AGENDA

Mankato City Council
Regular Meeting
January 27, 2025 - 6 p.m.
IGC - Mankato Room

1. **Call Meeting to Order**

Roll Call

Pledge of Allegiance

2. **Approval of Agenda**

3. **Approval of Minutes**

Regular Meeting of January 13, 2025

4. **Appearances, Recognition, and Proclamations**

Recognition of employees who have reached a milestone of 20 or more years of service with the City of Mankato between July 1 and December 31, 2024.

5. **Public Open Forum (15 Minutes)**

Citizens may address the Council on matters not on the agenda, and are encouraged to register with the City Clerk prior to the start of the meeting. Those wishing to speak are limited to three minutes and must state their name and address for the record.

6. **Consent Calendar**

NOTE: All items listed under the Consent Calendar will be enacted by one motion. There will be no separate discussion of these items. If a Council Member wishes to discuss any of these items, they may ask that the item be removed from the Consent Calendar. Removed item(s) will be discussed and acted upon by separate motion.

A. Motion approving Proclamation designating February 7-14, 2025 as Congenital Heart Defect Awareness Week in the City of Mankato.

B. Resolution approving application to conduct off-site gambling on February 21, 2025, for Community Charities of Minnesota at Kato Ballroom, 200 Chestnut Street.

C. Resolution adopting negotiated changes to the 2025-2026 IAFF (Captains) Labor Agreement.

D. Resolution adopting negotiated changes to 2025-2026 IAFF (Firefighters) Labor Agreement for 2025-2026.

E. Resolution accepting a State of Minnesota Hazardous Materials grant.

F. Resolution authorizing the City Manager to advance the replacement of a Class 400 Bus from 2026 to 2025.

G. Resolution accepting and authorizing the City Manager to execute a Contamination Cleanup Grant Agreement for 101 East Main Street, 121 East Main Street and 118 South 2nd Street (Hotel Mankato).

H. Resolution amending the Cooperative Construction Agreement with Blue Earth County for the reconstruction of Victory Drive (CSAH 82) between Hoffman Road and Fair Street.

I. Set February 10, 2025, as the date of public hearing for consideration of Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) applications to the Minnesota Department of Employment and Economic Development on behalf of Rolls-Royce Solutions America Inc.

J. Set February 10, 2025, as date of hearing for Capital Improvement Project 11125: 2025 Petition Alley Improvements and 11131: 2025 Resurfacing, Miscellaneous Sidewalks & Alley Improvements.

7. **Public Hearing**

A. Resolution considering Final Assessments for Grace Lutheran Church Properties, related to Capital Improvement Project No. 10988, 4th Street.

8. **City Manager's Report**

A. Consider reduction to obstruction fees for the Silos Apartments development.

9. **Reports of City Council Members**

10. **Miscellaneous Business**

View all city committee meetings by clicking on our City Calendar

Work Session, February 3, 2025, 6 p.m., Minnesota River Room

Regular Council Meeting, February 10, 2025, 6 p.m., Mankato Room (with EDA to follow if needed)

Regular Council Meeting, February 24, 2025, 6 p.m., Mankato Room (with Work Session to follow)

11. **Adjournment**

MINUTES

Mankato City Council
Regular Meeting
January 13, 2025 - 6 p.m.
IGC - Mankato Room

1. **Call Meeting to Order**

Roll Call

Members Present: Dennis Dieken, Michael McLaughlin, Jenn Melby-Kelley, Jessica Hatanpa, Kevin Mettler, Mike Laven, and Mayor Najwa Massad.

Staff Present: City Manager Susan Arntz, Administrative Services Director Parker Skophammer, Community Development Director Mark Konz, Interim Public Works Director Karl Keel, Interim City Engineer Alec Pietz, and City Clerk Renae Kopischke.

Reading of Land Acknowledgement

Pledge of Allegiance

2. **Approval of Agenda**

Ms. Hatanpa moved and Mr. Laven seconded a motion to approve the agenda as written. The motion carried unanimously.

3. **Approval of Minutes**

Mr. Dieken moved and Mr. Mettler seconded a motion to approve the minutes of the Regular Meeting of December 9, 2024 as written. The motion carried unanimously.

4. **Public Open Forum (15 Minutes)**

No one spoke.

5. **Consent Calendar**

NOTE: All items listed under the Consent Calendar will be enacted by one motion. There will be no separate discussion of these items. If a Council Member wishes to discuss any of these items, they may ask that the item be removed from the Consent Calendar. Removed item(s) will be discussed and acted upon by separate motion.

Mr. McLaughlin pulled items 5.J. and 5.K. Ms. Hatanpa moved and Mr. Mettler seconded a motion to approve the Consent Calendar as amended. With all members voting in favor, the motion carried.

A. Motion approving 2025 Legislative Priorities.

B. Resolutions establishing regular times and locations of Council Meetings, and designating the official newspaper of the City of Mankato.

C. Resolution designating Acting City Clerk per the Mankato City Charter, Section 3.03, Subd. 1.

D. Motion approving On-Sale Intoxicating, Sunday, and Non-Enclosed Premise (outdoor patio) Liquor Licenses for Jonny B's LLC, DBA Jonny B's, 1600 Warren St. #17A, Mankato (represents change of ownership).

E. Resolution authorizing the City Manager to enter into an Agreement with Blue Earth County (BEC) for Detox Transportation Services.

F. Resolution authorizing the City Manager to submit an Arts and Cultural Heritage Fund Veterans Memorial and Commemorations grant application to the Minnesota Department of Administration for Veterans Memorial Bridge.

G. Motion to apply to the Carbon Reduction Program for a Transit Pilot Project.

H. Resolution approving the 2025 Transit Asset Management Plan update.

I. Resolution considering bids on project 11084; Victory Drive Signal and Lighting Improvements.

J. Resolution directing Parking Control; no parking zones for transit bus stops.

K. Resolution directing Parking Control on Dane Street.

Brief discussion on the no parking zones for the transit bus stop locations.

Mr. McLaughlin commented how on the east side, off of Belle Avenue, was a concern, since it is hard to see to the right; thus, he asked that it be reviewed. It was noted that the petition was for the west side and that further engagement with the neighborhood could take place.

Mr. McLaughlin moved and Mr. Dieken seconded a motion to approve both 5.J. and 5.K. relating to directing Parking Control. The motion carried unanimously.

L. Resolutions approving the Transportation Alternatives Grant Application for the Trunk Highway 169 Underpass at River Lane.

6. **Public Hearings**

A. Mr. Arntz stated that staff would provide reports on the Capital Improvement Projects 11078 West 7th Street; 11114 Germania Park Phase 5, and 11120 Woodshire Drive. She reported that before the public hearing closed, there is an alternative recommendation for Capital Improvement Project 11114; Germania Park Phase 5, which is to continue the public hearing to March 10, 2025, as there were a couple items that were just brought to staff's attention.

Mr. Pietz reported on Capital Improvement Project 11078 West 7th Street, which is a petition project located southwest of Mankato West High School and a couple blocks south of Highway 169 (two blocks from Sibley Street to Owatonna Street). He summarized the work involved as well as the costs and funding sources and the assessment process.

Mr. Pietz stated that Capital Improvement Project 11114 Germania Park Phase 5 was a continuation of the Germania Park neighborhood improvements. He reviewed the area covered by the project and some recent developments, including a potential developer that owns the west side of 8th Avenue and a portion of the east side as well. He noted that in November there was general support for the project moving forward as is, and then a letter was received today indicating some change in opinion that has led to the recommended continuation. He added that another item, after the issuing of the feasibility report, is the Baptist church along Lind Avenue (between 6th and 7th Streets) has expressed interest in vacating a portion of Lind Street as well as the front of the property and the alley. He stated that this is another item that would conflict with the timeline for the project; thus, the recommendation for continuation to March 10, 2025.

Ms. Arntz reiterated the recommendation and noted that it would allow staff time to review items prior to moving the project forward.

Mr. Pietz provided an overview of Capital Improvement Project 11120; Woodshire Drive. He reviewed the location of Woodshire Drive and the area covered by the project. He indicated that the area is in high need of utility and roadway improvements. He mentioned that the sanitary sewer is about 75 years old and currently flows to the north and down a hill through private property, which is something that would be avoided with the project. He commented on drainage improvements that would be included as well. He touched on sidewalks and how they are being reviewed for inclusion in the project. He summarized the costs and funding sources and the assessment process.

Mr. Dieken clarified that the narrowing of Woodshire that goes up hill from Madison by four feet. Mr. Pietz confirmed.

Mayor Massad opened the public hearing.

Chris Sandquist, 403 South Broad Street, spoke on behalf of the owner of commercial property (Twin Valley Council) relating to Capital Improvement Project 11120 Woodshire Drive. He stated that the building serves as headquarters for Scouting America, serving 15 counties in south central Minnesota. He felt that the property should not be included in the project and referred to portions for replacement. He noted that Woodshire is one of two access points to the property as they also have access from Madison. He referred to discussion at the open house relating to the infrastructure within the neighborhood and pointed out that the property doesn't get water or sewer from that section of roadway. He mentioned the sidewalks and how they are okay as there aren't any defects. He commented on the narrowing of the roadway which will reduce the amount of parking available and the need for occasional on-street parking. He touched on the benefits that need to be met by law and how the benefit is the increase to infrastructure on the hill. He asked that the matter be further reviewed.

Ms. Hatanpa inquired as to the connection being made on the hill being the only reason for the assessment.

It was noted that with only surface improvements, a full reconstruction wouldn't be needed; however, water does come from the street, sewer from Madison Avenue.

Brief discussion on the project, the improvements and the associated assessments.

Ms. Arntz commented on the significance of project 11120 Woodshire Drive, and recommended the hearing be continued to February 10, 2025, in order to allow time for review.

The public hearing was closed for Capital Improvement Project 11078; West 7th Street.

Ms. Hatanpa moved and Mr. McLaughlin seconded a motion to approve the Resolutions receiving the report and declaring costs to be assessed for Capital Improvement Project 11078; West 8th Street. The motion carried unanimously.

Mr. Laven moved and Mr. Mettler seconded a motion to continue the public hearing to March 10, 2025, for Capital Improvement Project 11114; Germania Park Phase 5. The motion carried unanimously.

Mr. Dieken moved and Mr. McLaughlin seconded a motion to continue the public hearing to February 10, 2025, for Capital Improvement Project 11120; Woodshire Drive. The motion carried unanimously.

7. **City Manager's Report**

A. Ms. Arntz reported that the City and Black & Veatch entered into a contract for $1,005,250 on May 1, 2024, for office-based construction services to assist in the administration of the City's Disinfection and Digester (D&D) project at the Mankato Water Resource and Recovery Facility (WRRF) during the first year of construction. She stated that the bulk of construction administrative responsibilities, including onsite project representation, were originally planned to be provided by City staff; however, due to several staff departures, there has not been the capacity to adequately cover the project; thus, the City engaged Bolton & Menk on an hourly basis to provide on-site construction services for the past several months.

Ms. Arntz explained that the WRRF D&D project is quite a large project with a total cost of nearing $90M. She noted that construction commenced in the summer of 2024 and will be completed in mid-2027. She added that to protect the City's investment in this critical piece of infrastructure, it is important that the construction be monitored closely and issues that arise be resolved quickly and in the best long-term interest of the City. She commented that the proposed amendment provides for the full construction services needed to deliver this project.

Ms. Arntz commented that it is proposed that a new amendment be brought to the City Council annually to cover the upcoming year's construction services – three amendments through 2027.

Ms. Arntz stated that as part of the administrative process of securing the Public Facilities Authority (PFA) loan, staff do have the ability to amend the loan amount to increase the project contingency amount to 5% of the project costs; thus, increasing the PFA loan by $1,674,452 with a total amended PFA amount of $45,339,296.50. She noted that the amended amount would still be below that of the initial proposed PFA funding amount of $47 million.

Mr. Laven moved and Ms. Hatanpa seconded a motion to approve the Resolution approving Amendment No. 1 to the Professional Services Agreement with Black & Veatch for the Water Resource Recovery Facility (WRRF) Digester and Disinfection improvements project. The motion carried unanimously.

8. **Reports of City Council Members**

A. Discuss City Council committee assignments and make motion approving appointments for 2025. Mr. Laven moved and Ms. Hatanpa seconded a motion approving the following amendments to assignments for 2025:

Mr. Mettler would serve on the Public Safety Advisory Committee and Mr. Laven as the alternate.
Mr. Metter would serve on the Community Services Advisory Committee.
Ms. Hatanpa would serve on the Highway 169 Coalition.
Mr. McLaughlin would serve on REDA and Ms. Hatanpa as the alternate.

9. **Miscellaneous Business**

View all city committee meetings by clicking on our City Calendar

Regular Council Meeting, January 27, 2025, 6 p.m., Mankato Room (with Work Session to follow)

Work Session, February 3, 2025, 6 p.m., Minnesota River Room

Regular Council Meeting, February 10, 2025, 6 p.m., Mankato Room (with EDA to follow if needed)

10. **Adjournment**

There being no further business before the Council, Ms. Hatanpa moved and Mr. Laven seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:05 p.m.

Minutes Approved.

Mayor Massad

ATTEST:

Renae Kopischke
City Clerk

AGENDA RECOMMENDATION

City Council Regular Meeting
Meeting Date: 01/27/2025

Agenda Item:
Recognition of employees who have reached a milestone of 20 or more years of service with the City of Mankato between July 1 and December 31, 2024.

