AGENDA

Economic Development Authority
Monday, April 13, 2026
(following the Council Meeting at 6 p.m.)
IGC - Council Chambers

1. **Call Meeting to Order**

2. **Approval of Agenda**

3. **Approval of Minutes**

   Economic Development Authority Meeting of January 26, 2026

4. **Economic Development Authority Business**

   A. Resolutions considering bids for Capital Improvement Project 11203; Orness Plaza RAD Conversion Improvements and Orness Plaza RAD Appliance Replacement.

   B. Resolution considering bids for Capital Improvement Project 11204; Mankato EDA Scattered Sites RAD Conversion Improvements.

   C. Resolution considering bids for Capital Improvement Project 11237; Orness Plaza HVAC Upgrades Phase 1.

   D. Resolution adopting the payment standard schedule for the Housing Choice Voucher Program in Rock County.

   E. Resolution authorizing use of the Housing Trust Fund to support Connections Shelter Summer Expansion.

   F. Resolution considering the Phase V contract with the Partnership Community Land Trust for implementation services of the Community Land Trust.

   G. Resolution adopting Tax Abatement Policy.

5. **Adjournment**

MINUTES

Mankato Economic Development Authority
Regular Meeting
January 26, 2026 - 5:30 p.m.
IGC - Council Chambers
(Meeting continued to January 26, since it was not able to occur on January 12, 2026)

1. **Call Meeting to Order**

Members Present: Kevin Mettler, Mike Laven, Dennis Dieken, Michael McLaughlin, Jenn Melby-Kelley, Jessica Hatanpa, 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. Mettler moved and Ms. Melby-Kelley seconded a motion to approve the agenda as written. The motion carried unanimously.

3. **Approval of Minutes**

A. Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of December 8, 2025, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

A. Ms. Bokelmann explained that the Public Housing Capital Fund Budget has traditionally been approved each year with the PHA Annual Plan to manage the formula funding for modernization of the Mankato Public Housing units; however, HUD has separated the procedures and adjusted timelines for the Capital Fund budget to align with the annual operating budget process.

Ms. Bokelmann stated that the 2026 Capital Fund includes the continued modernization and repair of the public housing units and site improvements required through RAD process. She noted that the plan also includes work requirements based on the physical needs assessment as required for the repositioning of the remaining Public Housing through the RAD Small PHA Blend program. She indicated that for 2026, the capital fund budget anticipates $550,000.00 and provides funding for dwelling improvements, appliances, site improvements and general operations as presented in the attached budget.

Ms. Bokelmann commented that the Capital Fund Program for 2026 was posted for public comment and a Resident Advisory Meeting was held. She summarized the comments and concerns received and added that residents expressed appreciation for the re-stripping of parking lots, noting that it helps with parking management as well as the signage designating resident parking areas.

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

Mr. McLaughlin moved and Mr. Mettler seconded a motion to approve the Resolution approving the 2026 Public Housing Capital Fund program. The motion carried unanimously.

B. Ms. Bokelmann reported that the US Department of Housing and Urban Development (HUD) requires the annual review and adjustment, if required, of tenant-furnished utilities. She explained that utility allowances are based on reasonable consumption of energy for conservative families to provide basic essentials needed to provide a living environment that is safe, sanitary, and healthful. She reviewed the consumption analysis that was conducted by The Nelrod Company.

Ms. Boklemann indicated that the utility allowance schedule has been adjusted using the latest HUD projections where needed. She stated that the new rates show a slight increase to electric and gas rates and increases to water and sewer rates. She noted that the use of this schedule provides average utility costs to participants who pay their own utility costs and streamlines efficiency in calculating rent subsidies using standard rates under the Housing Choice Voucher program, Public Housing and other affordable housing projects that access these schedules throughout the county. She added that the schedules are broken down for high rise, low rise, rowhouse/townhome/duplex, and single family.

Mr. Laven moved and Ms. Melby-Kelley seconded a motion to approve the Resolution adopting the Housing Choice Voucher Utility Allowance Schedule for 2026. The motion carried unanimously.

C. Ms. Bokelmann stated that the South-Central MN Multi-County Housing and Redevelopment Authority (HRA) administers the Housing Choice Voucher program funded by the US Department of Housing and Urban Development (HUD) to provide tenant-based rental assistance vouchers to meet the housing needs of low-income households in Nicollet, Martin, Waseca, Watonwan, Sibley Counties. She noted that HUD was working on a breakdown of vouchers by county and summarized the vouchers currently in use.

Ms. Bokelmann reported that the HRA has experienced underutilization, is in funding shortfall for the Housing Choice Voucher program, has been unable to support program staffing, and desires to dissolve and transfer their vouchers to another housing agency in the region. She indicated that the HRA is requesting a voluntary transfer for the administration of the program to the Economic Development Authority of Blue Earth County, the Economic Development Authority of Mankato, and to the Minnesota Valley Action Council for the Faribault County HRA effective July 1, 2026. She noted that transfer to the EDA would allow the Housing Choice Vouchers to be utilized in each HRA county or Blue Earth County.

Brief discussion on the number of vouchers, and how they would be allocated. Ms. Bokelmann noted that HUD hasn't yet determined how the additional vouchers would be allocated.

Mr. Laven moved and Mr. Mettler seconded a motion to approve the Resolution authorizing support for the voluntary transfer of the Housing Choice Voucher program from the South-Central MN Multi-County HRA to the Economic Development Authority of Mankato, Minnesota . The motion carried unanimously.

5. **Adjournment**

There being no further business, Ms. Melby-Kelley moved and Mr. Mettler seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 5:40 p.m.

Prepared by:	Approved by:
Renae Kopischke City Clerk	Najwa Massad Chair

AGENDA RECOMMENDATION

Economic Development Authority **4. A.**

Meeting Date: 04/13/2026

Agenda Item:

Resolutions considering bids for Capital Improvement Project 11203; Orness Plaza RAD Conversion Improvements and Orness Plaza RAD Appliance Replacement.

Recommendation/Action(s):

Adoption of the attached resolutions.

Summary:

Capital Improvement Project 11203; Mankato Orness Plaza EDA RAD Conversion Improvements and appliance replacement was advertised for public bidding beginning on March 13th, 2026.

The project as bid includes 2 bid packages as follows; bid package one (1) for replacement of common area flooring, new ceiling tile in the atrium, LVT flooring in resident units, mechanical system upgrades and fire alarm systems. Bid package two (2) for replacement of all the appliances, both refrigerators and ranges in every apartment in the complex. This work takes place at Orness Plaza; the scope of work at Orness Plaza was identified through performing multi-site capital needs assessments performed by Dominion Due Diligence Group (D3G).

Two bids were submitted by qualified contractors for bid package one (1). The apparent low bidder is WEB Construction Co. with a base bid of $294,179.00. Staff recommends awarding the bid in the amount of $294,179.00. Funding will come from the Housing Capital Fund.

Two bids were submitted by qualified contractors for bid package two (2). The apparent low bidder is Quality Appliance with a base bid of $141,900.00. Staff recommends awarding the bid in the amount of $141,900.00. Funding will come from the Housing Capital Fund.

Attachments

Resolution Renovation

Resolution Appliances

Bid Tab Renovation

Bid Tab Appliances

RESOLUTION ACCEPTING BID ON IMPROVEMENT NUMBER 11203

WHEREAS, pursuant to an advertisement for bids for Improvement Number 11203, the Orness Plaza EDA RAD Conversion Improvements 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	Total
WEB Construction Co	Mankato, MN	$294,179	$294,179
Wilcon Construction Services	St. James, MN	$332,220	$332,220

AND WHEREAS, it appears that WEB Construction Co, 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 Co or Mankato, MN in the name of the Economic Development Authority of Mankato, MN for the RAD conversion improvements to Orness Plaza 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 13th day of April 2026.

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Najwa Massad
Board Chair

ATTEST:________________________________
Susan MH Arntz
Executive Director

RESOLUTION ACCEPTING BID ON
IMPROVEMENT NUMBER 11203

WHEREAS, pursuant to an advertisement for bids for Improvement Number 11203, the Orness Plaza EDA RAD Conversion Appliance Replacements 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	Total
Quality Appliance	Mankato, MN	$141,900	$141,900
Wilcon Construction Services	St. James, MN	$165,500	$165,500

AND WHEREAS, it appears that Quality Appliance 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 Quality Appliance of Mankato, MN in the name of the Economic Development Authority of Mankato, MN for the RAD conversion appliance replacements to Orness Plaza 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 13th day of April 2026.

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Najwa Massad
Board Chair

ATTEST:________________________________
Susan MH Arntz
Executive Director

MANKATO, Minnesota
Leading the way...

