



AGENDA

**Economic Development Authority
Monday, June 16, 2025
(following Special Council Meeting at 6 p.m.)
IGC - Minnesota Valley Room**

1. **Call Meeting to Order**
2. **Approval of Agenda**
3. **Approval of Minutes**

Economic Development Authority Meeting of May 12, 2025
4. **Economic Development Authority Business**
 - A. Resolution considering bids on Capital Improvement Project 11139; Orness Plaza Heat Pumps Phase 3.
 - B. Resolution supporting the Partnership Community Land Trust Phase V application to MN Housing.
 - C. Motion approving appointment to the Affordable Housing Trust Fund Advisory Committee membership.
5. **Reports/EDA Comments**
6. **Adjournment**

Economic Development Authority

Meeting Date: 06/16/2025

Title: Minutes

Submitted By: Renae Kopischke, City Clerk

Agenda Item:

Economic Development Authority Meeting of May 12, 2025

Attachments

Minutes



MINUTES

**Mankato Economic Development Authority
Regular Meeting
May 12, 2025 - 6:41 p.m.
IGC - Mankato Room**

1. **Call Meeting to Order**

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

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

2. **Approval of Agenda**

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

3. **Approval of Minutes**

Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of April 14, 2025, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

- A. Ms. Bokelmann stated that the EDA identified the need for a local Housing Trust Fund during the development of the Affordable Housing Action Plan and established an ordinance on August 26, 2024. She indicated that the EDA began the Affordable Housing Trust Fund (AHTF) using Statewide Affordable Housing Aid funding received and leveraged additional general funds to seek state matching dollars to expand the AHTF and support the PCLT this past April.

Ms. Bokelmann commented that Mankato EDA and the Blue Earth County EDA collaboratively entered into a Memorandum of Understanding (MOU) to focus attention on affordable housing issues, encourage sharing of information on successful policies and programs, and provide joint planning for a consistent approach that will help attract public and private resources for developing affordable housing. She added that the MOU also laid out the shared decision-making between both EDAs and the work of an advisory committee to develop an annual action plan and review and recommend loans and grants to create, acquire, and rehabilitate affordable housing as well as prevent and end homelessness. She noted that staff solicited interest from community stakeholders to be considered for membership of the AHTF Advisory Committee.

Ms. Bokelmann reported that the committee shall consist of one City of Mankato staff member, one Blue Earth County staff member, two community members appointed by the EDA of Mankato, and two community members appointed by the EDA of Blue Earth County. She mentioned that the committee make-up will reflect the demographics of the community at large, specific to race and gender and represent business and community organizations, non-profit service providers, community-based organizations or foundations. She touched on the terms and mentioned that no EDA-appointed person may serve more than three complete, successive terms as a committee member. Staff are recommending the following individuals to be appointed to the AHTF Advisory Committee:

Amy Jo Lennartson with the Mankato Foundation
Barb Kaus with the Greater Mankato Area United Way, and
Ceceli Polzin with the YWCA Mankato

Ms. Melby-Kelley moved and Mr. Laven seconded the motion appointing members to the Affordable Housing Trust Fund Advisory Committee as presented. The motion carried unanimously.

- B. Ms. Bokelmann reported that an update is being provided by Southwest Minnesota Housing Partnership (SWMHP) on the Partnership Community Land Trust (PCLT) activities in Mankato.

Jen Theneman, Southwest Minnesota Housing Partnership, Director of Real Estate & Community Development, indicated that the goal of the program is to make housing ownership possible for low-income families. She explained the process and noted that Phase I has been completed, which focused on three acquisition/rehabilitation homes. She noted that the city contribution acted as a write-down/reduction of the purchase price, the Community Development Block Grant funds addressed health and safety needs, and the City paid \$5,000 per home for SWMHP administration services after closing.

