AGENDA

Economic Development Authority
Monday, September 14, 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 August 10, 2026

4. **Economic Development Authority Business**

   A. Report on Change Order 1 for Capital Improvement Project 11139; Orness Plaza Heat Pumps Phase 3.

   B. Motion considering Change Order 1 on Capital Improvement Project 11204; Mankato Scattered Sites EDA RAD Conversion Improvements.

   C. Preliminary review of possible tax abatement assistance.

   D. Motion setting October 13, 2026 as the date of hearing to consider a loan request from Verdant Agritech LLC (DBA Verdant Organics) to purchase equipment.

   E. Resolution requesting the establishment of a property tax levy for the Economic Development Authority for property taxes to be collected during the 2027 fiscal year.

   F. Public hearing and Resolution approving the 2027 Annual Agency Plan.

5. **Adjournment**

MINUTES

Mankato Economic Development Authority
Regular Meeting
August 10, 2026 - 6:37 p.m.
IGC - Council Chambers

1. **Call Meeting to Order**

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

Members Excused: Michael McLaughlin.

Staff Present: Executive Director Susan Arntz, Community Development Director Mark Konz, Economic Development Coordinator Courtney Kramlinger, and Clerk Renae Kopischke.

2. **Approval of Agenda**

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

3. **Approval of Minutes**

Mr. Dieken moved and Ms. Hatanpa seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of July 13, 2026, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

A. Mr. Konz explained that HUD Continuum of Care funds aim to reduce homelessness by connecting housing assistance with supportive services, particularly for people experiencing homelessness who have disabilities such as serious mental illness or chronic substance abuse.

Mr. Konz indicated that the Economic Development Authority and Southwest Minnesota Housing Partnership (SWMHP) have collaborated to provide rental assistance and supportive services for eight DedicatedPLUS households, helping them obtain and maintain permanent affordable housing. SWMHP owns the sponsor properties, including Cherry Ridge, Sibley Parkway, and Homestead Apartments, with the program initially connected to the redevelopment of Cherry Ridge but available at other locations within the EDA service area.

Mr. Konz reviewed the program's administrative policies, including requirements for documenting eligibility and homelessness, case management, appeals and grievances, housing quality standards, and lead-safety compliance.

Ms. Melby-Kelley moved and Mr. Mettler seconded the Resolution authorizing the Executive Director to enter into a renewal of the Memorandum of Understanding with the Southwest Minnesota Housing Partnership for the administration of the Continuum of Care Program. The motion carried unanimously.

B. Mr. Konz explained that the 2027 PHA Annual Plan serves as a comprehensive guide for the Economic Development Authority's (EDA's) public housing policies, programs, operations, and strategies for addressing local housing needs. He noted that the plan aligns with the community's consolidated and Affordable Housing Action plans, strengthens partnerships with community service and fair housing agencies, and outlines policy and administrative updates, including revisions to the Administrative Plan and Admissions and Occupancy Procedures. He added that it also addresses the repositioning of public housing through Section 18 Conversion and RAD/Section 18 Small PHA Blend programs.

Mr. Konz stated that the plan places particular emphasis on the Housing Choice Voucher and Public Housing programs, affordable housing needs, and progress toward the goals outlined in the Affordable Housing Action Plan. He indicated that the EDA's programs and services are intended to address housing needs across the full continuum of affordable housing. He commented that the plan has been posted for public comment, with Resident Advisory Meetings scheduled for August. A summary of comments received will be presented at the September 14, 2026, Public Hearing.

Mr. Dieken moved and Mr. Mettler seconded a motion to set the date of public hearing for September 14, 2026, to review and approve the proposed 2027 Mankato EDA Annual Agency Plan. The motion carried unanimously.

C. Mr. Konz stated a development proposal has been submitted by Skilbred Development (the "developer") to develop property located at 2004-2134 8th Avenue to complete the horizontal infrastructure, public improvements, and pad preparation to deliver 16 pad-ready residential lots intended to support for-sale townhomes. He indicated that the developer would serve as the project sponsor and land developer and would not construct or sell the residential units. Vertical construction would be determined by third-party homebuilders following acquisition of the finished lots.

Mr. Konz summarized the previous Council approvals which included a Land Use Plan Amendment to change the guided land use from Light Industrial to Medium Density Residential, the vacation of a portion of Lind Street adjacent to 8th Avenue, and the Final Plat of Quarry View.

Mr. Konz reported that the developer is requesting pay-as-you-go tax increment financing (TIF) from the city through the creation of a Housing TIF district to assist with the development costs for eligible horizontal development costs associated with the project. He noted that Housing TIF districts have income limit requirements to qualify; for owner-occupied developments, the income limits are 115% of the area median income. The owner-occupied income limits apply only to the first purchaser.

Mr. Konz explained that the Developer would be eligible to receive an increment annually on a pay-as-you-go basis, from the remaining increment that is not retained for the city's 5% admin retainage, which would be used to reimburse the Developer for project costs incurred for the development. He mentioned that Baker Tilly reviewed the request and their analysis found that the project would not be likely to proceed "but-for" the requested TIF assistance.

Mr. Konz reviewed the anticipated principal value of the pay-as-you-go note, which is $380,512, plus 7.5% carrying interest costs. He stated that the TIF projections assume the Developer will receive TIF reimbursement in the amount of $46,340 in years 2029 through 2043. He noted that the Council's policy decision is to limit the tax increment reimbursements for 15 years for the additional tax capacity to be realized before significant depreciation in the asset is realized.

Mr. Konz stated that the Quarry View project aligns with addressing identified housing needs of the community, and conforms to the Jefferson Quarry Redevelopment Plan, which was adopted by the Council in September 2023. Specifically, the development proposes low density residential at the site, serving as a buffer between the single-family neighborhood to the east of 8th Avenue, and the former quarry.

Mr. Konz asked that the EDA review the proposal, provide comments, and request additional information if necessary. He clarified that if acceptable, the next step in the process would be to direct staff to prepare tax increment documents for a public hearing on October 13, 2026.

Brief discussion on the cost of the lots and the reduction with TIF assistance of $16,000. It was noted that items addressed within the development agreement would be the responsibility of the developer.

Mr. Laven moved and Mr. Mettler seconded the motion to set the date of hearing on August 24 for the public hearing re tax increment assistance for Quarry View; by request of Skilbred Development. The motion carried unanimously.

5. **Adjournment**

There being no further business, Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 6:54 p.m.

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

AGENDA RECOMMENDATION

Economic Development Authority **4. A.**

Meeting Date: 09/14/2026

Agenda Item:

Report on Change Order 1 for Capital Improvement Project 11139; Orness Plaza Heat Pumps Phase 3.

Recommendation/Action(s):

No action required.

Summary:

In accordance with Section 2-8 of the Mankato City Code, the City Manager is to report as soon as practicable on change orders approved under $100,000. The following is a summary of change orders to date for 11139 - Orness Plaza Heat Pumps Phase 3.

Construction began on the project in June 2025 and is now complete.

Change Order No. 1

The existing duct work for several interior spaces (exercise room, kitchen, dining hall, entryway, and maintenance/housing manager office) was not compatible with new heat pump units and duct work needed to be modified. Electrical outlets for entryway heat pumps were faulty and had to be replaced. The condensate pump was inoperable for the entryway heat pump and had to be replaced.

Total cost for Change Order No. 2 was an increase of $2,095.00, roughly 2% of total project cost.

The original project budget was $118,800.00; the total cost after change order 1 is $90,125 and within the original project budget.

Attachments

Change Order 1

MANKATO
Leading the way...

Change Order
No. 1

Date: March 27, 2026

Project: Orness Plaza Heat Pumps Phase 3	City Project No.: 11139 State Project No.: NA	
Contractor: Adams Mechanical	Date of Contract: May 2, 2025	

The Contract is modified as follows upon execution of this Change Order:

Description: 1. Existing duct work for Exercise Room, Kitchen, Dining Hall, Entry Way, and Maintenance/Housing Mgr. Office was not compatible with new heat pump units and duct work needed to be modified. Modifying of duct work was not in the original scope of work. 2. Electrical outlet for Entry Way heat pump was faulty and had to be replaced. Replacing electrical outlets were not in the original scope of work. 3. Condensate pump was inoperable for Entry Way heat pump and had to be replaced. Replacement of condensate pumps were not in the original scope of work.