BID TABULATION

MANKATO EDA RAD CONVERSION

- ORNESS PLAZA

CITY PROJECT# - 11203

Bid Opening: **April 3rd @ 10:00 AM**

Name	Addendum Acknowledged	Contractor Compliance Form (Required to be submitted w/Bid)	Non-Collusive Affidavit (Submitted within 3 days of Bid)	Bid Bond (Required to be submitted w/Bid)	HUD-5369-A (Required to be submitted w/Bid)	HUD-2530 (Submitted within 3 days of Bid)	Total Bid
WEB Construction	NA	X	X	X	X	X	$294,179
Wilcon Construction	NA	X	X	X	X	X	$332,220

BID TABULATION

MANKATO EDA RAD CONVERSION APPLIANCES -

ORNESS PLAZA

CITY PROJECT# - 11203

Bid Opening: **April 3rd @ 10:00 AM**

Name	Addendum Acknowledged	Contractor Compliance Form (Required to be submitted w/Bid)	Non-Collusive Affidavit (Submitted within 3 days of Bid)	Bid Bond (Required to be submitted w/Bid)	HUD-5369-A (Required to be submitted w/Bid)	HUD-2530 (Submitted within 3 days of Bid)	Total Bid
Quality Appliance	NA	X	X	X	X	X	$141,900
Wilcon Construction	NA	X	X	X	X	X	$165,500

AGENDA RECOMMENDATION

Economic Development Authority **4. B.**

Meeting Date: 04/13/2026

Agenda Item:

Resolution considering bids for Capital Improvement Project 11204; Mankato EDA Scattered Sites RAD Conversion Improvements.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

Capital Improvement Project 11204; Mankato Scattered Sites EDA RAD Conversion Improvements, was advertised for public bidding beginning on March 13th, 2026.

The project as bid includes replacement of appliances, LVT flooring, concrete patios, driveways, sidewalks, electrical upgrades and fire alarm systems. This work takes place at various sites; these locations and the scope of work were identified through performing multi-site capital needs assessments performed by Dominion Due Diligence Group (D3G).

One bid was submitted by qualified contractors. The apparent low and only bidder is Wilcon Construction Services with a base bid of $215,000. Staff recommends awarding the bid in the amount of $215,000. Funding will come from the Housing Capital Fund.

Attachments

Resolution

Bid Tab

RESOLUTION ACCEPTING BID ON
IMPROVEMENT NUMBER 11204

WHEREAS, pursuant to an advertisement for bids for Improvement Number 11204, the Mankato Scattered Sites EDA RAD Conversion Improvements 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	Total
Wilcon Construction Service	St. James, MN	$215,000	$215,000

AND WHEREAS, it appears that Wilcon Construction Service, LLC of St. James, 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 Wilcon Construction Service of St. James, MN in the name of the Economic Development Authority of Mankato, MN for the RAD conversion improvements to various housing sites 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 13th day or April 2026.

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Najwa Massad
Board Chair

ATTEST:________________________________
Susan MH Arntz
Executive Director

MANKATO, Minnesota
Leading the way...

BID TABULATION

MANKATO EDA RAD CONVERSION

SCATTERED SITES

CITY PROJECT# - 11203

Bid Opening: **April 3rd @ 10:00 AM**

Name	Addendum Acknowledged	Contractor Compliance Form (Required to be submitted w/Bid)	Non-Collusive Affidavit (Submitted within 3 days of Bid)	Bid Bond (Required to be submitted w/Bid)	HUD-5369-A (Required to be submitted w/Bid)	HUD-2530 (Submitted within 3 days of Bid)	Total Bid
Wilcon Contruction	NA	X	X	X	X	X	$215,000

AGENDA RECOMMENDATION

Economic Development Authority **4. C.**

Meeting Date: 04/13/2026

Agenda Item:

Resolution considering bids for Capital Improvement Project 11237; Orness Plaza HVAC Upgrades Phase 1.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

Capital Improvement Project 11237; Mankato Orness Plaza RTU replacement, was advertised for public bidding beginning on March 13th, 2026.

The work includes replacement of the existing rooftop units (RTU), serving Orness Plaza. One provides conditioned fresh air for the apartments, and one provides conditioned air for the atrium. There are also two alternative bid items. Alternate #1 is to replace exhaust fans, PRV's and associated components that will work in conjunction with the new air handler bringing in fresh air for the apartments. Alternate #2 is for a modification to the two rooftop units to include heat pump technology for both energy efficiency in the swing seasons but also to reduce the long term carbon footprint of the facility. The scope of work at Orness Plaza was identified through performing multi-site capital needs assessments completed by Dominion Due Diligence Group (D3G).

One bid was submitted by a qualified contractor. The apparent low bidder is Skogen Mechanical with a base bid of $273,000, a bid on alternate 1 of $122,000, a bid on alternate 2 of $21,000 for a total bid amount of $416,000. The bidder did not submit all the required bidding documentation and therefore did not meet the requirements for bid award.

Staff recommend rejecting the bid and are seeking authorization to rebid and readvertise the project.

Attachments

Resolution

Bid Tab

RESOLUTION REJECTING BID ON
IMPROVEMENT NUMBER 11237

WHEREAS, pursuant to an advertisement for bids for Improvement Number 11237, the Orness Plaza EDA RAD Conversion RTU Replacements 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 1	Alternate 2	Total
Skogen Mechanical	Mankato, MN	$273,000	$122,000	$21,000	$416,000

AND WHEREAS, it appears that Skogen Mechanical of Mankato, MN is the lowest responsible bidder. But they did not submit all the bidding documents required at bid closing.

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

1. The Executive Director is hereby authorized and directed to reject the bid.

This resolution shall become effective upon its adoption.

Passed this 13th day of April 2026.

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Najwa Massad
Board Chair

ATTEST:__________________________________
Susan MH Arntz
Executive Director

BID TABULATION

MANKATO EDA RAD

CONVERSION ORNESS PLAZA RTU

CITY PROJECT# - 11203

Bid Opening: **April 3rd @ 10:00 AM**

Name	Addendum Acknowledged	Contractor Compliance Form (Required to be submitted w/Bid)	Non-Collusive Affidavit (Submitted within 3 days of Bid)	Bid Bond (Required to be submitted w/Bid)	HUD-5369-A (Required to be submitted w/Bid)	HUD-2530 (Submitted within 3 days of Bid)	Total Bid
Skogen Mechanical	X	X	X	X	X	X	$416,000

AGENDA RECOMMENDATION

Economic Development Authority **4. D.**

Meeting Date: 04/13/2026

Agenda Item:

Resolution adopting the payment standard schedule for the Housing Choice Voucher Program in Rock County.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

With the transfer of the Pipestone Housing Choice Voucher (HCV) Program, it has been determined that the Pipestone HRA's program was expanded to include Rock County, where no Public Housing Authority (PHA) currently administers an HCV Program. The U.S. Department of Housing and Urban Development (HUD) requires that a PHA administer the program and allows for expanded jurisdiction to address geographic gaps in program coverage.

To implement assistance in Rock County, the EDA is required to establish payment standards. Payment standards determine the maximum monthly subsidy a family may receive from the EDA. These standards are based on Fair Market Rents (FMRs), which are published annually by HUD for each county. FMR's are typically set at the 40th percentile of rents for standard-quality rental housing units within a given market area.

The EDA must establish payment standards within a HUD-approved "basic range" of 90 to 110 percent of the published FMR for each unit size. The recommended Payment Standards fall within this range and are set between 100 and 110 percent of FMR's.

The EDA is required to review the appropriateness of its payment standards annually upon publication of new FMRs, as well as at other times as needed. In addition to ensuring compliance with the basic range, the EDA considers the following factors when determining whether adjustments are necessary:

- **Funding Availability:** The EDA reviews its budget to assess the impact of projected subsidy adjustments on available funding and the number of families served. Currently, voucher utilization is constrained by funding limitations, which restricts the ability to increase Payment Standards.
- **Rent Burden of Participating Families:** The EDA evaluates the percentage of families paying more than 30 percent of their adjusted monthly income toward rent. If 40 percent or more of families in a given unit size exceed this threshold, an increase in the Payment Standard may be considered.

- **Quality of Units Selected:** The EDA reviews the quality of units leased by participants to ensure Payment Standard increases are necessary to access mid-range market units. Staff conduct rent reasonableness determinations at lease-up, encourage leasing in areas outside low-income census tracts, and monitor rental trends through housing studies.
- **Changes in Rent to Owner:** The EDA may analyze a sample of units to determine how frequently rents change and the average percentage of increases or decreases by bedroom size.
- **Unit Availability:** The EDA evaluates the availability of units by size, particularly in areas with lower concentrations of low-income and minority households.
- **Lease-Up Time and Success Rate:** The EDA considers the rate at which families successfully lease units before voucher expiration and whether participants are leaving the jurisdiction to secure affordable housing.

With the establishment of these Payment Standards, they will take effect on May 1, 2026, and thereafter each December. However, if proposed FMR's indicate that one or more current Payment Standards will fall outside the basic range upon publication of final FMRs, the effective date will instead be October 1.

These Payment Standards, set between 100 and 110 percent of HUD-published FMR's, are recommended for approval effective May 1, 2026. The Board is requested to approve the Payment Standards as presented by resolution.

Attachments

Resolution

RESOLUTION ADOPTING PAYMENT STANDARD SCHEDULE FOR THE MANKATO EDA SECTION 8 HOUSING CHOICE VOUCHER PROGRAM IN ROCK COUNTY

WHEREAS, the United States Department of Housing and Urban Development requires the adoption of payment standards for its Section 8 Housing Choice Voucher Program; and

WHEREAS, the Mankato Economic Development Authority has entered an Annual Contributions Contract to provide Section 8 Housing Choice benefits to Rock County residents; and

WHEREAS, the Mankato Economic Development Authority has reviewed the proposed Payment Standards identified in the attached Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the Mankato Economic Development Authority adopts the proposed Payment Standards effective May 1, 2026.

