



MINUTES

Mankato Economic Development Authority June 16, 2025 - 6:19 p.m. IGC - Mankato Room

1. **Call Meeting to Order**

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

Members Excused: Jessica Hatanpa

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

2. **Approval of Agenda**

Mr. McLaughlin 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 Economic Development Authority minutes of the Regular Meeting of May 12, 2025, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

- A. Mr. Tatge reported that Project 11139, Orness Plaza Heat Pump Removal and Replacement Phase 3, was advertised for public bidding on May 1, 2025, and 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. He noted that the heat pumps were installed when the building was fully renovated in 2011 and have reached the end of their useful life as 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. He added that an alternative bid was also packaged in the Phase 3 bid to stock nine additional heat pumps at Orness Plaza in the event there are future catastrophic failures.

Mr. Tatge indicated that only one bid was received, and that 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.

He stated that staff recommended awarding the base and alternate bids totaling \$88,030 due to favorable pricing on the alternate bid.

Mr. Dieken moved and Mr. McLaughlin seconded a motion to approve the Resolution considering bids on Capital Improvement Project 11139; Orness Plaza Heat Pumps Phase 3. The motion carried unanimously.

- B. Ms. Bokelmann stated that 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), and the deadline is July 10, 2025. She indicated that the SWMHP is prioritizing the creation of 10 new construction homes in Phase V with the program being for buyers that do not exceed 80% Area Median Income at the statewide average. She added that they are seeking approval this month from their Board of Managers to expand the limit to 100% AMI at the statewide average.

Jen Theneman, SWMHP, commented that to achieve success in Phase V, they are seeking to partner with the City of Mankato and Blue Earth County to support this application, and are 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. She explained that the ability to leverage investment by the City and 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. She added that they continue to reach out to local, regional, state and federal entities seeking funds to continue this work in Mankato.

Ms. Bokelmann noted that the EDA has committed \$250,000 of funds to Phase IV. She indicated that 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, and 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.

Ms. Melby-Kelley moved and Mr. Mettler seconded a motion to approve the Resolution supporting the Partnership Community Land Trust Phase V application to MN Housing. The motion carried unanimously.

- C. Ms. Bokelmann explained that the Economic Development Authority (EDA) identified the need for a local Housing Trust Fund while developing the Affordable Housing Action Plan. She referred to the ordinance approved on August 26, 2024, establishing the Affordable Housing Trust Fund (AHTF) which aims to support the development and preservation of affordable housing, assist renters and homeowners, prevent homelessness, and provide rental support. She added that the ordinance also outlines how the fund will be sourced, allocated, and managed.

Ms. Bokelmann indicated that to strengthen regional efforts, the Blue Earth County EDA and Mankato EDA agreed to collaborate on affordable housing strategies through a Memorandum of Understanding which formalized shared goals, decision-making, and the formation of an advisory committee to guide initiatives. She stated that community stakeholders were invited to join the AHTF Advisory Committee, with members serving staggered three-year terms ending on June 30.

She mentioned that Christine Wilking indicated that she was unable to participate, and the staff recommended Cory Merrill from Pioneer Bank to fill the position.

Mr. Mettler moved and Mr. Dieken seconded a motion approving the appointment of Cory Merrill to the Affordable Housing Trust Fund Advisory Committee. The motion carried unanimously.

5. **Reports/EDA Comments**

None.

6. **Adjournment**

There being no further business, Mr. Dieken moved and Ms. Melby-Kelley seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 6:39 p.m.

Prepared by:

Approved by:

Renae Kopischke
City Clerk

Najwa Massad
Chair