Ms. Theneman stated that Phase II focused on three new construction homes. She mentioned that the city and SWMHP contributions acted as a write-down/reduction of the purchase price and were used as leverage to secure funds through the Minnesota Housing Finance Agency (MHFA) and Target Foundation. She commented that a home was purchased from Heartland Homes/Drummer Construction and made available for a new homebuyer who purchased and closed in October 2024. She added that SWMHP purchased two lots in the Groh Farms subdivision in partnership with Drummer Development/Wilcon Construction in March 2024 and the homes are currently under construction and expected to be completed this month with an anticipated sale of both to occur in June 2025 which will close out this contract phase.

Ms. Theneman indicated that Phase III will focus on two new construction homes and five acquisition/rehabilitation homes with similar contributions as used in Phase I and II. She indicated that Phase III and IV would be done somewhat simultaneously. She stated that for Phase IV SWMHP has leveraged existing funds to secure a New Market Tax Credit award for 10 homes in Mankato for this phase. She added that they are currently evaluating a list of 12 parcels on which to build and anticipate purchase before June 2025. She noted that when the parcel is identified, SWMHP staff will select home concepts and request bids from contractors and are planning for a late Fall 2025 construction start, with homes available for purchase by Summer 2026.

Ms. Bokelmann concluded that the Partnership Community Land Trust is requesting the County to enter a service contract for Phase IV of the land trust activities in the City of Mankato. She mentioned that on June 25, 2024, the EDA adopted a resolution supporting an application to Minnesota Housing for Phase IV. She stated that the contract contemplates a total of \$250,000 of EDA Funding through the Affordable Housing Trust Fund.

Mr. Laven moved and Mr. McLaughlin seconded a motion to approve the Resolution authorizing the execution of the Partnership Community Land Trust Phase IV contract. The motion carried unanimously.

- C. Ms. Bokelmann reported that the Point-in-Time (PIT) count is an annual nationwide count of people experiencing sheltered and unsheltered homelessness on a single night. She stated that the count is required by and reported to the US Department of Housing and Urban Development (HUD) and is conducted locally by Minnesota's 10 Continuums of Care (CoCs), which are local collaboratives of homelessness service providers.

Ms. Bokelmann indicated that the count includes everyone who is in unsheltered situations as well as in shelter and housing on one night and also includes all programs designated for housing or sheltering people experiencing homelessness. She explained that the count is conducted to measure and monitor trends and changes on a local and national level and is intended to help our community understand what we have and need, and to strategize the best ways to use resources.

Ms. Bokelmann indicated that although updated information is not available on the Housing Inventory (HIC), which is an inventory of provider programs within a CoC that provide beds and units dedicated to serving people experiencing homelessness, on the same night each year, the count of units and the availability of the units is also completed. She noted that the count includes all housing projects regardless of where they receive funding (i.e. emergency shelters, transitional housing, rapid re-housing programs that provide short- or medium-term assistance, permanent supportive housing for formerly homeless people, residential programs for the homeless, faith-based residential programs and interfaith hospitality networks).

5. **Reports/EDA Comments**

None.

6. **Adjournment**

There being no further business, Mr. McLaughlin moved and Mr. Mettler seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:02 p.m.

Prepared by:

Approved by:

Renae Kopischke
City Clerk

Najwa Massad
Chair



AGENDA RECOMMENDATION

Economic Development Authority

4. A.

Meeting Date: 06/16/2025

Agenda Item:

Resolution considering bids on Capital Improvement Project 11139; Orness Plaza Heat Pumps Phase 3.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

Capital Improvement Project 11139, Orness Plaza Heat Pump Removal and Replacement Phase 3, was advertised for public bidding on May 1, 2025. One (1) contractor submitted a bid for the project. The contract has a substantial completion date of November 7, 2025.

