Appendix F – Hermantown Industrial Draft AUAR Comments and RGU Responses to Comments

OVERVIEW

The Draft Alternative Urban Areawide Review (AUAR) for the Hermantown Industrial was prepared and published for public comment in accordance with the Minnesota Rules, part 4410.3610, subpart 5. The Draft AUAR was published for the 30-day comment period on August 5, 2025, and distributed to the Environmental Quality Board (EQB) and persons and agencies on the official EQB distribution list in accordance with EQB rules. Comments were accepted through September 4, 2025.

The Responsible Governmental Unit (RGU) must consider all timely and substantive comments in accordance with Minnesota Rules part 4410.3610, subpart 5.B. Three comment letters were received from government agencies, and two comment letters were received from the public. Responses to those comments are included in the following sections, and copies of the comment letters are included in Appendix G.

AGENCY COMMENTS

Comment	Response
1. Minnesota Pollution Control Agency	
The development scenario will result in significant physical changes to the property (2.3 million cubic yards of excavation over 184 acres), but the AUAR lacks an adequate level of detail to evaluate the actual and potential environmental impacts and resulting effects created by the development. It is at the environmental review phase where important details such as site design, layout and scale are necessary to consider the project impacts in totality. Without these details, a greater burden is placed on permitting aspects, which typically examine the different components in isolation, rather than from an integrated perspective that environmental review provides.	Thank you for your review. AUARs (Alternative Urban Areawide Reviews) don't require full development details because they are designed to evaluate the potential environmental impacts of large-scale development scenario(s) over a geographic study area. Given that full development plans can take years to finalize, the AUAR process allows for the use of assumptions to predict impacts (Minn. Rules 4410.3610, subp. 3). These assumptions must be included in the AUAR to ensure the review is based on reasonable projections. Individual future development proposals within the AUAR study area are evaluated to the AUAR assumptions, environmental commitments, and mitigation plan components. The AUAR rules also require updates if the individual future developments deviate significantly from the AUAR assumptions, ensuring ongoing accuracy and relevance (Minn. Rules 4410.3610, subp. 7.B-H). Additionally, the AUAR must be updated every five

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	years to reflect current conditions until all development within the area is finalized (Minn. Rules 4410.3610, subp. 7). This allows for flexibility in planning and adjustments to be made as more details become available.
Cover Types It is not clear from the AUAR the extent to which the proposed changes in land cover types are incorporating avoidance and minimization of environmental impacts, or the location of proposed changes in proximity to wetlands and streams. Please provide additional detail describing the avoidance of existing environmental constraints (e.g., wetlands and streams) and how that is factored into the proposed changes in land cover types. For example, the development scenario proposes to permanently eliminate 29 acres if wetlands and seems to ignore the environmental services they provide.	The AUAR identifies the environmental services provided by the wetlands in Section 12 and outlined strategies in the Mitigation Plan to minimize development impacts. Table 19 (Mitigation Plan) emphasizes the need to protect wetlands in the southeast portions of the parcel due to their important ecosystem functions, including nutrient removal, drought and flood buffering, and rearing habitat for larval fish and macroinvertebrates. The AUAR also discusses anticipated physical impacts on wetland features and measures to avoid and mitigate these effects in Section 12.b.iv. This section details how to avoid impacts to other surface water features (lakes, streams, ponds, intermittent channels). It specifies that if impacts to a Minnesota public watercourse are expected, a Public Waters Work permit will be obtained prior to construction. Continuous coordination with MnDNR Hydrologist and Fisheries Specialists will ensure appropriate avoidance and mitigation measures are implemented, if necessary.
Water Resources – Stormwater Management The stream segment located in the southeast portion of the study area is an Unnamed Creek (Midway River Tributary), stream segment 04010201-685. The MPCA data indicate that the entire stream segment (from the headwaters of segment 685 to the confluence with the Unnamed Creek, segment 682) is designated as a general coldwater stream (trout stream). Figures 13 and 17 incorrectly display only that portion of the stream in section 32 as a trout stream; however, the entire stream segment (685) that extends west into section 31 is also designated a coldwater stream.	The two trout stream segments within the study area have been revised and are reflected in Figure 13 and 17 of the Final AUAR. The 2025 Midway River Watershed Protection Study was reviewed, and additional language on trout stream vulnerability and mitigation strategies was added to Section 12.a.i, 12.b.ii., and 14.a.

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As indicated in the AUAR, Unnamed Creek (West Rocky Run Creek), stream segment 04010201-625 is a coldwater stream (trout stream) and was listed as impaired in 2012 for aquatic recreation due to elevated levels of *Escherichia coli (E. coli)* bacteria. A total maximum daily load study was completed by the MPCA and approved by the United States Environmental Protection Agency in 2018.	Comment noted.
Both streams are located within the larger Midway River Watershed and drain to the Midway River, also a coldwater stream (trout stream). Coldwater species, including brook trout, are an important indicator of water quality because they represent the condition of their aquatic environment (i.e., they live in the water and experience those conditions affecting water quality). A recent report by the MPCA, Midway River Watershed Protection Study (MPCA, August 2025) provides a detailed analysis of the Midway River and Tributaries, including existing conditions, vulnerabilities and potential projects for protection and restoration. The study may provide additional information and context for the Midway River Watershed, including streams on or near the development site. Trout streams, in essence, are more than the sum of their parts. A number of key components and conditions are needed for trout and cold water obligate species to exist and thrive. These include clean, cold and clear water, higher level of dissolved oxygen, appropriate habitat conditions such as gravel substrate for spawning, an ability to move within stream for lifecycle needs and areas for refuge when ideal conditions are diminished. It is not only the groundwater from the glacial sediments, the retention and release of water from wetlands, the high degree of water quality, the dynamic stability of the stream channels or the intact floodplain and riparian areas; all are needed in some combination to possibly result in a viable trout stream.	Comment noted.
Stormwater The proposed development has the potential to significantly alter the existing water resources and water quality on the site. Hydrology will be changed through increased impervious surfaces (increasing temperatures,	The project proposer recognizes the potential impact of increased impervious surfaces on stormwater temperature and quality. To address this, the project proposer will implement solutions specifically designed to mitigate the rise in

