.2 hereof, shall be payable after the Owner, by resolution of the City Council, determines the Contractor shall have obtained or caused to occur the following:

3.7.1 Completion of the Work, as defined in Section 2.1 and 2.4; and

3.7.2 Inspection and approval of the Work hereunder, by the Engineer; and

3.7.3 Final resolution of all claims for damages made with respect to work performed by Contractor under this Agreement, and

3.7.4 Approval by the Owner of the Contractor's final application for payment.

ARTICLE IV
RECEIPTS AND RELEASES OF LIENS

4.1 Contractor's Affidavit and Acknowledgement of Payment. With each application for payment for work, the Contractor shall furnish the names of each subcontractor utilized in connection with such Work and of each person furnishing labor or materials therefor, and the amounts due or to become due to such subcontractors, laborers and persons for Work done and materials furnished to the date of the current application for payment, and certifying that all subcontractors, laborers and materialmen have been fully paid to the date covered by the last payment for Work done. Contractor shall attach to each request for payment acknowledgements of payment to the date of the current application for payment from all subcontractors and materialmen performing any portion of the Work covered such request for payment and waivers of lien to the date of the Current request for payment for Work performed by such subcontractors and the Contractor and for which payment is requested. Concurrently with the final application for payment, the Contractor shall submit an affidavit listing all subcontractors and materialmen and certifying that there are no outstanding liens, claims or demands with respect to the Project by subcontractors, materialmen, laborers, other employees or any other third persons. The Contractor also shall furnish waivers or releases of liens from the Contractor and all subcontractors and materialmen for all work performed and materials furnished hereunder.

4.2 Satisfaction of Mechanics' Liens and Other Claims. If any mechanics' lien or other liens or claims shall be filed or maintained against the Project for or on account of any Work under the Contract in furtherance of the erection, construction or completion of the Work, it shall be the obligation of the Contractor to make provision satisfactory to the Owner for, the contest or satisfaction of such liens and/or claims prior to any further payment hereunder.

ARTICLE V
REQUIREMENTS OF CONTRACTOR

5.1 Building Permits, Tools, Notices, Compliance with Laws, Etc. The Contractor shall furnish, at its own expense, all building and other permits, licenses, tools, equipment and temporary structures necessary for the construction of the Project. The Contractor shall give all required notices and shall comply with all applicable codes, laws, ordinances, rules and regulations of the National Board of Fire Underwriters, wherever applicable. The Contractor shall notify immediately the Owner of the delivery of all permits, licenses, certificates of inspection, certificates of occupancy and any other such certificates and instruments required by law, regardless of to whom issued, and shall cause them to be displayed to the Owner upon its request.

5.2 Errors in Plans/Drawings and Specifications. If the Contractor observes that the Plans/Drawings and Specifications are at variance with any applicable codes, laws, ordinances, rules or regulations, or protective covenants, it shall notify promptly the Engineer and the Owner in writing, and any necessary changes shall be made as provided in the Contract Documents for Change Orders in the Plans/Drawings and Specifications. If the Contractor performs any work knowing it to be contrary to such codes, laws, ordinances, rules or regulations, or protective covenants, without giving notice to the Engineer and Owner, the Contractor shall bear all cost arising therefrom, including the cost of correcting any such work.

5.3 Maintenance of Landscaping. In addition to the warranty for grass and landscaping provided in Section 2.2 herein, the Contractor shall assume full responsibility for the maintenance of all grass and landscaping required by the Plans/Drawings and Specifications until the Date of Completion.

5.4 Representations of Contractor. The Contractor represents and warrants to the Owner that (a) the Contractor is financially solvent, able to pay its debts as they mature and is possessed of sufficient working capital to complete this Construction Contract, that it is able to furnish the plant, tools, materials, supplies, equipment and labor and is experienced in and competent to perform the Work, and that it is qualified to do the Work and is authorized to do business in the State of Minnesota, and (b) the Contractor holds all licenses, permits or other special licenses necessary to perform the services included in this Construction Contract, as required by any applicable law. The warranties in this Contract shall not limit or exclude any other warranties, express or implied, which arise by operation of law or under any Contract Documents.

5.5 Soils. It is understood that Owner may have supplied Contractor with certain reports of soil test borings which have been made on the Project site. Contractor acknowledges that it has reviewed such reports and agrees that no allowances or adjustment will be made in the Total Contract Sum by reason of conditions below the surface of the ground which such reports disclose or which Contractor should reasonably discover upon reviewing the same. If no soil reports are provided by Owner, Contractor agrees that it will be responsible for determining on its own the soil condition of the Project and that no allowance or adjustment will be made in the Total Contract Sum by reason of conditions below the surface of the ground.

5.6 Completion Schedule. The Contractor agrees that it will turn over to the Owner, for use by Owner, the Project on the Date of Completion. The Contractor also agrees that it will diligently complete the Project and will not unreasonably delay the completion of the Project

5.7 Examination of Documents. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the bidding documents including any "technical data".