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

Adopted this 13th day of April 2026.

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Najwa Massad
Board Chair

ATTEST:

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Susan Arntz
Executive Director

EXHIBIT A

ROCL COUNTY PAYMENT STANDARDS

Effective: 5/1/2026

Bedroom Size	FMR	New Standard	Increase
Efficiency	$727	$738	102%
1 Bedroom	$742	$814	110%
2 Bedroom	$973	$1067	110%
3 Bedroom	$1353	$1353	100%
4 Bedroom	$1357	$1357	100%

AGENDA RECOMMENDATION

Economic Development Authority **4. E.**

Meeting Date: 04/13/2026

Agenda Item:

Resolution authorizing use of the Housing Trust Fund to support Connections Shelter Summer Expansion.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

This memorandum requests EDA Board authorization to allocate Housing Trust Fund resources to support the expansion of Connections Shelter's emergency shelter operations through the summer months of 2026. The proposed expansion will provide continuous, low-barrier overnight shelter from May 1 through September 30, addressing a critical seasonal gap in the community's homeless response system.

Connections Shelter is uniquely positioned to implement this expansion immediately, leveraging an established facility, trained staff, and a proven service model grounded in housing first, harm reduction, and trauma-informed care philosophies. Funding this proposal represents a strategic investment in stabilizing vulnerable residents, improving housing outcomes, and advancing the community's goal of a sustainable year-round shelter system.

Background and Need

The Mankato area currently lacks consistent shelter availability during the summer months, resulting in increased unsheltered homelessness, encampments, and reliance on emergency services. While Connections Shelter operates at or near capacity during its traditional season (October–May), services historically cease during the summer due to funding limitations.

This seasonal gap disrupts continuity of care, undermines housing progress, and increases vulnerability for individuals experiencing homelessness. Data from recent years demonstrate growing demand:

- Shelter applications increased from 325 to 412
- Individuals served increased from 160 to 222

Maintaining uninterrupted shelter access is critical as they work to identify and track status and performance outcomes for stable housing and to prevent returns to homelessness.

Proposal Overview
Connections Shelter proposes to operate a 48-bed overnight shelter from 5:00 PM to 8:00 AM daily throughout the summer period. The model includes:

- Low-barrier access with flexible check-in hours
- Safe, supervised overnight accommodations
- Meals and basic needs support
- On-site housing-focused case management
- HMIS and Coordinated Entry participation and service navigation

This approach builds on lessons learned from a 2025 pilot program, which demonstrated improved engagement when services align with seasonal patterns and guest needs.

Organizational Capacity
Connections Shelter has nearly a decade of experience serving individuals experiencing homelessness. It operates a fully equipped shelter facility and maintains partnerships with healthcare, housing, and community service providers to deliver coordinated support.

The organization has established financial management systems and demonstrated success managing state and grant-funded programs. Overall, Connections Shelter has the capacity to deliver effective, housing-focused services with measurable outcomes and accountability.

Budget
The total projected cost for summer operations is $145,283, primarily driven by personnel expenses required to maintain safe and consistent operations.
Key cost categories include:

- Salary and Staffing: $123,803
- Non-personnel Expenses: $17,400

Connections has secured $10,000 in CDBG funding to expand this summer's services, with additional private fundraising efforts underway, including a community matching to provide ongoing sustainability for year-round shelter services. The Housing Trust Fund request is for up to $135,283.

Community Impact
Approving this funding will have a meaningful and immediate impact on the community by ensuring continuous access to shelter, helping reduce the number of individuals experiencing unsheltered homelessness. With uninterrupted case management, individuals and families will be better supported in achieving and maintaining housing stability, leading to more consistent and positive long-term outcomes.

This investment will also help alleviate pressure on emergency services and other public systems by addressing needs proactively rather than reactively. By supporting a coordinated, year-round response to homelessness, the community will be better equipped to respond effectively across seasons and circumstances.

Overall, this funding aligns closely with established community priorities, including promoting housing stability, improving public health outcomes, and ensuring equitable access to essential services for all residents.

Recommendation

Staff recommends that the EDA Board authorize by resolution the allocation of Housing Trust Fund resources to support Connections Shelter’s expanded summer emergency shelter operations from May 1 through September 30, 2026, in an amount not to exceed $135,283, subject to standard funding agreements and reporting requirements, in order to address the seasonal gap in shelter services and advance a sustainable, year-round homeless response system.

Attachments

Resolution

RESOLUTION AUTHORIZING THE ALLOCATION OF HOUSING TRUST FUND RESOURCES TO SUPPORT CONNECTIONS SHELTER SUMMER EXPANSION

WHEREAS, the Mankato Economic Development Authority (EDA) is committed to supporting housing stability and addressing homelessness through strategic investment of Housing Trust Fund resources; and

WHEREAS, the Mankato area currently experiences a critical gap in emergency shelter services during the summer months, contributing to increased unsheltered homelessness, encampments, and reliance on emergency services; and

WHEREAS, Connections Shelter has demonstrated the organizational capacity, experience, and infrastructure necessary to provide effective, low-barrier emergency shelter services grounded in Housing First, harm reduction, and trauma-informed care; and

WHEREAS, Connections Shelter proposes to expand its operations to provide continuous overnight shelter services from May 1 through September 30, 2026, including case management and coordinated entry participation to support housing stability; and

WHEREAS, the total cost of the proposed summer expansion is $145,283, with $10,000 secured from Community Development Block Grant (CDBG) funding and the remaining $135,283 requested from the Housing Trust Fund; and

WHEREAS, this investment will provide continuous shelter access, improve housing outcomes through uninterrupted case management, reduce strain on emergency services, and support a coordinated, year-round response to homelessness; and

WHEREAS, the proposed funding aligns with community priorities related to housing stability, public health, and equitable access to services;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Mankato Economic Development Authority as follows:

1. The EDA Board hereby authorizes the allocation of Housing Trust Fund resources in an amount not to exceed $135,283 to Connections Shelter for the purpose of supporting expanded summer emergency shelter operations from May 1 through September 30, 2026.
2. The funding shall be contingent upon the execution of a funding agreement, including standard terms, conditions, and reporting requirements as determined by EDA staff.

Adopted by the Blue Earth County Economic Development Authority on this 13th day of April, 2026.

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Najwa Massad, Board Chair

ATTEST:

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Susan MH Arntz, Executive Director

AGENDA RECOMMENDATION

Economic Development Authority **4. F.**

Meeting Date: 04/13/2026

Agenda Item:

Resolution considering the Phase V contract with the Partnership Community Land Trust for implementation services of the Community Land Trust.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

The Economic Development Authority's (EDA) commitment has enabled Southwest Minnesota Housing Partnership (SWMHP) to leverage significant additional public and private resources, substantially increasing housing production and accelerating delivery timelines.

With the addition of New Markets Tax Credit (NMTC) financing, SWMHP now has greater flexibility to strategically layer County and City funds, Minnesota Housing Finance Agency (MHFA) resources, and NMTC capital on a project-by-project basis. This integrated approach has strengthened the program's efficiency and impact, allowing for increased production of permanently affordable homes.

This progress is now clearly visible in Mankato, with 21 homes projected to be delivered to income-qualified buyers in 2026.

Program Status and Phase Updates
Completed Phases
Phase I – Acquisition/Rehabilitation (Completed)

Phase I focused on three acquisition/rehabilitation homes serving households at or below 80% AMI. City investment provided a purchase price write-down, while CDBG funds addressed health and safety improvements.

- Homes closed: December 2023, June 2024, March 2025
- Outcome: All three homes successfully rehabilitated and sold to income-qualified buyers

Phase II – New Construction (Completed)

Phase II delivered three new construction homes serving households at or below 60% AMI. City and SWMHP contributions were leveraged to secure MHFA and Target Foundation funding.

- One home was purchased in March 2024 and sold in October 2024
- Two homes were constructed in partnership with local developers and sold in August 2025

Active Phases
Phase III – Acquisition/Rehabilitation (In Progress)
Phase III includes five homes serving households at or below 80% AMI.

- Two homes acquired to date
- One home completed and sold (December 2025)
- One home under construction, anticipated for sale in June 2026
- Three additional opportunities actively being pursued

Phases III, IV, and V – New Construction (In Progress)
With enhanced funding flexibility, SWMHP is advancing a significant pipeline of new construction homes in 2026:

- **17 homes under construction this year**
- Four twin homes on Scotch Lane, available Spring 2026.
- Eight homes in Good Counsel Meadows along North 4th Street, including a mix of modular and stick-built homes.
- Seven lots secured near Jefferson Quarry along 8th Avenue, with five homes currently planned as PCLT units and potential expansion to include two additional homes.

All new construction is currently structured to serve households at or below 80% AMI to align with NMTC requirements, while maintaining the ability to reach up to 100% AMI as funding alignment allows.

Homebuyer Demand and Readiness
Demand for PCLT homes continues to increase through outreach efforts, partnerships, and market visibility.