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volumes, rates and timing of stormwater runoff), pervious surfaces (areas for stormwater detention, infiltration) will be eliminated, wooded areas/forest canopy (provides shading, water uptake, along with organic matter and woody debris to streams) will be significantly reduced, with a fraction of new trees being planted. These changes may also affect the groundwater – surface water interaction for the streams and those wetlands not proposed for impact, potentially making them more vulnerable to degradation. The Project will also increase pollutants often generated from development (increased runoff temperatures, increased sediment, oils and grease, deicing compounds, trash). While the AUAR cites permitting requirements and best management practices, concerns and unknowns remain on whether these actions on stormwater management will be adequate to be protective of the water resources.	stormwater volume and temperature through retention and detention, including shading for stormwater treatment areas, and quick drawdown times. It is noted in the AUAR that this area falls within a high-quality subwatershed of Adolph Creek (Section 12.b.ii). The project proposer also acknowledges the significance of preserving the wetlands. These preserved areas will maintain their hydrologic connectivity through direct drainage areas and piped overflows. This will help in mitigating the effects on groundwater-surface water interactions for the nearby creeks and wetlands. Regarding stormwater pollutants, the project proposer will conduct detailed modeling to ensure compliance with the City of Hermantown's stormwater quality requirements and State Stormwater General Permit. This includes adhering to the 'no net increase' standards for Total Suspended Solids (TSS) and Total Phosphorus (TP), while also minimizing any temperature increases before discharging into a trout stream. Furthermore, the discharge of treated stormwater will be directed to large wetland areas rather than directly into a stream. This approach offers an additional level of buffering and potential for groundwater recharge, thereby minimizing the risk of degradation (as noted in Section 12.b.ii).
Cumulative Potential Effects The extension of public utilities (drinking water and sanitary sewer) into an area without these utilities presents a high likelihood that future development of adjacent properties will be facilitated.	Comment noted. The city and project proposer acknowledge that to mitigate further degradation of streams and watersheds, intentional efforts to preserve and protect these resources are necessary. This includes careful planning, implementing best management practices, and working with environmental professionals to maintain the overall health of

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	the environment. As discussed in the Mitigation Plan, mitigating environmental impacts primarily relies on using existing ordinances, rules, and regulations. The plan does not change regulatory agencies' responsibilities or add new regulations. Instead, it details the legal and institutional arrangements that will ensure the implementation of adopted mitigation measures. Additionally, any future development that may materialize outside of the scope of this AUAR will be subject to its own permitting process to minimize cumulative impact.
The negative effects on streams and watersheds began with the settlement and development of Duluth and surrounding communities. Much of the lower sections of watersheds were impacted over time through the development of urban areas (by straightening of streams, draining and filling of wetlands, changing hydrology through road building and altering floodplains). In general, the headwaters areas have experienced a lesser amount of development and alteration than urbanized portions, and they provide many services critical to maintaining the overall health of the streams. Without intentional efforts to preserve resources necessary to maintain water quality, incremental degradation of streams will continue.	Comment noted.
2. Minnesota Department of Natural Resources	
Public Water Resources MNDNR has determined that Hermantown's shoreland ordinance does not comply with state standards and criteria for shoreland management and will be sending a notice to the city to amend their ordinance within 1 year of the date this letter is received. If you have questions about this prior to receiving the letter, please contact Area Hydrologist Bri Speldrich (Brianna.Speldrich@state.mn.us).	Thank you for your review. The city will coordinate with MnDNR on any potential changes to the city's shoreland ordinance.
The building footprint shown in Figure 3 overlaps a mapped public water; an unnamed stream that flows east and becomes a protected tributary to the designated trout stream, the Midway River, after crossing into Section 32 east of Midway Road. Any activity that alters the course, flow, or cross	If construction activities propose work that alters the course, flow, or cross section of public waters, a public waters work permit will be obtained prior to construction.