Recommendation/Action(s):
Recognition.

Summary:
20 Years of Service or More (Anniversary dates from July 1-December 31, 2024)

Name	Position	Years
Kay Schultz	Records Supervisor	40
Doug Storm	Information Technology Director	35
Kevin Dardis	Public Works Technician A (Parks)	30
Sandra Van Eman	Community Services Officer	25
Jay Kopischke	Fire Captain	20
Todd Mohr	Police Officer - School Liaison	20

AGENDA RECOMMENDATION

City Council Regular Meeting **6. A.**

Meeting Date: 01/27/2025

Agenda Item:

Motion approving Proclamation designating February 7-14, 2025 as Congenital Heart Defect Awareness Week in the City of Mankato.

Recommendation/Action(s):

Motion approving proclamation.

Summary:

See attached. Proclamation is effective upon approval of the City Council and signature of the Mayor.

Attachments

Certificate

PROCLAMATION

Congenital Heart Defect Awareness Week
February 7th - 14th, 2025

WHEREAS, the health and well-being of our children is of paramount importance; and

WHEREAS, each year in the United States, more than 40,000 babies are born with a congenital heart defect; and

WHEREAS, the medical community has identified congenital heart defects as the leading cause of birth defect-related deaths; and

WHEREAS, it is crucial that parents, pediatricians, and all those in the health profession have greater awareness of the potential for congenital heart defects among newborns and children; and

WHEREAS, Congenital Heart Defect Awareness Week provides the opportunity for families and patients affected by these conditions to share their experiences and knowledge with the public, so that we all may be made more aware of how this defect affects all our lives.

THEREFORE, I, Najwa Massad, Mayor of Mankato, do hereby proclaim February 7-14, 2025,

CONGENITAL HEART DEFECT AWARENESS WEEK

and encourage all Mankato residents to join me in this special observance.

IN WITNESS WHEREOF, I have hereunto signed my name and caused the seal of the City of Mankato to be affixed this 27th day of January 2025.

INCORPORATED 1868 MINNESOTA

Najwa Massad

Najwa Massad, Mayor

AGENDA RECOMMENDATION

City Council Regular Meeting **6. B.**

Meeting Date: 01/27/2025

Agenda Item:

Resolution approving application to conduct off-site gambling on February 21, 2025, for Community Charities of Minnesota at Kato Ballroom, 200 Chestnut Street.

Recommendation/Action(s):

Motion approving application.

Summary:

Licensed organizations may conduct lawful gambling on premises other than the organization's permitted premises for 12 events per calendar year, not to exceed three days per event.

Community Charities of Minnesota paid gambling taxes in the amount of $15,412.08 for the period January through November 2024. Community Charities of Minnesota's expenditures for January through November 2024 were $513,736. Of those funds, 96.19% have been spent in the local trade area from January through November 2024.

A background investigation of all persons and premises described in the application reveals nothing to preclude issuance of the license.

Attachments

Resolution - Community Charites of MN Kato Ballroom

RESOLUTION APPROVING APPLICATION TO CONDUCT OFF-SITE GAMBLING FOR COMMUNITY CHARITIES OF MINNESOTA AT KATO BALLROOM, 200 CHESTNUT STREET

WHEREAS, Mankato City Code Sections 5.43-5.45, as well as Minnesota Statute 349, outline the regulations regarding lawful gambling activities; and

WHEREAS, a licensed organization may conduct lawful gambling on premises other than the organization's permitted premises for 12 events per calendar year, not to exceed three days per event; and

WHEREAS, not more than 90 days have passed since the application submission date; and

WHEREAS, Community Charities of Minnesota has submitted the required application and has complied with all the requirements of Mankato City Code.

NOW THEREFORE BE IT RESOLOVED, by the City Council for the City of Mankato that the application submitted by Community Charities of Minnesota at Kato Ballroom, 200 Chestnut Street, Mankato is hereby approved.

Adopted this 27th day of January 2025.

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Najwa Massad
Mayor

ATTEST: ______________________________
Renae Kopischke
City Clerk

AGENDA RECOMMENDATION

City Council Regular Meeting **6. C.**

Meeting Date: 01/27/2025

Agenda Item:

Resolution adopting negotiated changes to the 2025-2026 IAFF (Captains) Labor Agreement.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

The City recently negotiated with the IAFF (Captains) union a two-year labor agreement. Captains negotiated to remain on the non-union compensation system. Captains did negotiate a one grade adjustment within the pay plan requiring a subsequent movement of grade and step progression adjustments.

In order to ensure a higher overall wage increase, changes to the insurance language were negotiated. This includes adjustments to the shared city/employee contribution levels for each insurance plan offered.

Substantive changes to the conditions and rules of work for the employees in the bargaining unit are as follows:

Article 8. Holiday

- Add Juneteenth to the list of Holidays.

Article 10. Call in-Call Back

- Change minimum hours paid from two hours to three hours for administrative meetings.

Article 11. Sick

- Replace existing language to be in compliance with Earned Sick and Safe Time (ESST) State requirements.

Article 12. Vacation

- Add a statement allowing the ability to cancel a scheduled pre-pick vacation 30 days prior to the scheduled leave.

Article 19. Insurance

- Negotiated a new City/Employee premium contribution level for each plan offered:

	Single	**Single**	**Family**	**Family**
Health Plan	**City Contribution**	**Employee Contribution**	**City Contribution**	**Employee Contribution**
Traditional $100 CMM	90%	10%	85%	15%
$3,300 HDHP	95%	5%	90%	10%
$5,000 HDHP	100%	100%	100%	100%

Article 20. Health Savings Account

- Add additional language which allows for a City contribution to an HSA for the employees who elect the $5,000 High Deductible Health Plan that is calculated based on the difference of the monthly City premium contribution between the $3,300 HDHP and the $5,000 HDHP.
- One-time incentives for those who switch from a non-high deductible health plan to a high deductible health plan. The regular monthly City HSA contribution will instead be paid in two lump sums (January and July) in the year they choose to change plans.

Article 22. Wages

- Employees will remain on the non-union pay plan. A 3% general wage increase over 2024.
- Negotiated to move one grade up within the pay plan, PM3 to PM4.
- Transition to the new grade in the first pay period of 2025, employees will transition to the new PM4 grade at a new specified step outlined within the contract. As part of this transition, employees will forego additional step progression in 2025. Step progression will resume in 2026.
- On average, employees will see a 9% increase in 2025.

Article 22. Wages

- Effective January 1, 2026, employees will contribute 50% of the mandatory payroll tax associated with MN Paid Family Medical Leave. The City will contribute the remaining 50% of the mandatory payroll tax.

Article 27. Duration
The agreement shall be effective as of January 1, 2025, and shall remain in full force and effect until December 31, 2026.

Attachments

Resolution

RESOLUTION ADOPTING NEGOTIATED CHANGES TO 2025-2026 IAFF FIRE CAPTAINS LABOR AGREEMENT

WHEREAS, the current Collective Bargaining Agreement between IAFF (Captains) and the City of Mankato expired on December 31, 2024; and

WHEREAS, City staff recently negotiated a three year labor agreement with the IAFF (Captains) union; and

WHEREAS, the proposed agreement is reasonable, fiscally prudent and within current budget parameters.

NOW, THEREFORE BE IT RESOLVED by the City Council for the City of Mankato that the proposed labor agreement for the year 2025 and 2026 between the City of Mankato and IAFF (Captains) be and hereby is approved.

This Resolution shall become effective upon its passage and without further publication.

Dated this 27th day of January 2025.

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Najwa Massad
Mayor

Attest: ____________________________
Renae Kopischke
City Clerk

AGENDA RECOMMENDATION

City Council Regular Meeting **6. D.**

Meeting Date: 01/27/2025

Agenda Item:

Resolution adopting negotiated changes to 2025-2026 IAFF (Firefighters) Labor Agreement for 2025-2026.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

The City recently negotiated with the IAFF (Firefighter) union a two-year labor agreement. Firefighters negotiated to remain on the non-union compensation system. Firefighters did negotiate a one grade adjustment within the pay plan requiring a subsequent movement of grade and step progression adjustments.

In order to ensure a higher overall wage increase, changes to the insurance language were negotiated. This includes adjustments to the shared city/employee contribution levels for each insurance plan offered.

Substantive changes to the conditions and rules of work for the employees in the bargaining unit are as follows:

Article 9. Holiday

- Add Juneteenth to the list of Holidays.

Article 11. Sick

- Replace existing language to be in compliance with Earned Sick and Safe Time (ESST) State requirements.

Article 12. Vacation

- Add a statement allowing the ability to cancel a scheduled pre-pick vacation 30 days prior to the scheduled leave.

Article 17. Education

- Adjust language to be clearer and in alignment with current practices for how an employee is paid when attending training on an off-duty day.

Article 21. Insurance

- Negotiated a new City/Employee premium contribution level for each plan offered:

	Single	**Single**	**Family**	**Family**
Health Plan	**City Contribution**	**Employee Contribution**	**City Contribution**	**Employee Contribution**
Traditional $100 CMM	90%	10%	85%	15%
$3,300 HDHP	95%	5%	90%	10%
$5,000 HDHP	100%	100%	100%	100%

Article 22. Health Savings Account

- Add additional language which allows for a City contribution to an HSA for the employees who elect the $5,000 High Deductible Health Plan that is calculated based on the difference of the monthly City premium contribution between the $3,300 HDHP and the $5,000 HDHP.
- One-time incentives for those who switch from a non-high deductible health plan to a high deductible health plan. The regular monthly City HSA contribution will instead be paid in two lump sums (January and July) in the year they choose to change plans.

Article 24. Wages

- Employees will remain on the non-union pay plan. A 3% general wage increase over 2024.
- Negotiated to move one grade up within the pay plan, STA6 to PM1.
- Transition to the new grade in the first pay period of 2025, employees will transition to the new PM1 grade at a new specified step outlined within the contract. As part of this transition, employees will forego additional step progression in 2025. Step progression will resume in 2026.
- On average, employees will see a 10.5% increase in 2025.

Article 24. Wages

- Effective January 1, 2026, employees will contribute 50% of the mandatory payroll tax associated with the MN Paid Family Medical Leave. The City will contribute the remaining 50% of the mandatory payroll tax.

Article 26. State of Emergency

- Add the Mayor to the list of those to declare a state of emergency.

Article 27. Duration

The agreement shall be effective as of January 1, 2025, and shall remain in full force and effect until December 31, 2026.

Attachments

Resolution

RESOLUTION ADOPTING NEGOTIATED CHANGES TO 2025-2026 IAFF (FIREFIGHTER) LABOR AGREEMENT

WHEREAS, the current Collective Bargaining Agreement between IAFF (Firefighter) and the City of Mankato expired on December 31, 2024; and

WHEREAS, City staff recently negotiated a two year labor agreement with the IAFF (Firefighter) union; and

WHEREAS, the proposed agreement is reasonable, fiscally prudent and within current budget parameters.

NOW, THEREFORE BE IT RESOLVED by the City Council for the City of Mankato that the proposed labor agreement for the year 2025 and 2026 between the City of Mankato and IAFF (Firefighter) be and hereby is approved.

This Resolution shall become effective upon its passage and without further publication.

Dated this 27th day of January 2025.

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Najwa Massad
Mayor

Attest: ____________________________
Renae Kopischke
City Clerk

AGENDA RECOMMENDATION

City Council Regular Meeting **6. E.**

Meeting Date: 01/27/2025

Agenda Item:

Resolution accepting a State of Minnesota Hazardous Materials grant.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

The Public Safety Hazardous Materials Response Team (HMRT) has been awarded a grant from the State of Minnesota in the amount of $7,473.52 for training for team members. All State Hazmat teams have been awarded this grant. There is a cost matching requirement of $1,868.38 which will be met with employee wages.

Attachments

Resolution re hazardous materials etc

HMEP Grant Contract Agreement

RESOLUTION ACCEPTING STATE OF MINNESOTA HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS GRANT

WHEREAS, The Mankato Department of Public Safety has received a Hazardous Materials Emergency Preparedness Grant to cover expenses for HAZMAT training; and

WHEREAS, the City of Mankato has received similar grants in the past; and

WHEREAS, the grant has a match which will be met with the attendees pay while training.

NOW THEREFORE BE IT RESOLVED by the City Council for the City of Mankato that the City Manager be and hereby is authorized to execute the grant agreement with the Minnesota Department of Public Safety ("State").

This Resolution shall become effective upon its passage and without further publication.

Dated this 24th day of September, 2012

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Najwa Massad
Mayor

Attest: ____________________________
Renae Kopischke, CMC
Executive Assistant

Minnesota Department of Public Safety ("State") State Fire Marshal Division 445 Minnesota Street, Suite 145 St. Paul, MN 55101-2190	**Grant Program:** 2022 Hazardous Materials Emergency Preparedness Grant **Grant Contract Agreement No.:** A-HMEP-2022-MANKATFD-007
Grantee: City of Mankato 10 Civic Center Plaza Mankato, MN 56002	**Grant Contract Agreement Term:** **Effective Date:** 10/01/2023 **Expiration Date:** 09/30/2025
Grantee's Authorized Representative: City of Mankato - Fire Department ATTN: Jeff Bengtson, Associate Director 710 South Front Street Mankato, MN 56001 Phone: 507-387-8703 E-mail: jbengtson@mankatomn.gov	**Grant Contract Agreement Amount:** Original Agreement $ 7,473.52 Matching Requirement $ 1,868.38
State's Authorized Representative: MN State Fire Marshal Division ATTN: Sonya Borgeson-Bethke 445 Minnesota Street, Suite 145 St. Paul, MN 55101-2190 Phone: 651-201-7206 E-mail: sonya.borgeson-bethke@state.mn.us	**Federal Funding:** CFDA/ALN: 20.703 **FAIN:** 693JK32240011HMEP **State Funding**: None **Special Conditions**: None

Under Minn. Stat. § 299A.01, Subd 2 (4) the State is empowered to enter into this grant contract agreement.

