



AGENDA

**Economic Development Authority
Monday, October 15, 2024
(following the Council Meeting at 6 p.m.)
IGC/Atrium - Mankato Room**

1. **Call Meeting to Order**

2. **Approval of Agenda**

3. **Approval of Minutes**

Economic Development Authority Meeting of September 9, 2024

4. **Economic Development Authority Business**

- A. Resolution considering bids for Capital Improvement Project 11108; 1212 Highland Avenue Foundation Replacement.

5. **Reports/EDA Comments**

6. **Adjournment**



MINUTES

**Mankato Economic Development Authority
Regular Meeting
September 9, 2024 - 7:47 p.m.
IGC - Mankato Room**

1. **Call Meeting to Order**

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

Staff Present: Executive Director Susan Arntz, Community Development Director Mark Konz, Associate Director of Housing and Economic Development Nancy Bokelmann, Economic Development Coordinator Courtney Kramlinger, Housing Coordinator Nicole Cunningham, and City Clerk Renae Kopischke.

2. **Approval of Agenda**

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

3. **Approval of Minutes**

Mr. Laven moved and Mr. McLaughlin seconded a motion to approve the minutes of the Regular Meeting of August 12, 2024 as written. The motion carried unanimously.

4. **Economic Development Authority Business**

- A. Mr. Konz provided a history of the EDA Levy and noted that from 2013 to 2020, the levy was set at \$225,000 and used for the following within the Economic Development Budget:

\$10,000 - Southern Minnesota Initiative Foundation
\$25,000 - City Center Partnership
\$40,000 - Funding for the Art and Culture District in the City Center
\$50,000 - Funding for GMG Regional Services Agreement
(partially funded by levy)
\$25,000 - Parking Lot Development or City Center Redevelopment
\$75,000 - Funding for Building Rehabilitation

Ms. Kramlinger stated that the 2021 EDA levy was increased to \$365,000 to reflect an increase in expenses associated with partnership funding, which includes the fee for Greater Mankato Growth (GMG) services (REDA partnership) that increased from \$99,714 in 2009 to \$195,733.44 in 2023. She indicated that the REDA fee is the largest line-item expense in the Economic Development Budget besides staffing costs.

Ms. Arntz noted that a new REDA Joint Services Agreement was approved on October 10, 2023, which will expire on December 31, 2029. She explained that under the current REDA Joint Services Agreement, the per capita rate that is used to calculate the fees will be stabilized to the same rate between all the partners and Mankato's fee will be reduced to \$192,116.40 in 2025. She added that future adjustments will be based on population estimates.

Ms. Kramlinger mentioned that for 2025, the savings from the reduced REDA fee have been reallocated to commercial and residential building rehabilitation. She reviewed the recommended EDA levy of \$365,000 and the items reflected in the proposed 2025 budget, which included the following:

\$10,000	- Southern Minnesota Initiative Foundation
\$25,000	- City Center Business Association
\$40,500	- Funding Arts and Culture (Twin Rivers and City Art)
\$192,116.40	- Funding for GMG Marketing Services (REDA Partnership)
\$97,383.60	- Funding for Commercial & Residential Building Rehabilitation

Mr. Dieken moved and Mr. Laven seconded a motion to approve the Resolution requesting the establishment of a property tax levy for the Economic Development Authority for property taxes to be collected during the 2025 fiscal year . The motion carried unanimously.

- B. Ms. Cunningham stated that the Housing Choice Voucher program's regulations recognize that some flexibility is required to allow the EDA to adapt the program to local conditions. She noted that the payment standard sets the maximum subsidy payment a family can receive from the EDA each month. She explained that payment standards are based on fair market rents (FMRs) published annually by HUD and are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area, with most being set at the 40th percentile.

Ms. Cunningham stated that the EDA establishes a payment standard within a HUD approved basic range of between 90 and 110 percent of the published FMR for each unit size. She commented that current payment standards continue in this acceptable range and staff recommend payment standards as adjusted to reduce negative impacts on program participants.

