MINNESOTA
ENVIRONMENTAL QUALITY BOARD

ORDER OF THE
MINNESOTA ENVIRONMENTAL QUALITY BOARD

Denying a variance for Hillview Business Park

In the matter of the Application for Variance by Maplewood Development and Construction, Inc. acting as developer for SPQR Arden Hills, LLC ("Proposer") at Proposed Hillview Business Park.

The board makes the following findings of fact, conclusions of law, and order:

FINDINGS OF FACT

1) Maplewood Development and Construction, Inc., acting as developer for SPQR Arden Hills, LLC ("proposer") at the Proposed Hillview Business Park ("project") is proposing to construct a 62-acre, 972,200 square foot warehouse/distribution/office park development in Arden Hills, Minnesota.

2) The project is located near the corner of County Road I and Fairview Avenue, on a site previously owned by the federal government and used by the Minnesota National Guard for the Arden Hills Army Training Site ("AHATS"). The property was formerly associated with the Twin Cities Army Ammunition Plant ("TCAAP") operations.

3) An environmental impact statement (EIS) is required for the project because it exceeds the threshold for industrial, commercial, and institutional facilities set forth in Minnesota Rule 4410.4400, subp. 11. The City of Arden Hills is the Responsible Governmental Unit (RGU) for the EIS.

4) The City of Arden Hills prepared a Scoping Environmental Assessment Worksheet (EAW) and Draft Scoping Decision Document (SDD) for the project. Notice of the availability of the scoping EAW, draft scoping decision document, and public meeting was published in the EQB Monitor on June 16, 2026 (Volume 50, number 24), with a public comment period running through July 16, 2026.

5) The City of Arden Hills prepared a Final Scoping Decision Document (FSDD) and published an EIS preparation notice in the EQB Monitor on September 8, 2026 (Volume 50, number 36).

6) Minnesota Rule 4410.3100, subp. 1 establishes a prohibition on governmental approvals until any required environmental review process is complete, and in relevant part reads:

> **Prohibitions**. If an EAW or EIS is required for a governmental action under parts 4410.0200 to 4410.6500…a project may not be started and a final governmental decision may not be made to grant a permit, approve a project, or begin a project, until:
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> A. a petition for an EAW is dismissed;
> B. a negative declaration on the need for an EIS is issued;
> C. an EIS is determined adequate; or
> D. a variance is granted under subparts 3 to 7 or the action is an emergency under subpart 8.
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> To start or begin a project includes taking any action within the meaning of "construction," as defined in part 4410.0200, subpart 10.

7) Minnesota Rule 4410.0200, Subp. 10 reads:

Construction. "Construction" means any activity that directly alters the environment. It includes preparation of land or fabrication of facilities. It does not include surveying or mapping.

8) On August 6, 2026, the proposer submitted an Application for a Variance ("application") under Minnesota Rule 4410.3100, subp. 4 to commence certain construction activity related to demolition of various structures and other hazards currently located within the proposed Hillview Business Park.

9) Minnesota Rule 4410.3100, subp. 4, reads:

> **Variance.** Construction may begin on a project if the proposer applies for and is granted a variance from subparts 1 and 2. A variance for certain governmental approvals to be granted prior to completion of the environmental review process may also be requested. A variance may be requested at any time after the commencement of the 30-day review period following the filing of an EAW or a scoping document, when allowed under part 4410.2100, subpart 2. The proposer shall submit an application for a variance to the EQB together with:
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> A. a detailed explanation of the construction proposed to be undertaken or the governmental approvals to be granted;
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> B. the anticipated environmental effects of undertaking the proposed construction or granting the governmental approvals;
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> C. the reversibility of the anticipated environmental effects;
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> D. the reasons necessitating the variance; and
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> E. a statement describing how approval would affect subsequent approvals needed for the project and how approval would affect the purpose of environmental review.

10) The application states that the proposer is seeking a variance for reasons of public safety, noting that "Despite the efforts of the Proposer to keep the public out of the Project Site, including installing locked gates, fencing, and other security measures (all of which have been destroyed or removed) various urban explorers and other trespassers continue to access the site to explore, vandalize, and utilize the various structures and bunkers. There have been numerous instances of vandalism, fires, and parties that result in the necessity for emergency responders to intervene. The emergency responders have difficulty accessing many of these more remote areas with the necessary equipment and vehicles due to lack of roads and other infrastructure. This results in emergency situations that cannot be adequately addressed on a timely basis and lead to further escalation of the problem."