Term: The creation and validity of this grant contract agreement conforms with Minn. Stat. §16B.98 Subdivision 5. Per Minn.Stat.§16B.98 Subd. 7, no payments will be made to the Grantee until this grant contract agreement is fully executed. Once this grant contract agreement is fully executed, the Grantee may claim reimbursement for expenditures incurred pursuant to the Payment clause of this grant contract agreement. Reimbursements will only be made for those expenditures made according to the terms of this grant contract agreement. Expiration date is the date shown above or until all obligations have been satisfactorily fulfilled, whichever occurs first.

The Grantee, who is not a state employee will:
Perform and accomplish such purposes and activities as specified herein and in the Grantee's approved 2022 Hazardous Materials Emergency Preparedness Grant Application ("Application") which is incorporated by reference into this grant contract agreement and on file with the State at 445 Minnesota Street, Suite 145. St. Paul, MN 55101-2190. The Grantee shall also comply with all requirements referenced in the 2022 Hazardous Materials Emergency Preparedness Grant Guidelines and Application which includes the Terms and Conditions and Grant Program Guidelines (https://app.dps.mn.gov/EGrants), which are incorporated by reference into this grant contract agreement.

Budget Revisions: The breakdown of costs of the Grantee's Budget is contained in Exhibit A, which is attached and incorporated into this grant contract agreement. As stated in the Grantee's Application and Grant Program Guidelines, the Grantee will submit a written change request for any substitution of budget items or any deviation and in accordance with the Grant Program Guidelines. Requests must be approved prior to any expenditure by the Grantee.

Matching Requirements: (If applicable.) As stated in the Grantee's Application, the Grantee certifies that the matching requirement will be met by the Grantee.

***Payment*:** As stated in the Grantee's Application and Grant Program Guidance, the State will promptly pay the Grantee after the Grantee presents an invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services and in accordance with the Grant Program Guidelines. Payment will not be made if the Grantee has not satisfied reporting requirements.

Certification Regarding Lobbying: (If applicable.) Grantees receiving federal funds over $100,000.00 must complete and return the Certification Regarding Lobbying form provided by the State to the Grantee.

1. ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15.

Signed: ______________________________

Date: ______________________________

3. STATE AGENCY

Signed: ______________________________
(with delegated authority)

Title: ______________________________

Date: ______________________________

Grant Contract Agreement No./ P.O. No.: A-HMEP-2022-MANKATFD-007 / P.O. No. 3000100815

Project No.: N/A

2. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant contract agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

Signed: ______________________________

Print Name: ______________________________

Title: _______________________________

Date: ______________________________

Signed: ______________________________

Print Name: ______________________________

Title: ______________________________

Date: ______________________________

Signed: ______________________________

Print Name: ______________________________

Title: ______________________________

Date: ______________________________

Distribution: DPS/FAS
Grantee
State's Authorized Representative

2022 (HMEP) Hazardous Materials Emergency Preparedness

EXHIBIT A

Organization: Mankato Fire Department **A-HMEP-2022-MANKATFD-007**

Budget Summary (Report)

Conference / Event: Cold Zone 2024	**Award**	**Match**
Registration fees for 3 - Huber, Miller, Frame	$1,950.00	$0.00
Travel / Lodging / Per diem to Cold Zone	$1,083.61	$0.00
Compensation costs for personnel at the conference	$0.00	$1,868.38
Subtotal	$3,033.61	$1,868.38
Conference / Event: Hazardous Materials Instructor Conference 2023	**Award**	**Match**
Per diem / Lodging / travel for 2	$2,218.71	$0.00
Registration fees for 2	$1,050.00	$0.00
Subtotal	$3,268.71	$0.00
Conference / Event: Hazardous Materials Symposium 2024	**Award**	**Match**
Registration for 1 - Frame	$225.00	$0.00
Frame - Travel / Lodge / Food	$946.20	$0.00
Subtotal	$1,171.20	$0.00
Total	**$7,473.52**	**$1,868.38**

AGENDA RECOMMENDATION

Consent Calendar 6. F.

City Council Regular Meeting

Meeting Date: 01/27/2025

Agenda Item:

Resolution authorizing the City Manager to advance the replacement of a Class 400 Bus from 2026 to 2025.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

Federal Transit Administration identifies the service life of a Class 400 bus as 150,000 miles or 5-years, whichever occurs first.

Minnesota Department of Transportation, Office of Transit and Active Transportation, manages the bus replacement program at the state level for all public transit agencies in the state. MnDOT has notified Mankato Transit System of the identification of seven model year 2018 Class 400 buses eligible for replacement and their intent to use state funding to replace all seven in the year 2025.

Previously identified in the Mankato/North Mankato Area Planning Organization (MAPO) Transportation Improvement Program (TIP) as five Class 400 buses (TRS-0028-26A) and two Class 400 buses (TRF-0028-26F), MnDOT intends to fund both projects using only state funds with a 10% local share for year 2025.

The Capital Improvement Program identifies six replacement buses in 2025 (Units 803, 804, 805, 827, 829, and 831) and one bus in 2026 (Unit 828).

Central Garage recently found excessive frame rust in several of the model year 2018 Class 400 buses and approves the advancement of the replacement.

Attachments

Resolution

RESOLUTION AUTHORIZING THE CITY MANAGER TO ADVANCE THE REPLACEMENT OF ONE CLASS 400 BUS FROM 2026 TO 2025

WHEREAS, the City of Mankato is a direct recipient of federal and state funds for a public transit system; and

WHEREAS, the Federal Transit Administration determines the service live for a Class 400 bus as 150,000 miles or 5 years

WHEREAS, Minnesota Department of Transportation has identified all seven 2018 model Class 400 buses as eligible for replacement using state funds in the year 2025; and

WHEREAS, the Capital Improvement Program has identified six Class 400 Buses model year 2018 for replacement in the year 2025 and one in 2026; and

WHEREAS, the Transit Asset Management Plan and Central Garage approves the advancement of the final 2018 model Class 400 bus; and

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANKATO, MINNESOTA that the City Manager is hereby authorized to advance the procurement and replacement of all model year 2018 Class 400 buses in calendar year 2025.

This resolution shall become effective upon passage without further publication.

Adopted this 27th day of January 2025.

____
Najwa Massad, Mayor

ATTEST: ____________________________
Renae Kopischke, MMC
City Clerk

AGENDA RECOMMENDATION

Consent Calendar 6. G.

City Council Regular Meeting

Meeting Date: 01/27/2025

Agenda Item:

Resolution accepting and authorizing the City Manager to execute a Contamination Cleanup Grant Agreement for 101 East Main Street, 121 East Main Street and 118 South 2nd Street (Hotel Mankato).

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

On October 28, 2024, the City Council approved the submission of a Cleanup Grant application to the Minnesota Department of Employment and Economic Development (DEED) for the Hotel Mankato project. In December 2024, DEED notified the City of a grant award for the project.

Hotel Mankato was awarded a $323,887.00 cleanup grant. Hotel Mankato, LLC proposes redeveloping the property at 101 East Main Street, 121 East Main Street, and 118 South 2nd Street by demolishing two vacant buildings and constructing two adjoining hotels totaling approximately 250,000 square feet with a total of 282 hotel guest rooms, a rooftop restaurant including an outdoor patio, 168-stall underground parking garage and nine surface parking stalls. At the intersection of Riverfront Drive and Main Street, a four-story extended stay Element by Westin is proposed which will include 126 all-suite guest rooms. At the intersection of Second and Main Street, a 10-story AC by Marriott is proposed with 156 hotel guest rooms. The two hotels would be adjoined by a common lobby with a direct connection to the existing City skywalk, providing hotel guests with direct access to the Civic Center.

The hotels will share common guest amenities, including a pool, fitness center, guest laundry, lounge spaces, business pods, and a conference room. A courtyard area will be provided between the Element and common lobby with grilling stations, fire pits, and an outdoor social lounge area.

The grant eligible costs include investigation (match only); contaminated soil excavation, transportation and disposal; and environmental oversight and reporting. The matching funds of $168,290 have been committed and will be paid by the developer, Hotel Mankato, LLC. DEED contamination cleanup grants require at least 12% of the match to come from an unrestricted source. The project's tax incrementing financing for redevelopment is considered a restricted source. A portion of the match for the grant will be reimbursed to the developer with increment that is generated from the redevelopment.

Attachments

Resolution

General Location Map

Hotel Mankato Grant Agreement

Hotel Mankato Draft Subrecipient Agreement

RESOLUTION ACCEPTING MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT CONTAMINATION CLEANUP GRANT AND AUTHORIZING CITY MANAGER TO EXECUTE GRANT AGREEMENT AND SUBRECIPIENT AGREEMENT

WHEREAS, the City of Mankato approved applications to the Minnesota Department of Employment and Economic Development (DEED) for the Contamination Cleanup Grant Program; and

WHEREAS, DEED awarded the City of Mankato a grant in the amount of $323,887 for the Hotel Mankato Project; and

WHEREAS, the City of Mankato desires to promote redevelopment of brownfield properties within Mankato.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mankato that the City of Mankato accepts the Contamination Cleanup grant award of $323,887 for the Hotel Mankato Project.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Manager, or her successor in office, is hereby authorized to execute the Contamination Cleanup grant agreement and subrecipient agreement on behalf of the City.

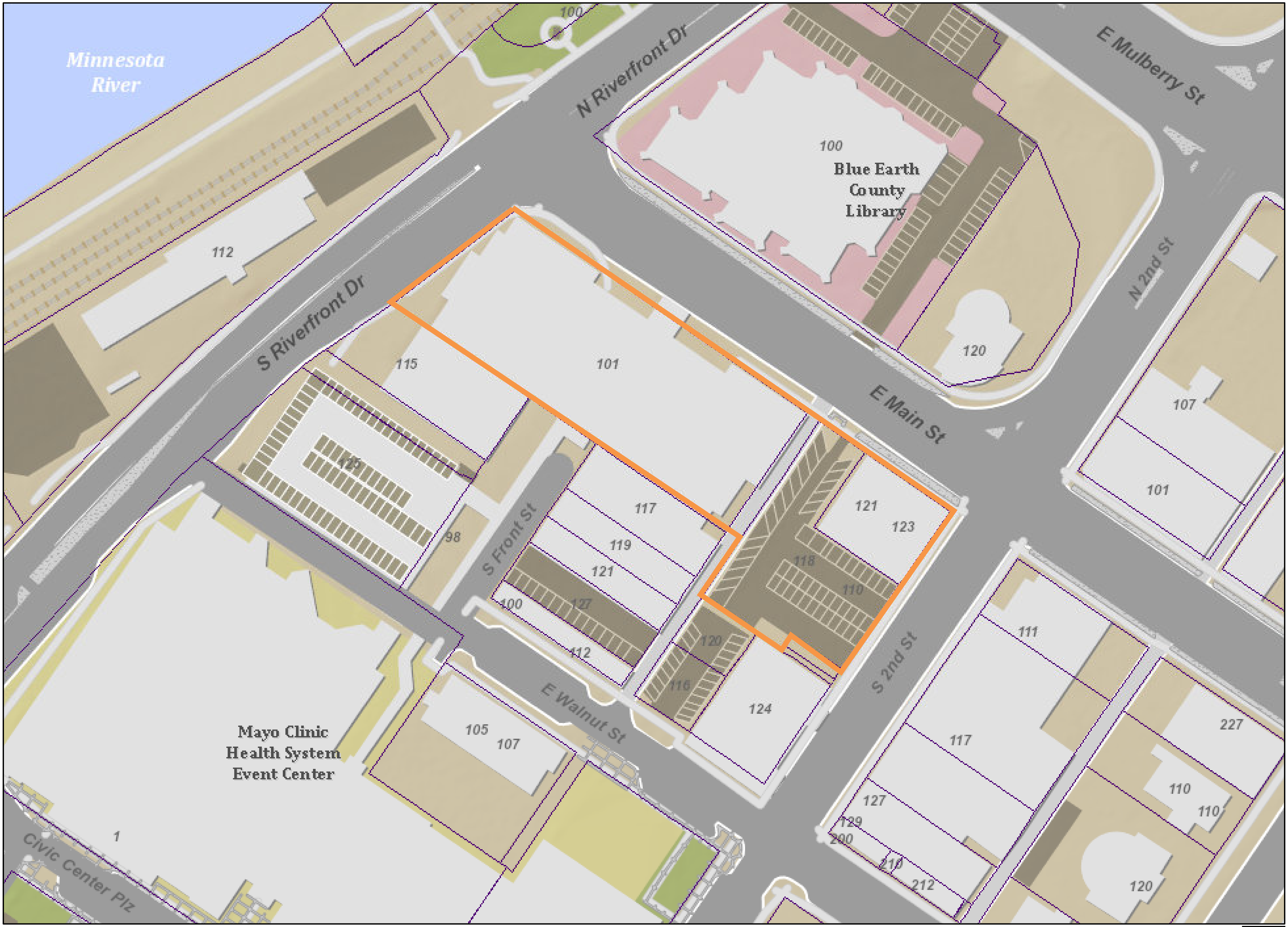
This resolution shall become effective immediately upon passage.