Ms. Cunningham indicated that the PHA reviews the appropriateness of the payment standards on an annual basis when the new FMR is published, and at other times as determined necessary. She summarized the factors considered by the PHA when determining whether an adjustment should be made to the payment standard schedule, which included: funding availability; rent burden of participating families; quality of units selected; changes in rent to owner; unit availability; and lease-up time and success rate. She mentioned that changes to payment standard amounts will be effective on December 1 of every year unless, based on the proposed FMRs, it appears that one or more of the PHA's current payment standard amounts will be outside the basic range, and in that case, payment standards will be effective October 1 instead of December 1.

Ms. Cunningham stated that flat rents are also reviewed annually for public housing and are generally set at 80% of Fair Market Rents. She pointed out that this year's submission of flat rents is between 81-83% of the Fair Market Rents.

Ms. Bokelmann concluded that the current Payment Standards project an increase for each bedroom size between 102% to 108% of the Fair Market Rent provided by HUD and will be effective December 1, 2024.

Brief discussion regarding the programs and landlord engagement. Ms. Bokelmann noted the standards are based on the 40% of the area market rents and the challenges with finding properties; thus, there is a targeted set of units that families can choose from.

Ms. Melby-Kelley moved and Ms. Hatanpa seconded a motion to approve the Resolution adopting the payment standard schedule for the Mankato EDA Section 8 Housing Choice Voucher Program. The motion carried unanimously.

- C. Ms. Bokelmann reported that the 2025 PHA Annual Plan is a comprehensive guide to public housing agency policies, programs, operations, and strategies for meeting local housing needs and goals. She indicated that the plan follows strategic planning identified in the community consolidated plan, strengthens ties to community service agencies, fair housing, and accesses tools necessary to achieve established goals. She noted that the plan identifies and recommends policy changes the EDA has enacted since the submission of the last Annual Plan, as well as the Capital Fund Program (CFP).

Ms. Cunningham stated that while this plan has specific emphasis on the operations and strategies of the Housing Choice Voucher program and Public Housing program, it also addresses affordable housing needs in the community and progresses by implementing action steps identified in the Affordable Housing Action Plan (AHAP). She highlighted and reviewed the routine accomplishments and new initiatives over the past year that included: addressing needs for homelessness; administering Housing Choice Voucher and Public Housing Programs; promoting Economic Self Sufficiency and homeownership; Community Development Block Grant Funding; LIHTC Projects; and Local Affordable Housing Trust Fund and Statewide Affordable Housing Aid.

Ms. Bokelmann noted the changes as well as the comments that were received from a public advisory meeting that was held. Brief discussion changes and the status of waiting lists.

Chair Massad opened the public hearing. There being no one wishing to speak, Chair Massad closed the public hearing.

Mr. Laven moved and Ms. Melby-Kelley seconded a motion to approve the Resolution approving the 2024 Mankato Annual PHA Plan. The motion carried unanimously.

5. **Reports/EDA Comments**

None.

6. **Adjournment**

There being no further business, Mr. Laven moved and Mr. McLaughlin seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 8:30 p.m.

Prepared by:

Renae Kopischke
City Clerk

Approved by:

Najwa Massad
Chair



AGENDA RECOMMENDATION

Economic Development Authority

4. A.

Meeting Date: 10/15/2024

Agenda Item:

Resolution considering bids for Capital Improvement Project 11108; 1212 Highland Avenue Foundation Replacement.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

The Economic Development Authority reviewed the feasibility of Capital Improvement Project 11108; 1212 Highland Avenue Foundation Replacement at their March 4, 2024, meeting. Bidding documents were developed this summer and the project was advertised for public bidding on September 9, 2024. Three (3) contractors submitted bids for the project. The contract has a substantial completion date of June 13, 2025.

The project as bid includes removal and replacement of CMU foundation in its entirety, waterproofing new foundation, backfilling new foundation with suitable materials, utility disconnects and re-connects, installation of high efficiency furnace, replacement of water heater, perimeter grading work, and sidewalk and driveway replacement.