The project, as bid, includes the replacement of eight remaining heat pumps that are installed above the ceilings in commons and office areas that were not replaced during Phase 1 & 2 of the project at Orness Plaza. The heat pumps were installed when the building was fully renovated in 2011 and have reached the end of their useful life. There have been several refrigerant leaks in these units over the last several years and temporary fixes are no longer working to repair the units. These replacements are part of a three-phase project spanning the budget years 2023-2025 to replace all the units in the building and will allow us to get on a rotation schedule for future replacement planning. A bid alternate was also packaged in the Phase 3 bid to stock 9 additional heat pumps at Orness Plaza in the event there are future catastrophic failures.

Adams Mechanical, LLC out of St. Clair, MN submitted the apparent low bid in the amount of \$51,805 (Base Bid) and \$36,225 (Alternate Bid) with all documentation conforming to the bid requirements set forth by the authority and federal regulations.

Staff recommends awarding the base and alternate bids totaling \$88,030 due to favorable pricing on the alternate bid. The project budget, as stated in the feasibility report, was set at \$118,800 and those funds are set to come out of the Housing Capital Budget. The 2025 CIP budget for this project is \$120,000.

Attachments

Resolution
11139 Bid Tab

**RESOLUTION ACCEPTING BID ON
IMPROVEMENT NUMBER 11139**

WHEREAS, pursuant to an advertisement for bids for Improvement Number 11139, the Orness Plaza Heat Pump Removal and Replacement Phase 3, bids were received, opened, and tabulated according to the law, and the following bids were received complying with the advertisement:

Company Name	City, State	Base Bid	Alternate Bid	Total
Adams Mechanical, LLC	St. Clair, MN	\$51,805	\$36,225	\$88,030

AND WHEREAS, it appears that Adams Mechanical, LLC of St. Clair, 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 Adams Mechanical, LLC of St. Clair, MN in the name of the Economic Development Authority of Mankato, MN for the improvement of Orness Plaza at 900 Hope Street, by replacing select heat pump units 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 9th day of June, 2025.

Najwa Massad
Board Chair

ATTEST: _____
Susan MH Arntz
Executive Director



BID TABULATION

CITY OF MANKATO EDA – ORNESS PLAZA HEAT PUMPS PHASE 3

CITY PROJECT #11139

Bid Opening: **Friday, May 30th at 10:00 AM**

Name	Acknowledge Addenda (If Applicable)	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)	Base Bid	Alternate Bid
ADAMS MECHANICAL	NA	X	X	X	X	X	\$51,805	\$36,225



AGENDA RECOMMENDATION

Economic Development Authority

4. B.

Meeting Date: 06/16/2025

Agenda Item:

Resolution supporting the Partnership Community Land Trust Phase V application to MN Housing.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

The SWMHP is preparing an application to the MN Housing's Impact Fund Program to support single-family development through Phase V of the Partnership Community Land Trust (PCLT). The application deadline for Phase V is July 10, 2025.

The project will further the city's objectives to preserve and create affordable homeownership opportunities by increasing the development of new housing. The PCLT will address the housing disparities and support inclusive communities by working with the lowest-income families to purchase homes. Families will have the opportunity to select homes that best meet their needs.

The SWMHP is prioritizing the creation of 10 new construction homes in this Phase V. The program will be for buyers that do not exceed 80% Area Median Income at the statewide average and is seeking approval this month from their Board of Managers to expand this limit to 100% AMI at the statewide average.

To achieve success in Phase V, the SWMHP is seeking to partner with the City of Mankato and Blue Earth County to support this application. Preliminarily, the SWMHP is proposing \$500,000 from the City and County (\$250,000 from each) with Minnesota Housing providing \$1.25 million and other funding sources contributing \$750,000.

The ability to leverage investment by the City of Mankato and Blue Earth County is resulting in additional sources contributing to these homes, which include Minnesota Housing Finance Agency, Greater Minnesota Housing Fund, local developers Mike Drummer and Bill Freitag, Target Foundation, Otto Bremer Trust, Southwest Minnesota Housing Partnership and Housing Partnership Network's New Markets Tax Credits. Owners of other parcels we are evaluating are considering contributions as well.