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section of this stream requires a Public Waters Work Permit. Public Waters Work (PWW) Permits must be secured in coordination with the MNDNR Area Hydrologist.	
If project plans include elimination of this public water, an Environmental Impact Statement (EIS) under Minnesota Rule 4410.4400, Subpart 20 may be required. Stream elimination may also require replacement. MNDNR has confirmed the extent and presence of this stream within the footprint. If the project footprint moves further south, additional field verification by the MNDNR hydrologist will be necessary. Please coordinate with Bri Speldrich (MNDNR Hydrologist) and provide updated project details, including project footprint and engineering plans, to facilitate any necessary field verifications required for permitting.	Elimination of public waters is not anticipated as a result of the proposed development scenario.
Trout Stream Considerations The proposed development has several significant permitting concerns, given the proximity to public waters and associated cold-water resources (Midway River S-2-10 and West Rocky Run Creek S-2-10-3, in particular) that support naturally reproducing populations of Brook Trout. These areas should be considered as Areas of Environmental Sensitivity and should require stringent levels of regulatory protection. Restrictions should include fisheries work windows that would prohibit in-water work from Sept 15-June 30 annually and the implementation of natural stream channel design and fish passage considerations through constructed stream crossings.	The work window restriction timeframes have been added to the Mitigation Plan.
Stormwater management will require a higher-level infrastructure to be compliant with sedimentation, point-source pollution, and thermal tolerances near protected trout streams. Considerations regarding these concerns were discussed in post-construction stormwater management section of the AUAR. Numerous streams in the Duluth area are impaired for chloride, and Best Management Practices (BMPs) to reduce the likelihood of additional impacts to Rocky Run or Midway rivers should be implemented. A chloride	Comment noted. Stormwater management design will adhere to the City of Hermantown's stormwater quality requirements and State Construction Stormwater General Permit. These requirements include water quality treatment, rate and volume criteria, and thermal requirements before discharging to a surface water.

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management plan is mentioned as part of the draft mitigation plan near the end of the AUAR and should be thorough. Conversion of numerous wetland features to impervious surfaces has great potential to negatively impact aquatic ecological functions including hydrologic stability, pollution, and thermal regimen of adjacent streams, potentially impacting stream suitability for cold-water species like trout. To not adversely impact the small sub-watershed of Rocky Run or the Midway rivers and minimize cumulative impacts of wetland drainage/alterations, if wetland banking credits are pursued, they should be applied to the sub-watershed in which the impact occurred. Fisheries water usage and discharge concerns appear to be mostly mitigated via plans to utilize municipal water and discharge/treatment facilities, according to "Scenario 1" detailed on page 51. If another scenario exists that would utilize groundwater or discharge to surface waters, it is essential that MNDNR has an opportunity to review and provide additional comments.	
Water Appropriation Depending on the types of light industrial uses planned for the development, there could be additional environmental review requirements. For example, data centers have different environmental impacts as compared to manufacturing or warehouse facilities. MNDNR encourages the developer to incorporate water reuse systems wherever possible. Especially given the ecological context and proximity to trout streams. Water appropriation needs (50,000 gal/day from the city of Duluth) will require further coordination with MNDNR water appropriation hydrologist, Heidi Lindgren (Heidi.Lindgren@state.mn.us).	Comment noted. Water will be sourced from the City of Hermantown through their purchase agreement with the City of Duluth. The project proposer will work with the city to coordinate with the MnDNR on any changes to water appropriations.
Rare Species Concerns West Rocky Run flows through the project area and into the Midway River. The Midway River has records of rare mussel species near of the proposed project; we recommend use of stringent erosion and sediment control measures, including evaluation and consideration as stormwater	Comment noted. More stringent erosion and sediment control measures will be considered for the project. A Natural Heritage review request was submitted for the entirety of the study area. If significant time has passed between the NHIS letter receival date and construction, the project proposer will

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management plans are developed, to limit potential negative impacts to rare mussels. MNDNR encourages submission of Natural Heritage Review requests as individual projects are planned and pursued within the AUAR footprint. Aspects of the development may not occur right away or for long periods of time, and the Natural Heritage Information System (NHIS) is continually updated as new information becomes available. Please follow the recommendations outlined in your current NHIS letter.	consider further consultation. Recommendations provided in the NHIS letter are described in the AUAR will be considered to minimize impacts to state-listed species (Section 14.d).
Specific Comments P. 21: "…portion of the study area along the west boundary that follows a linear feature is located in Zone A, a 100-year floodplain (see Figure 13)". The "linear feature" should be identified as a stream/public watercourse. Additionally, the floodplain is shown in Figure 14 (not Figure 13 as referenced).	The AUAR has been updated to include linear feature name and figure reference has been corrected in Section 10.a.iii.
P.32: The public watercourse (kittle #: S-002-010-003) drains to a designated trout stream and should be indicated as such.	The AUAR has been updated to reflect this in Section 12.a.i.
P. 56: Sparganium glomeratum (a watchlist species) is not noted in the document but has been observed in this location. NHIS observations within the development site should be identified. The observation was in a constructed wetland. If this wetland is going to be removed, careful planning should consider ecological function in this sensitive area, habitat for rare species, and ensure that this wetland is not meant as a replacement wetland for a different project.	Kimley-Horn used license agreement LA-2024-006 for the Natural Heritage Information System (NHIS) review, and the Sparganium glomeratum was not included; however, this has been added to section 14.b in the AUAR. The project proposer will continue to coordinate with the DNR on this species as design plans advance.
P. 60: We recommend that the language around preventing new invasive species be stronger and be a requirement, such as utilizing certified weed-free hay/mulch/gravel, and utilizing BMPs for invasive species prevention.	Invasive species management practices are being considered as a part of the project and specific DNR recommendations are outlined in the AUAR in Section 14.d. and Mitigation Plan.
P. 61: With the increase of Emerald Ash Borer (EAB) infestations in the area, we recommend ensuring that Ash is not a tree species utilized in this development, additionally, as part of the development there should be a	Comment noted. The project proposer will consider removing diseased trees as a part of the project and exclude ash trees from development. The City of Hermantown will prohibit the use of Ash trees as a condition of landscaping plan approval.