5.8 Site Inspection. Contractor has visited the site and become familiar with and is satisfied as to the general, local and site conditions that may affect cost, progress, performance or furnishing of the Work.

5.9 Familiar with Regulation. Contractor is familiar with and is satisfied as to all federal, state and local laws and regulations that may affect cost, progress, performance and furnishing of the Work.

5.10 Subsurface Conditions. Contractor has carefully studied all reports of explorations and tests of subsurface conditions at or contiguous to the site of the Work and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site. Contractor acknowledges that such reports and drawings are not Contract Documents and may not be complete for Contractor's purposes. Contractor acknowledges that Owner and Engineer do not assume responsibility for the accuracy or completeness of information and data shown or indicated in the Contract Documents with respect to subsurface conditions at or contiguous to the site. Contractor has obtained and carefully studied (or assumes responsibility for having done so) all such additional supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and underground facilities) at or contiguous to the site of the Work or otherwise which may affect cost, progress, performance or furnishing of the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor and safety precautions and programs incident thereto. Contractor does not consider that any additional examinations, investigations, explorations, tests, studies or data are necessary for the performance and furnishing of the Work at the Contract Price, within the Contract Times and in accordance with the other terms and conditions of the Contract Documents.

5.11 Nature of Work Understood. Contractor is aware of the general nature of work to be performed by Owner and others at the site of the Work that relates to the Work as indicated in the Contract Documents.

5.12 Conflicts in Documents. Contractor has given Engineer written notice of all conflicts, errors, ambiguities or discrepancies that Contractor has discovered in the Contract Documents and the written resolution thereof by Engineer is acceptable to Contractor, and the Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

5.13 Minnesota Contractors and Subcontractors. If a non-Minnesota Contractor or subcontractor enters into a Contract for this Project, and the total amount of the Contract for this Project is greater than $50,000.00, the non-Minnesota Contractor or subcontractor will be required to file Form SD-E Minnesota Department of Revenue/Exemption from Surety Deposits for Non-Minnesota Contractors and provide any required surety deposit prior to executing the Contract for this Project. Contractor shall comply with the provisions of Minn. Stat.§ 471.425, subd. 4a. Contractor shall pay any subcontractor within ten days of the Contractor's receipt of payment from Owner for undisputed services provided by the subcontractor. Contractor shall pay interest of 1½ percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. Contractor shall pay the actual interest or $10, whichever is greater, for an unpaid balance of $100 or more. Contractor shall pay the subcontractor the actual interest for an unpaid balance of less than $100.

5.14 Withholding Affidavit for Contractors. Attached herein is a copy of the Minnesota Department of Revenue Withholding Affidavit for Contractors, Form IC-134. The successful bidder entering into a Contract with the Owner will be required to file Form IC-134 with the State of Minnesota and provide the Owner with a copy of the completed form certified by the State of Minnesota before final payment can be issued by the Owner.

Copies of completed Form IC-134 will be required from the Contractor and all subcontractors supplying labor and materials for the Project.

5.16 American Made Steel. In conformance with the provisions of the U.S. Code of Federal Regulations 23CFR635.410, the Contractor will furnish and use only steel and iron materials that have been melted and manufactured in the United States. Foreign source materials are any domestic products taken out of the United States for any process (e.g. change of chemical content, permanent shape or size, or final finish of product).

5.17 Repair of Streets. Contractor agrees to make repairs to public streets that may become damaged due to use of the road for hauling of materials, or due to the Contractor's construction practices. Contractor shall repair such damage in a manner as so that it is acceptable by the Ownerengineer. Any pavement repairs shall be completed prior to final acceptance of any public improvements.

5.18 Responsible Contractor. Contractor shall comply with the provisions of Minn. Stat. § 16C.285, commonly known as the Responsible Contractor Law.

ARTICLE VI
INSURANCE

The Contractor shall not commence work under this contract until the Contractor has obtained all the insurance required under this paragraph and such insurance has been approved by the Owner, nor shall the Contractor allow any subcontractor to commence work on any subcontract until the insurance required of the subcontractor has been obtained and approved.

a) Compensation Insurance. The Contractor and each subcontractor shall procure and shall maintain during the term of the contract Worker's Compensation Insurance as required by applicable Minnesota law for all employees to be engaged in work at the site of the Project. In case any class of employees engaged in hazardous work on the Project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide adequate employer's liability insurance for the protection of such employees as are not otherwise protected. Contractor shall maintain "stop gap" coverage if Contractor obtains Workers' Compensation coverage from any state fund if Employer's liability coverage is not available.

b) Contractor's Public Liability and Property Damage Insurance and Vehicle Liability Insurance. The Contractor shall procure and shall maintain during the term of the Contract Contractor's Property Damage Insurance and Vehicle Liability Insurance and Contractor's Public Liability Insurance in the amounts specified in Paragraphs (g), (h) and (i) below.