Dated this 27th day of January, 2025.

____
Najwa Massad, Mayor

ATTEST: ________________________________
Renae Kopischke, MMC
City Clerk

General Location Map



Date: July 2024

Author:

STATE OF MINNESOTA
GRANT CONTRACT AGREEMENT NO. CCGP-24-0016-Z-FY25
Hotel Mankato Project

This grant contract agreement is between the State of Minnesota, acting through the Department of Employment and Economic Development ("State") and the city of Mankato, 10 Civic Center Plaza, Mankato, MN 56001 ("Grantee").

Recitals

1. Under Minn. Stat. § 116J.554 the State is empowered to enter into this grant contract agreement.
2. The State is in need of programs that reduce the potential threat of harmful contaminants to the public's health and the environment, create jobs, increase local property tax, and provide other public benefits by redeveloping polluted sites.
3. Pursuant to Minn. Stat. § 16B.98, the Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract agreement to the satisfaction of the State.

Grant Contract Agreement

1 Term of Grant Contract Agreement

1.1 ***Effective date:***
December 20, 2024, or the date the State obtains all required signatures under Minn. Stat. § 16B.98, Subd. 5, whichever is later. Per Minn. Stat. § 16B.98, Subd. 7, no payments will be made to the Grantee until this grant contract agreement is fully executed.

1.2 ***Expiration date:***
December 31, 2027, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 ***Survival of Terms.***
The following clauses survive the expiration or termination of this grant contract agreement: 5. Reporting Requirements; 7. Monitoring and Corrective Action; 10. Liability; 11. State Audits; 12. Government Data Practices and Intellectual Property Rights; 14. Publicity and Endorsement; 15. Governing Law, Jurisdiction and Venue; 17. Data Disclosure; 18. Conflict of Interest; 19. State and Federal Environmental Standards; and 20. Minnesota Business Subsidy Law.

2 Grantee's Duties

2.1 ***Duties, Deliverables and Completion Dates.***
The Grantee, who is not a state employee, will perform the following duties and provide the deliverables as outlined below.

(a) Comply with required grants management policies and procedures set forth through Minn. Stat. § 16B.97, Subd. 4 (a)(1).

(b) Administer these grant funds in accordance with Minn. Stat. §§ 116J.551 through 116J.559 and the application submitted on November 1, 2024, for funding for the Hotel Mankato Project, which is incorporated into this grant contract agreement and the provisions of this grant contract agreement. Any modification made to the approved application must be approved by the State.

(c) It is expected that the site will be cleaned up and redeveloped as proposed in the grant application and upon which funding was based. Any material changes in the cleanup plans and/or development plans for the site must be presented to the State and approved. Promptly notify the State of any proposed material change in the scope of the project as submitted in the grant application, eligible approved Cleanup Costs as defined Section 4.1(c) of this grant contract agreement, or the project's timeline, which must be approved by the State, prior to implementation.

(d) It is also expected that the project will begin as described in the application. To validate that the project has started and eligible work has commenced, a Payment Request, as outlined in Section 4.2(a), must be submitted to the State on or before December 31, 2025, or such a later date requested by the Grantee and approved by the State in writing. If a Payment Request is not submitted, the State's obligation to fund the Grant may be terminated as described in Section 16.1(b). Invoices must be for approved eligible Cleanup Costs and does not include investigation costs incurred prior to the grant award.

(e) Provide evidence to the State prior to the closeout of the grant that the cleanup has been completed and approved by the Minnesota Pollution Control Agency.

(f) Adhere to all other requirements of this grant contract agreement.

2.2 *Provisions for Contracts and Sub-grants*

(a) Contract Provisions
The Grantee must include in any contract and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable state and federal laws. Along with such provisions, the Grantee must require that contractors performing work covered by this grant be compliant with all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 CFR 1910.120 and 29 CFR 1926.65).

(b) Ineligible Use of Grant Funds
The dollars awarded under this grant contract agreement are grant funds and shall only be used by Grantee or awarded by Grantee to third parties as grant funds and cannot take the form of a loan under any circumstance. Grantee shall not use, treat, or convert the grant funds into an interest-bearing loan, a non-interest-bearing loan, a deferred loan, a forgivable deferred loan, or any other type of loan. Further, Grantee shall include in any contract or sub-grant awarding the grant funds to a third party all the provisions and requirements of this grant contract agreement, including the requirement that these dollars are grant funds only and cannot be used, treated, or converted into any type of loan.

(c) Payment of Contractors and Subcontractors
The Grantee must provide evidence that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.

3 Time

The Grantee must comply with all the time requirements described in this grant contract agreement. In the performance of this grant contract agreement, time is of the essence.

4 Consideration and Payment

4.1 *Consideration*
The State will pay the Grantee under this grant contract agreement as follows:

(a) Travel Expenses

Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant contract agreement are considered administrative in nature and not permitted and will not exceed $0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state. This does not include costs for contractors to complete the activities listed in Section 4.1(c), which may be considered eligible at the discretion of the State.

(b) Program Income

Program income generated from grant-funded activities on hand at the end of the grant period must be returned to the State unless the State has approved re-use of the income.

(c) Eligible Costs

The following table represents the total approved Cleanup Costs. The Grantee may not use these funds for administrative costs associated with managing this grant or the project this grant is funding. Pursuant to Minn. Stat. § 116J.552, Subd. 2, costs of implementing the response action plan (RAP) incurred before the grant award date may be eligible at the discretion of the State, if the costs were completed after the RAP was approved by the Minnesota Pollution Control Agency and the RAP was approved within 180 days of the application deadline. Costs incurred for the development of the RAP incurred prior to grant award may be considered match eligible at the discretion of the State. Any reimbursement made for services provided prior to the effective date will be governed by the terms of this grant contract agreement.

Grant Eligible Activities	Amount
Investigation and RAP Development (match only)	$60,327.00
Contaminated Soil Excavation, Transportation, and Disposal	$361,350.00
Environmental Oversight and Reporting	$70,500.00
Total	$492,177.00

(d) Total Obligation

The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract agreement will not exceed $323,887.00.

In accordance with Minn. Stat. § 116J.554, Subd. 1, the grant may pay for up to 75% of the eligible costs for a qualifying site. This requires a local match of at least 25%. For the purpose of this project, based on the budget above, the local match portion is at least $168,290.00. Of the total match requirement, 12% of the cleanup costs as defined by Minn. Stat. § 116J.552, Subd. 2 must come from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

4.2 ***Payment***

(a) Invoices

The State will disburse funds to the Grantee pursuant to this Contract, based upon payment requests submitted by the Grantee and reviewed and approved by the State. Payment requests must be accompanied by supporting invoices for the activities defined in Section 4.1(c) of this grant contract agreement. The amount of grant funds requested by the Grantee cannot exceed 75% of the total approved Cleanup Costs incurred by the Grantee as supported by invoices. The State will provide payment request forms. Every effort should be made to submit invoices within the same fiscal year the costs were incurred. To ensure that all funds are drawn prior to the expiration date of the grant, the final payment request must be received at least 30 days prior to the grant-term expiration date.

(b) Unexpended Funds
Any grant funds not reimbursed to the Grantee shall revert back to the State.

4.3 ***Contracting and Bidding Requirements***
Per Minn. Stat. § 471.345, grantees that are municipalities as defined in Subd. 1 must follow the law.

(a) Prevailing wage rates are required to be paid on an economic development project site if that project receives or will be receiving state financial assistance in the form of a grant where a single business receives $200,000 or more of the grant proceeds, a loan or the guaranty or purchase of a loan if a single business receives $500,000 or more of the loan proceeds, or certain tax incentives, per Minn. Stat. § 116J.871. For economic development projects subject to the prevailing wage requirements in Minn. Stat. § 116J.871, Grantee must ensure that Grantee and all contractors and subcontractors comply with applicable prevailing wage requirements including submitting all required certified payroll records, as described in Exhibit A, "Prevailing Wage Certification – Minn. Stat. § 116J.871," to the following email address: wagedata.deed@state.mn.us.

(b) The grantee must not contract with vendors who are suspended or debarred in MN: http://www.mmd.admin.state.mn.us/debarredreport.asp

5 Reporting Requirements
The Grantee must submit to the State annual reports on the use of grant funds and the progress of the Project covering July 1st through June 30th of each year. Each annual report must be received by the State no later than July 25th of each year. The annual report must identify specific Project goals listed in the application and quantitatively and qualitatively measure the progress of such goals. Grant payments shall not be made on grants, or subsequent grant awards made to the Grantee, with past due reports. In addition, the Grantee shall submit a final annual report. The State will provide annual reporting form.

6 Conditions of Payment
All services provided by the Grantee under this grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state or local law.

7 Monitoring and Corrective Action
The Grantee agrees to permit monitoring by the State to determine grant contract agreement performance and compliance with grant contract agreement provisions. The Grantee further agrees to cooperate with the State in performing and completing such monitoring activities and the Grantee agrees to implement and comply with such corrective action as is proposed by the State. The Grantee must provide any financial records, timesheets or other supporting documentation, upon the request of the State.

8 Authorized Representative

The State's Authorized Representative is Erin Welle, Great Northern Building, 180 East Fifth Street, Suite 1200, Saint Paul, MN 55101, 651-259-7453, erin.welle@state.mn.us or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Courtney Kramlinger, 10 Civic Center Plaza, Mankato, MN 56001, 507-387-8711, ckramlinger@mankatomn.gov. If the Grantee's Authorized Representative changes at any time during this grant contract agreement, the Grantee must immediately notify the State.

9 Assignment, Amendments, Adjustments, Waiver and Grant Contract Agreement Complete

9.1 *Assignment*

The Grantee shall neither assign nor transfer any rights or obligations under this grant contract agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant contract agreement or their successors in office.

9.2 *Amendments*

Any amendments to this grant contract agreement, with the exception of Grant Adjustment Notices (GANs), must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract agreement or their successors in office.

9.3 *Grant Adjustment Notices (GANs)*

GANs must be approved by the State in writing and may require a written change request by the Grantee. A GAN may be used for non-substantive changes that do not affect grant requirements, including, but not limited to, changing grant status activity, or changing budget amounts within approved grant eligible activities that do not increase the awarded value. All other changes require formal amendment as stated in Section 9.2.

9.4 *Waiver*

If the State fails to enforce any provision of this grant contract agreement, that failure does not waive the provision or the State's right to enforce it.

9.5 *Grant Contract Agreement Complete*

This grant contract agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract agreement, whether written or oral, may be used to bind either party.

10 Liability

Subject to the provisions and limitations of Minn. Stat. § 466, the Grantee must indemnify, save and hold the State, its agents and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract agreement by the Grantee or the Grantee's agents, employees or independent contractors. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract agreement.

11 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract agreement or transaction are subject to examination by the Commissioner of Administration, by the State granting agency and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

The Grantee shall maintain adequate financial records consistent with generally accepted accounting principles. The Grantee shall submit accounting system records that track the use of grant proceeds and all matching funds by eligible Cleanup Costs for each year in which grant disbursements and expenditures were made. The records shall reflect both expenditures and revenues and shall be submitted after all grant proceeds and matching funds have been expended or at the State's request.

12 Government Data Practices and Intellectual Property Rights

12.1 ***Government Data Practices***

The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract agreement, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the Grantee under this grant contract agreement. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

12.2 ***Intellectual Property Rights***

The Grantee represents and warrants that Grantee's intellectual property used in the performance of this grant contract agreement does not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 10, the Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of Grantee's intellectual property used in the performance of this grant contract agreement infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing intellectual property as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

13 Workers Compensation

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

14 Publicity and Endorsement

14.1 ***Publicity***

Any publicity regarding the subject matter of this grant contract agreement must identify the State as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications or services provided resulting from this grant contract agreement. For DEED logos, please contact the State's Authorized Representative.

14.2 ***Endorsement***

The Grantee must not claim that the State endorses its products or services.

15 Governing Law, Jurisdiction and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract agreement. Venue for all legal proceedings out of this grant contract agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

16 Termination

16.1 ***Termination by the State***

(a) Without Cause. The State may terminate this grant contract agreement without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

(b) With Cause. The State may immediately terminate this grant contract agreement if the State finds that there has been a failure to comply with the provisions of this grant contract agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

16.2 ***Termination by the Commissioner of Administration***

The Commissioner of Administration may immediately and unilaterally cancel this grant contract agreement if further performance under the agreement would not serve agency purposes or is not in the best interest of the State.

16.3 ***Termination for Insufficient Funding***

The State may immediately terminate this grant contract agreement if:

(a) It does not obtain funding from the Minnesota Legislature.

(b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

17 Data Disclosure

Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

18 Conflicts of Interest

The State will take steps to prevent individual and organizational conflicts of interest in reference to Grantees per Minn. Stat. § 16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making (Current Policies tab). When a conflict of interest concerning State grant-making is suspected, disclosed or discovered, transparency shall be the guiding principle in addressing it.

In cases where a potential or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the Grantee throughout the life of the grant contract agreement, they must immediately notify the State for appropriate action steps to be taken, as defined above.

The Grantee must complete a Conflict-of-Interest Disclosure Form.

19 State and Federal Environmental Standards

The Grantee must provide evidence that work performed under this grant contract agreement complies with state and federal environmental standards. An approval from the Minnesota Pollution Control Agency or other appropriate state or federal agency is required upon completion of the cleanup activities.