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plan in place to remove any EAB infested ash trees- with proper disposal methods to limit potential spread.	
P. 76: DNR permits listed should include both water appropriation and public waters work permit. The water appropriation permit (not public waters work permit as referenced) may be needed for the dewatering. Public waters work permitting may be needed for any activity that results in a change in the course, current, or cross-section of public waters. Several utility extensions were indicated also, a MNDNR license to cross public waters would be required for those through the division of Lands and Minerals.	Impacts to public waters are not anticipated with the current design. If impacts are anticipated, a public waters work permit and water appropriation permit will be obtained prior to construction.
3. Minnesota Department of Transportation	
Permits In Table 6 (pg. 18-19), MnDOT should be added to the list of required permitting agencies for right-of-way and utility permitting, with proposed utility extensions crossing MnDOT right-of-way on US 2 and traffic mitigations on US 2.	Thank you for your review. These permits have been added to the permit Table 6 in the AUAR.
Transportation – Bike and Pedestrian Infrastructure On pg. 68, under Bike and Pedestrian Infrastructure, there is reference to future review of city and county bike and pedestrian plans. This list should also include the Duluth-Superior Metropolitan Interstate Council's bike and pedestrian plans (https://dsmic.org/) as well as the MnDOT District 1 Bike Plan (https://www.dot.state.mn.us/bike/district-bicycle-plans.html). The current MIC bike plan identifies bikeways on Midway Road and US 2 as current bike routes, with "signed bikeable shoulders."	Section 20.a of the AUAR has been updated with these bike and pedestrian infrastructure plans.
Transportation – Table 18 On pg. 69, the last paragraph has the sentence: "Mitigated conditions results (where applicable) are shown after a slash." The referenced table (Table 18) does not have slashes and instead the mitigated 2030 built condition is in a separate column.	This reference has been updated in the AUAR.
Cumulative Potential Effects On pg. 73, section 21b under Cumulative Potential Effects, there is reference to future projects that may interact, including highway projects.	These two projects have been added to the cumulative potential effects Section 21.b.

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We would add two MnDOT projects to this list on US 2 programmed for 2026 and 2027: • US 2 – MnDOT has a programmed pavement project on US 2 from MN 194 to Midway Road (CSAH 13) in 2026. The scope of work is a reclaim and overlay (SP 6908-68). • US 2 – MnDOT has a programmed pavement project on US 2 from just west of Midway Road (CSAH 13) to Boundary Ave (CSAH 14) in Proctor in 2027. The scope of this work includes pavement rehab and additional work within the City of Proctor (SP 6908-72).	
Mitigation Plan pg. 79 is the Transportation section of the Draft Mitigation plan (Table 19). The City of Hermantown and developer will need to coordinate with MnDOT on these proposed mitigations on trunk highway. With the two programmed MnDOT projects on US 2 in 2026 and 2027, timely coordination will be needed. The AUAR recommends a queue study be completed for the US 2/Midway Rd intersection. This study should be completed as soon as possible if mitigations may be needed as soon as 2026. Additional coordination with MnDOT will also be required on all mitigations impacting trunk highway as well as any other work impacting MnDOT ROW.	Comment noted. The City and project proposer will coordinate with MnDOT on proposed mitigation on US 2. Additional language added to Table 19.

PUBLIC COMMENTS

Comment	Response
1. Minnesota Center for Environmental Advocacy	
Project Description The Minnesota Environmental Quality Board ("EQB") instructs that this description should provide a "brief summary" of the project, followed by a "complete description" focused on all "aspects of the project that may directly or indirectly manipulate, alter or impact the physical or natural environment." The description should contemplate a project's	The AUAR process is an alternate type of environmental review compared to an EAW or EIS, which are environmental reviews that focus on a single project. According to the EQB's Quick Reference, an AUAR helps understand the environmental impact of various development scenario(s) before they occur within a defined geographic study area. An AUAR examines

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"construction and operational activities," "project components and structures," the "location and relationships of project components," and "associated infrastructure" required to serve the facility.14 The EQB stresses that project descriptions are the "most important item" of environmental review. The key principle is that "clear, complete and detailed project descriptions are essential to understanding the potential for environmental effects." The AUAR's project description falls far short of this bar. The City identifies "1.8 million square feet of proposed light industrial development," and it recognizes that this development "would include new infrastructure, including water service, sewer, stormwater, streets, and utilities." These generic terms fail to convey any sense of what the project is, let alone provide a "clear, complete and detailed" understanding of all aspects of the project that might alter the natural environment.18 The City's failure to provide any description of the facility it purports to study violates the letter and the spirit of Minnesota law on environmental review. For this reason alone, the AUAR is inadequate. The City's ambiguity about this facility is carried throughout the remainder of the draft AUAR. Repeatedly, missing details about the Hermantown project prevent the AUAR from studying that project's impacts on water supplies, air quality, noise and light pollution, and other cumulative stressors on the surrounding environment.	multiple potential developments over a long period, making assumptions due to incomplete project details. To ensure compliance and accuracy, future development must align with the AUAR's assumptions; otherwise, the AUAR must be updated. Additionally, the AUAR must be reviewed and updated every five years until all developments are finalized. MCEA's comments about missing details overlook that the AUAR appropriately relies on assumptions, which will be updated if the final project deviates significantly. MCEA's comment applies to the EQB's EAW guidance from October 2013. However, the correct guidance is from the EQB's AUAR document dated September 2008. According to the AUAR guidance, the description section should include: • Anticipated types and density of residential and commercial/industrial development. • Planned infrastructure for development (roads, sewers, water, stormwater systems). • Information on the staging of developments and how this affects the development schedule. These items are noted in the project description section 5. The Final AUAR has been updated to include a list of types of development that could be expected under a light industrial use allowed by the City of Hermantown as well as a new figure that shows a conceptual site layout for the associated buildings and infrastructure that the subsequent AUAR sections evaluate.
Air Quality If the development is a data center, environmental review must account for how the facility plans to generate on-site power. Industrial facilities construct generators to provide electricity when the facilities are disconnected from the grid. Frequently, these generators are fracked gas or diesel-powered turbines which emit nitrogen oxides, particulate matter,	Per the 2008 AUAR Guidance document, stationary source air emissions is not applicable to an AUAR as any stationary air emissions source large enough to require mandatory statutory or regulatory environmental review will require separate environmental review.