c) Subcontractor's Public Liability and Property Damage Insurance and Vehicle Liability Insurance. The Contractor shall either (1) require each subcontractor to procure and to maintain during the life of any subcontract, subcontractor's Public Liability and Property Damage Insurance and Vehicle Liability Insurance of the type and in the amounts specified in Paragraphs (g), (h) and (i) below, or (2) insure the activities of the subcontractors in Contractor's policy, specified in Paragraph (b) above.

d) Scope of Insurance and Special Hazards. The insurance required under Paragraphs (b) and (c) hereof shall provide adequate protection for the Contractor and the subcontractors, respectively against damage claims which may arise from operations under this contract, whether such operations be by the insured or by any one directly or indirectly employed by the insured and, also against any of the special hazards which may be encountered in the performance of this Contract as enumerated in Paragraph (g) below.

e) Indemnification. The Contractor shall indemnify and save harmless the Owner from all claims and actions of any kind arising from, or incidental to the performance of the Contract and expenses incidental to such claims and actions, including attorneys' fees, and shall assume without expense to the Owner, the defense of any such claims or actions. Except to the extent prohibited by law, this indemnity applies regardless of any strict liability or negligence attributable to the Owner (including sole negligence) and regardless of the extent to which the underlying occurrence (i.e., the event giving rise to a claim which would have been covered by the specified insurance) is attributable to the negligent or otherwise wrongful act or omission (including breach of contract) of Owner, its agents, employees or delegates. Contractor agrees that this indemnity shall be construed and applied in favor of indemnification. Contractor also agrees that if applicable law limits or precludes any aspect of this indemnity, then the indemnity will be considered limited only to the extent necessary to comply with that applicable law. The stated indemnity continues until all applicable statutes of limitation have run.

If a claim arises within the scope of the stated indemnity, the Owner may require Contractor to:

i. Furnish and pay for a surety bond, satisfactory to the Owner, guaranteeing performance of the indemnity obligation; or
ii. Furnish a written acceptance of tender of defense and indemnity from Contractor's insurance company.

Contractor will take the action required by the Owner within fifteen (15) days of receiving notice from the Owner.

f) Proof of Insurance. The Contractor shall furnish the Owner with a certificate showing the type, amount, class of operations covered, effective dates and dates of expiration of policies. Such certificates shall contain substantially the following statement: "The insurance covered by this certificate will not be canceled, materially altered, or not renewed, except after thirty (30) days written notice or ten (10 days) for non-payment of premium, has been received by the Owner." Owner is to be named as an additional insured on such Certificate and not merely as a Certificate holder. Contractor must provide Owner with appropriate endorsements to its policy(ies) of insurance reflecting the status of Owner as an additional insured and requiring that the foregoing notice of cancellation, material alteration or nonrenewal be provided to owner by the insurance company providing such insurance policy(ies) to Contractor. In addition, all policies shall contain a waiver of subrogation in favor of Owner. All policies shall apply on a "per project" basis. Contractor agrees to maintain all coverage required herein throughout the term of the Contract and for a minimum of two (2) years following Owner's written acceptance of the Contract.

g) Limits of Insurance.

Worker’s Compensation:	As required by Minnesota law with an “all states” endorsement	
Employer’s Liability	Per Occurrence	$2,000,000.00
Independent Contractor’s protective coverage liability:		
Bodily Injury	Per Occurrence	$2,000,000.00
Property Damage	Per Occurrence	$2,000,000.00
Products and completed operations coverage to be kept in place for the duration of any contract guarantee period:		
Bodily Injury	Per Occurrence	$2,000,000.00
Property Damage	Per Occurrence	$2,000,000.00
Comprehensive General Liability, Premises and Operations:		
Bodily Injury	Per Occurrence	$2,000,000.00
Comprehensive General Liability, Property Damage and Bodily Injury:	Per Occurrence	$2,000,000.00
Products – Completed Operations	Per Occurrence	$2,000,000.00
Fire Legal Liability	Each Occurrence	$100,000.00
Medical Expense:		$5,000.00
Contractual Liability covering customary Construction Contract and subcontract indemnity provisions:		
Bodily Injury	Per Occurrence	$2,000,000.00
Contractual Liability covering customary Construction Contract and subcontract indemnity provisions:		
Property Damage	Per Occurrence	$2,000,000.00