Attachments: INVOICE #3431 FROM ADAMS MECHANICAL

ITEM	DESCRIPTION	UNIT	EST QTY	UNIT PRICE	TOTAL AMOUNT
1	Update duct work to accept new Heat Pumps	LS	1	$1,500.00	$1,500.00
2	Rem./repl. faulty electrical outlet for Entry Way Heat Pump	LS	1	$500.00	$500.00
3	Repl. condensate pump for Entry Way Heat Pump	LS	1	$95.00	$95.00
				TOTAL CHANGE ORDER	**$2,095.00**

CHANGE IN CONTRACT PRICE:

Original Contract Price:	**$**	**88,030.00**
Total from previously approved Change Orders:	$	-
Contract Price prior to this Change Order:	$	88,030.00
Net increase (decrease) of this Change Order:	$	2,095.00
New Contract Price:	**$**	**90,125.00**

CHANGE IN CONTRACT TIME:

Original date of substantial completion:	11/7/2025
New change in contract duration from previously approved Change Orders:	NA
New date of substantial completion:	NA

The Contractor shall not make claim of any kind or character whatsoever for any other costs or expenses which he may have incurred or which he may hereinafter incur in performing the work and furnishing the materials required by the agreement. All Change Orders that exceed $25,000 must be approved by the City Council.

PREPARED	REVIEWED	RECOMMENDED
By: Ryan Thormodson *Print Name*	By: LJP *(Initials)*	By: [signature] *Const. & Fac. Svcs. Dir. (Auth. Sig.)*
Date: 3/27/2026	Date: 3/27/2026	Date: 4/6/26
ACCEPTED	**APPROVED**	**APPROVED**
By: Samuel Adams *Contractor (Auth. Signature)*	By: Susan Arntz *City Manager (Auth. Signature)*	By: *Owner (Auth. Signature)*
Date: 3/31/2026	Date: 4/6/26	Date:

☐ Const. & Fac. Svcs. Dir. (original) ☐ Contractor ☐ Facilities Manager ☐ DSAE (for funding review-if necessary)

INVOICE

Adams Mechanical
14 PO Box
Saint Clair, MN 56080

Sadams@adamsmech.net
+1 (612) 417-0425

Bill to
Luke Pedereson
City of Mankato
10 Civic Center Plaza
Mankato, MN 56002

Ship to
Luke Pedereson
City of Mankato
10 Civic Center Plaza
Mankato, MN 56002

Invoice details
Invoice no.: 3431
Terms: Net 30
Invoice date: 01/30/2026
Due date: 03/01/2026

#	Date	Product or service	Description	Qty	Rate	Amount
1.		**Duct Work**	Additional Duct Needed	1	$1,500.00	$1,500.00
2.		**Electrical Installation**	New Pump outlet installation	1	$500.00	$500.00
3.		**Condensate Pump**		1	$95.00	$95.00

Total **$2,095.00**

Overdue 03/01/2026

Note to customer
Orness Plaza
Additional billings
See attachment for locations of work completed

AGENDA RECOMMENDATION

Economic Development Authority **4. B.**

Meeting Date: 09/14/2026

Agenda Item:

Motion considering Change Order 1 on Capital Improvement Project 11204; Mankato Scattered Sites EDA RAD Conversion Improvements.

Recommendation/Action(s):

Motion approving change order.

Summary:

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). The scope of work was the first 2 years of the 20-year schedule provided in the assessment.

The project feasibility report was presented to the EDA Board on October 15, 2025, at which time the resolution was adopted to move the project forward. The bid award was presented to the EDA on April 13, 2026, at which time the resolution was adopted to award the bid to Wilcon Construction.

Change Order No. 1

The added scope of work includes the replacement of 26 water heaters and 5 furnaces at various Mankato EDA scattered sites. This additional scope was identified by the U.S. Department of Housing and Urban Development (HUD) and incorporates Years 3 and 4 of the original 20-year capital needs schedule. The additional work was identified because the original eTool assessment is now two years old, requiring the EDA to address additional capital needs.

The rationale for adding this scope is related to HUD's phased closing process, which involved converting smaller sites through the Section 18 conversion process (April 1, 2025) and now the larger sites through the Rental Assistance Demonstration (RAD) conversion process. This phased approach allows the EDA to retain and utilize all available reserve funding while addressing the identified capital improvements for the next two years.

The work included in change order 1 is to replace 26 water heaters at various Mankato EDA housing properties located at Hoffman St, Agency Rd. Mayvis Blvd, 5th Ave, Elm St. and Harpers Street. The work also includes replacing 5 furnaces at Mayvis Blvd. The change order also includes a time extension on the contract to reflect the delay from HUD on the property closing process. No work is allowed to begin until HUD completes their process. The new completion date is proposed for March 26, 2027.

The total cost for Change Order 1 is an increase of $105,270.00, roughly 49% of the total project cost. HUD is requiring this additional work to finalize the RAD closeout.

Staff recommend the EDA approve change order 1 and proceed with the RAD closeout process.

Attachments

Change Order 1

Change Order
No. 1

Date: September 8, 2026

Project: EDA RAD Conversion Scattered Sites	City Project No.: 11204 State Project No.: NA	
Contractor: Wilcon Construction Services	Date of Contract: April 15, 2026	

The Contract is modified as follows upon execution of this Change Order:

Description: 1. The work included is to replace 26 water heaters at various Mankato EDA housing properties located at Hoffman St, Agency Rd. Mayvis Blvd, 5th Ave, Elm St. and Harpers Street. The work also includes replacing 5 furnaces at Mayvis Blvd. A time extension is also being granted given the delay in closing by HUD.

Attachments: Proposal Dated 9/8/26 from Wilcon Construction Services

ITEM	DESCRIPTION	UNIT	EST QTY	UNIT PRICE	TOTAL AMOUNT
1	Added Mechanical Work	LS	1	$105,270.00	$105,270.00
				TOTAL CHANGE ORDER	**$105,270.00**

CHANGE IN CONTRACT PRICE:

Original Contract Price:	**$**	**215,000.00**
Total from previously approved Change Orders:	$	-
Contract Price prior to this Change Order:	$	215,000.00
Net increase (decrease) of this Change Order:	$	105,270.00
New Contract Price:	**$**	**315,270.00**

CHANGE IN CONTRACT TIME:

Original date of substantial completion:	11/27/2026
New change in contract duration from previously approved Change Orders:	NA
New date of substantial completion:	3/26/2027

The Contractor shall not make claim of any kind or character whatsoever for any other costs or expenses which he may have incurred or which he may hereinafter incur in performing the work and furnishing the materials required by the agreement. All Change Orders that exceed $25,000 must be approved by the City Council.