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carbon monoxide, and other pollutants that are hazardous to human health. Data center generators can pose a unique threat to air quality due to these computing facilities' enormous demand for power. A single hyperscale data center can easily require more electricity than the entire City of St. Cloud. Powering a facility like that can require dozens of combustion turbines.21 Data centers can be tempted to rely on on-site turbines, instead of the grid, when "the data processing center's voracious appetite for energy has outpaced electric utilities' ability to serve it." In Memphis, thirty-five gas turbines have been used as the main source of power for a new hyperscale data center. These turbines are reportedly emitting more nitrogen oxides than the power plant and oil refinery located next door. The AUAR acknowledges that the technology park could require back-up generators. But it does not analyze those generators' air pollution. The reason given is that "any stationary air emissions source large enough to merit environmental review requires individual review" outside the AUAR.26 However, this explanation ignores the very real possibility that back-up generators could emit enough air pollution to require individual environmental review, meaning that an AUAR would be inappropriate and barred by law. Recent reporting suggests that a data center in Memphis is emitting nitrogen oxides at a rate of "1,200 to 2,000 tons a year."27 That is five to eight times higher than the rate that would trigger a mandatory Environmental Assessment Worksheet in Minnesota Here, the AUAR contains no information about the number, size, and location of the generators. This creates a catch-22 scenario: The AUAR claims that air emissions from generators are "not applicable to an AUAR," because emissions are small, then omits information about air emissions to verify whether this is true. This circular reasoning precludes the AUAR from	If any potential emissions from any future development scenario would exceed the statutory or regulatory thresholds for an air quality permit/environmental review, then that specific project would be subject to additional environmental review beyond what is evaluated in the Hermantown Industrial AUAR.

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evaluating the "direct, indirect, and cumulative potential effects" of the proposed project.	
Noise and Light Pollution If the light industrial project is a data center, environmental review must account for potential noise and light impacts associated with these enormous facilities. Hyperscale data centers have servers and cooling facilities that create a constant "hum" or "screech." That noise persists day and night. It can travel for miles. Long-term exposure to this noise pollution can result in hearing loss, stress, insomnia, and a significantly decreased quality of life. To evaluate noise pollution, EQB guidance states that an AUAR should ask if the project "will include or adjoin major noise sources." If so, a "noise analysis is needed to determine if any noise levels in excess of standards would occur, and if so, to identify appropriate mitigation measures." The project proposal is surrounded by residential development. Yet, the City provides no modeling of how much noise will come from a data center's graphics chips, cooling systems, or generators. There is no review of whether noise from computers and ventilation is a "major" noise source that would impact nearby students and residents. In place of this analysis, the review simply assures that "further noise evaluation will be completed as design progresses." Under MEPA, that analysis needs to happen during environmental review, not later.	The AUAR documents that further noise evaluation will be needed to understand if any noise mitigation is warranted when design progresses to know where all equipment will be placed (Section 19). The Mitigation Plan includes that best practices to reduce noise will need to be implemented for light industrial uses to comply with local and state noise regulations.
Light pollution presents a similar story. Night lighting at large industrial facilities can frustrate neighboring residences and contribute to "skyglow" that obscures the night sky. Data center lighting can be "easily seen for miles," glowing "at night like a giant city of lights. EQB guidance states that AUARs should analyze "any impacts" on scenic views and vistas in the study area, including "both direct physical impacts and impacts on visual quality or integrity." If "any non-routine visual	When a specific project advances, the project proposer will have to prepare detailed lighting plans for the City to review during site plan approvals. Development plans will need to comply with the AUAR Mitigation Plan and city and state ordinances for noise, building height, building form, landscape screening, and lighting to avoid impacts on neighboring properties and species (see Section 16).