Web Construction, Inc. submitted the lowest responsible bid of \$164,900 with all documentation conforming to the bid requirements set forth by the authority and federal regulations.

Staff recommends the Authority award the bid in the amount of \$164,900. Proposed funding for the project has been identified in the City of Mankato Housing Capital Budget.

Attachments

11108 Resolution
11108 Bid Tab
11108 Letter

**RESOLUTION ACCEPTING BID ON
IMPROVEMENT NUMBER 11108**

WHEREAS, pursuant to an advertisement for bids for Improvement Number 11108, the 1212 Highland Avenue Foundation Replacement, bids were received, opened, and tabulated according to the law, and the following bids were received complying with the advertisement:

Contractor	City, State	Bid Amount
Web Construction, Inc.	Mankato, MN	\$164,900
APX Construction Group	Mankato, MN	\$179,700
Brennan Companies	Mankato, MN	\$257,000

AND WHEREAS, it appears that Web Construction, Inc. of Mankato, MN is the lowest responsible bidder;

NOW THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF MANKATO, MINNESOTA:

1. The Executive Director is hereby authorized and directed to enter into contract with Web Construction, Inc. in the name of the Economic Development Authority of Mankato, MN for the improvement of the public housing unit at 1212 Highland Avenue, by installing interior and exterior improvements according to the plans and specifications therefore approved by the Authority and on file in the office of the Executive Director.

This resolution shall become effective upon its adoption.

Passed this 15th day of October, 2024

Najwa Massad
Board Chair

ATTEST: _____
Susan MH Arntz
Executive Director



BID TABULATION
CITY OF MANKATO EDA – 1212 HIGHLAND AVENUE FOUNDATION REPLACEMENT
CITY PROJECT #11108

Bid Opening: **Friday, October 4th, 2024 @ 10:00 AM**

Name	Acknowledge Addenda	Contractor Compliance Form	Non- Collusive Affidavit (Submitted within 3 days of Bid)	Bid Bond	HUD- 5369-A (Required to be submitted w/Bid)	HUD-2530 (Submitted within 3 days of Bid)	Bid Total
WEB CONSTRUCTION	X	X	X	X	X	X	\$164,900
APX CONSTRUCTION GROUP	X	X	X	X	X	X	\$179,700
BRENNAN COMPANIES	X			X			\$257,000

October 7, 2024

Mankato EDA
10 Civic Center Plaza
Mankato, MN 56001

**OLESON
+ HOBIE
ARCHITECTS**
330 Stadium Road, Suite 202
Mankato, MN 56001
T 507.385.1158

RE: 1212 Highland Avenue Foundation Replacement Letter of Recommendation

Dear EDA Members,

On Friday, October 4th, 2024, at 10:00 a.m. bids were received and opened for the foundation repairs for the housing unit located at 1212 Highland Avenue, in Mankato, MN. There were three contractors that submitted bids for the project ranging from \$164,900 to \$257,000.

Of the bids, two included various required HUD forms. A copy of the bid tabulation form is included with this letter which indicates WEB Construction was the apparent low bidder. The low bid is within the previously budgeted amount of \$185,762 included in the Project Feasibility Report.

As a part of the review of the bids, Oleson + Hobbie Architects, LLC (OHA) discussed the work of the project, lead times, and schedule with WEB Construction. They feel comfortable that they have included everything that was indicated in the construction documents and can comply with the project schedule.

Based upon this information, OHA recommends that the Mankato EDA accept the low total bid from WEB Construction Group of \$164,900.00 for the residential foundation repairs. OHA will prepare a HUD agreement between the Owner and Contractor upon receiving your authorization to proceed.

Thank you for allowing Oleson + Hobbie Architects the opportunity to assist you with your renovation project.

Sincerely,



Andrew Kocer
Architectural Associate
Oleson + Hobbie Architects, LLC