11) On August 18, 2026, the proposer provided additional information in response to a request from EQB staff for more documentation of the work that the proposer planned to undertake if the variance is granted and more information on the public safety threat. Again, on September 1, 2026, the proposer provided additional information in response to EQB staff seeking clarity on the number of buildings and square footage of proposed demolition.

12) Minnesota Rule 4410.3100, subp. 5, reads:

> **Variance applications**. The EQB chair shall publish a notice of the variance application in the EQB Monitor within 15 days after receipt of the application. The EQB chair shall issue a press release to at least one newspaper of general circulation in the area where the project is proposed. The notice and press release shall summarize the reasons given for the variance application and specify that comments on whether a variance should be granted must be submitted to the EQB within 20 days after the date of publication in the EQB Monitor.

13) The EQB finds that the proposer submitted the necessary information for an application for a variance.

14) The EQB published a notice of variance application in both the EQB Monitor (Volume 50, Number 24) and in the public notices section of the Shoreview Press on August 25, 2026, commencing a 20-day comment

period that ended September 14, 2026. The EQB also made the variance application and additional materials available on the EQB website.

15) During the public comment period, EQB received one comment from the Metropolitan Council and ten comments from members of the public. The comments received are provided as Attachment 1.

16) Minnesota Rule 4410.3100, subp. 6, reads:

> **Granting variance.** At its first meeting more than ten days after the comment period expires, the EQB shall grant or deny the variance. A variance shall be granted if:
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> A. the RGU consents to a variance;
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> B. on the basis of the variance application and the comments, construction is necessary in order to avoid excessive and unusual economic hardship, or avoid a serious threat to public health or safety. Unusual economic hardship is hardship caused by unique conditions and circumstances which are peculiar to the project and are not characteristic of other similar projects or general economic conditions of the area or state. It does not include hardship caused by the proposer's own action, or inaction, if the hardship was reasonably foreseeable;
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> C. on the basis of the variance application and the comments, the construction for which the variance is sought will not have a serious adverse effect on the environment; and
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> D. on the basis of the variance application and the comments, the construction for which the variance is sought is separable from the remainder of the project and would not have the effect of eliminating from consideration any feasible and prudent alternatives or mitigation measures likely to be presented in an EIS.

17) On August 10, 2026, the City of Arden Hills passed Resolution No. 2026-038, consenting to the variance requested by the Proposer, with the following conditions:

a) The Proposer may apply for a demolition permit from the City to demolish or knock down the above ground structures on the Property.

b) The Proposer must provide erosion control required by the City before, during, and after the demolition.

c) The Proposer may remove demolished materials, install a fence to deter unauthorized access to the Property, and fill in subgrade structures.

d) The Proposer must not remove or damage significant trees or wildlife.

e) The Proposer must not perform any site preparation work beyond demolishing the structures, perform subgrade excavation work, bring fill into grade the Property, or any grading.

18) The EQB finds that the RGU has consented to the variance, based on City of Arden Hills Resolution No. 2026-038. (Attachment 2)

19) The EQB finds, based on the variance application and the comments received, that the proposer has not demonstrated that the proposed construction is necessary to avoid a serious threat to public health or safety. The EQB finds the following regarding this issue:

a) The applicant stated that they have installed “locked gates, fencing, and other security measures (all of which have been destroyed or removed).”

b) City of Arden Hills staff provided information to EQB staff via email on September 8, 2026 (Attachment 3). In this email, the City staff noted:

i) fencing, likely installed by the Federal government as owners of the site, has been in place around the perimeter of the entire site since 1953, and additional fencing was installed in August of 2026, again by the federal government

ii) the applicant has replaced locks to the gated entrance multiple times since gaining ownership of the site at the beginning of 2026

c) Commenters indicate a history of security concerns at the site dating back prior to the applicant acquiring the property, while noting no improvements have been installed such as lights, cameras, or signage by either the applicant or others.

20) The EQB finds that the statements in the application do not provide sufficient information about the gates, fencing, or additional security measures to demonstrate a significant effort to improve security or to consider measures beyond maintaining current security, other than proposing the actions for which the variance has been requested (demolition of the structures).