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impacts would occur" they should be discussed "along with appropriate mitigation." Again, the AUAR plainly fails to meet this requirement. While the proposed development scenario is over one million square-feet in size, the draft review contains no information about how this enormous campus will be lit. The City hedges, noting in a plainly self-evident way that "any development of these lands will have an impact on the visual look of a property." It distracts, saying that regardless of environmental review,"[f]uture development would conform with city ordinances." And it offers good intentions, providing that "guidance from the USFWS to minimize blue light, uplight, and backlight will be adhered to the extent practicable." These sections of the AUAR essentially say nothing that would allow the public or governmental officials to understand the lighting impacts of the development. Thus, the AUAR fails to identify the project's "impact on visual quality" along with "appropriate mitigation."43 As with noise pollution, the draft AUAR plainly omits information required for adequate environmental review of this project.	
Water Resources Thorough environmental review of a hyperscale data center must account for the facility's water impacts. Data centers can demand enormous amounts of water to cool their servers and other computing hardware. In Farmington, a proposed data center would more than double the city's current water use. This intensive water demand may be at odds with the groundwater sustainability standard in state law, which requires groundwater use to be sustainable to supply current needs and the needs of future generations. Evaluating those water demands is a key part of environmental review. Among other obligations, an AUAR must describe "quantity, duration, use, and purpose of the water use." The EQB stresses that where "it is uncertain whether water resources will be impacted depending on the exact design of	The water volumes that are presented in the AUAR are consistent with an office/warehouse light industrial project (Section 12.b.i and iii). Larger volumes of water are not readily available for the City of Hermantown or other sources and any cooling that might be required for future development will need to be designed with non-evaporative mechanical cooling equipment.

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future development, the AUAR should cover the possible impacts through a 'worst case scenario' or else prevent impacts through the provisions of the mitigation plan." Crucially, the AUAR must "describe environmental effects from water appropriation, including an assessment of the water resources available for appropriation." For Hermantown, the City reports an estimated water use of 50,000 gallons per day "for light industrial purposes (i.e. process, sanitation, cooling, landscaping, fire protection)." This is significantly less water than other Minnesota data centers proposals have asked for. There could be multiple explanations for that gap. A Hermantown data center could be planning to use cooling techniques, like liquid immersion cooling and dry heat rejection, that significantly reduce water consumption. Alternatively, the low water use estimate could be based on flawed information, or it could reflect that the facility is not, in fact, a hyperscale data center. This question is unanswered because the City fails to adequately describe the "duration, use, and purpose of the water use" at this project. If the Hermantown development is an anticipated data center, then the AUAR can analyze different cooling methods and "cover the possible impacts through a 'worst case scenario' or else prevent impacts through the provisions of the mitigation plan." Alternatively, if the cooling method is known, then the AUAR can explain how that method enables a data center to use only 50,000 gallons per day. In either case, the AUAR must adequately describe how the facility uses its water. This context is required by MEPA. Without it, the AUAR's water appropriations estimate is unsubstantiated, and it fails to explain the project's "direct, indirect, and cumulative potential effects."	
Cumulative Potential Effects MEPA requires project proposers to assess a project's cumulative potential effects. "Cumulative potential effects" is defined in the Minnesota Rules to mean "the effect on the environment that results from the incremental effects of a project in addition to other projects in the environmentally	As described in Section 21 (Cumulative Potential Effects) of the AUAR, the potential impacts associated with the development scenario that might reasonably be expected to affect the same environmental resources impacted by other reasonably foreseeable projects were identified as transportation, water

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relevant area that might reasonably be expected to affect the same environmental resources." These "other projects" include existing facilities that are continuing to impact the environment and people's health. This analysis is vital to ensuring an adequate AUAR. Here, the City has not conducted a cumulative potential effects analysis. In response to the AUAR form's prompt, "[d]iscuss the nature of the cumulative potential effects and summarize any other available information relevant to determining whether there is potential for significant environmental effects due to these cumulative effects," the City claims that impacts from future projects may result in impacts to the environment, but that these impacts will be addressed and mitigated to "ensure minimal cumulative impacts occur." But MEPA requires more. To fully discharge its duty to assess cumulative potential effects, the City must, at a minimum, conduct an analysis that includes an understanding of environmental impacts not just from this project but also from other existing sources and activities. As the Minnesota Supreme Court has explained, the purpose of this inquiry is to "determine whether the project, which may not individually have the potential to cause significant environmental effects, could have a significant effect when other local projects already in existence or planned for the future are considered." Unless the City revises the AUAR to include the required cumulative potential effects analysis, the City cannot make a legally sound decision on the adequacy of the AUAR and on the Project itself.	resources, and utilities. Reasonably foreseeable projects identified in the cumulative potential effect evaluation included County, City, and MnDOT led projects. Other unknown future projects proposed in the area that are anticipated to result in substantial impacts would need to complete any required environmental analysis and obtain all permits and approvals from the City and other agencies and will be individually mitigated to ensure minimal cumulative impact occurs.
Energy Demand Modern hyperscale data centers can draw on hundreds of megawatts of power, an amount of energy that could power millions of households. To service these loads, particularly at times of peak electric demand (hot summer afternoons and during cold snaps), Minnesota's electric utilities would need to build and procure additional electric generation resources. The Star Tribune reported recently that, "with at least 10 (hyperscale data centers planned), these Big Tech projects could consume as much electricity as every home in Minnesota." That enormous demand can strain energy grids, shift costs to consumers, and necessitate dirty sources of	Power needs are not included in the AUAR as it is outside of the scope for an AUAR. Additional environmental reviews led by agencies other than the RGU would be necessary should potential improvements and supporting infrastructure such as transmission lines, distribution systems, or generation facilities be needed for power for either development scenario if they exceed mandatory environmental thresholds. Additionally, utility infrastructure additions are regulated by the Minnesota Public Utilities Commission, the Midcontinent Independent System Operator, and the Federal Energy Regulatory