- Pipeline includes multiple mortgage-ready buyers
- Household sizes range from 1 to 11 individuals
- Buyers are qualifying for mortgages between $180,000 and $300,000

However, SWMHP continues to prioritize long-term affordability by targeting housing costs closer to 30% of household income, which often requires reducing mortgage amounts to approximately $160,000–$215,000 through layered financing.
Staff are actively working with buyers to utilize:

- State down payment assistance programs
- USDA financing (pending CLT eligibility approval)
- Housing vouchers and other local resources

Local lenders, including Old National Bank, U.S. Bank, and Guild Mortgage, are now actively financing PCLT homes, improving transaction efficiency and buyer access.

Program Momentum and Impact

- 7 families currently housed
- 21 additional homes expected within 18 months
- 28 total homes projected in Mankato

The City's initial investment has been highly leveraged, with its share of subsidy decreasing significantly over time—from fully funding early write-downs to approximately 11% in current projects. The County's invests will be seen in Phase IV and V homes this year.

The initiative continues to attract additional funding from multiple partners, including MHFA, Greater Minnesota Housing Fund, Blue Earth County, philanthropic organizations, and NMTC financing.

SWMHP's long-term vision is to develop **100 PCLT homes regionally**, with Mankato serving as a leading implementation model.

Phase V Funding Commitment
Although SWMHP was not awarded MHFA funding for Phase V, the organization can proceed with a portion of planned development due to NMTC resources already secured.

Specifically, **5 of the originally planned 10 new construction homes can move forward**, provided that local gap financing is secured.
SWMHP requests approval of the following funding commitments, consistent with prior Letters of Support:

- **City of Mankato:** $125,000 ($25,000 per home)
- **Blue Earth County:** $75,000 ($15,000 per home)

To support the construction of five (5) new PCLT homes and maintain current development momentum. These local funds will be leveraged with NMTC and other sources, maximizing impact. Staff recommends that the Board approve the Phase V contract in order to sustain the strong momentum of this initiative and position the project for continued success. Approval at this stage is critical to maintaining construction timelines for 2026, ensuring that progress remains on schedule and aligned with prior commitments. It will also allow the project to fully leverage existing NMTC allocations, maximizing available resources and preserving the financial structure already in place.

In addition, moving forward with Phase V will support the continued expansion of affordable homeownership opportunities, advancing the organization's mission and responding to ongoing community needs. Finally, approval will reinforce the City of Mankato's role as a leader in innovative housing solutions, demonstrating a continued commitment to forward-thinking strategies that address housing challenges in a sustainable and impactful way.

Action Requested
The requested action is adoption of the Resolution authorizing the Executive Director to enter into a service contract for Phase V with the Partnership Community Land Trust through December 31, 2027.

Attachments

Resolution

Contract

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH PARTNERSHIP COMMUNITY LAND TRUST FOR IMPLEMENTATION SERVICES FOR A COMMUNITY LAND TRUST

WHEREAS, the Mankato Economic Development Authority (EDA) has undertaken a variety of 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 operates the Partnership Community Land Trust in other communities; and

WHEREAS, Southwest Minnesota Housing Partnership has expanded their Partnership Community Land Trust, LLC (PCLT) in Mankato to create affordable homeownership and preserving the affordability of homeownership for future owners; and

WHEREAS, it is anticipated that successful development of the project will require participation from the EDA through financial support of $125,000 in funding for Five (5) single family homes; and

WHEREAS, Partnership Community Land Trust applied for Phase V of the community land trust to the Minnesota Housing Finance Agency under the Super RFP in July 2025 and was not funded; and

WHEREAS, Partnership Community Land Trust applied for Phase V of the community land trust to Housing Partnership Network seeking New Market Tax Credits in July 2023; and

WHEREAS, Partnership Community Land Trust Phase V application for funding through the Housing Partnership Network was awarded New Market Tax Credits to construct five (5) new homes in Mankato in October 2024; and

WHEREAS, a Phase V contract will facilitate the new construction of Five (5) single-family homes within the City of Mankato for prospective homebuyers at or below 80% of AMI per the application funding awards for completion by December 31, 2027.

NOW, THEREFORE, BE IT RESOLVED THAT the Executive Director is hereby authorized to execute the Phase V contract with Partnership Community Land Trust providing $125,000 from the Affordable Housing Trust Fund for the construction of five (5) new homes on a pay as you go basis.

This resolution shall become effective immediately upon passage.
Dated this 13th day of April 2026.

____
Najwa Massad, Chair

ATTEST:________________________________
Susan MH Arntz, Executive Director

CONTRACT FOR COMMUNITY LAND TRUST PHASE V SERVICES BY AND BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY OF MANKATO AND THE PARTNERSHIP COMMUNITY LAND TRUST

THIS CONTRACT for Administrative, Outreach and Training Services related to the implementation of the Partnership Community Land Trust ("PCLT") in the city of Mankato, Minnesota (hereinafter the "Project") is entered into on __April 13___, 2026, by and between the Economic Development Authority of Mankato (hereinafter the "EDA") and the Partnership Community Land Trust (hereinafter the "PCLT").

WHEREAS, the EDA supports the creation of a community land trust in the community to assist homebuyers at or below 80% of the Area Median Income (AMI) to acquire new single-family homes; and

WHEREAS, PCLT is willing to implement the program in the community in accordance with the provisions of this agreement.

NOW, THEREFORE, the parties do hereby mutually agree in consideration of the mutual covenants contained herein as follows:

In implementing the program, the PCLT agrees to provide the following services:

PHASE V

A. PCLT will continue outreach and training to local realtors, lenders, and appraisers to ensure that a community land trust will be supported and successful in the community.

B. PCLT will continue outreach and training to prospective PCLT homebuyers to ensure they understand the benefits and differences of homeownership through a community land trust; and will assist the homebuyers through the purchase and financing of the PCLT home acquisition.

C. PCLT will facilitate the new construction of five (5) single-family homes within the City of Mankato for prospective homebuyers at or below 80% of AMI per the New Market Tax Credits awarded in October 2024.

1. Payment for Services and Project Funding. The EDA hereby agrees to pay the PCLT in the following manner:

    a. For new single-family home construction support, the EDA shall provide up to $125,000 in project write down grant funding for five (5) homes to be purchased by homeowners into the PCLT at or below 80% of AMI in the City of Mankato corporate limits. Payment is due at the homebuyer's closing on the home. 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.

2. Covenants and Representations by the EDA. The EDA covenants and represents that the execution and delivery of this agreement and the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions of this agreement, do not and will not conflict with or result in a breach of any of the term or conditions of any restrictions contained in any agreement or any instrument to which the EDA is now a party or by which it is bound.

3. Covenants and Representation of the PCLT. The PCLT covenants and represents that it is a non-profit corporation, duly organized and existing under the laws of the State of Minnesota and is duly authorized to conduct its activities in the State of Minnesota, has the power to enter into this agreement, and has, by proper action, authorized the execution and delivery of this agreement. The PCLT further covenants and represents that the execution and delivery of this agreement and the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereby do not and will not conflict with or result in the breach of any of the terms or conditions of any restriction contained in any agreement or instrument to which the PCLT is now a party or by which it is bound or, and do not and will not constitute a default under any of the foregoing.

4. Termination. **This agreement shall remain in effect until December 31, 2027, but may be extended by mutual consent if the purchase of the five (5) homes contemplated herein is still underway.** This agreement may be terminated with or without cause by either party upon thirty (30) days prior written notice to the other party. In the event that a petition in bankruptcy is filed by or against either the PCLT, or in the event that either shall make an assignment for the benefit of creditors to take advantage of any insolvency act, either party hereto may immediately terminate this agreement without notice, but prompt advice of such action shall be given to the other party. In the event of a termination, the PCLT

shall receive compensation for each home closed provided prior to the date of such termination.

5. Governing Law. This agreement shall be construed and interpreted in accordance with the laws of the State of Minnesota.

6. Compliance with Laws. Both parties agree to comply with all applicable state, federal, and local laws, rules, and regulations now in effect or hereinafter adopted pertaining to this Agreement or to the facilities, programs and staff for which a party is responsible.

7. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, with proper addresses and indicated below. Any party may, by written notice given to the other party designate any address or addresses to which notices, certificates or other communications to them should be sent when required as contemplated by this agreement. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

Mankato EDA:	Economic Development Authority of Mankato Attn: Susan MH Arntz, Executive Director 10 Civic Center Plaza Mankato, MN 56001
SWMHP:	Partnership Community Land Trust Attn: Secretary/Treasurer 2401 Broadway Ave Slayton, MN 56172

8. Counterparts. This agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

9. Captions. The captions or headings of this agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions hereof.

10. Binding Effect. This agreement shall inure to the benefit and shall be binding upon the EDA and the PCLT and their respective successors and assigns until this agreement is terminated.

11. Amendment or Waiver of this Agreement. This agreement and every part hereof may not be waived or amended except by a writing executed by the EDA and the PCLT.

12. Assignments. This agreement shall inure to the benefit of and constitute a binding obligation upon the PCLT and the EDA, and their respective successors and assigns, provided that neither party assign this agreement or any of its duties hereunder without the prior written consent of the other party.