Comprehensive Automobile Liability		$2,000,000.00
Combined single limit each accident (shall include coverage for all owned, hired and non-owed vehicles).		
Property Damage	Per Occurrence	$2,000,000.00
"All Risk" Builder's Risk Insurance		Completed Value Form

h) Property Insurance. Contractor shall provide "All Risk" builder's risk insurance under a completed value form on all work on the Project, including foundations, permanent fixtures and attachments, machinery and equipment included in or installed under the Contract, debris removal, architects' and engineer's fees, temporary structures, materials, equipment and supplies of all kinds located on the Project, to the full replacement value thereof, except that such policy may provide for a deductible amount not to exceed $25,000.00 per occurrence. Said insurance shall be endorsed to provide consent for occupancy of the Project and shall be maintained in effect until permanent property coverage is in force. Such insurance shall be written in the names of Contractor, any subcontractor and Owner, as their interests may appear. Contractor, all subcontractors, and suppliers waive all rights against Owner for damages caused by fire or insured perils, except such rights as are set forth hereunder to the proceeds of such insurance payable in the event of such loss.

i) Public Liability Insurance. Public Liability Insurance written on an "occurrence" basis under Comprehensive General Liability Form with "Broad Form" property damage liability coverage, with the XCU exclusion removed, in limits specified in paragraph (g) above. Contractor shall require such liability coverage from all subcontractors unless they are insured under the Contractor's policies. Certificates evidencing such coverage obtained by any subcontractor shall be provided to Owner and Engineer.

j) General Liability. Prior to starting the Work, Contractor shall procure, maintain and pay for such insurance as will protect against claims or loss which may arise out of operations by Contractor or by any subcontractor or by anyone employed by any of them or by anyone for whose acts any of them may be liable. Such insurance shall include, but not be limited to, minimum coverages and limits of liability specified in this section, or required by law.

k) Commercial General Liability. The Commercial General Liability Policy shall be on ISO form CG 00 01 12 07 or CG 00 01 04 13, or the equivalent. Such insurance shall cover liability arising from premises, operations, independent contractors, products- completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). There shall be no endorsement or modification of the Commercial General Liability form arising from pollution, explosion, collapse, underground property damage or work performed by subcontractors.

l) Claim Form. Contractor shall obtain and provide to Owner, with the Certificate of Insurance, a Claim Form for use by parties with claims against Contractor arising out of the performance of work by Contractor under the Contract with Owner.

m) Primary Policies. All policies shall be primary and non-contributory.

n) Deductible Responsibilities. It shall be Contractor's responsibility to pay any retention or deductible for the coverages required herein.

o) Insurance Company Rating. Contractor shall maintain in effective all insurance coverages required under this section at Contractor's sole expense and with insurance companies licensed to do business in the state of Minnesota and having a current A.M. best rating of no less than A-, unless specifically accepted by Owner in writing.

ARTICLE VII
ASSIGNMENTS, SUBCONTRACTS, AND TERMINATION

7.1 Contract Not Assignable. This Construction Contract shall not be assignable by Contractor without the prior written consent of the Owner.

7.2 Subcontracts. The Contractor shall not subcontract all or any portion of the Work or obtain materials or equipment without the prior written consent of the Owner and Engineer. The Contractor shall provide to Owner and the Engineer at the preconstruction conference a list of subcontractors, materialmen and equipment suppliers proposed to be used by Contractor in connection with the performance of the Work, along with a copy of any subcontracts between the Contractor and any subcontractor, materialmen or equipment supplier. The Contractor shall submit to the Owner and Engineer the names of the subcontractors to whom the Contractor proposes to subcontract any part of the Work, or who will provide materials or equipment to perform the Work, together with such information as to the qualifications and ability of such proposed subcontractors to perform the Work or supply such materials or equipment satisfactorily as the Owner or Engineer may request. The Contractor shall not subcontractor any Work to a subcontractor or purchase any materials or obtain any equipment from any person with regard to which the Contractor has received written notice of objection from the Owner or Engineer provided that such notice of objection must be received by the Contractor within ten (10) days of the receipt by the Owner or Engineer of such subcontractor's, materialmen's or equipment supplier's name and qualifications. Owner or Engineer may object to any subcontractor, materialmen or equipment supplier with or without cause. Contractor shall provide the Owner and Engineer with a copy of the signed, final subcontract between Contractor and approved subcontractor, materialman or equipment supplier before any work, material or equipment is supplied by such person to the Project. The Contractor shall not make any substitutions for any subcontractor, materialman or equipment supplier, or person or organization who has been accepted by the Owner and the Engineer, unless the substitution is accepted in writing by the Owner and the Engineer. The Contractor shall be as fully responsible to the Owner for the acts and omissions of the Contractor's subcontractors, materialmen and equipment suppliers as the Contractor is for the acts and omissions of persons directly employed by the Contractor. The Contractor shall cause and require provisions to be included in all subcontracts for any part of the Work or material or equipment, binding the subcontractors, materialmen and equipment suppliers to comply with the terms of the Contract Documents insofar as applicable to the Work of such subcontractors, the material or such materialmen, or the equipment supplied by such equipment suppliers. Without limiting the generality of the foregoing, any approved subcontractor, materialmen or equipment supplier shall provide Owner and the Engineer the following items before performing any work on the Project.