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power that increase a project's greenhouse gas emissions while threatening progress on Minnesota's statutory commitment to clean energy. Adequate environmental review of these facilities must assess whether a project will result in new energy infrastructure on the grid. If an AUAR project requires changes to the grid, either locally or regionally, then the new "associated infrastructure" is an indirect effect of the project, and it must be evaluated as part of the environmental review. Here, the AUAR omits critical context about how it is estimating this project's energy demands. Appendix D, which should evaluate greenhouse gas emissions associated with the project's electricity purchase, is missing from the AUAR. And what the AUAR includes is worrying: The City reports that estimated energy use is based on the "occupancy load for a typical light industrial use." Evaluating typical light industrial uses makes little sense if the AUAR is connected to an atypical project, like a hyperscale data center, that requires vastly more electricity than an ordinary end user. Just as critically, the AUAR omits any analysis of how this project would impact the grid, despite acknowledging that new "substation/transmission lines" might be required to serve it. Given the high stakes and challenges of serving hyperscale data centers, the revised AUAR should provide critical context for how the City is estimating electricity consumption. Additionally, the revised AUAR must confirm whether this project would necessitate new power generating facilities or other grid infrastructure.	Commission. These agencies are required to evaluate the power grid and the impact of new projects coming online to power availability. These agencies also determine capacity allowances.
Mitigation Plan The AUAR rules require that each AUAR include a mitigation plan that details how any potential impacts to the environment will be avoided, minimized, or mitigated. When "an RGU considers mitigation measures as offsetting the potential for significant environmental effects under Minn. R. 4410.1700, it may reasonably do so only if those measures are specific,	The Mitigation Plan will be reviewed for compliance as project proposer(s) submit permits and land use applications to the city for development approval. Mitigation measures are based on a conceptual development scenario and would be refined through permitting processes and in accordance with regulations in-place at that time. Additionally, the AUAR must

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targeted, and are certain to be able to mitigate the environmental effects."69 Mitigation measures must go beyond "vague statements of good intentions." The mitigation plan in the draft AUAR is inadequate for two key reasons. First, as described above, the design of the proposed project has not yet been established, so there is no way to know how well the mitigation measures listed in the draft AUAR accomplish their stated purpose. And second, the mitigation measures included in the plan are not described or analyzed sufficiently to give the public or government officials grounds to understand and comment on this section of the AUAR. For example, rather than identifying the actual noise levels associated with operation of the proposed hyperscale data center, and how that noise will impact the people of Hermantown, and then including a specific, targeted and certain plan to mitigate those impacts, the City's plan merely highlights that the "City of Hermantown regulates the hours of operation for construction equipment through development agreements. This is not a mitigation plan. Further, some likely environmental impacts are not even mentioned in the mitigation plan. There is no mitigation present for the impacts to air quality from back-up combustion generators. And the mitigation plan does not mention any methods to limit the environmental effects of the massive increase in power demand that a new data center would require.	be updated every five years until all development within the area receives final approval by the RGU (City of Hermantown).

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AUAR Process If the proposed project is a hyperscale data center, it would join a rapid statewide rollout of these facilities. This wave of new, intensive developments will likely strain the regional electricity grid, threatening service reliability, ratepayer costs, and utilities' ability to achieve state climate energy targets. The rollout will also introduce enormous competition for limited water supplies, at a time when increasing competition for water is posing problems for drinking wells and Minnesota's streams, lakes, and rivers. These are inherently regional challenges. At the local level, it may be impossible to ask a city to conduct environmental review of a project so large it could require new energy infrastructure, drive up electricity rates, strain city water appropriations, cause significant drawdown to regionally significant aquifers, or have other regional impacts. Going forward, MCEA strongly recommends that the environmental review of hyperscale data centers be conducted by regional or state RGUs that are best equipped to review data centers' cross-jurisdictional effects.	Current law provides that the Minnesota Environmental Quality Board (EQB) has the authority to designate the RGU and the RGU selection process is defined per Minn. Rules 4410.0500. Pursuant to Minn. Rules 4410.4300, subp. 14 and Minn. Rules 4410.4400, subp. 11, the designated RGU for industrial and commercial facilities is the local governmental unit (City of Hermantown in this case). To the extent MCEA's comments are directed at what it considers worthwhile changes in State law and/or EQB regulations, any such changes are beyond the scope of this AUAR and the RGU's jurisdiction.
2. Izaak Walton League of America	
Project Description We believe the use of an AUAR for this site is inappropriate and contrary to the intent of Minnesota Rules 4410.3610. The AUAR process is generally understood to be a tool to facilitate urban redevelopment in areas such as brownfields; its use here appears to be a way to avoid an Environmental Impact Statement, which would logically be expected for a proposal to develop an acreage of this size that is not an urban area and is largely undisturbed or restored agricultural land in a rural setting. In a Minnesota city of the third or fourth class such as Hermantown, Minnesota Rules require an Environmental Assessment Worksheet for light industrial development over 300,000 square feet, or an Environmental Impact Statement for light industrial development over 750,000 square feet. The proposed development of a single 1,800,000 square foot light industrial	Speculative and opinionated comment. The proposed development scenario studied in the Hermantown Industrial AUAR meets the requirements and applicability of a Certain Specific Large Project AUAR under Minnesota Rules 4410.3610 and the scenario is consistent with the RGU's (City of Hermantown) Comprehensive Plan.