21) The EQB finds, based on the variance application and comments received, that the proposer has not demonstrated that the construction for which the variance is sought will not have a serious adverse effect on the environment. The EQB finds the following about this issue:

a) The application states that the "Proposer does not anticipate any significant environmental effects from undertaking the proposed construction." The application then discusses two potential areas of impact; wetlands and ecologically significant areas and state-listed species.

i) The application notes that the wetland delineation did not identify any wetlands in the areas of proposed construction.

ii) The application includes the DNR Natural Heritage review findings, and notes that the Proposer "would follow standard and approved avoidance plans to address any potential concerns regarding these areas of potential habitat during all construction activities."

iii) The application does not include information related to any other environmental effects identified in the scoping EAW and FSDD.

b) The DNR Natural Heritage review findings identify rare features that may be impacted by the proposed project, including: the AHATS-Rice Creek Important Bird Area, multiple bird species, Blanding's Turtle, and multiple plant and insect species. The findings note the need for avoidance plans, particularly for the Blanding's turtle and Ghost tiger beetle. The application states that standard and approved avoidance plans would be followed, but such plans are not yet approved and therefore cannot be demonstrated to prevent effects on these species.

c) Comments from the Metropolitan Council raise concerns that the application "does not address how demolition might mobilize contaminants in the soil" and that such mobilization could pose risks to groundwater.

i) MetCouncil notes that the application does not address the site's location within two drinking water supply management areas, and therefore the potential for construction activities to impact drinking water. Without further information, it cannot be determined whether the proposed construction will not have a serious adverse effect on the environment.

ii) MetCouncil also notes that the application's statement of no significant environmental effects is inconsistent with the findings of a 2024 Phase 1 Environmental Site Assessment, prepared as part of the project's Scoping EAW process and referenced in the scoping EAW, "It is probable that when the storage bunkers are demolished that soil that has historically been in contact with creosote impregnated retaining walls could be impacted by PAHs at concentrations of potential concern." As this concern, which is specific to the action being requested, was not addressed, it cannot be

determined whether the proposed construction will not have a serious adverse effect on the environment.

d) The public comments raise similar concerns about rare features, habitat, and site contamination.

22) The EQB finds, based on the variance application and the comments, that the applicant has not demonstrated that the construction for which the variance is sought is separable from the remainder of the project. Although demolition will likely be necessary for whatever project is eventually constructed, demolition could have the effect of eliminating from consideration certain feasible and prudent alternatives or mitigation measures likely to be presented in an EIS.

23) The scoping EAW and FSDD indicated the need for further analysis to understand potential impact from the proposed project, which includes the construction seeking a variance. Based on the FSDD, the RGU will be further analyzing potential impacts from the proposed project to the existing "contamination/hazardous materials/wastes" in the Draft EIS, as well as impacts to "fish, wildlife, plant communities & sensitive ecological resources (rare features)."

24) Therefore, the application has failed to meet the requirements for granting a variance found in Minnesota Rule 4410.3100, subp. 6.

CONCLUSIONS OF LAW

1) Any of the foregoing Findings of Fact more properly designated as Conclusions of Law are hereby adopted as such.

2) The EQB concludes that pursuant to Minnesota Rules 4410, the EQB has authority to grant or deny a variance to the prohibition on governmental approvals in Minnesota Rule 4410.3100, subp. 1.

3) The EQB concludes that the proposer has submitted the necessary information for an application for a variance under Minnesota Rule 4410.3100, subp. 4.

4) The EQB concludes that the standards laid out in Minnesota Rule 4410.3100, subp. 6 have not been met based on the evidence provided in the initial application, subsequent supporting information, and comments.

ORDER

The EQB hereby denies the Application for Variance by Maplewood Development and Construction, Inc. acting as developer for SPQR Arden Hills, LLC at Proposed Hillview Business Park.

The board approved and adopted this order on October 21, 2026.

Nancy Daubenberger

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Nancy Daubenberger, Chair
Minnesota Environmental Quality Board

Attachments:

Attachment 1: Public comments

Attachment 2: City of Arden Hills Resolution No. 2026-038

Attachment 3: Email from City of Arden Hills, September 9, 2026