13. Conflict of Interest. The PCLT will identify, disclose, and remove itself from any inspection or consulting activities pertaining to properties owned, managed, or controlled by the PCLT or its affiliate companies or organizations. The EDA will be solely responsible for ensuring that qualified services are available, in a timely manner, to those identified properties.

14. Worker's Compensation Insurance: PCLT shall procure and carry, at its expense, Worker's Compensation Insurance as required by Minnesota Statutes, Section 176.181, Subd. 2 and further agrees to provide a certificate of said insurance to EDA. All this insurance coverage shall be maintained throughout the life of this Agreement. PCLT policies shall be primary insurance and noncontributory to any other valid and collectible insurance available to EDA with respect to any claim arising out of the EDA's performance under this Agreement. PCLT is responsible for payment of Agreement related insurance premiums and deductibles. Notwithstanding any provision of this Agreement, EDA reserves the right to immediately terminate this Agreement if PCLT is not in compliance with the insurance requirements contained herein.

15. Independent Contractor. For the purposes of this Contract, the PCLT shall be deemed an independent contractor and not an employee of the EDA and all employees of the PCLT or other people, while engaged in the performance of any work or services required by the PCLT under this Contract, shall not be considered employees of the EDA.

16. Liability. It is agreed that the EDA shall defend and save the PCLT harmless from any claims, demands, actions, or causes of action, damages, costs (including attorneys' fees) arising out of any act or omission on the part of the EDA, its

agents, servants or employees in performance of, or with relation to any of the work or services provided or furnished by the PCLT under the terms of this Contract. Furthermore, PCLT shall defend, indemnify, and save the EDA harmless from any claims, demands, actions, or causes of action, damages, costs (including attorneys' fees) arising out of any act or omission on the part of the PCLT, its agents, servants, or employees in performance of, or with relation to any of the work or services under this Contract.

17. Data Practices. The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 *et seq*. PCLT will continue to maintain the current level of data security for all data created under this Agreement and will follow all statutory guidelines regarding notifications in the case of a data breach.

IN WITNESS WHEREOF, the parties hereunto have executed this Contract for Services the day and year first above written.

PARTNERSHIP COMMUNITY LAND TRUST	**ECONOMIC DEVELOPMENT AUTHORITY MANKATO**
By: ______________________________	By: ______________________________
Its: Secretary/ Treasurer	**Its: Executive Director**

AGENDA RECOMMENDATION

Economic Development Authority **4. G.**

Meeting Date: 04/13/2026

Agenda Item:

Resolution adopting Tax Abatement Policy.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

Staff have received an increase in inquiries over the past year regarding usage of tax abatement. Currently, the City does not have a policy for usage beyond what is set by Minnesota Statute.

Minnesota law allows cities, counties, school districts, and towns to use property tax abatement to promote local economic development (Minn. Stat. §§ 469.1812, 469.1813, 469.1814, 469.1815). This tool allows a jurisdiction to use property tax revenue to support development, often through an agreement with a property owner who commits to building or improving property that benefits the local economy. A jurisdiction may only abate the property taxes it imposes, not those from other taxing authorities or the state. A political subdivision must provide notice of the prospective abatement and hold a public hearing. After the hearing, an abatement resolution may be adopted that specifies the terms of the abatement.

Tax abatement is more flexible and simpler to establish compared to Tax Increment Financing (TIF). Given the flexibility with tax abatement and increased inquires surrounding usage, staff finds it would be helpful to have a tax abatement policy to guide usage.

Abatements generally have shorter durations and fewer statutory restrictions than TIF, but they only capture the taxes of the granting jurisdiction. An abatement can last no longer than 15 years, though Statute allows some exceptions under certain criteria to allow up to 20 years. Historically, Blue Earth County has not participated in tax abatements related to site development and instead has focused abatement on major transportation improvements involving highway interchanges and arterial/collector roadways (i.e. Victory Drive).

Past Tax Abatement usage by City of Mankato

Currently, the City of Mankato / Mankato EDA does not have an adopted policy for usage of tax abatement other than what is provided in the State Statute. In the past, there have been limited instances where tax abatement has been used in Mankato, which include the following:

PROJECT / YEAR	TAX ABATEMENT USAGE
Northeast Redevelopment Plan / 2000	On June 12, 2000, the Mankato Economic Development Authority and City of Mankato established a redevelopment project, which provided assistance in the redevelopment of a commercial/retail area situated in the northeast area of the City. The project was found to result in the prevention of blight, redevelopment of inappropriate land uses and construction of infrastructure improvements that would promote the health, safety and welfare of residents, stimulate economic development, job opportunities, and development/redevelopment of land that is underutilized within the City. Abatement was used to fund infrastructure improvements and road construction. There were several plan modifications to expand the boundaries and increase the project budget, including the following: • June 24, 2002, modification to expand the boundaries to fund Phase I of the Victory Drive extension project. • August 14, 2006, modification approved for Victory Drive improvements. • December 9, 2013, modification to expand the boundaries and increase the project budget to address the substandard conditions found in Orderly Annexation Area 1 contained in the Joint Resolution for Orderly Annexation with Lime Township. • October 9, 2017, modification to expand the boundaries and increase the project budget for the Adams Street extension project.
Hilton Garden Inn / 2004	On November 8, 2004, the Mankato City Council passed a resolution approving tax abatement for the Downtown Hotel Redevelopment project (Hilton Garden Inn). Tax abatement was used because the project didn’t qualify for TIF. The abatement was used for parking improvements, skyway construction, and other public infrastructure improvements in the Downtown Core.

Minnesota Cities with Tax Abatement Policies
Staff reviewed tax abatement policies adopted by other Minnesota cities. Some cities have their own criteria to guide usage. Attached is a summary of cities that have tax abatement policies. Some cities have criteria established for the type of project and some set priorities for the type of project or improvements. Some cities may approve the use of tax abatement for projects that don’t qualify for TIF, while other cities list specific types of projects, including providing affordable housing or housing in general, redevelopment of blighted or underutilized or contaminated sites, projects that improve the quality of life in the city, projects that would include completion of transportation and other utility infrastructure improvements in conjunction with the project. Some target specific types of development. Some cities also leave the policy vague to say requests will be reviewed on a case-by-case basis.

Attached is a draft tax abatement policy and application.

The requested action is adoption of the attached resolution approving the tax abatement policy.

Attachments

Resolution
Draft Tax Abatement Policy and Application
Summary of Tax Abatement Policies from other Cities

RESOLUTION ADOPTING TAX ABATEMENT POLICY

WHEREAS, the Mankato Economic Development Authority (the “EDA”) is authorized under applicable state law to promote, encourage, and facilitate economic development, redevelopment, and housing within its jurisdiction; and

WHEREAS, the EDA recognizes that tax abatement is an economic development tool that can be used to encourage private investment, job creation, housing development, and the revitalization of underutilized or blighted properties; and

WHEREAS, the Authority desires to establish a formal Tax Abatement Policy (the “Policy”) to provide guidelines, criteria, and procedures for the consideration and approval of tax abatement requests; and

WHEREAS, the Policy is intended to ensure that tax abatement is used in a manner that is fiscally responsible and consistent with the EDA’s economic development goals; and

WHEREAS, the EDA has reviewed the proposed Tax Abatement Policy and finds that it is in the best interests of the EDA and the community to adopt such Policy;

NOW, THEREFORE, BE IT RESOLVED by the Mankato Economic Development Authority that the Tax Abatement Policy is hereby approved. This Resolution shall become effective upon its passage and without publication.

Adopted this 13th day of April, 2026.

____
Najwa Massad, Board Chair

Attest: _____________________________
Susan MH Arntz, Executive Director

Tax Abatement
Policy & Application

Dated:

City of Mankato
Economic Development

Table of Contents

DRAFT

I. POLICY PURPOSE

For the purposes of this document, the term "City" shall include the City of Mankato City Council and Economic Development Authority.

The purpose of this policy is to establish the City of Mankato's position relating to the use of Tax Abatement for private development above and beyond the requirements and limitations set forth by State Law. This policy shall be used as a guide in the processing and review of applications requesting Tax Abatement assistance. The fundamental purpose of providing Tax Abatement in the City of Mankato is to encourage desirable development or redevelopment that would not otherwise occur *but-for* the assistance provided through the Tax Abatement.

The City of Mankato is granted the power to utilize Tax Abatement by Minnesota Statutes, Sections 469.1812 to 469.1815 (the "Minnesota Tax Abatement Act"), as amended. It is the intent of the City to provide the minimum amount of Tax Abatement, as well as other incentives, at the shortest term required for the project to proceed. Preference is given to projects in which the total amount of Tax Abatement request includes participation from the county. The City reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on City services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of Tax Abatement to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

II. DIFFERENCE BETWEEN TAX ABATEMENT AND TAX INCREMENT FINANCING

The primary difference between Tax Abatement and Tax Increment Financing (TIF) is the way in which the dollars are awarded to the project. When TIF is awarded to a project by the City, the other taxing jurisdictions (the school district and the county) are required to contribute their portion of the increased taxes to the project. Conversely, when Tax Abatement is requested, each political subdivision has the option of granting its portion of the increased taxes to the project. Subsequently, the dollars generated for the project with Tax Abatement are generally less than the dollars generated with TIF.