PREPARED	REVIEWED	RECOMMENDED
By: Dustin Bornholdt *Print Name*	By: Ryan Thormodson *(Initials)*	By: ______ *Const. & Fac. Svcs. Dir. (Auth. Sig.)*
Date: 9/8/2026	Date: 9/8/2026	Date: ______

ACCEPTED	APPROVED	APPROVED
By: ______ *Contractor (Auth. Signature)*	By: ______ *City Manager (Auth. Signature)*	By: ______ *Owner (Auth. Signature)*
Date: ______	Date: ______	Date: ______

☐ Const. & Fac. Svcs. Dir. (original) ☐ Contractor ☐ Facilities Manager ☐ DSAE (for funding review-if necessary)

WILCON CONSTRUCTION SERVICES
P.O. BOX 502
ST. JAMES MN, 56081
PHONE **507-375-5464**
FAX **507-375-4707**

NAME OF PROJECT: Mankato Scattered Sites - RAD
PROPOSAL REQUEST #: ***1*** DATE 9.8.2026
DESCRIPTION OF CHANGE: Switch out 6 gas furnacs, 19 direct vent & 7 power vent water heaters
Time Extension 0

DIRECT COSTS	UNITS	RATE	COST
	0	$60.00	0.00
Labor: Coordination by Project Mgr	4	$105.00	420.00
LABOR: Coordination by Job Sup	12	$95	1140.00
Builder's Risk	105	$4.00	420.00
MILEAGE	0	0.4	0.00
SUBSISTENCE	0	2.5	0.00
INSPECTION FEE AND TESTING	0	0	0.00
EQUIPMENT RENTAL	0	0	0.00
TOOL RENTAL	0	35	0.00
BLADE USE	0	0.5	0.00
LIFT RENTAL PER WEEK	0	650	0.00
CLEAN-UP	0	40	0.00
OTHER	0	40	0.00
BOND	105000	1%	1050.00
ELECTRICITY	0	0.00%	0.00
WATER	0	0%	0.00
DUMPSTER	0	0.00%	0.00
HEAT	0	0%	0.00
TELEPHONE	0	0%	0.00
TOTAL INDIRECT COSTS			3030.00

Supply & install 19 atmospheric & 7 power vent water heaters	54155
Includes disposal of old water heaters & Mankato city permits	0
	0
Supply & install 6 gas furnaces - Rheem 95% efficient	28140
Includes: sheet metal, gas, vent revisions, Mankato permit, testing, start-ups etc.	0
Includes: demo & disposal of old furnaces	0
	0
Electrical to wire in 6 gas furnaces	2400
	0
	0
	0
	0
TOTAL FROM DIVISIONS	84695

INDIRECT COSTS	$ 3,030.00
TOTAL FROM DIVISIONS	$ 84,695.00
TOTAL COST	$ 87,725.00
MARKUP	1.20
TOTAL FOR CHANGE ORDER	$105,270

WILCON CONSTRUCTION SERVICES John Hoffman 9.8.2026

Approved
Owner / Architect

AGENDA RECOMMENDATION

Economic Development Authority **4. C.**

Meeting Date: 09/14/2026

Agenda Item:

Preliminary review of possible tax abatement assistance.

Recommendation/Action(s):

Review and discussion. The EDA has the following options:

1. Request staff to provide clarification or provide additional information to be reviewed at a future meeting; or
2. Adoption of a motion directing staff to prepare materials for a hearing on September 28, 2026, regarding tax abatement assistance and approval of a business subsidy agreement.

Summary:

Old Town Riverfront Properties, LLC (the “Developer”) has submitted an application requesting tax abatement financing for the construction of a 63,000 square foot office and indoor organic production and processing facility for cultivation, processing, packaging and distribution of mushrooms and microgreens. The facility would be constructed at 1961 Energy Drive.

The estimated total development cost is approximately $13.56 million and construction is anticipated to begin in late 2026 or early 2027. It is anticipated 17 jobs would be created within year one, and 75 jobs created in year two.

Tax Abatement Review

The Developer initially inquired with City staff about assistance through the creation of an economic development tax increment financing (TIF) district. Per State Statute, to qualify for an economic development TIF district, the business must be manufacturing, warehousing, research and development, telemarking, tourism in qualifying counties, or workforce housing projects. After consultation with the City attorney, it was found that Verdant Organics was not considered a manufacturing business for purposes of qualifying for an economic development TIF district. Additionally, the property is not eligible for a redevelopment TIF district because it is a greenfield site.

As the project doesn’t qualify for TIF, the Developer is requesting financial assistance in the form of tax abatement from the City to assist with the development costs. The Developer requested a 15-year term with annual abatement of $126,000. The Developer would own the facility and lease it to Verdant Organics.

The City engaged Ehlers Public Finance Advisors to review the tax abatement application. Ehlers prepared an analysis memo summarizing their review which is attached. Ehlers conducted a review of the Developer's current Proforma based on industry standards for construction costs, land costs, rental rates, developer fee, available funding sources, underwriting criteria, and project cash flow. Ehlers found that the project requires Abatement in order to proceed.

Ehlers' memo notes the following in regard to the number of years of Abatement:

"If the EDA agrees that $6 sq. ft. for the land is a fair market price for the land, based on our review of the Developer's Proforma and under current market conditions, the proposed Project isn't feasible without the City Assistance outlined (7-year PAYGO Abatement note of $178,700). If the EDA deems that the land value is excessive, if we reduced the land to $4.50 sq. ft. (where the County has value on smaller lots), they would still require 5 years of Abatement ($122,400)."

If the City awards more than $150,000 in assistance, State Statute requires a business subsidy agreement that would outline job and wage goals attributable to the project. If 5 years of abatement is provided, that would equate to a total of $122,400, which would not require a business subsidy agreement. If 7 years of abatement is provided, that would equate to a total of $178,700, which would require a business subsidy agreement.

The assistance would be provided in the form of a pay-as-you-go (PAYGO) note paid with 90% of the City's portion of the increased taxes (Abatement) generated annually from the Project over the term of the Abatement.

Ehlers' also recommends inclusion of a three-prong 'lookback' provision in the Abatement agreement. The provision would allow for review of (i) actual project costs when project construction is completed (since everything is just estimates at this time); (ii) project performance and returns on investment against initial projections at stabilization; and (iii) review at sale. If project costs are lower when (i) is completed, we typically see a reduction in Abatement on a $1 for $1 basis. For the other return metrics, we typically see a sharing factor, so only a 50% reduction in the Abatement is needed to make the project financially feasible.

The City is required to hold a public hearing on the abatement. If the City awards more than $150,000 in assistance, a business subsidy agreement would be required along with a public hearing. The agreement would be with the property owner, since they are ultimately responsible for payment of the property taxes and the Abatement note is issued and paid to them.