7.2.1 A Certificate of Insurance that satisfies the requirements of this Agreement.

7.2.2 An insurance claim form that satisfies the requirements of this Agreement.

7.2.3 A certified list of the names and addresses of all laborers and materialmen who will provide labor or material to subcontractor in connection with the performance of work by the subcontractor in connection with this Project.

7.3 Subcontractors to be Obligated to Owner. The Contractor shall cause and require to be included in all subcontracts a provision for the benefit of the Owner binding the subcontractors, materialmen and equipment suppliers to remain bound by the subcontracts in the event the Contractor is replaced by another Contractor.

7.4 Disclosure of Materialmen and Equipment Supplies. The Contractor shall disclose to the Owner, prior to the preconstruction conference and thereafter within 5 days after request by Owner, the names of all persons with whom the Contractor desires to contract, from time to time, with respect to materials and equipment to be furnished for the Work hereunder. The provisions of Section 7.2 are applicable to such materialmen and equipment suppliers.

ARTICLE VIII
TERMINATION OF THE CONTRACT

In the event that:

8.1 The Contractor or any subcontractor, materialman or equipment supplier is adjudged a bankrupt;

8.2 The Contractor or any subcontractor, materialman or equipment supplier makes a general assignment for the benefit of his creditors;

8.3 A receiver is appointed for the Contractor or any subcontractor, materialman or equipment supplier;

8.4 The Contractor or any subcontractor, materialman or equipment supplier refuses or fails to supply properly skilled workmen or proper materials sufficient to perform the Work in accordance with the Contract Documents, including particularly the time and scheduling provisions thereof;

8.5 The Contractor or any subcontractor, materialman or equipment supplier incorporates defective, faulty or inferior workmanship or materials into the Work;

8.6 The Contractor or any subcontractor, materialman or equipment supplier fails to make prompt payment to subcontractors or for materials or labor;

8.7 The Contractor or any subcontractor, materialman or equipment supplier disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction; or

8.8 The Contractor or any subcontractor, materialman, or equipment supplier otherwise violates any provisions of the Contract Documents;

then the Owner may terminate the employment of the Contractor with respect to all or any part of the Project and take possession of the portion of the Project site for which the Contract was terminated and of all materials, equipment, tools, construction equipment and machinery thereon owned by the Contractor, and the Owner may complete the Work by whatever method it may deem expedient. Any such termination of the employment of the Contractor by the Owner as aforesaid shall be without prejudice to any other right or remedy of the Owner and shall be effective only after the Owner shall have given the Contractor three (3) days' written notice of the Owner's intention to terminate the employment of the Contractor in whole or in part.

In the event of the termination of the employment of the Contractor pursuant to this Section, the Contractor shall not be entitled to receive any further payment until the Work is completed. If the cost of completing the Work, including compensation for any additional services of the Engineer, exceed the unpaid balance of the Total Contract Sum, the Contractor and Contractor's surety shall pay the amount of such excess cost to the Owner.

ARTICLE IX
DISPUTE RESOLUTION

9.1 The City Administrator, the Engineer and the Contractor representation shall attempt to resolve any disagreements under this Agreement. If such efforts do not resolve such disagreement within thirty (30) calendar days, then the City and Contractor shall enter into mediation through a mediator authorized to conduct mediation under the Minnesota Supreme Court Alternative Dispute Resolution System. If mediation does not resolve such disagreements within thirty (30) calendar days after the matter is submitted to mediation, then the City and Contractor shall be entitled to take whatever action is necessary or appropriate to seek redress of any disagreements. The venue and jurisdiction for any such further proceedings shall be in the District Court for St. Louis County, Minnesota.

ARTICLE X
MISCELLANEOUS

10.1 Notices. Any notice required to be given hereunder shall be deemed sufficient if delivered in writing personally, or mailed certified mail, return receipt requested, postage repaid to the following places and directed to the following persons:

Owner:	City of Hermantown 5105 Maple Grove Road Hermantown, MN 55811
With a copy to:	Gunnar Johnson Overom Law, PLLC 802 Garfield Avenue Suite 101 Duluth, MN 55805
And a copy to:	Northland Consulting Engineers 102 S. 21st Avenue West Suite One Duluth, MN 55806
Contractor:	Lakehead Constructors, Inc.

This provision does not affect or abrogate any notice that may be required to be given to the Engineer under the Contract Documents.

10.2 Actions on Behalf of the Parties. The following persons are authorized by the Owner and the Contractor to execute any and all instruments requiring their respective signatures and to act on their behalf with respect to all matters arising out of the Contract.

Owner:	City Administrator only after authorization given by approving vote of the Hermantown City Council.
Contractor:	(Name of Contractor)

10.3 Captions. Captions to sections hereunder are included for reference convenience only and are not to be construed as affecting the meaning of any section or to have any legal effect whatsoever. Such captions are to be disregarded when interpreting this Construction Contract.

10.4 Interpretation. This Construction Contract shall be interpreted under and according to the laws of the State of Minnesota.

