

A RESOLUTION OF THE CITY OF MANKATO APPROVING TAX INCREMENT
FINANCING DISTRICT NO. 51-1 AND THE USE OF TAX INCREMENT FINANCING

WHEREAS, pursuant to authority in its Charter and Minnesota Statutes, Section 469.124 through 469.134, as amended (the "Municipal Development Act"), the City Council of the City of Mankato, Minnesota (the "City"), has undertaken a program to promote the development and redevelopment of land which is underutilized or characterized by blight within the city, and, in connection therewith, approved Development District No. 51 (the "Development District") and in connection therewith adopted a development program; and

WHEREAS, the City has reviewed "Tax Increment Financing District No. 51-1", dated October 6, 2026 (the "Plan"), which sets forth a tax increment financing plan for Tax Increment Financing District No. 51-1 (the "District"); and

WHEREAS, it is desirable and in the public interest that the City undertake and carry out a tax increment financing plan for the District pursuant to Sections 469.174 through 469.1794, as amended, of Minnesota Statutes, encompassing the area that is described in the Plan; and

WHEREAS, the Plan sets forth the City's estimate of the fiscal and economic impact of the District on the tax capacities of all taxing jurisdictions in which the District is located; and

WHEREAS, the City has performed all actions required by law to be performed prior to the establishment of the Development District and the establishment of the TIF District herein and the adoption of the proposed Development Program and TIF Plan relating thereto, including, but not limited to, notification of Blue Earth County and Independent School District No. 77 through the Clerk of the School Board; and

WHEREAS, the City has received and considered the comments of Blue Earth County and Independent School District No. 77 relating to the contents of the Plan; and

WHEREAS, the City on October 13, 2026, after having published a notice of public hearing in the official newspaper of the City, conducted a public hearing on the Plan and received public comments on the same.

NOW, THEREFORE, THE CITY OF MANKATO, BY ITS CITY COUNCIL,
RESOLVES:

Sec. 1. Development District No. 51. The establishment of Development District No. 51 and the Development Program are approved and adopted.

Sec. 2. Tax Increment Financing (Housing) District No 51-1. Tax Increment Financing (Housing) District No. 51-1 is hereby established within the Development District. The initial boundaries of the TIF District are fixed and determined as described in the TIF Plan.

Sec. 3. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District.

Sec. 4. Findings. In taking these actions, the City Council makes the following findings:

(a) The City finds and determines that the activities to be financed by the District will carry out the objectives of the Development District and District Plans by resulting in construction of affordable housing and enhancement of the City's tax base.

(b) The City finds and determines that the property development, the preservation and enhancement of the tax base and the expenditures of the District are in the public interest and achieves a public purpose that promotes the health, safety and welfare of the community. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the TIF District by private enterprise. Through the implementation of the TIF Plan, the City will provide an impetus for construction of new housing by a private developer on currently underutilized land, thereby increasing housing options in the City and encouraging potential further development in the City by other private developers and the maintenance of property values for the surrounding properties.

(c) The City finds and determines the District qualified as a Housing District, as defined by Minnesota Statutes Section 469.174 (11) based on its finding that the completed project created and maintained for the duration of the Housing District that 16 of the total 16 housing units will be income restricted for incomes ranging up to 115% AMI, meaning approximately 100% of the total units will be affordable which exceeds the standards for a Housing TIF District.

(d) The City finds and determines that in its opinion the proposed development or redevelopment would not be reasonably expected to occur solely through private investment within the foreseeable future. The above finding is based on a request to the City submitted by the Developer stating that the TIF Assistance is needed from the City and that without the use of the TIF, the proposed development could not proceed.

(e) The City finds that due to the extraordinary cost of site improvements, reduced density, and the limitation of home sale prices with an affordable component, the City has no expectation that other similar development would occur without TIF Assistance. A comparative analysis of estimated market values both with and without

establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis is found in Exhibit VIII of the TIF Plan, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments. Therefore, the City reasonably believes that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the Plan.

(f) The City finds and determines that the Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the District by private enterprise.

(g) The City finds and determines that the Plan conforms to the general plan for the development of the City as a whole. Section I of the TIF Plan contains information used in making this finding.

Sec. 5. Public Purpose. The adoption of the TIF Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide increased housing options to City residents, to improve the tax base, and to improve the general economy of the State, and thereby serves a public purpose

Sec. 6. The reasons and supporting facts for findings 7, 8, and 9 as set forth in the Plan are by this reference confirmed, approved and adopted.

Sec. 7. Certification. The City staff and consultants are authorized and directed to proceed with implementation of the TIF Plan and to transmit the request for certification of the TIF District to the Blue Earth County Taxpayer Services Director in such form and content as the County may specify, to certify the original tax capacity and original local tax rate of the District approved by this resolution, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act.

Sec. 8. Filing. The City Clerk is hereby directed to file a copy of this resolution with a copy of the Plan with the Minnesota Department of Revenue and Office of the State Auditor.

Sec. 9. The City hereby states its intention to use all of the captured tax capacity for purposes of tax increment financing as per the conditions set forth in the Plan. Sec. 10. The City Manager is hereby authorized to execute a development agreement and

associated documents, provided the City Manager and City Attorney may make non substantive changes to clarify provisions and the terms of the agreements and documents as presented to the City Council are not changed.

Adopted this 13th day of October 2026.

Najwa Massad
Mayor

ATTEST: _____
Renae Kopischke, MMC
City Clerk

The motion for the adoption of the foregoing resolution was made by Councilmember and duly seconded by Councilmember _____. Upon a vote being taken the following members voted in favor thereof:

_____.

Those against same: _____.