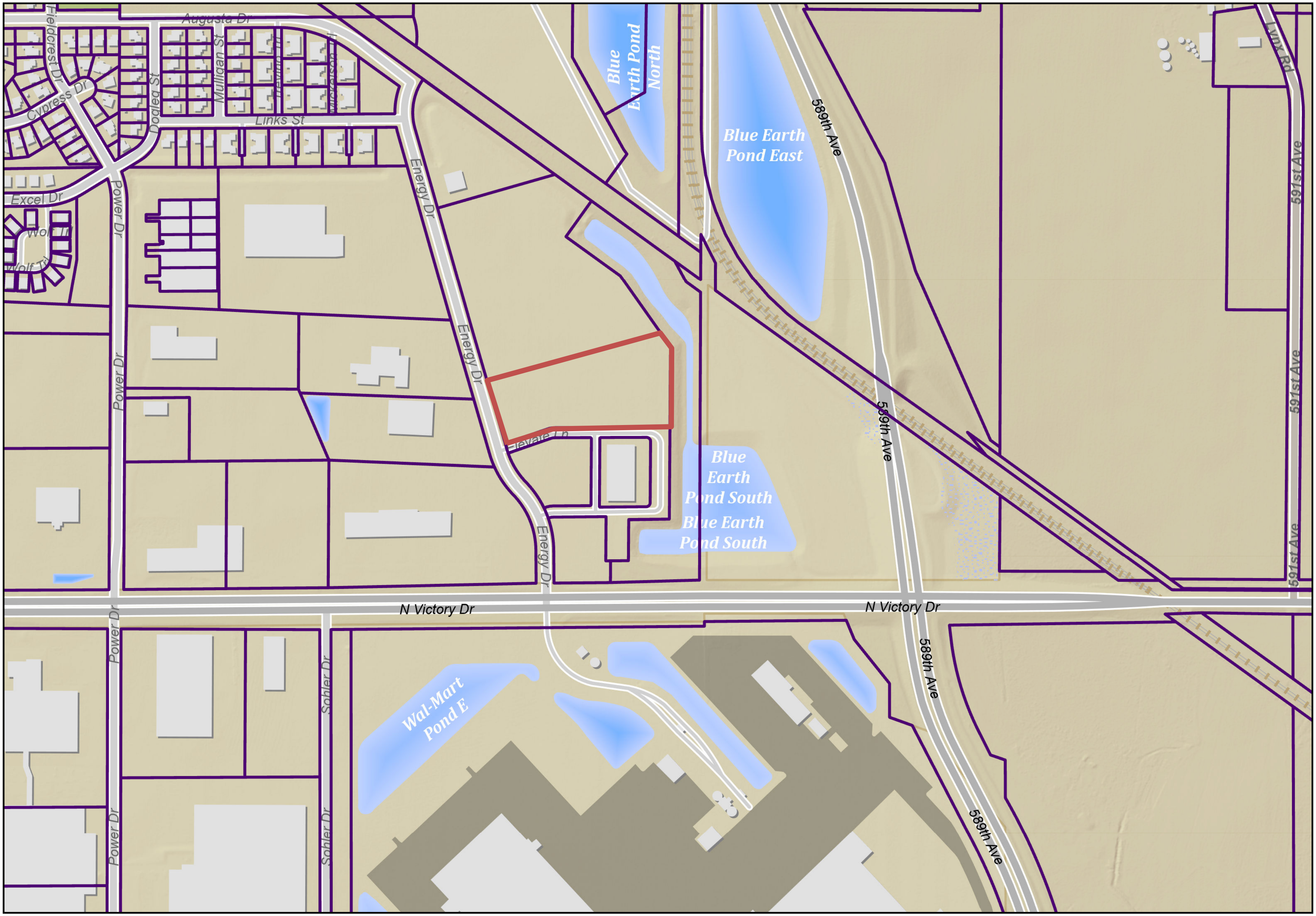
Attachments

General Location Map

Application

Tax Abatement Analysis Memo

General Location Map



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Produced by: City of Mankato GIS
Published: September 8, 2026

City of MANKATO
Leading the way...

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

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 Old Town Properties, LLC

Address 1531 Madison Ave, Suite 100, Mankato, MN 56001

Primary Contact Ryan Evenson

Address 1531 Madison Ave, Suite 100, Mankato, MN 56001

Phone 507-420-5679 Fax 507-387-1169 Email ryan@apxconstructiongroup.com

Brief description of the business entity, including history, principal product or service:
The proposed use consists of an indoor organic production and processing facility specializing in the cultivation, processing, packaging, and distribution of mushrooms and microgreens. All growing operations occur entirely within an enclosed building utilizing proprietary, precision-controlled indoor agricultural technologies designed to optimize production efficiency and environmental

Brief description of the proposed project:
The proposed use is a fully enclosed indoor facility for the cultivation, processing and packaging of mushrooms and microgreens using precision-controlled agricultural technology. All operations occur within the building, incorporate sustainable practices and do not involve outdoor agriculture or impacts beyond typical light industrial standards.

Attorney Name Michael Jacobs
Address 111 South 2nd Street Suite 400 Mankato, MN 56001
Phone 507-344-9001 Fax Email mjacobs@fredlaw.com

Accountant Name Bradley Boettcher
Address 201 N Riverfront Drive, Suite 300, Mankato, MN 56001
Phone 507-386-8833 Fax________ Email________

Contractor Name APX Construction Group
Address 1531 Madison Ave Suite 200, Mankato, MN 56001
Phone 507-387-6836 Fax 507-387-1169 Email mikaelak@apxconstru

Engineer Name Bolton & Menk, Inc.
Address 1960 Premier Dr, Mankato, MN 56001
Phone 507-508-9106 Fax________ Email Nathan.Myhra@bolto

Architect Name TBD
Address________
Phone________ Fax________ Email________

B. PROJECT INFORMATION

1. The project will be:
   x Industrial: X 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 X Leased Space

4. Project Address 1751 Energy Drive, Mankato, MN 56001
   Parcel Identification Number(s)________

5. Site Plan and Construction Plans Attached: X Yes _____No

6. Total Amount of Tax Abatement Requested: $ $1,890,000 over 15 years.

City Portion:	Annual $ 126,000	Total $ $1,890,000
County Portion:	Annual $______	Total $______
ISD 77 Portion:	Annual $______	Total $______

7. Current Real Estate Taxes on Project Site: $ 3,800
   Estimated Real Estate Taxes upon Completion: Phase I $ 60,000
   Phase II $________

8. Construction Start Date: July 2026
   Construction Completion Date: March 2027
   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.

X Job Creation/Retention — Number of existing jobs 4

Number of jobs created by project 70

Average hourly wage of jobs created/retained $47.28

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

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

X 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		$ 7,349,477
Other Private Funds		$
Owner Cash Equity		$ 1,837,322
Fed Grant/Loan		$
State Grant/Loan		$
EDA Loan		$
Tax Abatement		$ $1,890,000
ID Bonds		$
TOTAL		$ 10,795,000

USES	AMOUNT
Land Acquisition	$ 1,045,440
Site Development	$ 650,000
Construction	$ 7,630,350
Machinery & Equipment	$ 350,000
Architectural & Engineering Fees	$ 250,000
Legal Fees	$ 75,000
Interest During Construction	$ 350,000
Debt Service Reserve	$ 250,000
Contingencies	$ 244,210
TOTAL	$ 10,795,000

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

Applicants will also be required to provide the following documentation, which may be submitted directly to Baker Tilly:

______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) A pplication 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
- NA_______Exhibit D – *But-For* Analysis
- NA_______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 5-13-2026

Owner Equity Contributed	2,159,000	
	2027	**2028**
Revenue	858,000	883,740
Expenses		
Insurance	150	175
Interest Expense	554,930	540,340
Accounting Fees	-	-
Miscellaneous	5,000	5,000
Property Tax	60,000	61,800
Utilities	-	-
Total Expenses	620,080	607,315
Net Income	237,920	276,425
Loan Principal Paid	217,723	232,305
Net Cash	20,197	44,120
Return on Equity	0.94%	2.04%
Assume 90% Tax Abatement	54,000	55,620
Net Income w/ Abatement	74,197	99,740
Return on Equity	3.44%	4.62%

II. 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**.

X a) Meets at least one of the objectives in Section III.
X b) Demonstrates need for Tax Abatement with the *but-for* analysis.
X c) Consistent with all city plans and ordinances.
X d) Serves at least two public purposes.

2. Ratio of Private to All Public Investment in Project: **Points:** 4

$ 9,186,799 Private Investment
$ 1,890,000 Public Investment
4.86 **Ratio Private: Public Financing**

	5:1	5
	4:1	4
	3:1	3
	2:1	2
Less than	2:1	1

3. Job Creation in the City of Mankato: **Points:** 5

70 Number of new jobs as a result of the project.
4 Number of existing/retained jobs
74 **Total**

	25+	5
	20+	4
	15+	3
	10+	2
Less than	10	1

4. Ratio of Public Investment to Job Creation: **Points:** 1

$ 1,890,000 Public Investment
74 Number of *new* jobs created/retained
$ 25,540.54 **of Public Investment per *new* job**

$8,000 or less	5
$10,000 or less	4
$12,000 or less	3
$15,000 or less	2
Over $15,000	1

5. Wage Level of *new* jobs created/retained **Points:** 5

Minimum hourly wage
of jobs created/retained: 47.28

Over $21/ hour	5
$18-21 / hour	4
$14-17 / hour	3
$10-13 / hour	2
Under $10/ hour	1

6. Project size: **Points:** 5

The project will result in the construction
of square feet 62,605 SF

40,000+	5
30,000+	4
20,000+	3
10,000+	2
10,000 or less	1

7. Market Value/Tax Base Generation: **Points:** 0

The project will result in a per square foot estimated market value (land and building) of ($5,046,000 / 261,360 SF = $19.31/sf

	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:** 3

____	100% Owner Occupied	5
____	Mix Owner Occupied & Investment	4
X	Investment Property	3

9. Use: **Points:** 5

X	Industrial or Business Park Project	5
____	Commercial Rehabilitation/Redevelopment	4