III. OBJECTIVES OF TAX ABATEMENT

As a matter of adopted policy, the City will consider using Tax Abatement to assist private development projects to achieve one or more of the following objectives:

- To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits as defined in the City's business subsidy guidelines.

- To enhance and diversify the City of Mankato's economic base.

- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.

- To facilitate the development process and to achieve development on sites which would not be developed without Tax Abatement assistance.

- To remove blight and/or encourage redevelopment of commercial and industrial areas in the City that result in high quality redevelopment and private reinvestment.

- To offset increased costs of redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development.

- To create opportunities for affordable housing.

- To contribute to the implementation of other public policies, as adopted by the City from time to time, such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.

- To significantly increase the City of Mankato's tax base.

IV. POLICIES FOR THE USE OF TAX ABATEMENT

a. Tax Abatement assistance will generally be provided to the developer upon receipt of taxes by the City, otherwise referred to as the *pay-as-you-go* method.

b. Any developer receiving Tax Abatement assistance shall provide a minimum of ten percent (10%) owner cash equity investment in the project.

c. Tax Abatement will not be used in circumstances where land and/or property price is in excess of fair market value.

d. Developer shall be able to demonstrate a market demand for a proposed project.

e. Tax Abatement will not be utilized in cases where it would create an unfair and significant competitive financial advantage over other projects in the area.

f. Tax Abatement shall not be used for projects that would place extraordinary demands on City services or for projects that would generate significant environmental impacts.

g. The developer must provide adequate financial guarantees to ensure completion of the project, including, but not limited to: agreements, letters of credit, personal guaranties, etc.

h. The developer shall adequately demonstrate, to the City's sole satisfaction, an ability to complete the proposed project based on past development experience, general reputation, and credit history, among other factors, including the size and scope of the proposed project.

i. For the purpose of underwriting the proposal, the developer shall provide any requested market, financial, environmental, construction plans or other data requested by the City or its consultants.

j. Tax Abatement proposals shall not be used to support speculative office projects. Speculative projects are defined as those projects which have pre-leasing agreements or letters of intent for less than 50% of the available space.

In addition, leasable office projects must meet the following guidelines:

1. Evidence of the 50% occupancy must be reported to the Director of Community Development six months following an issued Certificate of Occupancy.
2. Of the occupants certified at the six month period, 50% of the jobs must be considered "new" jobs to the City of Mankato, meaning jobs not located in the City at any time prior to occupying space in the project.
3. Business retention jobs will be considered on a one-for-one match to job creation only in cases where job loss is specific and demonstrable in accordance with the Minnesota Business Subsidy Law. Evidence may include documentation that the company will have to close involuntarily, or the company has received an attractive offer to move to another state or community.

k. All Tax Abatement proposals shall optimize the private development potential of a site.

V. PROJECT QUALIFICATIONS

All Tax Abatement projects considered by the City of Mankato must meet ***each*** of the following requirements:

a. The project shall meet at least <u>one</u> of the objectives set forth in Section III of this document.

b. The use of Tax Abatement will be limited to:

- Industrial development, expansion, redevelopment, or rehabilitation; or
- Commercial redevelopment or rehabilitation; or
- Research and development facilities; or
- Office facilities with a minimum new construction of 25,000 square feet; or

c. The developer shall demonstrate that the project is not financially feasible *but-for* the use of Tax Abatement.

d. The City will consider the use of Tax Abatement assistance for projects that may not meet the *but-for* and job creation criteria, but rather would be considered as a "location incentive". These projects may result in other public benefits such as a significant tax base increase, the creation of higher paying jobs (at least twice the minimum hourly rate stated in the City's business subsidy guidelines), and is likely to assist in the marketing and attraction of additional desired developments.

e. The project shall comply with all provisions set forth in the Minnesota Tax Abatement Law, Minnesota Statutes 469.1812 to 469.1815, as amended.

f. The project shall be consistent with the City's Land Use Plan and Zoning Ordinances.

g. The project shall be consistent with the City's economic development policies and priorities.

h. The project shall obtain all required zoning approvals prior to consideration of a Tax Abatement request by the Economic Development Authority (EDA).

i. The project shall serve at least <u>two</u> of the following public purposes:
   - Job creation or job retention.
   - Significantly increase the tax base.
   - Enhancement or diversification of the City's economic base.
   - Development or redevelopment that will spur additional private investment in the area.
   - Fulfillment of defined City objectives, such as those identified in the City's Strategic Plan, among others.
   - Removal of blight or the rehabilitation of a high profile or priority site.

j. Tax Abatement may be considered for projects that do not qualify for Tax Increment Financing (TIF), provided the project meets the applicable objectives, policies, and financial feasibility criteria outlined in this document. The City will not provide Tax Abatement assistance to projects that also receive TIF.

VI. SUBSIDY AGREEMENT & REPORTING REQUIRMENTS

All developers/businesses receiving Tax Abatement assistance from the City of Mankato shall be subject to the provisions and requirements set forth by the City's business subsidy guidelines as amended and Minnesota Statutes Sections 116J.993 to 116J.995 (the "Minnesota Business Subsidy Law"), if applicable.

VII. APPLICATION PROCESS FOR TAX ABATEMENT

A. CITY OF MANKATO

1. Applicant submits the completed application along with a $4,400 application fee. The application fee will be used toward the cost of services provided in the evaluation of financial feasibility and preparation of legal documents and agreements. **Projects that demand professional services in excess of the application shall be required to reimburse the City for the additional expenses.**

2. City staff reviews the application and completes the Application Review Worksheet. City staff forwards application to Baker Tilly to complete but-for test analysis to evaluate financial need for Tax Abatement.

3. Results of the Worksheet and Baker Tilly's analysis are submitted to the appropriate governing authorities (EDA) for recommendation to the City Council of approval or denial of the request.

4. If preliminary approval is granted, all necessary notices, resolutions and agreements are prepared by City staff and/or consultants.

5. Public hearing(s) on the proposed request are held.

6. The City Council grants final approval or denial of the request.

B. APPLICATIONS TO OTHER JURISDICTIONS

It is recommended that applicants intending to seek Tax Abatement from Blue Earth County and/or School District 77 make their applications to those bodies concurrent with their application to the City of Mankato. For more information on applying for Tax Abatement through Blue Earth County and/or School District 77, contact:

Blue Earth County
507-304-4150

School District 77
507-387-1868

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

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

City of Mankato
Financial Incentive Application
Tax Abatement Financing

VIII. APPLICATION FOR TAX ABATEMENT

Public Information Notice

Generally, correspondence to and from Staff is considered public information. Specific data related to a financial assistance request is deemed not public: Financial Information, Financial Statements, Net worth Calculations, Business Plans, Income and Expense projections, Balance Sheets, Customer Lists, Income Tax returns. When public financial assistance is received, only the following remains not public: Business Plans, Income and Expense projections, Customer lists, Income tax returns, design, market, and feasibility studies not paid for with public funds. The City does allow an applicant to submit sensitive financial information directly to the City's financial consultant, for additional security.

A. APPLICANT INFORMATION

Name of Business Entity's____________________________________

Address ____

Primary Contact ____

Address____

Phone____________ Fax_____________ Email____________________

Brief description of the business entity, including history, principal product or service:

____
____
____
____

Brief description of the proposed project:

____
____
____
____

Attorney Name ____
Address____
Phone _____________Fax_____________Email____________________

Accountant Name____
Address____
Phone__________________Fax____________________Email__________________

Contractor Name ____
Address____
Phone__________________Fax____________________Email__________________

Engineer Name ____
Address____
Phone__________________Fax____________________Email__________________

Architect Name ____
Address____
Phone__________________Fax____________________Email__________________

B. PROJECT INFORMATION

1. The project will be:
   ____Industrial: ___New Construction ____Expansion ____Redevelopment / Rehab.
   ___Office/research facility
   ____Commercial Redevelopment/Rehabilitation
   ____Other____

2. In addition to the City of Mankato, applicant is requesting Tax Abatement from:
   _______Blue Earth County__________School District 77

3. The project will be: ___Owner Occupied ____Leased Space

4. Project Address ____
   Parcel Identification Number(s)_________________________________

5. Site Plan and Construction Plans Attached: _____Yes _____No

6. Total Amount of Tax Abatement Requested: $_________________over_____years.
   City Portion: Annual $___________Total $_______
   County Portion: Annual $___________Total $_______
   ISD 77 Portion: Annual $___________Total $_______

7. Current Real Estate Taxes on Project Site: $________________________
   Estimated Real Estate Taxes upon Completion: Phase I $________________
   Phase II $________________

8. Construction Start Date: ____________________________________
   Construction Completion Date: ____________________________________
   If Phased Project: ____________Year _____________% Completed
   ____________Year _____________% Completed

C. PUBLIC PURPOSE

It is the policy of the City of Mankato that the use of Tax Abatement should result in a benefit to the public. Please indicate how this project will serve a public purpose.