SWMHP continues to reach out to local, regional, state and federal entities seeking funds to continue this work in Mankato. The overall vision is a PCLT of 100 homes in the region, and SWMHP is over 1/3 of the way there. The City contributed 100% of the write-down/gap in the first phase of the CLT homes in Mankato vs. 11% in phase IV because of SWMHP's success leveraging other funds. NMTC in designated low-income census tracts.

SWMHP is requesting continued partnership from the City of Mankato and Blue Earth County or City/County Housing Trust Funds for Phase V in support of this application with the following summary of funds requested from partners:

PHASE V - Per home summary:

City/County contribution	\$50,000
Land discount/donation	\$25,000
MHFA contribution	\$125,000
NMTC/SWMHP/Other contributions	\$50,000

SWMHP would also desire the dedicated City/County funds to be flexible on the use of each home as homebuyer financial gaps vary based on their purchasing ability and other funds secured for the homes.

Use of Local Housing Trust Fund to support

The EDAs have allocated Statewide Affordable Housing Aid (SAHA) to create local housing trust funds to support affordable housing initiatives in both Mankato and Blue Earth County. Additionally, in April 2025, the EDAs made applications to MN Housing seeking Housing Trust Fund grants matching EDA general funds to support the PCLT in Mankato for Phase IV and V. MN housing did award funding to both HTFs and the awards are listed in the table below.

	2023	2024	2025	Subtotal	LHTF Grant Request	General Fund	Total
Mankato	\$288,957	\$288,957	\$123,108	\$ 701,022	\$150,000	\$150,000	\$1,001,022
Blue Earth County	\$165,141	\$165,141	\$ 69,985	\$ 400,267	\$150,000	\$150,000	\$ 700,267
Total	\$454,098	\$454,098	\$193,093	\$1,101,289	\$300,000	\$300,000	\$1,701,289

The EDA has committed \$250,000 of funds to Phase IV. The EDA is being asked to consider support for Phase V of the PCLT in the amount of \$250,000 to support 10 homes in Mankato. With support for Phase IV and V of the PCLT in the amount of \$500,000, the remaining balance in the HTF will be \$501,022 to support other affordable housing initiatives.

Recommendation/Action:

The requested action is the adoption of the resolution and letter of support of Phase V of the Partnership Community Land Trust from the Mankato EDA in the amount of \$25,000 per home, for ten (10) new construction homes, totaling \$250,000 and subject to approval of the MN Housing’s Housing Trust Fund Grant Program and Impact Funding. The commitment will be a pipeline of funding available on a pay-as-you-go, ongoing basis upon sale of each home through December 31, 2028.

Attachments

- Resolution
 - Letter of Support
-

RESOLUTION OF SUPPORT FOR COMMUNITY LAND TRUST PHASE V
APPLICATION AND RECOGNIZING THAT
THE PROJECT WILL MEET AN IDENTIFIED HOUSING NEED

WHEREAS, the City of Mankato is a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, the Council of the City of Mankato has adopted a Consolidated Plan and affordable housing is identified as a community need; and

WHEREAS, a need has been identified for additional affordable housing in the City, based on 2020 Housing Study commissioned by the City of Mankato and the 2023 Housing Action Plan; and

WHEREAS, the City of Mankato has undertaken a variety action steps to promote the development and preservation of affordable housing; and

WHEREAS, a community land trust is one strategy to promote and preserve single family affordable housing; and

WHEREAS, Southwest Minnesota Housing Partnership (SWMHP) operates the Partnership Community Land Trust (PCLT) in other communities; and

WHEREAS, SWMHP is currently proposing to expand their PCLT in Mankato to create affordable homeownership and preserving the affordability of homeownership for future owners; and

WHEREAS, four Phases of the PCLT have been approved by the Mankato City Council since July 25, 2022, to implement the community land trust, provide education, outreach, and purchase of up to 13 homes in the City of Mankato; and

WHEREAS, SWMHP will be applying to the Minnesota Housing Finance Agency under the Super RFP for Impact Funding on July 10, 2025, for Phase V of the PCLT in the City of Mankato; and

WHEREAS, it is anticipated that successful development of the project will require participation from the Mankato EDA through financial support for up to \$25,000 per home, for Ten (10) new homes at 80% of AMI at the statewide average. The total funding request is \$250,000.