10. Likelihood that the project will result in unsubsidized, spin-off development. **Points:** 3

____	High	5
X	Moderate	3
____	Low	1

Sub - Total Points: 31 **of a possible 45 points.**

Total Points: 31	**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%

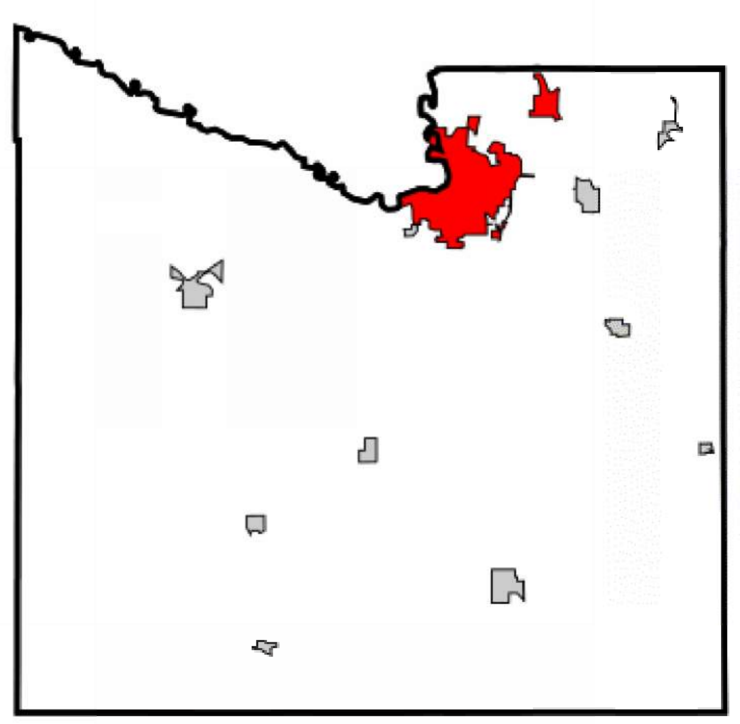
VERDANT ORGANICS

SHEET NUMBER	SHEET NAME	ISSUE 1	ISSUE 2	ISSUE 3
A100	COVER SHEET	•		
A101	FIRST FLOOR PLAN	•		
A102	SECOND FLOOR	•		
A103	STRUCTURE	•		
A201	ELEVATIONS	•		
A202	SIGNAGE	•		
A203	RENDERS	•		

DESIGN TEAM –

ARCH TBD,
CIVIL: BOLTEN & MENK,
STRUCTURAL: TBD,
MECHANICAL AND ELECTRICAL WILL BOTH BE “DESIGN-BUILD”

PROJECT MANAGER: MIKAELA KRENGEL
MIKAELAK@APXCONSTRUCTIONGROUP.COM



APX CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

COVER SHEET

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A100

SCALE

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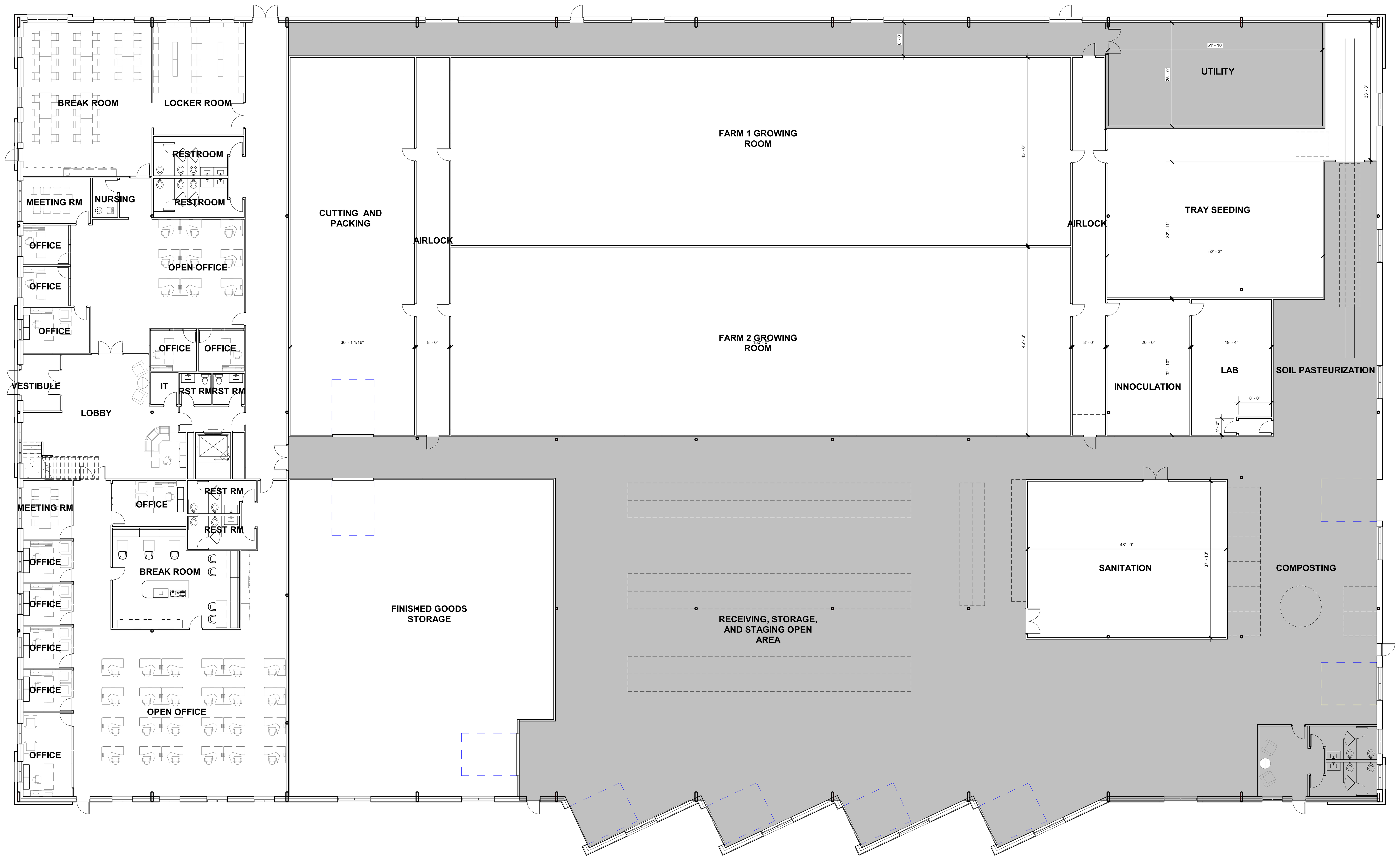