20 Minnesota Business Subsidy Law

The Grantee must comply, if appropriate, with the Minnesota Business Subsidy Law, Minn. Stat. §§ 116J.993 through 116J.995.

(The rest of this page is left intentionally blank)

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat.§ 16A.15.

Signed: Robin Culbertson

Date: 01/07/25

SWIFT Contract/PO No(s): 262317 PR 92105 PO 3-592399

2. GRANTEE

The Grantee certifies that the appropriate person(s) has executed the grant contract agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: ______________________

Title: City Manager

Date: ______________________

By: ______________________

Title: ______________________

Date: ______________________

3. STATE OF MINNESOTA: DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

By: ______________________
(WITH DELEGATED AUTHORITY)

Title: Deputy Commissioner

Date: ______________________

Distribution:
- Agency
- Grantee
- State's Authorized Representative

DEPARTMENT OF LABOR AND INDUSTRY

To: Minnesota Department of Labor and Industry

Prevailing-wage compliance unit

443 Lafayette Road N.

St. Paul, MN 55155

Re: Prevailing-wage certification – Minnesota Statutes § 116J.871

Insert recipient's name __________ is a recipient of financial assistance from the Insert state agency or allocating agency __________ for the project identified below.

As required by Minn. Stat. § 116J.871, subd. 2(a), Insert name of recipient, address and email __________ hereby certifies to the commissioner of the Department of Labor and Industry, that laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance will be provided, in whole or part, will be paid the prevailing-wage rate as defined in Minn. Stat. § 177.42, subd. 6. Prevailing wages paid to laborers and mechanics at the project site shall comply with the prevailing-wage rates determined for Insert county name __________ county, Minnesota.

Insert recipient's name __________ understands that failure to pay prevailing wages is a misdemeanor and that each day of violation is a separate offense under Minn. Stat. § 116J.871, subd. 3.

Project name: ______________________________

(Insert project name)

Project start date: ______________________________

(Insert project start date)

Project site address: ______________________________

(Insert project site address)

Financial assistance contract number: ______________________________

(Insert financial assistance contract number)

By: ______________________________ Signature: ______________________________

(Print name of authorized representative) (Signature of authorized representative)

Its: ______________________________ Date: ______________________________

(Authorized representative's title) (Date signed and certified)

Information for recipients

Recipients must ensure all laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance from a state agency or allocating agency will be provided is performed under contracts that specifically include the prevailing-wage rate requirements of the Minnesota Prevailing Wage Act ("MPWA"), Minnesota Statutes sections 177.41-.44 and Minnesota Rules, sections 5200.1000-.1120.

Recipients also must ensure that contractors and their subcontractors will comply with the requirements of the MPWA, including recordkeeping, completion and submission of certified payroll reports, posting and contract requirements and the requirement that laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance will be provided are paid the applicable prevailing-wage rate(s) for each classification of work they perform. These requirements and enforcement provisions are set forth at Minn. Stat. § 116J.871, subd. 2(a).

In accordance with the MPWA and because the commissioner, pursuant to Minn. Stat. § 177.30(a)(7), has deemed certain payroll information necessary and appropriate, recipients must also ensure that each employer performing work at the project site during construction, installation, remodeling or repairs for which financial assistance from a state agency is provided will prepare, maintain as required, and provide to the Department of Labor and Industry upon request, certified payroll reports with respect to the wages and benefits paid to employees specifying for each employee: the employee's name; prevailing-wage job classifications; hours worked each day; total hours; rates of pay; gross amount earned; each deduction for taxes; total deductions; net pay per week; dollars contributed per hour for each benefit, including name and address of administrator; benefit account number; and telephone number for health and welfare, vacation or holiday, apprenticeship training, pension, and other benefit programs.

These same certified payroll records must be submitted to the contracting authority no more than 14 days after the end of each pay period and retained by the employer for a minimum of three years after the final payment is made on the project. Minn. Stat. §§ 177.30 (a)(7), 177.43, subd. 3. A sample certified payroll form is available at dli.mn.gov/sites/default/files/pdf/pw_certified_payroll_form.pdf. The state agency or allocating agency awarding the financial assistance is considered the contracting authority. Minn. Stat. § 116J.871, subd. 2(b).

Recipients of financial assistance from a state agency or allocating agency should contact the Department of Labor and Industry for applicable prevailing-wage rates and guidance on how to comply with prevailing wage-requirements in section 116J.871 and the MPWA:

Division of Labor Standards

Karen Bugar, State Program Administrative Director

443 Lafayette Road N, St. Paul, MN 55155

651-284-5091 or dli.prevwage@state.mn.us

Email a completed copy of this form to dli.prevwage@state.mn.us or mail a copy of this form to the Department of Labor and Industry at the address on page 1 of this form. A copy should also be submitted to the state agency or allocating agency awarding the financial assistance.

SUBRECIPIENT FUNDING AGREEMENT
MINNESOTA DEED CONTAMINATION CLEANUP GRANT PROGRAM
HOTEL MANKATO PROJECT

THIS AGREEMENT, is entered into by and between the City of Mankato, a Minnesota municipal corporation, whose address is 10 Civic Center Plaza, Mankato, MN 56001 (hereinafter referred to as "City"), and Hotel Mankato, LLC, a Minnesota Limited Liability Company (hereinafter referred to as "Subrecipient").

WHEREAS, in cooperation with Subrecipient, the City applied to and received approval for funds in the amount of $323,887.00 from the State of Minnesota, acting by and through its Department of Employment and Economic Development, Business and Community Development Division ("DEED") under its Contamination Cleanup Grant Program (the "Cleanup Grant"); and

WHEREAS, the City desires to award proceeds of the Cleanup Grant in the amount of $323,887.00 (the "Subgrant") to Subrecipient, to assist Subrecipient with the development of the site on the real property located at 101 E. Main Street, 121 E. Main Street and 118 S. 2nd Street, Mankato, MN and shown on attached **Exhibit A** (the "Property") by funding a portion of the costs for the Hotel Mankato Project identified in the Cleanup Grant Agreement and Application to DEED described in Section 1 below (the "Project").

WHEREAS, the Subrecipient will provide no less than seventy five percent (75%) of the Project costs up to $323,887.00 as the required local match under the Cleanup Grant (the "Match Funds").

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. **AWARD.** The City awards the Subgrant to Subrecipient for cleanup activities as described in the Cleanup Program Grant Agreement No. CCGP-24-0016-Z-FY25 between the City and DEED attached to this Agreement as **Exhibit B** (the "Cleanup Grant Agreement") and the Application to DEED submitted on November 1, 2024, on file in the City's Office (the "Grant Application"), both of which are incorporated into this Agreement. In the event of a conflict between the Cleanup Grant Agreement, this Agreement and the Grant Application, the documents shall be deemed to be controlling in the following order: 1) the Cleanup Grant Agreement; 2) this Agreement; 3) the Grant Application. The Subgrant and Match Funds must be used exclusively to pay or reimburse actual project costs as reflected in the budget incorporated into the DEED Grant Agreement ("**Project**"). Administrative costs incurred by the Subrecipient are not eligible for reimbursement under this Agreement. Notwithstanding anything to the contrary, the Subrecipient understands and agrees that any reduction or termination of the Cleanup Grant will result in a like reduction or termination of the Subgrant, and that any material change in the timeline or scope of the Project must be approved in writing by the City and DEED.

DEED expects the Project to achieve the following benefits (the “**Project Benefits**”):

Local Tax Base Increase: $566,738
New Jobs: 111 FTEs
Retained Jobs: 0 FTEs
Private Investment (construction costs): $81,651,913

2. **PERFORMANCE.** The Subrecipient must comply with all requirements applicable to the City in the Cleanup Grant Agreement. Any action or inaction of Subrecipient which could result in a default under the Cleanup Grant Agreement will constitute noncompliance with this Agreement. If the City finds that there has been a failure to comply with the provisions of this Agreement or that reasonable progress on the Project has not been or will not be made, the City may take action to protect its interests, including refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed. If action to correct substandard performance is not taken by the Subrecipient within 30 calendar days, or such longer period specified by the City after written notice by the City, the City may terminate this Agreement.

3. **PERFORMANCE MONITORING.** The Subrecipient shall comply with all requirements in the DEED Grant Agreement and submit any reporting information on the Project or the Development that is requested by DEED or the City. City shall submit annual reports and a final report (on or before Jun 25th of each year) in the form required by DEED on the distribution of funds and the progress of the Project from the date of this Agreement through June 30th of each year. The City will monitor the Subrecipient’s performance against the Project Benefits per the Project’s application for DEED funds. If applicable, an approval from the Minnesota Pollution Control Agency or other appropriate State or Federal agency is required upon completion of cleanup activities.

4. **TIME OF PERFORMANCE.** Subrecipient must not begin work under the grant agreement until the grant agreement is fully executed. Subrecipient must provide invoices for eligible grant activities identified in the grant agreement so that the City can submit the first payment request to DEED before December 31, 2025, or the grant may be terminated. Subrecipient shall complete the Project on or before December 31, 2027 (the “End Date”). In order to ensure funds are drawn prior to the End Date, completed disbursement requests shall be received by the City at least forty-five (45) days prior to the End Date.

5. **CONDITIONS PRECEDENT TO DISBURSEMENT.** The following requirements are conditions precedent to the City’s disbursement of any of the Subgrant proceeds.

A. The Subrecipient must have provided evidence satisfactory to the City showing that Subrecipient has site control of the Property.

B. The Subrecipient must have provided to the City such evidence of compliance with all of the provisions of this Agreement as the City may reasonably request.

6. **DISBURSEMENT.** It is expressly agreed and understood that the total amount to be paid by the City under this Agreement shall not exceed $323,887.00. The City will make disbursements only upon receipt of a written disbursement request in the form provided

by DEED (the "Disbursement Request") from Subrecipient acceptable to the City and DEED. Payment requests may be made no more than once per month and must be accompanied by itemized invoices from each provider to be paid or cost to be reimbursed, whether such costs are being reimbursed by the Subgrant or not, with specific reference to the eligible Project line item. The City will, upon its approval of the Disbursement Request, forward the Disbursement Request to DEED for approval. Upon DEED approval of the Disbursement Request and receipt by the City of the approved amounts of Cleanup Grant funds, the City will disburse the approved amount of Subgrant funds in accordance with the information provided in the Disbursement Request. In order to ensure that all funds are drawn prior to the City's Cleanup Grant Agreement term end date, all payment requests must be received by forty-five (45) days prior to the End Date. The Subgrant dollars are grant funds only and cannot be used, treated or converted into any type of loan.

7. **NOTICES.** Communication and details concerning this Agreement must be directed to the following Agreement representatives:

City:
Attn: Courtney Kramlinger
10 Civic Center Plaza
Mankato, MN 56001
Telephone: (507) 387-8711
E-mail: ckramlinger@mankatomn.gov

Subrecipient Contact Information:
Name: Bryan Sowers
Company: Hotel Mankato, LLC
Address: 931 Madison Avenue, Mankato, MN 56001
Phone:
E-mail:

8. GENERAL CONDITIONS.

A. **General Compliance.** The Subrecipient agrees to comply with all applicable federal, state and local laws and regulations governing the Project and Cleanup Grant funds provided under this Agreement, including without limitation all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65), Minnesota Statutes §§116J.551 - .559, and all federal Davis Bacon and related act requirements.

B. **Subcontracts.**

1. *Compliance with Laws.* The Subrecipient must require that contractors performing work being paid with the Subgrant funds comply with all applicable federal, state and local laws and regulations governing the Project.

2. *OSHA.* Subrecipient must require that contractors performing work being paid with the Subgrant funds be in compliance with all applicable OSHA regulations, especially the Federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65).

C. **Termination.** In the event the Cleanup Grant Agreement is terminated, this Agreement shall contemporaneously terminate. Upon termination, Subrecipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

D. **Independent Contractor.** Nothing contained in this Agreement is intended to, or may be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an independent contractor with respect to the services to be performed under this Agreement. The City is exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation insurance because the Subrecipient is an independent contractor.

E. **Indemnification and Hold Harmless.** The Subrecipient shall hold harmless, defend and indemnify the City and DEED from any and all liability, claims, actions, suits, charges, damages, losses, costs, expenses, and judgments whatsoever, including reasonable attorneys' fees, that arise directly or indirectly out of the Subrecipient's, its contractor's or subcontractor's performance or nonperformance under this Agreement. Claims included in this indemnification include any claims asserted pursuant to the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statutes, Chapter 115B; the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) as amended, United States Code Title 42, Sections 9601 et. seq.; and the Federal Resource Conservation and Recovery Act of 1976 (RCRA) as amended, United States Code Title 42, Sections 6901 et. seq.

F. **Insurance.**

1. *Insurance Required.* During the term of this Agreement, Subrecipient and its contractors and subcontractors rendering services being paid with funds from this Agreement shall procure and maintain Public Liability and Automobile Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form with "Broad Form" property damage liability coverage, with XCU exclusion removed, in limits of not less than $1,500,000 per occurrence for personal injury, bodily injury and death, and limits of $1,500,000 for property damage liability, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance. If per person limits are specified, they shall be for not less than $1,500,000 per person and be for the same coverages. Coverages of Subrecipient and its contractors/subcontractors shall include:

a. Public liability including premises and operations coverage;
b. Independent contractors' protective contingent liability;
c. Personal injury;
d. Owned, non-owned, and hired vehicles;
e. Contractual liability covering customary construction contract and subcontract indemnity provisions;
f. Products—completed operations; and
g. Workers' Compensation coverage in required statutory limits. Policy shall carry an "all states" endorsement.