___Job Creation/Retention Number of existing jobs ________________________
Number of jobs created by project ______________
Average hourly wage of jobs created/retained _______

___New industrial development which will result in additional private investment in the area.

___Enhancement and/or diversification of the City of Mankato's economic base.

___The project contributes to the fulfillment of the City's Strategic Plan.

___Removal of blight.

___Rehabilitation of a high profile or priority site.

___Significantly increase the City's tax base.

D. SOURCES & USES

SOURCES	NAME	AMOUNT
Bank Loan	________________________	$ ________________
Other Private Funds	________________________	$ ________________
Owner Cash Equity	________________________	$ ________________
Fed Grant/Loan	________________________	$ ________________
State Grant/Loan	________________________	$ ________________
EDA Loan	________________________	$ ________________
Tax Abatement	________________________	$ ________________
ID Bonds	________________________	$ ________________
TOTAL		**$** ________________

USES	AMOUNT
Land Acquisition	$________________
Site Development	$________________
Construction	$________________
Machinery & Equipment	$________________
Architectural & Engineering Fees	$________________
Legal Fees	$________________
Interest During Construction	$________________
Debt Service Reserve	$________________
Contingencies	$________________
TOTAL	**$** ________________

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

Applicants will also be required to provide the following documentation:

______A) Written business plan, including a description of the business, ownership/management, date established, products and services, and future plans

______B) Financial Statements for Past Two Years

______Profit & Loss Statement

______Balance Sheet

______C) Current Financial Statements

______Profit & Loss Statement to Date

______Balance Sheet to Date

______D) Two Year Financial Projections

______E) Personal Financial Statements & Current Tax Return of all Major Shareholders

______F) Letter of Commitment from Applicant Pledging to Complete During the Proposed Project Duration

______G) Letter of Commitment from the Other Sources of Financing, Stating Terms and Conditions of their Participation in the Project

______H) Application fee of $4,400.

______I) Construction Plans and Itemized Project Construction Statement

______J) Attach the following documentation as Exhibits

______Exhibit A – Corporation/Partnership Description

______Exhibit B – Description of Project

______Exhibit C – List of Shareholders/Partners

______Exhibit D – *But-For* Analysis

______Exhibit E – List of Prospective Lessees

______Exhibit F – Legal Description and PID Number(s)

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes the City of Mankato to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name____Date________________

IX. SAMPLE *BUT-FOR* ANALYSIS

	WITH NO TAX ABATEMENT			WITH TAX ABATEMENT		
	SOURCES AND USES			SOURCES AND USES		
	SOURCES			SOURCES		
Mortgage			9,600,000			8,667,000
Equity			2,400,000			2,400,00
Tax Abatement			0			933,000
TOTAL SOURCES			12,000,000			12,000,000
	USES			USES		
Land			1,500,000			1,500,000
Site Work			300,000			300,000
Soil Correction			468,000			468,000
Demolition			100,000			100,000
Relocation			65,000			65,000
Subtotal Land Costs			2,433,000			2,433,000
Construction			6,750,000			6,750,000
Finish Manufacturing			250,000			250,000
Subtotal Construction Costs			7,000,000			7,000,000
Soft Costs			350,000			350,000
Taxes			35,000			35,000
Finance Fees			850,000			850,000
Project Manager			542,000			542,000
Developer Fee			540,000			540,000
Contingency			250,000			250,000
Subtotal Soft Costs			2,567,000			2,567,000
TOTAL USES			12,000,000			12,000,000
	Income Statement			Income Statement		
		Sq. Ft.	Per Sq. Ft.		Sq. Ft.	Per Sq. Ft.
Rent-Space 1	100,000	$8.00	800,000	100,000	$8.00	800,000
Rent-Space 2	25,000	$8.50	212,500	25,000	$8.50	212,500
Rent-Space 3	25,000	$9.00	225,000	25,000	$9.00	225,000
Other	0	$0.00	0	0	$0.00	0
			1,237,500			1,237,500
Mortgage	20 Term		1,051,646	20 Term		949,439
	9.00% Interest			9.00% Interest		
	9,600,000 Principal			8,667,000 Principal		
Net Income			185,854			288,061
Total Return on Equity			7.74%			12.00%

X. TAX ABATEMENT APPLICATION REVIEW WORKSHEET

TO BE COMPLETED BY CITY STAFF

1. **The project meets the criteria set forth in Section V of the Tax Abatement policy**.

_______a) Meets at least one of the objectives in Section III.
_______b) Demonstrates need for Tax Abatement with the *but-for* analysis.
_______c) Consistent with all City plans and ordinances.
_______d) Serves at least two public purposes as defined in Section V(g).

2. Ratio of Private to All Public Investment in Project:		**Points:______**	
$_____________Private Investment		5:1	5
$_____________Public Investment		4:1	4
_____________**Ratio Private: Public Financing**		3:1	3
		2:1	2
	Less than	2:1	1

3. Job Creation in the City of Mankato:		**Points:______**	
_______Number of new jobs as a result of the project.		25+	5
_______Number of existing/retained jobs		20+	4
_______**Total**		15+	3
		10+	2
	Less than	10	1

4. Ratio of Public Investment to Job Creation:	**Points:______**	
$_____________Public Investment	$8,000 or less	5
_____________Number of *new* jobs created/retained	$10,000 or less	4
$_____________of Public Investment per *new* job	$12,000 or less	3
	$15,000 or less	2
	Over $15,000	1

5. Wage Level of *new* jobs created/retained	**Points:______**	
Minimum hourly wage	Over $21/ hour	5
of jobs created/retained: ___________	$18-21 / hour	4
	$14-17 / hour	3
	$10-13 / hour	2
	Under $10/ hour	1

6. Project size:	**Points: ______**	
The project will result in the construction	40,000+	5
of square feet ______________	30,000+	4
	20,000+	3
	10,000+	2
	10,000 or less	1

7. Market Value/Tax Base Generation: **Points: ______**

The project will result in a per square foot estimated market value (land and building) of__________________

Industrial	Commercial	
$80/sf+	$110/sf+	5
$70/sf+	$100/sf+	4
$60/sf+	$90/sf+	3
$50/sf+	$80/sf+	2
$40/sf+	$70/sf+	1

8. Type of Project: **Points:______**

_______100% Owner Occupied 5

_______Mix Owner Occupied & Investment 4

_______Investment Property 3

9. Use: **Points:______**

_______Industrial or Business Park Project 5

_______Commercial Rehabilitation/Redevelopment 4

10. Likelihood that the project will result in unsubsidized, spin-off development. **Points:______**

______High 5

______Moderate 3

______Low 1

Sub - Total Points: _______ of a possible 45 points.

Total Points: _______	Rating	Points	Max Eligibility
Overall project desirability:	High	45-38 points	100%
	Moderate	37-29 points	75%
	Low	28-20 points	50%
	Not Eligible	19-0 points	0%

MINNESOTA CITIES WITH TAX ABATEMENT POLICIES		
CITY	**POPULATION**	**USAGE**
St. Cloud	70,629	Limited to support job growth and projects which would otherwise not qualify for TIF
https://www.developstcloud.com/media/userfiles/subsite_282/files/city-of-st-cloud-business-financial-assistance-policy.pdf		
Eagan	68,000	Will only consider tax abatement in support of the following City priorities: • Attraction of a colocation data center • Attraction of a telecommunications carrier hotel • Redevelopment/reuse projects under certain circumstances
https://cityofeagan.com/images/CommunityDevelopment/EconomicDevelopment/Policy_2014-06-17_clean_Business_Financing_Assistance_Policy_and_Application_-_Signed.pdf		
Burnsville	64,463	Policy is encompassing of development tools, which includes tax abatement. Use of financial assistance from the City of Burnsville, which may include TIF, tax abatement and other forms of public financing must accomplish one or more of the following objectives: • Remove blight and/or encourage redevelopment in designated redevelopment/development area(s) per the goals and visions established by the City. • Expand and diversify the local economy and tax base. • Enhance the City's position as a regional destination • Encourage additional unsubsidized private development in the area, either directly or through secondary "spin-off" development. • Offset increased costs for redevelopment over and above the costs that a developer would incur in normal urban and suburban development (determined as part of the But-For analysis). • Facilitate the development process and promote development on sites that could not be developed without this assistance. • Retain local jobs and/or increase the number and diversity of quality jobs • Provide opportunities for small businesses and/or entrepreneurs and promote resident economic stability. • Meet other uses of public policy, as adopted by the City from time to time, including but not limited to promotion of quality urban design, quality architectural design, energy conservation, sustainable building practices, and decreasing the capital and operating costs of local government.
https://burnsvillemn.gov/DocumentCenter/View/11098/Development-Tools-Policy?bidId=		
Shakopee	46,012	To encourage desirable development or redevelopment that would not otherwise occur but for the assistance provided through tax abatement. Case by case approval, more recently used for industrial creating high job employment. As a matter of adopted policy, the City will consider using the use of Tax Abatement to assist private development projects that must, at a minimum, achieve one of the following objectives: • To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits. • Projects that provide value in the forms of needed transportation and other utility infrastructure improvement that would be completed in conjunction with the project. • To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development. • To facilitate the development process and to achieve development on sites which would not otherwise be developed but-for the use of Tax Abatement.