10.5 Government Data Practices. Contractor acknowledges that Owner is subject to the provisions of the Minnesota Government Data Practices Act.

Contractor must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by Owner in accordance with this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by

Contractor in accordance with this Agreement. The civil remedies of Minn. Stat. § 13.08, apply to Contractor and Owner.

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

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representative, have set their hands as of the day and year first above written.

OWNER:

City of Hermantown

By: ______________________________________
Its Mayor

By: ______________________________________
Its City Clerk

CONTRACTOR:

Lakehead Constructors, Inc.

By: ______________________________________

Its ___________________________________

EXHIBIT A

OTHER CONTRACT DOCUMENTS (S)

1. Plans/Drawings and Specifications attached hereto

2. Bid of Contractor

CITY COUNCIL MEETING DATE: March 2, 2026

TO: Mayor & City Council

FROM: James Crace, Director of Public Safety

SUBJECT: Disposal of 3 Police Vehicles

☒ **RESOLUTION:** 2026-33 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approve disposition of three Police vehicles.

BACKGROUND

We recently purchased two new police patrol vehicles and would recommend the disposal of three vehicles that have reached the end of their useful life.

Vehicle 1 is a 2018 Ford Interceptor with over 90,000 miles
Vehicle 2 is a 2015 Chevrolet Tahoe with 91,000 miles and rust
Vehicle 3 is a 2019 Chevrolet Tahoe with 137,000 miles

SOURCE OF FUNDS (if applicable)

N/A

ATTACHMENTS

Resolution

Resolution No. 2026-33

Resolution Authorizing The Disposal Of Surplus City Property

WHEREAS, the Director of Public Safety of the City of Hermantown is seeking authorization to dispose of city surplus equipment; and

WHEREAS, various vehicles are removed from use through sale or trade-in; and

WHEREAS, the Hermantown City Council deems it appropriate to dispose of such surplus equipment; and

WHEREAS, the Hermantown City Council desires to proceed forward with the disposal of the surplus equipment listed as follows:

A. Asset # 2983 - 2018 Ford Interceptor – VIN # 1FM5K8AR3JGB58588
B. Asset # 2778 - 2015 Chevy Tahoe – VIN # 1GNSK2EC1FR305150
C. Asset # 3024 - 2019 Chevy Tahoe – VIN # 1GNSKDEC1KR249975

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

1. The City Administrator and Director of Public Safety are hereby Authorized and Directed to Proceed to Dispose of Surplus Equipment in the Possession of the City of Hermantown as listed below.

2. All items may be scrapped, traded, or discarded by administrative staff in accordance with all applicable laws, rules and regulations.

3. The assets will be removed from inventory.

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 March 2, 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 2026-33 is a true and correct copy of the Resolution as adopted by the City Council on the 2nd day of March, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 3rd day of March, 2026.

____

Alissa McClure, City Clerk

CITY COUNCIL MEETING DATE: March 2, 2026

TO: Mayor & City Council

FROM: James Crace, Public Safety Director

SUBJECT: Squad Purchases

☒ **RESOLUTION:** 2026-34 ☐ **ORDINANCE:** ☐ **OTHER:**

REQUESTED ACTION

Approval of the purchase of two (2) Chevrolet Tahoes for the Police Department. These vehicles are being purchased on the MN State Bid.

BACKGROUND

This is a routine replacement of an aging police vehicles. We purchase two vehicles per year to keep our fleet in good working condition and to control maintenance costs.

SOURCE OF FUNDS (if applicable)

General Fund - Police

ATTACHMENTS

Resolution
Invoice

Resolution No. 2026-34

<u>Resolution Awarding Contract For A Purchase of Two Police Vehicles In The Amount Of $109,323.84 Plus Applicable Taxes And Fees</u>

WHEREAS, the City of Hermantown has included two new police vehicles in the 2026 Capital Improvement Plan and Budget; and

WHEREAS, the vehicles desired by the City are:

- 2026 Chevrolet Tahoe for $54,309.92
- 2025 Chevrolet Tahoe for $55,013.92

WHEREAS the vehicles are available from North Country GM and are on the "State Contract"; and

WHEREAS, after fully considering this matter, the City Council of the City of Hermantown believes that it is in the best interest of the City of Hermantown to award the contract for the police vehicles to North Country GM.

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

1. North Country GM is hereby determined to be able to provide the police vehicles to the City on the State Contract.

2. The price of $109,323.84 plus applicable taxes and fees for the police vehicles are hereby accepted.

3. Per the 2026 Budget, the funds for the payment of the police vehicles will be paid from General Fund and expensed to 101-421100-544.

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 March 2, 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 2026-34 is a true and correct copy of the Resolution as adopted by the City Council on the 2nd day of March, 2026.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City of Hermantown, the 3rd day of March, 2026.