2. *Additional Insurance Requirements.* All insurance required in this Article shall be taken out and maintained in responsible insurance companies organized under the laws of the United States and licensed to do business in Minnesota. City shall be named as an additional insured under the Public Liability and Automobile Liability Insurance. City does not represent or guarantee that the types of limits or coverages provided above are adequate to protect Subrecipient's interests and liabilities.

3. *Certificates of Insurance.* Certificates showing that the above-described insurance is carried in the specified amounts shall be furnished to City prior to the disbursement of any of the Subgrant proceeds, and a certificate showing continued maintenance of such insurance shall be on file with City during the term of this Agreement. The form of each certificate of insurance shall contain an unconditional requirement that the insurer notify City without fail not less than 30 days prior to any cancellation, non-renewal or modification of the policy or coverages evidenced by said certificate and shall further provide that failure to give such notice to City will render any such change or changes in said policy or coverages ineffective as against City.

4. *Contractor/Subcontractor Evidence of Insurance.* The Subrecipient must not commence work until any and all contractors/subcontractors have obtained the required proof of insurance which clearly evidences required insurance coverages. If the Subrecipient fails to furnish proof of insurance coverages from the contractors/subcontractors when requested by the City, the City may withhold payments and/or pursue any other rights or remedy allowed under this Agreement, law, equity, and/or statute.

9. ADMINISTRATIVE REQUIREMENTS.

A. **Accounting Standards.** The Subrecipient agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices to properly account for expenses incurred under this Agreement.

B. **Records.**

1. *Retention.* The Subrecipient shall maintain adequate financial records consistent with generally accepted accounting principles. Audits and records, including but not limited to all financial and environmental documents related to the funds provided under this Agreement, shall be accessible to authorized representatives of the City for purposes of examination and audit. In addition, the Subrecipient shall give DEED, the Legislative Auditor, and the State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers, and documents related to this Agreement for a minimum of six (6) years from the end of the Cleanup Grant Agreement term end date.

2. *Close-Out.* The Subrecipient's obligation to the City does not end until all close-out requirements are completed. Activities during this close-out period include: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and receivable accounts to the City), determining the custodianship of records and resolving audit findings.

C. **Procurement.** The Subrecipient must maintain an inventory record of all nonexpendable personal property procured with funds provided under this Agreement. Program income is income generated from grant-funded activities, including interest earned on grant funds. All unexpended program income must revert to the City upon termination of this Agreement.

10. MISCELLANEOUS.

A. **Assignability.** The Subrecipient may not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written consent of the City; provided, however, that claims for money due or to become due to the Subrecipient from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer must be furnished promptly to the City.

B. **Antitrust.** The Subrecipient hereby assigns to the State of Minnesota any and all claims for overcharges for goods and/or services provided in connection with this contract resulting from antitrust violations which arise under the antitrust laws of the United States and the antitrust laws of the State of Minnesota.

C. **Governing Law and Venue.** This Agreement will be governed by, and construed in accordance with, the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in Blue Earth County, Minnesota.

D. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which taken together constitute one and the same agreement.

E. **Survival.** Any terms of this Agreement which by their nature extend beyond termination of this Agreement shall survive and bind the parties and their successors and assigns.

F. **Job Listing Agreement.** Minnesota Statutes §116L.66, subd.1, requires a business or private enterprise to list any vacant or new positions with the state workforce center if it receives $200,000 or more a year in grants from the State. If applicable, the business or private enterprise shall list any job vacancy in its personnel complement with Minnesota Works.net at www.minnesotaworks.net as soon as it occurs.

G. **Government Data Practices.** The Subrecipient must comply with the Minnesota Government Data Practices Act, Minnesota Statute Chapter 13, as it applies to all data provided by City under this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Subrecipient under this Agreement. The civil remedies of Minnesota Statute §13.08 apply to the release of the data referred to in this clause. If the Subrecipient receives a request to release the data referred to in this clause, the Subrecipient must immediately notify City. City will give the Subrecipient instructions concerning the release of the data to the requesting party before the data is released. The Subrecipient's response to the request shall comply with applicable law.

H. **Intellectual Property Rights.** In the event that Subrecipient secures a copyright protection on any of the materials, reports, or data created as part of the project, the Subrecipient agrees to and does hereby grant to the State of Minnesota and its officers, agents, and employees, acting within the scope of their official duties, a royalty-free, non-exclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so for use by the State, its divisions, instrumentalities and local subdivisions, all material now or hereafter covered by any such copyright.

I. **Publicity.** Any publicity regarding the subject matter of this Agreement must identify the State of Minnesota as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Subrecipient individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Agreement. For DEED logos and formatting, please contact the State's Authorized Representative.

J. **Payment of Contractors and Subcontractors.** The Subrecipient must ensure that all contractors and subcontractors performing work covered by this Agreement are paid for their work that is satisfactorily completed.

K. **Conflict of Interest.** The State of Minnesota through City will take steps to prevent individual and organizational conflicts of interest in reference to Subrecipient per Minn.Stat.§16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making. When a conflict of interest concerning State grant-making and subsequent City grant-making is suspected, disclosed, or discovered, transparency shall be the guiding principle in addressing it.

Organizational conflicts of interest occur when:

- a Subrecipient is unable or potentially unable to render impartial assistance or advice to City due to competing duties or loyalties.
- a Subrecipient's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.
- a Subrecipient has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.

Organizational conflicts include any individual part of the Subrecipient. Individual conflicts of interest occur when:

- a Subrecipient uses his/her status or position to obtain special advantage, benefit, or access to the Subrecipient's time, services, facilities, equipment, supplies, badge, uniform, prestige, or influence.
- a City employee is an employee or board member of a Subrecipient that is an immediate family member of an owner, employee or board member of the Subrecipient.

The City and the Subrecipient must act immediately upon any suggestion, inquiry, or intimation that an individual or organizational conflict of interest exists at any point in the grant process. Steps must be taken to identify and avoid or mitigate any potential conflicts. The conflict of interest guidelines continue throughout the life of the grant agreement.

The Subrecipient must complete and submit a Conflict of Interest Disclosure Form (See Exhibit D) indicating whether or not a perceived, potential, or actual conflict of interest exists. If the Subrecipient identifies an actual, potential or perceived conflict of interest on the form, the Subrecipient must identify and submit its conflict of interest avoidance or mitigation plan. City will review the form and the Subrecipient's individual or organizational conflict of interest avoidance or mitigation plan and other relevant facts, if needed, to determine if an actual, potential or perceived conflict of interest exists, as defined by policy or other relevant law. If it does, City will pursue appropriate actions to mitigate, neutralize, or avoid the potential, perceived or actual individual or organizational conflicts of interest. These may include, but not be limited to, termination of the grant agreement; disqualification from future grant awards, if it is determined that it improperly failed to disclose a known individual or organizational conflict of interest or misrepresented information regarding such conflict; revising the Subrecipient's duties so that the conflict is mitigated; allowing the Subrecipient to propose the exclusion of task areas that create a conflict, if appropriate; allowing the individual with the conflict to be removed from taking any actions in relation to the grant agreement.

In cases where a perceived, potential, or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the Subrecipient throughout the life of the grant agreement, they must immediately notify City for appropriate action steps to be taken, as defined above.

All of the above provisions apply to any sub- subrecipients and applicable language must be included in the Subrecipient / sub-subrecipient agreements.

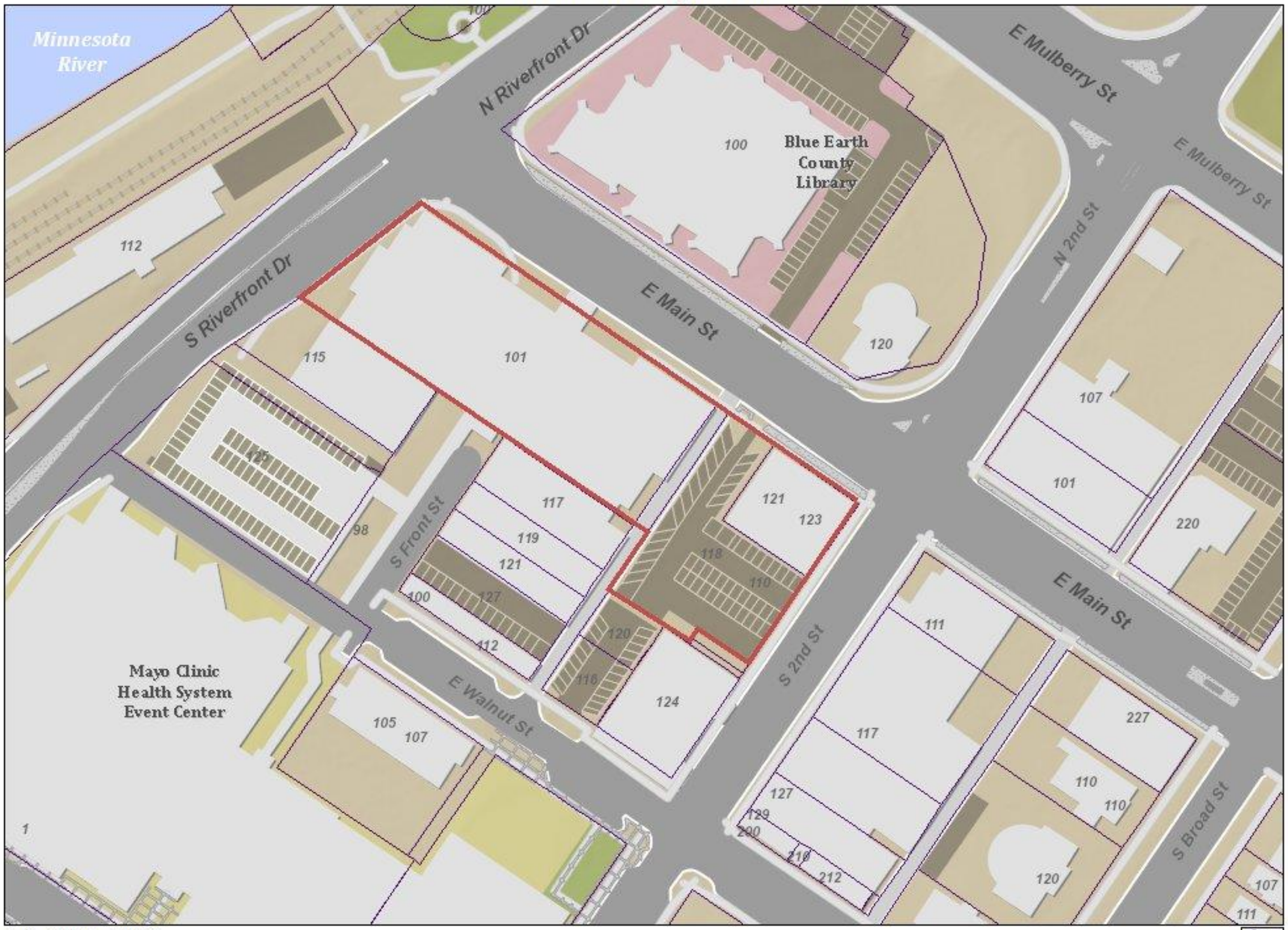
L. **Severability.** In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

M. **Entire Agreement.** This Agreement, including Exhibits A, B and C constitutes the entire Agreement between the City and Subrecipient and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto.

City of Mankato	**Hotel Mankato, LLC**
By: ____________________________	By: ____________________________
Susan MH Arntz, City Manager	Bryan Sowers, Vice President

EXHIBIT A
PROPERTY MAP

Hotel Mankato Project Location



Date: October 2024

Author:

EXHIBIT B
Cleanup Development Program
Grant Agreement No. CCGP-24-0016-Z-FY25

EXHIBIT C

Disbursement Request Form

EXHIBIT D

Conflict of Interest Disclosure Form

This form gives Subrecipients an opportunity to disclose any actual, potential or perceived conflicts of interest that may exist when receiving a grant. It is the Subrecipient's obligation to be familiar with the Office of Grants Management (OGM) Policy 08-01, Conflict of Interest Policy for State Grant-Making and to disclose any conflicts of interest accordingly.

All Subrecipients must complete and sign a conflict of interest disclosure form.

- ☐ I or my subgrant organization do NOT have an ACTUAL, POTENTIAL, or PERCEIVED conflict of interest.

If at any time after submission of this form, I or my grant organization discover any conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

- ☐ I or my subgrant organization have an ACTUAL, POTENTIAL, or PERCEIVED conflict of interest. (*Please describe below*):

If at any time after submission of this form, I or my grant organization discover any additional conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

Printed name: _Bryan Sowers________________________

Signature: ____

Title: Vice President_________________________________

Organization: Hotel Mankato, LLC____________________

Date: ____

AGENDA RECOMMENDATION

City Council Regular Meeting **6. H.**

Meeting Date: 01/27/2025

Agenda Item:

Resolution amending the Cooperative Construction Agreement with Blue Earth County for the reconstruction of Victory Drive (CSAH 82) between Hoffman Road and Fair Street.