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facility, as cited in a June 17, 2025 article in the Duluth News Tribune, exceeds all such limitations and necessitates review far beyond what is provided for in this AUAR process. The project description in the AUAR references multiple buildings, rather than a single building, for a total of 1.8 million square feet but the impact will be the same.	
Land Use Of the 403 acres identified in the AUAR study area, 279 acres, or 70% of the proposed development area, is woodland or wetlands. Another 92 acres is identified as grassland/landscaped, bringing the total greenspace to 371 acres or 92% of the study area. The study proposes that 150 acres of mature trees will be cut down, half of the 55 acres of wetlands on the site will be destroyed, and impervious surface area will more than triple to 144 acres (although this seems a low estimate for the estimated 1.8 million square feet of developed area). The project envisions "multiple buildings of varying sizes", with no specific proposed end users or projects. In addition, approximately 2.3 million total cubic yards of excavation over 184 acres is envisioned, with runoff from the site flowing towards both West Rocky Run Creek and the Midway River. This is a massive disruption of the topography and landscape.	Comment noted. The project proposer intends to preserve higher quality trees and minimize wetland impacts to the extent practicable as site planning advances. The proposed project will adhere to all local, state, and federal permits and approvals noted in the AUAR in Tables 6 and 19, as applicable.
Stormwater Among our primary concerns are the potential impacts on these two designated trout streams. West Rocky Run Creek, which flows through a portion of the site, is one of the highest quality cold water streams in our area. It is listed on the Minnesota Pollution Control Agency's 2024 Impaired Waters List for elevated levels of *E. coli*, making any potential future impacts of greater risk to the surrounding area. Impact on West Rocky Run Creek and the Midway River due to the extensive proposed site excavation and destruction of surrounding wetlands is likely to be considerable and may result in permanent and irreversible impacts to water quality and habitat availability. Anticipated direct impacts on these streams will include increases in sedimentation, temperatures, salt, and other nutrients, which	The project proposer recognizes the potential impact of increased impervious surfaces on stormwater temperature and quality. To address this, the project proposer will implement solutions specifically designed to mitigate the rise in stormwater temperature, including shading for stormwater treatment areas, and quick drawdown times. It is noted in the AUAR that this area falls within a high-quality subwatershed of Adolph Creek (Section 12.b.ii). The project proposer also acknowledges the significance of preserving the wetlands. These preserved areas will maintain their hydrologic connectivity through direct drainage areas and piped overflows. This will help in mitigating the effects on

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may also impact the health of the fishery, its surrounding upland environment, and its recreational value to the community.	groundwater-surface water interactions for the nearby creeks and wetlands.
Utilities Our other major concern is the cumulative effects of the proposed projects within the AUAR area in the watershed. Water and wastewater services from the project site are proposed to be extended through expansion of the City of Hermantown's systems, which will require the existing infrastructure to be extended approximately 12 miles along Midway Road, an area not currently served by these systems. The extension of this service will undoubtedly result in additional development in this corridor, which could include (but not be limited to) increased impervious surfaces and associated run-off, noise pollution, air pollution, stream degradation, loss of trees and other vegetation, and habitat loss. These potential impacts should be acknowledged and the designated AUAR area, as approved by the Minnesota Environmental Quality Board, should include all new areas where water and wastewater extensions are proposed.	Public utility extensions for sanitary sewer and water are already identified in the City's 2045 Comprehensive Plan to serve future light industrial uses in the study area. This extension of utilities is noted as a future project in the Cumulative Potential Effects section of the AUAR (Section 21).
Cumulative Potential Effects The C*umulative Potential Effects* section of the AUAR is incomplete and inadequate, merely stating that "future public and private development projects may result in impacts on transportation, water resources, and utilities" and will be dealt with via permitting and approval processes. The limited description in this section fails to address any of the likely effects of the project and postpones any real analysis of the consequences to the environmental character of this area. One clearly identifiable potential effect is that the proposed extension of utilities and other investments in surrounding transportation systems by Hermantown and other jurisdictions, including possibly St. Louis County and the State of Minnesota, may well result in the complete urbanization of the Midway Road corridor between Interstate 35 in Midway Township and Trunk Highway 53 in Canosia Township. The potential resulting effects are cumulative and are tied to the City of Hermantown and the Hermantown Economic Development Authority's intent for development in this area. Those lands	It is acknowledged in the AUAR that the foreseeable projects listed in the Cumulative Potential Effects (section 21) could impact similar resources such as transportation, water resources, and utilities. Mitigation would remain the responsibility of each future project proponent to meet regulatory requirements for direct impacts on these shared resources to minimize potential for cumulative impact.

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should be included as part of this AUAR, if it is to proceed without further evaluation by the Responsible Governmental Unit (the RGU, in this case the City of Hermantown) or through other appropriate legal processes.	
Other Potential Effects Similarly, the Other Potential Environmental Effects section of the study is limited to one sentence stating there "There are no other potential environmental effects that have not been addressed in preceding sections." This is also inadequate. Because potential environmental effects are not sufficiently known or acknowledged, the Draft Mitigation Plan section is also inadequate. It lacks any detail or robust explanation of how impacts would be mitigated to protect water and other natural resources, and the neighbors from noise, air pollution, and other impacts.	Comment noted.