1 FIRST LEVEL
A101 1/16" = 1'-0"

APX CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

FIRST FLOOR PLAN

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	ESG
CHECKED BY	ESG

A101

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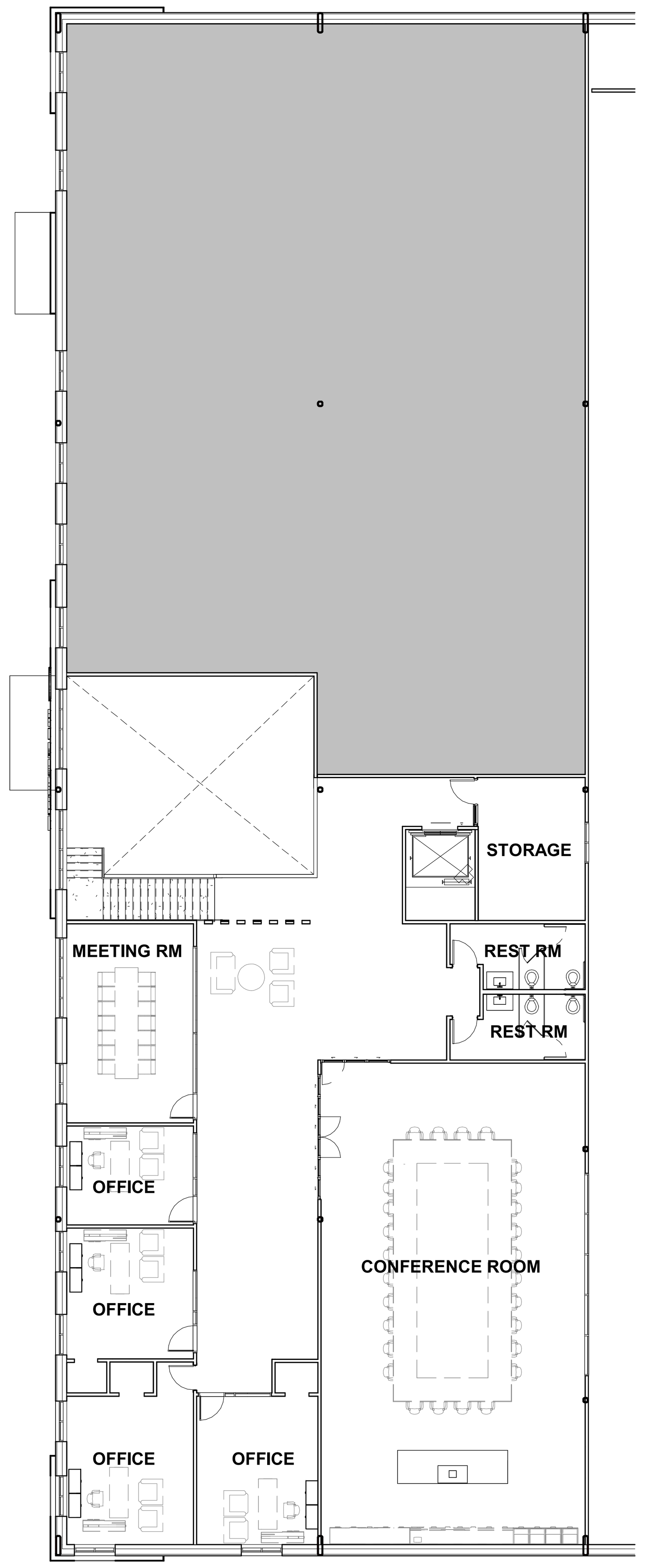

1
A102
SECOND FLOOR
1/16" = 1'-0"

APX CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

SECOND FLOOR

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A102

SCALE 1/16" = 1'-0"

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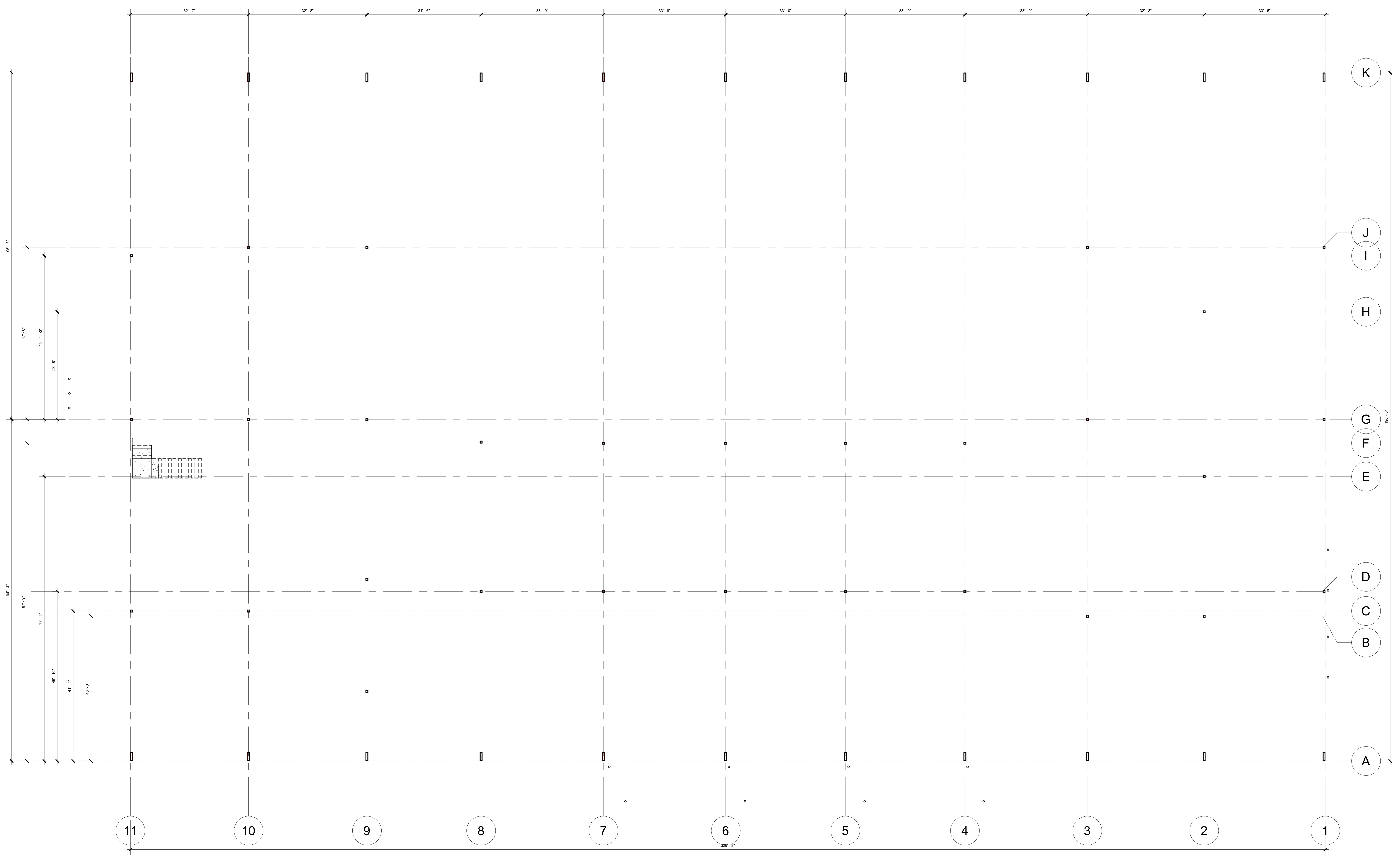

1 A103 **STRUCTURE**
1/16" = 1'-0"

APX CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

STRUCTURE

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A103

SCALE	1/16" = 1'-0"