Recommendation/Action(s):

Adoption of the attached resolution

Summary:

The City Council approved a Cooperative Construction Agreement with Blue Earth County at its January 22, 2024 meeting. This agreement identifies the City of Mankato's cost share for the County's Victory Drive reconstruction project. Since the execution of this agreement, the City's share of project cost has exceeded the amounts outlined in the original agreement. The project is to be built in two parts, Project A (from Hoffman Road to Marwood Drive) in 2024 (complete) and Project B (Marwood Drive to Fair Street) in 2025. The County has recently bid Project B and is seeking to award a contract to the low bidder. The following table summarizes the City's original cost obligations and changes proposed as part of this amendment.

	Project A	**Project B**	**Total**
Original City Share (1/22/24)	$707,009.66	$348,166.91	$1,055,176.57
Proposed City Share (1/27/25)	$857,719.55	$417,865.22	$1,275,584.77
Difference	$150,709.89	$69,698.31	$220,408.20
% Increase	21%	20%	21%

The proposed increases are due to higher bid prices than were estimated at the time of the original agreement. One area of significantly higher bids is for traffic signal work. The City's cost share is funded through the City's Municipal State Aid account and sufficient funds exist to cover the proposed increases.

Attachments

Resolution

RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND A COOPERATIVE CONSTRUCTION AGREEMENT WITH BLUE EARTH COUNTY FOR THE CONSTRUCTION OF VICTORY DRIVE (CSAH 82) BETWEEN HOFFMAN ROAD AND FAIR STREET

WHEREAS, The Blue Earth County (County) and the City of Mankato (City) entered into a Cooperative Constrution Agreement for the construction of Victory Drive approved by the City of Mankato City Council on January 22, 2024; and

WHEREAS, the estimate costs between the County and the City will be allocated in accordance with the Cooperative Construction Agreement; and

WHEREAS, based on bids received and construction completed to date, the City's share of the project exceeds the amounts shown in the original agreement; and

WHEREAS, Minnesota State Statutes § 471.59 authorizes two or more governmental units, by agreement entered into through action of their governing bodies to jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. This includes arrangements with and cooperation with any city and city authority for the purposes of constructing, maintaining, and improving City Streets and City Utilities.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MANKATO, MINNESOTA:

1. That the City Manager is hereby authorized and directed to amend the Cooperative Construction Agreement with Blue Earth County for the reconstruction of Victory Drive (CSAH 82) between Hoffman Road and Fair Street in the City of Mankato on behalf of the City of Mankato. 2. That the City Manager is authorized to execute any necessary changes to the agreement in accordance with Section 2.08 of the Mankato City Code. This resolution shall become effective upon its adoption.

Passed this 27th day of January 2025.

Najwa Massad, Mayor

ATTEST:

Renae Kopischke, City Clerk

AGENDA RECOMMENDATION

Consent Calendar **6. I.**

City Council Regular Meeting

Meeting Date: 01/27/2025

Agenda Item:

Set February 10, 2025, as the date of public hearing for consideration of Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) applications to the Minnesota Department of Employment and Economic Development on behalf of Rolls-Royce Solutions America Inc.

Recommendation/Action(s):

Set date of public hearing.

Summary:

Rolls-Royce Solutions America Inc. (RRSA), currently operating in Mankato, plans to make equipment and building improvements to their current facilities located at 100 Power Drive and 304 Lundin Boulevard. RRSA, a wholly owned subsidiary of Rolls-Royce PLC (Darby, England), is a manufacturer of low and high-power range engine-generator sets ranging from 30kW to 3.2MW. RRSA has been providing power generation solutions in the Mankato community for over 65 years.

Currently, RRSA has one production and office facility along with four leased warehouse locations (three located in Mankato and one located in Becker, Minnesota). Additionally, there is one leased facility in Mankato for engineering and R&D functions.

RRSA plans to consolidate all the leased warehouse facilities into one central logistics and operations center. This would involve constructing a new approximately 280,000 square foot building to the south of the current production and office facility located at 100 Power Drive. This proposed facility will have all raw materials delivered to, unloaded in, and stored within until needed in the production facility to assemble an engine-generator set. There will also be storage and staging for the finished product to then be loaded and shipped to our customers. Some production related sub-assembly will also be included in this facility. There will also be an office space for business-related office functions.

Additionally, RRSA plans to make equipment and building improvements to the existing facility at 100 Power Drive. The Power Drive facility will be setup to produce high-power range S4000 gensets.

In addition to the project at Power Drive, RRSA also plans to relocate a portion of production operations to a currently leased facility at 304 Lundin Boulevard. The Lundin Boulevard location would be RRSA's low power range product and would allow for expanded capacity on both their low power range and high-power range gensets. The Lundin Boulevard facility will receive raw inventory, assemble gensets, test gensets and ship to customers.

Capital expenses for the projects include building improvements, cranes, handling equipment, test bays, logistics equipment, and operational tooling. The project at the Power Drive location is estimated at $30.5 million over 3 years and the project at the Lundin Boulevard location is estimated at $4.5 million over 3 years.

RRSA is requesting the City to participate in the project through submittal of a Minnesota Investment Fund (MIF) application and Job Creation Fund (JCF) application to the Minnesota Department of Employment and Economic Development (DEED) for the projects located at 100 Power Drive and 304 Lundin Boulevard. The MIF and JCF programs require the City be the applicant to the program and the City would be the conduit for the funding from the State of Minnesota to the business. The JCF program provides financial incentives to new and expanding businesses engaged in manufacturing, warehousing, distribution, and technology-related industries for creating or retaining high-paying jobs and for construction or renovation of facilities or making other property improvements. The MIF program provides financing to assist with adding new workers and retaining high-quality jobs for businesses engaged in industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve economic vitality statewide. The amount of funding available under the MIF and JCF programs is determined by DEED for each project. The amount of assistance available is currently being determined in consultation with DEED.

The public purpose for the above is job creation. RRSA currently employs 419 employees in Mankato operating on a 1 shift 4 days per week and 10-hour shift model Monday thru Thursday. RRSA plans to create 103 new jobs over 3 years at the Power Drive location (50 direct jobs and 53 indirect jobs) and plans to create 25 new jobs in 2026 at the Lundin Boulevard location (25 direct jobs). The proposed wage and benefits for all direct and indirect jobs exceed the "livable" wage requirements of the Economic Development Policy Guidelines. Direct jobs include production and logistics material handling staff and indirect jobs include office staff.

The "livable" wage requirements of the Economic Development Policy Guidelines, which is based on a range between 80 percent of the median household income for Blue Earth County as established by the U. S. Census Bureau and compensation of at least 110 percent of the federal poverty level for a family of four, as determined annually by the U. S. Department of Health and Human Services (currently $16.50/hour).

AGENDA RECOMMENDATION

Consent Calendar **6. J.**

City Council Regular Meeting

Meeting Date: 01/27/2025

Agenda Item:

Set February 10, 2025, as date of hearing for Capital Improvement Project 11125: 2025 Petition Alley Improvements and 11131: 2025 Resurfacing, Miscellaneous Sidewalks & Alley Improvements.

Recommendation/Action(s):

Adoption of attached resolutions.

Summary:

The Engineering Department is ready to proceed with Capital Improvement Projects 11125: 2025 Petition Alley Improvement and 11131: 2025 Resurfacing, Miscellaneous Sidewalks & Alley Improvements as scheduled in the 2025 Community Investment Plan. Below is a tentative schedule of events related to this project.

01/27/2025 Call for Hearing
02/12/2025 Informational Meeting
02/24/2025 Improvement Hearing
03/10/2025 Advertise for Bids
04/11/2025 Bid Opening
04/28/2025 Award Bid
05/19/2025 Begin Construction
09/01/2025 Final Completion
Fall 2025 Final Assessment

Staff is recommending the Council pass the resolution setting February 24, 2025 as the date of the project improvement hearing for the above projects. The estimated costs and funding sources for the projects are as follows:

2025 Petition Alley Improvement

ITEM	COST ALLEY 18-301
Street and Landscaping	$101,777.25
Stormwater Pollution Prevention	$4,950.00
TOTAL CONSTRUCTION	**$106,727.25**
Construction Contingency	$10,672.73
Administration	$7,044.00
Engineering	$11,740.00
TOTAL PROJECT COST	**$136,183.97**

FUNDING SOURCE	AMOUNT	PERCENT
Special Assessments	$22,507.91	16.53%
General Obligation Bonds	$113,676.06	83.47%
TOTAL FUNDS	**$136,183.97**	**100.00%**

2025 Sidewalk, Resurfacing, & Alley Improvements

ITEM	COST			
	ADAMS STREET & MISC. WALK	ALLEY 6-331 B	ALLEY 7-208	ALLEY 18-302
Street and Landscaping	$609,797.13	$9,839.88	$60,508.75	$79,569.75
Stormwater Pollution Prevention	$25,000.00	$2,075.00	$3,450.00	$4,950.00
Storm Drainage Construction	$3,000.00		$13,925.00	
Sanitary Sewer Construction	$2,500.00			
Watermain Construction	$4,500.00			
TOTAL CONSTRUCTION	**$644,797.13**	**$11,914.88**	**$77,883.75**	**$84,519.75**
Construction Contingency	$64,479.71	$1,191.49	$7,788.38	$8,451.98
Administration	$42,556.61	$786.38	$5,140.33	$5,578.30
Engineering	$70,927.68	$1,310.64	$8,567.21	$9,297.17
TOTAL PROJECT SEGMENT COST	**$822,761.13**	**$15,203.38**	**$99,379.67**	**$107,847.20**
OVERALL PROJECT COST	**$1,045,191.38**			

FUNDING SOURCE	AMOUNT	PERCENT
Special Assessments	$294,756.14	28.20%
Sewer Revenue	$2,940.00	0.28%
Water Revenue	$5,292.00	0.51%
State Aid	$187,000.00	17.89%
Stormwater Revenue	$19,903.80	1.90%
General Obligation Bonds	$535,299.44	51.22%
TOTAL FUNDS	**$1,045,191.38**	**100.00%**

Setting the date of hearing is the first step in the process of making an improvement with special assessments. Projects that have special assessments are initiated either through property owner petition or by council. As a part of setting the date of the hearing, the council orders a feasibility report. Notice is provided to assessed property owners of the improvement hearing as well as an informational meeting that is hosted by Engineering personnel.

The feasibility report provides the background of the project, the proposed improvements, the cost of the improvements and the method and amount of proposed special assessments. The preliminary assessments will be discussed in the improvement hearing. This report is received by the council during the public hearing of the project. This is the basis of information to provide the council with information to consider the project. The hearing allows all interested persons to provide testimony to the council on the project for council deliberations prior to ordering the project. Should the council find the project feasible a resolution is passed ordering the project designed and bids solicited for the work.

The next step in the process is opening bids based on plans prepared by Public Works personnel and advertised for bid for the project that was ordered during the improvement hearing. Once bids are opened, they are presented to the council for consideration. Should bids be favorable, the bid will be awarded to the lowest responsible contractor.

After the project is completed, the assessment hearing will be held and the final assessments adopted. On most reconstruction projects this is done in the year following construction, while resurfacing and alley projects are assessed the same year of construction.

The law sets out discrete timelines and procedures for challenging a city's special assessment. For the most part, objections must be raised at or before the final assessment hearing. Only those who object at this stage may proceed to appeal an assessment to the district court. Further, these provisions for appeals to the district court are the exclusive method of appeal from a special assessment levied under the local improvement code.

No one can formally object to, or appeal, the amount of an assessment unless the property owner signs a written objection and files it with the city clerk prior to the assessment hearing or presents it to the presiding officer at the hearing. Property owners subject to proposed special assessments and are informed of this requirement in the mailed notice.

Assessments are payable over 5, 10, or 15-years depending on the amount of the assessment. Deferrals are available for property owners who are over 65 years of age, retired by disability, or call to active duty in which paying the assessment would represent a hardship. Interest does accrue on deferred assessments.

Attachments

Resolution - Improv No 11125

Resolution - Improv No 11131

RESOLUTION ORDERING PREPARATION OF REPORT, AND CALLING FOR HEARING ON IMPROVEMENT NUMBER 11125 WITH PETITION

WHEREAS, it is proposed to improve:

- Alley 18-301 between the center line of Byron Street and the center line of Parsons Street

by installing sanitary sewer, domestic water, and storm sewer mains; curb and gutter; aggregate base; bituminous surfacing; sewer and water services to each and every lot; street lighting; signage, and to assess the benefitted property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MANKATO, MINNESOTA:

1. That the proposed improvement, called Improvement Number 11125 be referred to the city engineer for study and that that person is instructed to report to the council with all convenient speed advising the council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for the affected parcels.

2. A public hearing shall be held on such proposed improvement on the 24th day of February, 2025, in the Council Chambers of the Intergovernmental Center in Mankato, Minnesota at 6:00 p.m. and the city engineer shall give mailed and published notice of such hearing and improvement as required by law.

This resolution shall become effective upon its adoption.

Passed this 27th day of January, 2025

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Najwa Massad
Mayor

ATTEST:__________________________
Renae Kopischke
City Clerk

**RESOLUTION ORDERING PREPARATION OF REPORT,
AND CALLING FOR HEARING ON IMPROVEMENT
NUMBER 11131 WITHOUT PETITION**

WHEREAS, it is proposed to improve:

- Adams Street from Highway 22 to Raintree Road
- Alley 6-331 B from Harper Street to the southern terminus
- Alley 7-208 from Maxfield Street to the southern terminus
- Alley 18-302 from Center Street to Parsons Street
- Various sidewalk segments throughout the community

by installing rehabilitating and/or improving pavement; curb and gutter; aggregate base; sidewalks, and to assess the benefitted property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MANKATO, MINNESOTA:

1. That the proposed improvement, called Improvement Number 11131 be referred to the city engineer for study and that that person is instructed to report to the council with all convenient speed advising the council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for the affected parcels.