____

Alissa McClure, City Clerk

North Country CHEVROLET · GMC

1502 E. Howard St.
HIBBING, MN 55746
218-263-7578

DEAL# 3001680
CUST# 46690

Stock #: 94403 Date: 02/16/2026 Salesperson: ROBERT OHARA

Buyer Name: (Last) CITY OF HERMANTOWN (First) N/A (Middle) N/A

Co-Buyer Name: (Last) (First) (Middle)

Address: 5105 MAPLE GROVE RD City: HERMANTOWN State: MN County: Zip: 55811

Home Phone: (218) 729-7840 Bus Phone: Buyer DOB: Co-Buyer DOB: N/A

Buyer D.L. #: N/A Co-Buyer D.L. #: N/A

Buyers Insurance Co./Policy #:

PLEASE ENTER MY ORDER FOR: New ☒ Used ☐ Demo ☐ Lien Holder Address N/A

YEAR	MAKE	MODEL	BODY	TRANSMISSION	COLOR	INTERIOR
2026	CHEVROLET	TAHOE	SPORT UTILITY		EXTERIOR BODY COLORED	JET BLACK

VIN #	LIC. #	TAB EXP. DATE	STATE	MILEAGE
1GNS6UED5TR184403			N/A	10

Buyer Email:

Co Buyer Email: N/A

CASH PRICE OF VEHICLE	54,309.92
FREIGHT	N/A
DEALER INSTALLED OPTIONS:	
N/A	N/A
N/A	N/A
N/A	N/A
CASH PRICE LESS REBATES	54,309.92
N/A	N/A
N/A	N/A
N/A	N/A
PO: PO# LETTER TOTAL	54,309.92

REGISTRATION TAX	0.00	LESS TRADE-IN ALLOWANCE (–)	8,000.00
PLATE FEE	N/A	TRADE DIFFERENCE	46,309.92
PUBLIC SAFETY VEHICLE FEE	N/A		
TRANSFER TAX	N/A	MOTOR VEHICLE SALES TAX	0.00
TITLE/TRANSFER FEE	N/A	N/A	N/A
STATE/DEPUTY FILING FEE	0.00	SERVICE CONTRACT	N/A
LIEN RECORDING FEE	N/A	MAINTENANCE CONTRACT	N/A
WHEELAGE TAX	N/A	OTHER STATE & LOCAL SALES TAXES	0.00
TRANSIT TAX	N/A	N/A	N/A
N/A	N/A	DOCUMENT ADMINISTRATION FEE	N/A
N/A	N/A	OPTIONAL ELECTRONIC TRANSFER FEE	N/A

TOTAL LICENSE & FEES →	N/A
SUBTOTAL	46,309.92
LESS AMOUNT SUBMITTED WITH ORDER (–)	0.00
PLUS BALANCE OWING TO LEINHOLDER ON TRADE IN (+)	N/A
TOTAL AMOUNT DUE ON DELIVERY	46,309.92

TRADE-IN DATA

YEAR	MAKE	MODEL	BODY STYLE
2015	CHEVROLET	TAHOE	SPORT UTILITY

VIN #	COLOR
1GNSK2EC1FR305150	BLACK

LIEN HOLDER'S NAME N/A

ADDRESS N/A

LICENSE PLATE # N/A LICENSE STATE N/A EXP. DATE N/A

MILEAGE NOW 92834 TRANSMISSION N/A

DOES YOUR TRADE-IN HAVE A BRANDED TITLE OR INSURANCE SALVAGE HISTORY? YES ☐ NO ☐

IS THE POLLUTION CONTROL EQUIPMENT ON YOUR TRADE-IN INTACT AND IN OPERATING CONDITION? YES ☐ NO ☐

Dealer's Disclaimer of Warranty

Unless the vehicle is sold with a separate written dealer warranty or the dealer enters into a service contract with the buyer, the vehicle is sold "AS IS". Dealer expressly disclaims all warranties, either express or implied, including the implied warranties of merchantability and fitness for a particular purpose. The entire risk of the quality and performance of the vehicle is with the buyer.

Important: A manufacturer warranty may apply.

The two pages of this CONTRACT comprise the entire CONTRACT affecting this purchase The DEALER will not recognize any verbal agreement or any other agreement or understanding of any nature. You certify that you are 18 years of age or older and acknowledge receiving a copy of this contract.

The terms of this CONTRACT were agreed upon and the CONTRACT signed in the dealership on the date noted at top of this form.

IMPORTANT: THIS MAY BE A BINDING CONTRACT AND YOU MAY LOSE ANY DEPOSITS IF YOU DO NOT PERFORM ACCORDING TO ITS TERMS.

NOTICE OF SALESPERSON'S LIMITED AUTHORITY. This contract is not valid unless signed and accepted by Sales Manager or Officer of Dealership.