NOW, THEREFORE, BE IT RESOLVED, that the City of Mankato finds that the project will meet an identified need by creating and preserving affordable homeownership and, subject to approval of the applications to Minnesota Housing, will provide \$250,000 in funding through a future agreement with PCLT.

This resolution shall become effective immediately upon passage and without publication.

Adopted this 16th day of June 2025.

Najwa Massad, Mayor

Attest: _____
Renae Kopischke, MMC, City Clerk

10 Civic Center Plaza
Post Office Box 3368
Mankato, Minnesota 56002-3368

Phone: (507) 387-8600
Fax: (507) 388-7530
www.mankatomn.gov



June 16, 2025

Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
Saint Paul, MN 55101

RE: Letter of Support for the Community Land Trust Application

To Whom It May Concern:

At its meeting on June 16, 2025, the Mankato EDA reviewed and endorsed the Southwest Minnesota Housing Partnership Community Land Trust proposal that proposes 10 homes for new construction in the City of Mankato. This endorsement is based upon the findings that the project will meet locally identified housing needs and that the proposed housing is in short supply in the local housing market. This need is evidenced by the 2020 Housing Study and the 2022 Affordable Housing Action Plan commissioned by the Mankato EDA.

The Mankato EDA designates the Associate Director of Housing & Economic Development as program contact person:

Contact: Nancy Bokelmann
Title: Associate Director of Housing & Economic Development
Address: 10 Civic Center Plaza, PO Box 3368, Mankato, MN 56002-3368
Phone: 507-387-8623
Email: nbokelmann@mankatomn.gov

As part of its endorsement, the Mankato EDA also will provide financial support to the Southwest MN Housing Partnership for this Community Land Trust application in the amount of \$250,000 from the local Housing Trust Fund through December 31, 2028. The commitment will be a pipeline of funding available on a pay as you go, ongoing basis upon sale of each home.

The Mankato EDA's endorsement is evidenced by the approved Resolution included with this letter.

Sincerely,

Susan MH Arntz
Executive Director

Enclosure



AGENDA RECOMMENDATION

Economic Development Authority

4. C.

Meeting Date: 06/16/2025

Agenda Item:

Motion approving appointment to the Affordable Housing Trust Fund Advisory Committee membership.

Recommendation/Action(s):

Motion approving appointment.

Summary:

The EDA identified the need to establish a local Housing Trust Fund during the development of the Affordable Housing Action Plan and established an ordinance for the Affordable Housing Trust Fund on August 26, 2024. The ordinance set the purpose and intent of the AHTF to encourage the creation of affordable housing for renters and homeowners, promote the preservation of affordable housing resources, prevent and end homelessness, and provide rental assistance. Other ordinance components include a description of funding sources, a determination of funding use, and the distribution of funds.

Blue Earth County EDA and the Mankato EDA desired to cooperatively establish goals, policies and programs for affordable housing in Blue Earth County. A Memorandum of Understanding was to establish and formalize a framework for collaboration and coordination to improve efficiency and outcomes related to affordable housing in Blue Earth County. The memorandum laid out the shared decision-making between both EDAs and the work of an advisory committee.

Staff solicited interest from community stakeholders to be considered for membership of the AHTF Advisory Committee. Members shall be appointed for a term of three (3) years. All terms are staggered and expire on June 30 of the year in which the term expired.

In April, staff recommended Christine Wilking with the Mayo Clinic Foundation. She notified staff she was not able to participate on the committee at this time. Staff recommend Cory Merrill with Pioneer Bank for appointment to the AHTF Advisory Committee.

The requested action is a motion to appoint Cory Merrill to the HTF Advisory Committee as presented.