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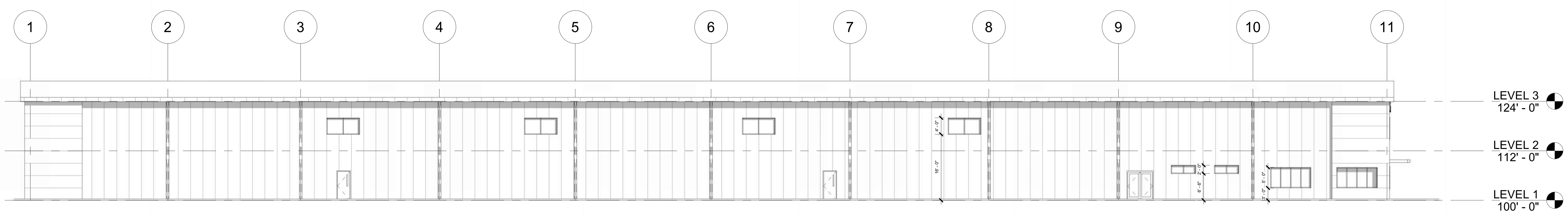
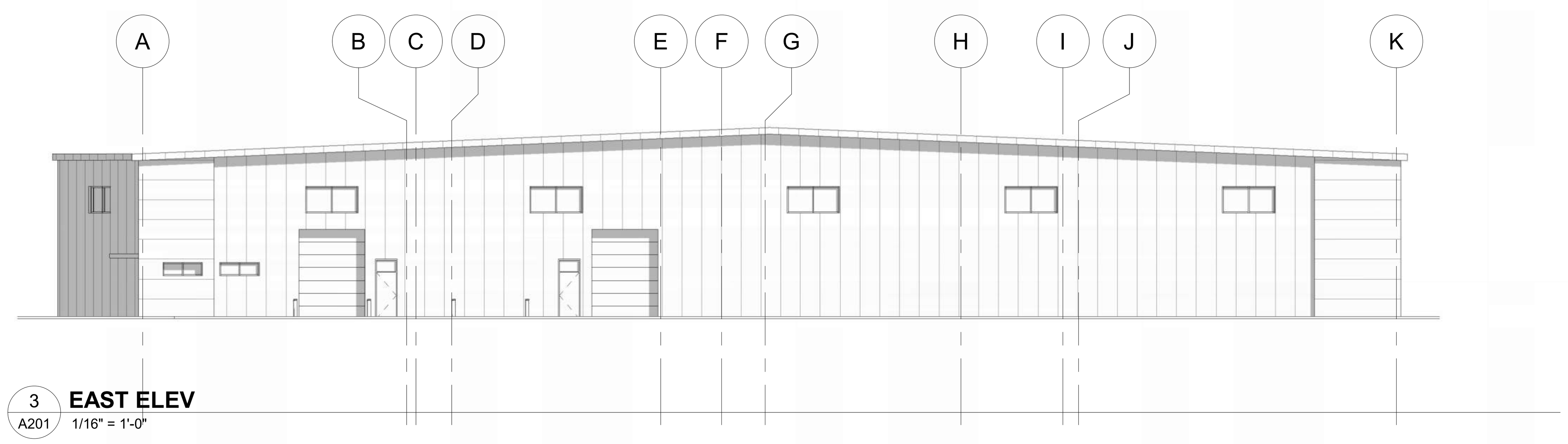
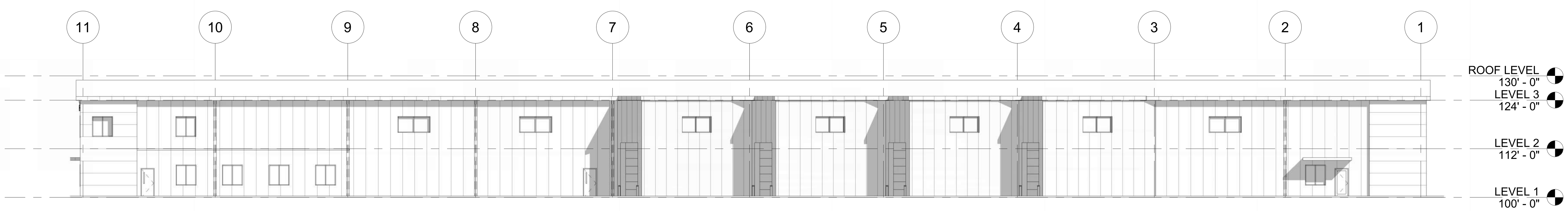
1 A201 **WEST ELEV**
1/16" = 1'-0"



2 A201 **NORTH ELEV**
1/16" = 1'-0"



3 A201 **EAST ELEV**
1/16" = 1'-0"



4 A201 **SOUTH ELEV**
1/16" = 1'-0"

APX CONSTRUCTION GROUP

SCHEMATIC DESIGN
NOT FOR CONSTRUCTION

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

ELEVATIONS

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A201

SCALE 1/16" = 1'-0"

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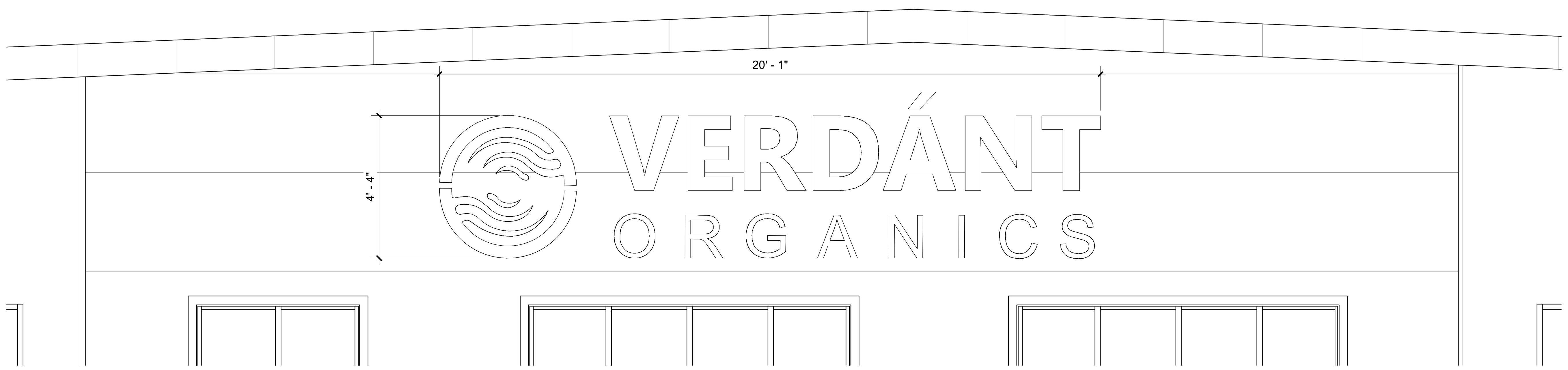
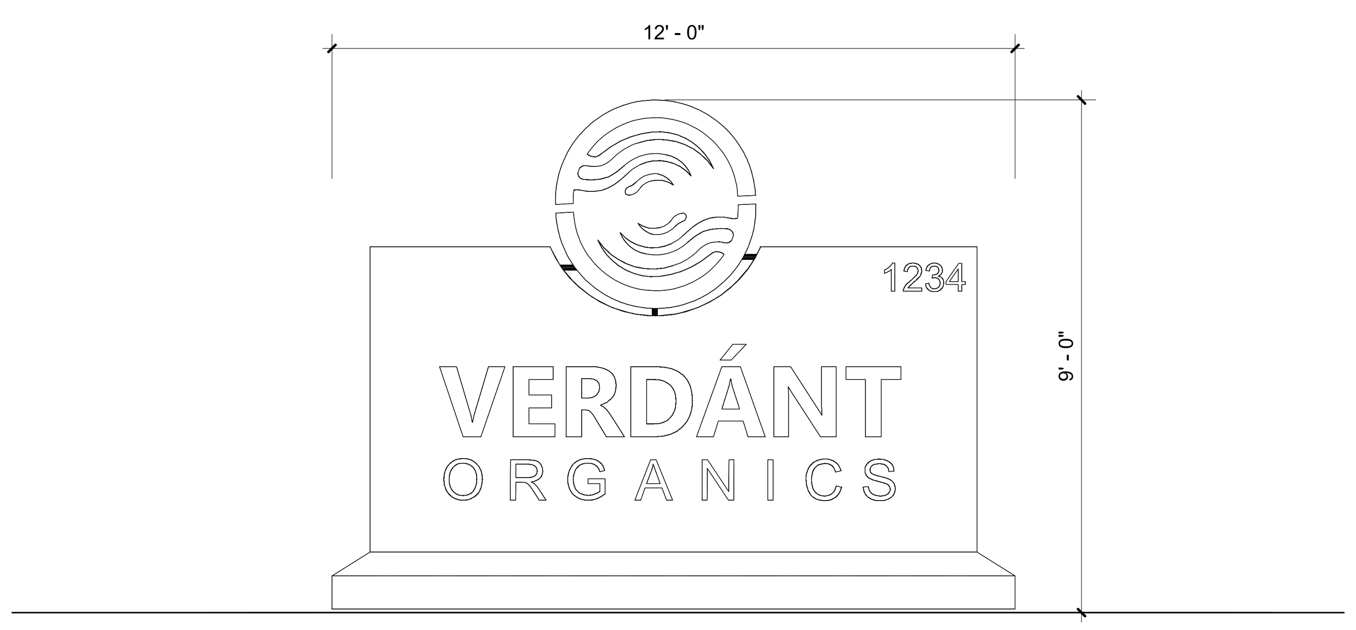