Accepted ⊗ ________ ⊗ ________ Buyer's Signature Accepting Terms of Contract

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North Country CHEVROLET · GMC

1502 E. Howard St.
HIBBING, MN 55746
218-263-7578

DEAL# 3001679
CUST# 46690

Stock #: 93124 Date: 02/16/2026 Salesperson: ROBERT OHARA

Buyer Name: (Last) CITY OF HERMANTOWN (First) N/A (Middle) N/A

Co-Buyer Name: (Last) (First) (Middle)

Address: 5105 MAPLE GROVE RD City: HERMANTOWN State: MN County: Zip: 55811

Home Phone: (218) 729-7840 Bus Phone: Buyer DOB: Co-Buyer DOB: N/A

Buyer D.L. #: N/A Co-Buyer D.L. #: N/A

Buyers Insurance Co./Policy #:

PLEASE ENTER MY ORDER FOR: New ☒ Used ☐ Demo ☐ Lien Holder Address N/A

YEAR	MAKE	MODEL	BODY	TRANSMISSION	COLOR	INTERIOR
2026	CHEVROLET	TAHOE	SPORT UTILITY		EXTERIOR BODY COLORED	JET BLACK

VIN #	LIC. #	TAB EXP. DATE	STATE	MILEAGE
1GNS6UED7TR183124			N/A	10

Buyer Email:	CASH PRICE OF VEHICLE	55,013.92
Co Buyer Email: N/A	FREIGHT	N/A
	DEALER INSTALLED OPTIONS:	
2018 FORD POLICE INTERCEPTC SPORT UTILITY 1FM5K8AR3JGB58588	N/A	N/A
	N/A	N/A
	N/A	N/A
88844	CASH PRICE LESS REBATES	55,013.92
	N/A	N/A
	N/A	N/A
	N/A	N/A
	PO: PO# LETTER TOTAL	55,013.92

TRADE-IN DATA

YEAR	MAKE	MODEL	BODY STYLE
2019	CHEVROLET	TAHOE	SPORT UTILITY

VIN #	COLOR
1GNSKDEC1KR249975	BLUE

LIEN HOLDER'S NAME N/A

ADDRESS N/A

LICENSE PLATE # N/A LICENSE STATE N/A EXP. DATE N/A

MILEAGE NOW 137222 TRANSMISSION N/A

DOES YOUR TRADE-IN HAVE A BRANDED TITLE OR INSURANCE SALVAGE HISTORY? YES ☐ NO ☐

IS THE POLLUTION CONTROL EQUIPMENT ON YOUR TRADE-IN INTACT AND IN OPERATING CONDITION? YES ☐ NO ☐

REGISTRATION TAX	0.00	LESS TRADE-IN ALLOWANCE (–)	12,000.00
PLATE FEE	N/A	TRADE DIFFERENCE	43,013.92
PUBLIC SAFETY VEHICLE FEE	N/A		
TRANSFER TAX	N/A	MOTOR VEHICLE SALES TAX	0.00
TITLE/TRANSFER FEE	N/A	N/A	N/A
STATE/DEPUTY FILING FEE	0.00	SERVICE CONTRACT	N/A
LIEN RECORDING FEE	N/A	MAINTENANCE CONTRACT	N/A
WHEELAGE TAX	N/A	OTHER STATE & LOCAL SALES TAXES	0.00
TRANSIT TAX	N/A	N/A	N/A
N/A	N/A	DOCUMENT ADMINISTRATION FEE	N/A
N/A	N/A	OPTIONAL ELECTRONIC TRANSFER FEE	N/A

TOTAL LICENSE & FEES →	N/A
SUBTOTAL	43,013.92
LESS AMOUNT SUBMITTED WITH ORDER (–)	0.00
PLUS BALANCE OWING TO LEINHOLDER ON TRADE IN (+)	N/A
TOTAL AMOUNT DUE ON DELIVERY	43,013.92

Dealer's Disclaimer of Warranty
Unless the vehicle is sold with a separate written dealer warranty or the dealer enters into a service contract with the buyer, the vehicle is sold "AS IS". Dealer expressly disclaims all warranties, either express or implied, including the implied warranties of merchantability and fitness for a particular purpose. The entire risk of the quality and performance of the vehicle is with the buyer.
Important: A manufacturer warranty may apply.

The two pages of this CONTRACT comprise the entire CONTRACT affecting this purchase The DEALER will not recognize any verbal agreement or any other agreement or understanding of any nature. You certify that you are 18 years of age or older and acknowledge receiving a copy of this contract.

The terms of this CONTRACT were agreed upon and the CONTRACT signed in the dealership on the date noted at top of this form.

IMPORTANT: THIS MAY BE A BINDING CONTRACT AND YOU MAY LOSE ANY DEPOSITS IF YOU DO NOT PERFORM ACCORDING TO ITS TERMS.

NOTICE OF SALESPERSON'S LIMITED AUTHORITY. This contract is not valid unless signed and accepted by Sales Manager or Officer of Dealership.

Accepted ⊗ ______________ ⊗ ______________
Buyer's Signature Accepting Terms of Contract

PAGE 1/2