2. A public hearing shall be held on such proposed improvement on the 24th day of February, 2025, in the Council Chambers of the Intergovernmental Center in Mankato, Minnesota at 6:00 p.m. and the city engineer shall give mailed and published notice of such hearing and improvement as required by law.

This resolution shall become effective upon its adoption.

Passed this 27th day of January, 2025.

____
Najwa Massad
Mayor

ATTEST:______________________________
Renae Kopischke
City Clerk

AGENDA RECOMMENDATION

City Council Regular Meeting 7. A.

Meeting Date: 01/27/2025

Agenda Item:

Resolution considering Final Assessments for Grace Lutheran Church Properties, related to Capital Improvement Project No. 10988, 4th Street.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

On February 13, 2023, the City Council held the required improvement hearing and a preliminary assessment hearing on the projects. At that hearing, there were no objections, the project was ordered, and the preliminary assessment roll was adopted. As has been our practice, the City conducted a second assessment hearing, known as the final assessment hearing on November 12, 2024. This hearing amended the amounts proposed to be assessed using the actual costs of the project. Property owners were mailed notice for this hearing on September 30, 2024.

The City Council held the final special assessment hearing on Monday, November 12, 2024. During this hearing, the City received an objection from Grace Lutheran Church, to the proposed assessments for the following parcels:

Parcel Number Property Owner
01.09.18.201.014 Grace Lutheran Church
01.09.18.201.015 Grace Lutheran Church
01.09.18.201.016 Grace Lutheran Church of Mkto
01.09.18.201.017 Grace Lutheran Church
01.09.18.201.018 Grace Lutheran Church
01.09.18.201.019 Grace Lutheran Church
01.09.18.201.020 Grace Lutheran Church Augustana

Grace Lutheran Church provided both written and oral testimony regarding their objection during the hearing. As a result of the hearing, the City Council adopted the proposed assessments for all of the parcels except for the excluded parcels owned by

Grace Lutheran Church and listed above. The City Council continued the hearing on the parcels noted above to Monday, January 27, 2025 at 6:00 p.m. The meeting minutes from the November 12, 2024 meeting reflect the date and time of the continued hearing.

Minnesota Statutes require that *“The assessment amount charged to the property cannot exceed the amount by which the property benefits from the improvement, as measured by the increase in the market value of the land due to the improvement. The assessment must be uniformly applied to the same class of property. A local improvement may benefit properties that are not abutting the improvement, and those benefited properties also may be assessed.”* To further evaluate the City’s assessments, the City did contract with a certified appraiser to render an opinion of value regarding the objected assessments.

The appraiser has determined that the Special Benefit for the above-referenced parcels is $68,936. Staff has reviewed the report with the City Attorney and is recommending the City Council consider assessing the lesser amount between the Appraiser’s analysis or the amount previously shown in our assessment notices. As such, staff has developed the following table showing the amounts recommended by the Appraisers and the amounts generated by our policy. The third column is the Staff recommendation for the assessment.

Parcel ID Number	**Property Owner**	**Appraiser Special Benefit Opinion**	**Prior Proposed Assessment**	**Recommended Assessment**
01.09.18.201.014	Grace Lutheran Church	$4,236	$8,706.28	$4,236.00
01.09.18.201.015	Grace Lutheran Church	$3,605	$28,373.36	$3,605.00
01.09.18.201.016	Grace Lutheran Church of Mkto	$11,154	$8,335.80	$8,335.80
01.09.18.201.017	Grace Lutheran Church	$8,366	$6112.92	$6,112.92
01.09.18.201.018	Grace Lutheran Church	$8,366	$6,112.92	$6,112.92
01.09.18.201.019	Grace Lutheran Church	$4,394	$9,632.48	$4,394.00
01.09.18.201.020	Grace Lutheran Church Augustana	$28,815	$14,819.20	$14,819.20
	Total	**$68,936.00**	**$82,092.96**	**$47,615.84**

Attachments

Resolution

CITY OF MANKATO
RESOLUTION ADOPTING ASSESSMENTS ON IMPROVEMENT NUMBER 10988

WHEREAS, pursuant to proper notice duly given, as required by law, the Council has met and heard and reviewed all objections to the proposed assessment for Improvement Number 10988, the improvement to North 4th Street between the center line of Walnut Street and the center line of Mulberry Street installing domestic water, sanitary sewer and storm sewer mains; curb and gutter; aggregate base; bituminous surfacing; sidewalk; and sewer and water services to each and every lot, along with signage and lighting; and

WHEREAS, during the meeting on November 12, 2024, the City Council adopted the assessment role, excepting out adoption of assessments on the certain parcels listed below, and continued the public hearing to January 27, 2025, for the limited consideration of the assessments on those certain parcels; and

WHEREAS, the meeting minutes from the November 12, 2024, documented continuation of the hearing to a date and time certain as required by law; and

WHEREAS, on January 27, 2025, the City Council further reviewed the proposed assessments on the parcels below, including receiving information and testimony from staff about additional special benefit analyses performed, and believes it in the best interests of the public to adopt the assessments as presented.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MANKATO, MINNESOTA:

1. That such proposed assessments listed below are hereby accepted and shall constitute the special assessment against the parcels named and each parcel therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.

Parcel ID Number	Property Owner	Assessment
01.09.18.201.014	Grace Lutheran Church	$4,236.00
01.09.18.201.015	Grace Lutheran Church	$3,605.00
01.09.18.201.016	Grace Lutheran Church of Mkto	$8,335.80
01.09.18.201.017	Grace Lutheran Church	$6,112.92
01.09.18.201.018	Grace Lutheran Church	$6,112.92
01.09.18.201.019	Grace Lutheran Church	$4,394.00
01.09.18.201.020	Grace Lutheran Church Augustana	$14,819.20
	Total	$47,615.84

2. The amounts of the assessments listed above and as finally determined herein shall become a part of the previously adopted assessment roll.

3. Because the adopted assessments listed above differ from the proposed assessments as to those particular lots, the clerk is directed to mail to the owner a notice stating the amount of the adopted assessment.

4. That each assessment shall be payable in equal annual installments extending over a period of ten years, the first installment to be payable on or before the first Monday in January, 2026, and shall bear interest at the rate of four and a half percent (4.5%) per annum from the date of the adoption of the final assessment resolution. Any deferred installments shall bear interest at four and a half percent (4.5%) per annum beginning January 1, 2026. To each subsequent installment, when due, there shall be added interest for one year on all unpaid installments.

5. The owner of any property so assessed may at any time prior to certification of the assessment to the County Auditor, as herein provided, pay the whole of the assessment against any parcel with interest accrued to the date of payment to the City Treasurer and they may at any time thereafter pay to the County Treasurer the entire amount of the assessment remaining unpaid with the interest accrued to December 31st of the year in which such payment is made. Assessments paid within thirty days from the date of the adoption of the final assessment shall bear no interest.

6. That the City Treasurer shall submit a certified duplicate of this assessment with each installment and annual interest set forth separately to the Blue Earth County Taxpayer Services Office to be extended on the proper tax lists of the County and such assessments shall be collected and paid in the same manner as other municipal taxes.

This resolution shall become effective upon its adoption and without further publication

Passed this 27th day of January, 2025.

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Najwa Massad
Mayor

ATTEST: ____________________________
Renae Kopischke
City Clerk

AGENDA RECOMMENDATION

City Council Regular Meeting **8. A.**

Meeting Date: 01/27/2025

Agenda Item:

Consider reduction to obstruction fees for the Silos Apartments development.

Recommendation/Action(s):

Consider reduction to obstruction fees to the Silos Apartment development by $15,950.

Summary:

City Code (Sec. 6.06 – Right of Way Management) establishes rules and fees for construction activities that obstruct the use of public right-of-ways (ROW). The fees are set by the City Council to encourage private construction projects to minimize disruptions to public infrastructure and to partially compensate the public for such disruptions. Fees are higher in areas of the City where obstructions cause more disruption to the public. In recent years, significant developments have been built in the Downtown area and obstruction fees have been applied according to the ordinance. Another large development is currently planned on Main Street that is expected to require significant closures and associated obstruction fees.

In the case of the Silos Apartments development at Plum Street and 2nd Street, obstructions were anticipated on both Plum Street and 2nd Street. Early on, $20,000 was earmarked for obstruction fees in the TIF agreement for the project. City staff observed actual obstructions during construction and invoiced a total of $40,800 (an amount reduced from the amount outlined in code).

Brennen Companies, the developer of the Silos Apartments, has requested the City Council to reduce the total amount by $15,950 – from $40,800 to $24,850. Their request is based on the fees charged for obstructions of Plum Street concurrent with the City's reconstruction of Riverfront Drive. Plum Street was closed at Riverfront Drive during this time. Plum Street from 2nd Street remained open and was an important public access point for the businesses on Plum Street and connecting alley. Plum Street was the only access to 201 N. Riverfront. It is likely that traffic volumes were significantly reduced on Plum Street due to the barricades at Riverfront Drive.

Attachments

Brennan Companies Request Letter

Summary of Obstruction Fees

November 21st, 2024

Susan Arntz

City Manager

City of Mankato

RE: Silos Apartments Obstruction Fees

Dear Ms. Arntz,

Brennan Companies developed and built the Silos apartment building at the corner of Plum and Second St. We opened on September 1st of 2024 and after a mere 7 weeks the building was 96% leased. The project includes amenities rarely offered in Mankato, adding vitality to both downtown and Old Town neighborhoods. It's a project that I'm incredibly proud of, and even more so, grateful to the community at large for supporting the vision.

Silos was built while the Riverfront Drive project was also under construction, which included work on Plum St and effectively closed the road and sidewalk. Construction of Silos required a temporary lane shift and sidewalk closure, which in my humble opinion was tightly managed by Brennan Construction to limit disruption to the already significantly disrupted Plum St.

I am asking the City of Mankato to rescind the obstruction fees which occurred during the Riverfront Drive project on the grounds that they are enforced **per block**, and that Plum St was already (significantly) obstructed due to the Riverfront Drive project. Below are the relevant fees I am referencing:

- Sidewalk Closure 5/15/24 – 8/26/24
    - 103 days @ $50/day = $5,150
- Lane Shift 7/22/24 – 8/26/24
    - 36 days @ $300/day = $10,800

I have included relevant language from the City of Mankato fee schedules to support my request.

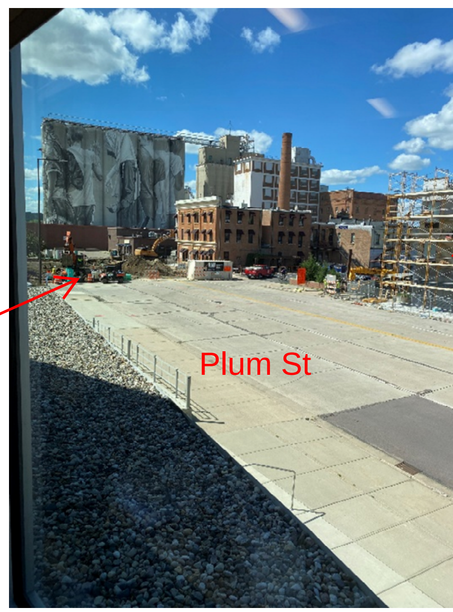
Obstruction fee schedule (per block per day):

Downtown (CBD)*	Arterial/Collectors**	Local/Residential***	Sidewalk/Trail****
$300	**$150****	**$50**	**$50-$300**

Downtown (CBD)*	Arterial/Collectors**	Local/Residential***	Sidewalk/Trail****
$300	$150	$50	$50-$300

Fee schedule waived: Fees schedules will be waived if any of the following requirements are met:

a. City of Mankato personnel or designated contractors performing work for the city.
b. Obstructions that do not exceed 8 hours and does not adversely impact the traveling public. This determination shall be made by engineering staff on a case by case basis.



Sincerely,

Joe Brennan
President
Brennan Companies
(507) 381-3525
joebrennan@bcofmn.com

201 N Riverfront Drive, Suite 210, Mankato, MN 56001 | 3255 Garfield Avenue, Suite 200, Minneapolis, MN 55408
P 507-625-5417 F 507-625-4805 E brennan@bcofmn.com

Summary of Obstruction Fees Invoiced
Silos Apartments – Brennan Companies
1/13/2025

Closure for plumbing connections on 2nd St
01/02/23 – 01/08/24
$1,050 = 7 days x $150/day

Sidewalk Closure on 2nd/Plum
12/15/2024 – 08/26/2024
$12,750 = 255 days x $50/day

Note: The project is located in Downtown where the base fee is $300/block/day. The sidewalk was closed on both Plum Street and 2nd St. (i.e. 2 blocks) – a total of $600/day. The code does not distinguish between street and sidewalk only obstructions. Had the full $600/day rate been charged, the cost of this closure would have been $153,000. Staff felt this amount was excessive and adjusted the rate to $50/day – the $12,750 invoiced. Staff will prepare a modification to the code for City Council consideration that distinguishes between different types of obstructions. Note that the sidewalk closure was set up prior to Brennan Companies applying for a permit or communicating the closure. The City did not levy a fine for this infraction.

Lane shift of Plum Street
01/22/2024 – 03/21/2024
$16,200 = 54 days x $300/day

Lane shift on Plum Street
07/22/2024 – 08/26/2024
$10,800 = 36 days x $300/day

Total Invoiced = $40,800