		• To remove blight and/or encourage redevelopment of commercial and industrial areas in the City that result in high quality redevelopment and private reinvestment. • To offset increased costs of redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development. • To create opportunities for affordable housing. • Projects that improve the quality of life in the City by providing a desirable good or service and address an unmet demand in the community.
https://cms2.revize.com/revize/shakopee/Documents/Business%20And%20Development/Economic%20Development/Business%20Incentives%20Finance%20Programs/Tax_Abatement_Policy%2031820.pdf?t=202505291012470&t=202505291012470		
Northfield	20,742	Use of tax abatement limited to: • Industrial development, expansion, redevelopment, or rehabilitation; • Commercial redevelopment or rehabilitation; • Office or research facilities; • Housing and infrastructure; or • Public infrastructure. As a matter of adopted policy, the City will consider using tax abatement financing to assist private development projects and public improvements to achieve one or more of the following objectives: • To enhance and diversify the City of Northfield's economic base. • To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development. • To facilitate the development process and to achieve development on sites which would not be developed without assistance or would not be developed at a level of quality acceptable to the Council and the Community. • To encourage redevelopment of commercial and industrial areas in the City that result in high quality redevelopment and private reinvestment. • To encourage the removal of blight or the rehabilitation of a high profile or priority site. • To offset increased costs of redevelopment (i.e. contaminated site clean-up, demolition expenses, etc.) over and above the costs normally incurred in development. • To increase the tax base. • To create affordable housing opportunities. • To retain local jobs or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits. • To finance the costs associated with public infrastructure and public facilities. • To contribute to the implementation of other public policies as adopted by the City, such as the promotion of quality architectural design, enhanced recreational opportunities, and decreasing capital and/or operating costs of local government.
https://www.northfieldmn.gov/DocumentCenter/View/17754/902-Tax-Abatement-Policy?bidId=		
Elk River	28,439	Use of tax abatement limited to: • Industrial development, expansion, redevelopment, or rehabilitation; or • Commercial redevelopment or rehabilitation; or • Research and development facilities that satisfy Business Park zoning requirements; or • Office facilities with a minimum new construction of 25,000 square feet; or • The developer shall demonstrate that the project is not financially feasible

		As a matter of adopted policy, the city will consider using Tax Abatement to assist private development projects to achieve one or more of the following objectives: • To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits as defined in the city's Business Subsidy Policy. • To enhance and diversify the city of Elk River's economic base. • To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development • To facilitate the development process and to achieve development on sites which would not be developed without Tax Abatement assistance. • To remove blight and/or encourage redevelopment of commercial and industrial areas in the city that result in high quality redevelopment and private reinvestment. • To offset increased costs of redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development. • To create opportunities for affordable housing. • To contribute to the implementation of other public policies, as adopted by the city from time to time, such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government. • To significantly increase the city of Elk River's tax base.
https://www.econdev.elkrivermn.gov/media/userfiles/subsite_77/files/Policies/2017%20Tax%20Abatement%20Policy%20and%20Application.pdf		
Lakeville	77,971	a) All Tax Abatement projects considered by the City of Lakeville must meet all of the following requirements: i. The project shall meet at least one of the objectives set forth in Section 2, Objectives of Tax Abatement, and satisfy all of the provisions set forth in Section 3, Policy for the Use of Tax Abatement, of this document. ii. The development shall demonstrate that the project is not financially feasible but-for the use of Tax Abatement. iii. The project must be consistent with the City's Comprehensive Plan, Land Use Plan, and Zoning Ordinances. iv. The project shall serve at least two of the following public purposes: 1. Creation of jobs with livable wages and benefits, per City's Business Subsidy Policy. 2. Increase of tax base. 3. Enhancement or diversification of the City's economic base. 4. Industrial development that will spur additional private investment in the area. 5. The project contributes to the fulfillment of the City's development or redevelopment objectives. 6. Removal of blight or the rehabilitation of a high profile or priority downtown site.
https://www.lakevillemn.gov/DocumentCenter/View/1151/Lakeville-Tax-Abatement-Policy-PDF?bidId=		
Blue Earth	3,174	Housing tax abatement policy effective 5/1/2023 – 4/30/2028 Intent: The purpose of the City of Blue Earth Housing Tax Abatement program is to provide incentives to encourage the new construction of owner occupied and residential rental units for single-family and multi-family housing units. Qualifying Units of Housing Eligible units of housing include a single-family house or multi-family complexes. A house may be new construction, modular, or manufactured provided the structure meets the cities building and zoning codes. Criteria for Eligibility

		1. Property is located within City limits 2. Project is not receiving other financial assistance including tax increment financing/TIF, Workforce Housing, or Small Cities Development Program (SCDP) 3. Project complies with applicable zoning and building codes adopted at the time the building/zoning permit is obtained 4. Property does not have any outstanding land use issues (non-compliance or non-conformities) 5. Property taxes are current
https://becity.org/images/documents/housing/Housing-Tax-Abatement-Policy-Draft.pdf		
North Mankato	14,275	Tax Abatement and Tax Increment Financing Policy: Consideration for Tax Abatement and TIF will be given to projects providing public benefits in one or more of the following categories: • To retain and/or expand existing businesses located in the City. • To increase the tax base. • To diversify the local economy, encourage economic and commercial activity, including the range of goods and services available. • To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits. • To encourage additional unsubsidized private development in the area, either directly or indirectly through “spin off” development or attracting other businesses, jobs, and investments in the area. • To facilitate the development process and to achieve development on sites which would not otherwise be developed or that would be underdeveloped without assistance. • To remove blight and/or encourage redevelopment of commercial and industrial areas in the city that result in quality redevelopment and private reinvestment. • To provide significant economic impact by attracting other businesses, jobs, or investment. • To offset increased costs of development or redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development. • To fully utilize existing or planned infrastructure improvements. • To encourage fast-growing businesses. • To encourage businesses that provide basic goods and services. • To create opportunities for affordable housing. • To contribute to the implementation of other identifiable goals of the City. When possible, incentives shall be used to finance public improvements associated with the project in the following priority: 1. Public improvements, legal, administrative, and engineering costs. 2. Site preparation, site improvement, land purchase, demolition, and environmental remediation. 3. Capitalized interest, bonding costs.
https://cms2.revize.com/revize/mankato/Document%20Center/Business/Policies/Tax%20Abatement%20and%20Increment%20Policy.pdf https://cms2.revize.com/revize/mankato/Document%20Center/Business/Policies/Business%20Subsidy%20Policy.pdf?t=202212141240340&t=202212141240340		
Minneapolis	429,954	Tax abatement policies to support substantial rehabilitation of historic properties and to fund public infrastructure Historic Properties: Specific tax abatement policy to support substantial rehabilitation of historic properties • The City of Minneapolis will limit the use of tax abatement to a more restrictive range of uses than authorized by the State Legislature. 1. Taxes may be abated only for properties with Historic Preservation designation. 2. Taxes may be abated only to support the substantial rehabilitation of the property.

		• Evaluation criteria: The following criteria will be considered in the evaluation of any proposal to use tax abatement for historic properties: 1. The extent to which the proposed use of tax abatement is consistent with the City goals, development priorities, Comprehensive Plan and zoning codes. 2. The extent of the direct and indirect public benefits and costs generated by the tax abatement and redevelopment shall be determined and quantified to the degree possible. 3. The extent to which other government jurisdictions support the project, including but not limited to participation in the public abatement agreement. 4. The extent to which other public assistance is being provided to the project. Public infrastructure necessary to achieve development objectives of the city: • The City of Minneapolis will limit the use of tax abatement under this policy to a more restrictive range of uses than authorized by the State Legislature. 1. Tax abatement will be used solely to fund public infrastructure necessary to achieve significant development objectives of the City. Public infrastructure may include roads, public utilities, public amenities, public parking facilities, public facilities. and the acquisition of land needed for public infrastructure. 2. Taxes will be abated only for public abatement agreements in which the abated taxes are retained by the City of Minneapolis or transferred to other authorized political subdivisions participating in the abatement agreement to pay for public infrastructure costs. Abatement is an effective tool for funding public infrastructure costs only if there is at least one other political subdivision participating in the public abatement agreement. 3. Taxes will be abated only for properties that are being decertified from established "pre-1979" tax increment financing districts. The abated taxes will include only tax revenues that otherwise could have been captured as tax increment over the full duration of the "pre-1979" Tax Increment District. A fiscal analysis will be performed showing the impact of the abatement on the City's general tax base. 4. The term of the abatement will end no later than August 1, 2009; which is the duration limit for pre-1979 Tax Increment Districts. • Evaluation criteria: The following criteria will be considered in the evaluation of any proposal to use tax abatement to fund public infrastructure costs. 1. The extent to which the proposed use of tax abatement to fund public infrastructure to support major development objectives is consistent with City goals, City and MCDA development priorities, the City's comprehensive plan and zoning code, and the MCDA strategic plan. 2. The extent of the direct and indirect public benefits and costs generated by the tax abatement and public infrastructure investment shall be determined and quantified to the degree possible. 3. The extent to which other local government jurisdictions support the project, including but not limited to participation in the public abatement agreement. 4. The extent to which other public assistance is being provided to the project.
https://www.minneapolismn.gov/government/charter-and-code-of-ordinances/city-policies/tax-abatement-for-historic-properties-policy/ https://www.minneapolismn.gov/government/charter-and-code-of-ordinances/city-policies/tax-abatement-to-fund-public-infrastructure-policy/		