



MINUTES

**Mankato Economic Development Authority
Regular Meeting
June 8, 2026 - 6:45 p.m.
IGC - Council Chambers**

1. **Call Meeting to Order**

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

Members Excused: Kevin Mettler.

Staff Present: Executive Director Susan Arntz, Community Development Director Mark Konz, Associate Director of Housing and Economic Development Nancy Bokelmann, Economic Development Coordinator Courtney Kramlinger, Construction/Facilities Services Director Jim Tatge, and Deputy City Clerk Jennie Guerrero.

2. **Approval of Agenda**

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

3. **Approval of Minutes**

Mr. Dieken moved and Mr. McLaughlin seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of May 11th, 2026, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

- A. Ms. Bokelmann stated that the City originally adopted its Commercial Rehabilitation Guidelines and Policies in 2009, with an amendment in 2013 to update its status to a Metropolitan Statistical Area and make program adjustments. She mentioned those changes also revised repayment terms to be prorated based on property sale timing, reflecting depreciation of rehabilitation work, and shifted funding from the Small Cities Development Program to Community Development Block Grant funds. Since adoption, the maximum deferred loan amount has remained \$25,000.

Ms. Bokelman reported that the recommendation is to increase the maximum loan amount to \$50,000 due to significantly rising construction costs and insufficient funding under the current cap. The Minneapolis construction cost index has increased by about 104% since 2009, and comparable Minnesota programs offer loan maximums between \$40,000 and \$50,000.

She explained the program targets older commercial districts (average building age around 1907) and provides 0% interest deferred loans with a 10-year term, a 1:1 match requirement, and prorated repayment if a property is sold or its use changes early. She noted the proposed change would require approval from both the EDA and City Council due to the use of EDA levy funds and CDBG program requirements.

Ms. Hatanpa moved and Mr. Laven seconded a motion to approve the Resolution amending Commercial Rehabilitation Program Guidelines and Policies to increase the maximum loan amount to \$50,000. The motion carried unanimously.

- B. Ms. Bokelmann stated that the Southwest Minnesota Housing Partnership (SWMHP) is applying for funding from the Minnesota Housing Impact Fund Program to support Phase VI of the Partnership Community Land Trust (PCLT) initiative in Mankato. She commented the project would develop up to 10 new single-family homes by 2028 to expand affordable homeownership opportunities. Designed to serve households earning up to 80% of Area Median Income (AMI), with potential expansion up to 100% AMI if additional funding is secured. She added that the community land trust model is intended to provide long-term affordability, housing stability, and flexible home selection for eligible buyers.

Ms. Bokelmann reported the total project cost is estimated at \$2.4 million, combining funding from the Minnesota Housing Impact Fund (\$2 million), the City of Mankato Affordable Housing Trust Fund (\$200,000), Blue Earth County (\$100,000), and \$100,000 in Community Development Block Grant (CDBG) funds. Local contributions are intended to leverage additional state, philanthropic, and development partner funding. She noted that the City and County have previously supported earlier phases of the program, and the City's Affordable Housing Trust Fund currently has sufficient remaining balance to cover the proposed \$200,000 commitment.

Ms. Bokelmann concluded that the Staff recommendation is to approve the City's contribution, provided state funding is secured, with funds distributed on a pay-as-you-go basis as homes are completed and sold through December 31, 2029.

Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to approve a Resolution authorizing support for Phase VI of the PCLT seeking MN Housing funding to implement services of the community land trust. The motion carried unanimously.

- C. Ms. Bokelmann stated Minnesota Housing has awarded funding through its Bring It Home Rental Assistance Program to support rental assistance services across participating jurisdictions, including the Mankato region. She stated the Mankato Economic Development Authority (EDA), working with regional housing partners, has been allocated \$3,347,771 over a two-year contract period. This funding includes support for Housing Assistance Payments (HAP), administrative costs, and startup expenses, and is intended to expand both tenant-based and project-based rental assistance for very low-income households.

Ms. Bokelmann reported the program aligns with housing priorities identified in the City of Mankato Strategic Plan, Affordable Housing Action Plan, and the 2025 Housing Study. She touched on program implementation and requested authorization for designated EDA officials to execute and submit all required grant agreements and related documents with Minnesota Housing, including electronic signatures and official program communications. She also stated that staff recommend approval of this authorization to allow timely administration of the rental assistance program.

Mr. Laven moved and Ms. Melby-Kelley seconded a motion to approve the Resolution authorizing signatories for the Bring It Home Rental Assistance Program. The motion carried unanimously.

- D. Ms. Bokelmann stated that the resolution would allow the Executive Director of the Mankato Economic Development Authority (EDA) to formally designate the Associate Director of Housing and Economic Development to act on their behalf in administering federally funded housing programs. She further stated that these include programs supported by the U.S. Department of Housing and Urban Development (HUD), such as the Housing Choice Voucher Program and the operation of public housing units in Mankato. The change is intended to support ongoing administrative needs and ensure staff can efficiently access HUD systems and complete required program tasks.

Ms. Bokelmann reported that as HUD increasingly relies on electronic systems and designated user access, the resolution is meant to maintain continuity of operations and avoid administrative delays. She noted that it authorizes the Associate Director to execute necessary HUD documents, certifications, and submissions on behalf of the Executive Director and the EDA, in compliance with federal requirements and state law. She indicated that the action is administrative only and does not change Board oversight or governance responsibilities but ensures the EDA can continue meeting federal compliance obligations without interruption.

Ms. Hatanpa moved and Mr. Laven seconded a motion to approve the resolution authorizing signature and designation of an authorized representative for HUD Program Administration. The motion carried unanimously.

- E. Ms. Bokelmann stated that the City of Mankato is being considered for participation in a hybrid pilot program offered by CenterPoint Energy that promotes lower-carbon heating solutions for commercial buildings. She also mentioned that the program uses electric heat pump systems with supplemental natural gas for peak cold-weather demand, aiming to reduce overall energy use while maintaining reliability. She added that commercial customers who participate can receive rebates covering up to 40% of equipment costs (up to \$100,000) as an incentive to join the pilot.

Ms. Bokelmann reported that the City's eligible project is the Orness Plaza RTU Replacement (Capital Improvement Project 11237), with a total equipment cost of \$186,500 and a total project cost of \$304,670. She stated that if approved, the City would receive a rebate of \$74,600 under the program.

Mr. McLaughlin moved and Mr. Dieken seconded a motion to approve the Resolution authorizing the Executive Director to enter into a Project Rebate Agreement with Centerpoint Energy and to participate in the "Commercial Hybrid Heating Pilot Rebate Program" for Capital Improvement Project 11237; Mankato Orness Plaza Rooftop Unit Replacement. The motion carried unanimously.

5. **Adjournment**

There being no further business, Ms. Melby-Kelley moved and Mr. Laven seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:05 P.M.

Prepared by:

Approved by:

Jennie Guerrero
Deputy City Clerk

Najwa Massad
Chair