1 A202 **BUILDING SIGN**
3/8" = 1'-0"



2 A202 **MONUMENT SIGN**
3/8" = 1'-0"

CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

SIGNAGE

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A202

SCALE	3/8" = 1'-0"

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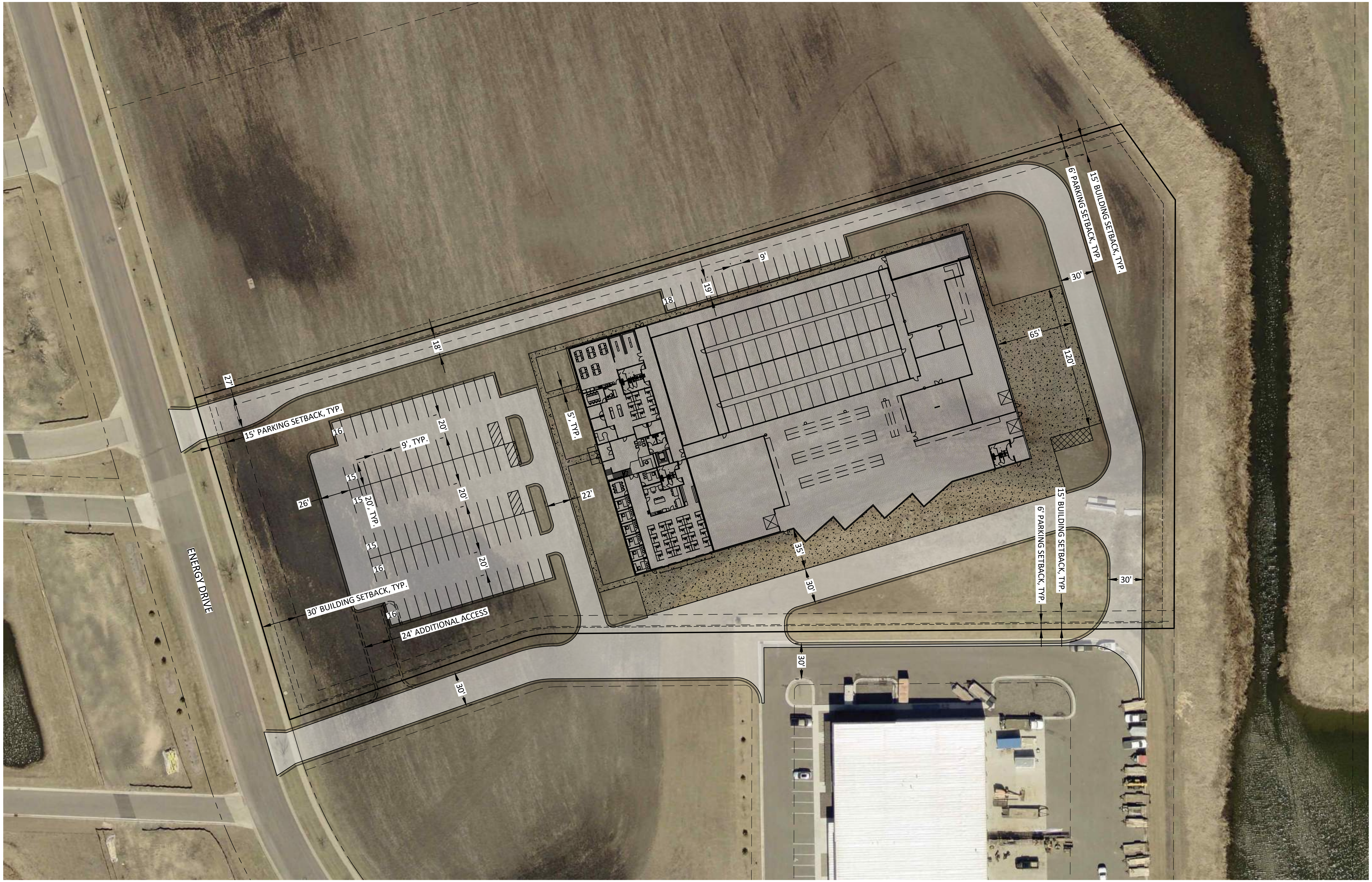
VERDANT ORGANICS
MANKATO MINNESOTA

CONCEPT PLAN REV. 1
APRIL 2026

BOLTON & MENK



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SCALE FEET

UTILITY & SITE DATA

ALL ZONING AND SETBACK INFORMATION WAS OBTAINED FROM THE CITY OF MANKATO CODE. FOR DETAILED ZONING INFORMATION AND SPECIFIC INTERPRETATION OF CODE REQUIREMENTS, CONTACT THE CITY OF MANKATO.

ZONING:
SUBJECT PROPERTY - M-1, LIGHT INDUSTRIAL DISTRICT

SETBACKS:

FRONT	
MAIN BUILDING	30 FEET
IMPERVIOUS PARKING OR STORAGE	15 FEET
SIDE	
MAIN BUILDING	15 FEET
IMPERVIOUS PARKING OR STORAGE	6 FEET
REAR	
MAIN BUILDING	0 FEET
IMPERVIOUS PARKING OR STORAGE	0 FEET

LOT AREA (MINIMUM) = 7,000 SQ.FT.
LOT WIDTH (MINIMUM) = 100 FEET
MAXIMUM GROUND COVERAGE = 75% BY ALL STRUCTURES IN M-1
MAXIMUM BUILDING HEIGHT = NO REQUIREMENT

APX CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

RENDERS

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A203

SCALE

4/28/2026 12:00:32 PM

VERDANT ORGANICS

SHEET NUMBER	SHEET NAME	ISSUE 1	ISSUE 2	ISSUE 3
A100	COVER SHEET	•		
A101	FIRST FLOOR PLAN	•		
A102	SECOND FLOOR	•		
A103	STRUCTURE	•		
A201	ELEVATIONS	•		
A202	SIGNAGE	•		
A203	RENDERS	•		

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CIVIL: BOLTEN & MENK,
STRUCTURAL: TBD,
MECHANICAL AND ELECTRICAL WILL BOTH BE "DESIGN-BUILD"

PROJECT MANAGER: MIKAELA KRENGEL
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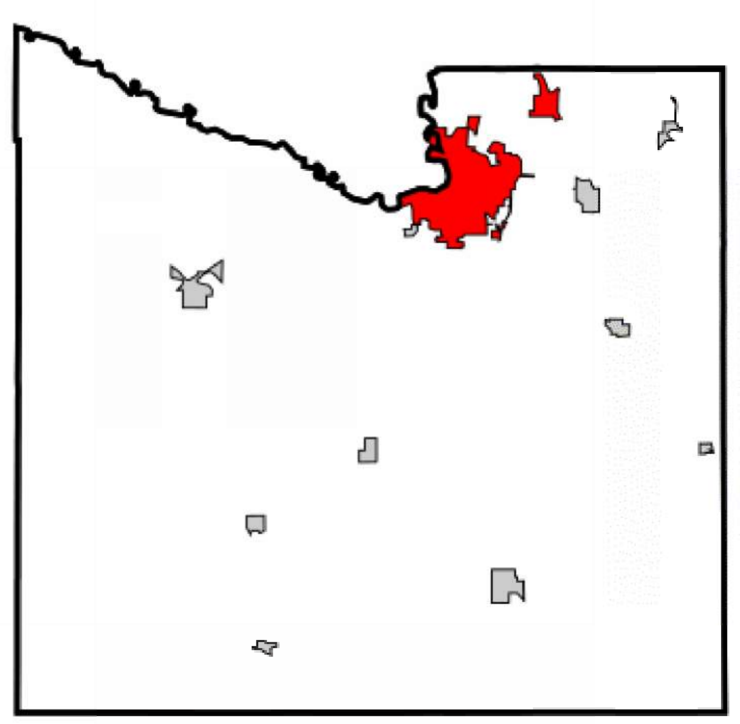

APX CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

COVER SHEET

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A100

SCALE

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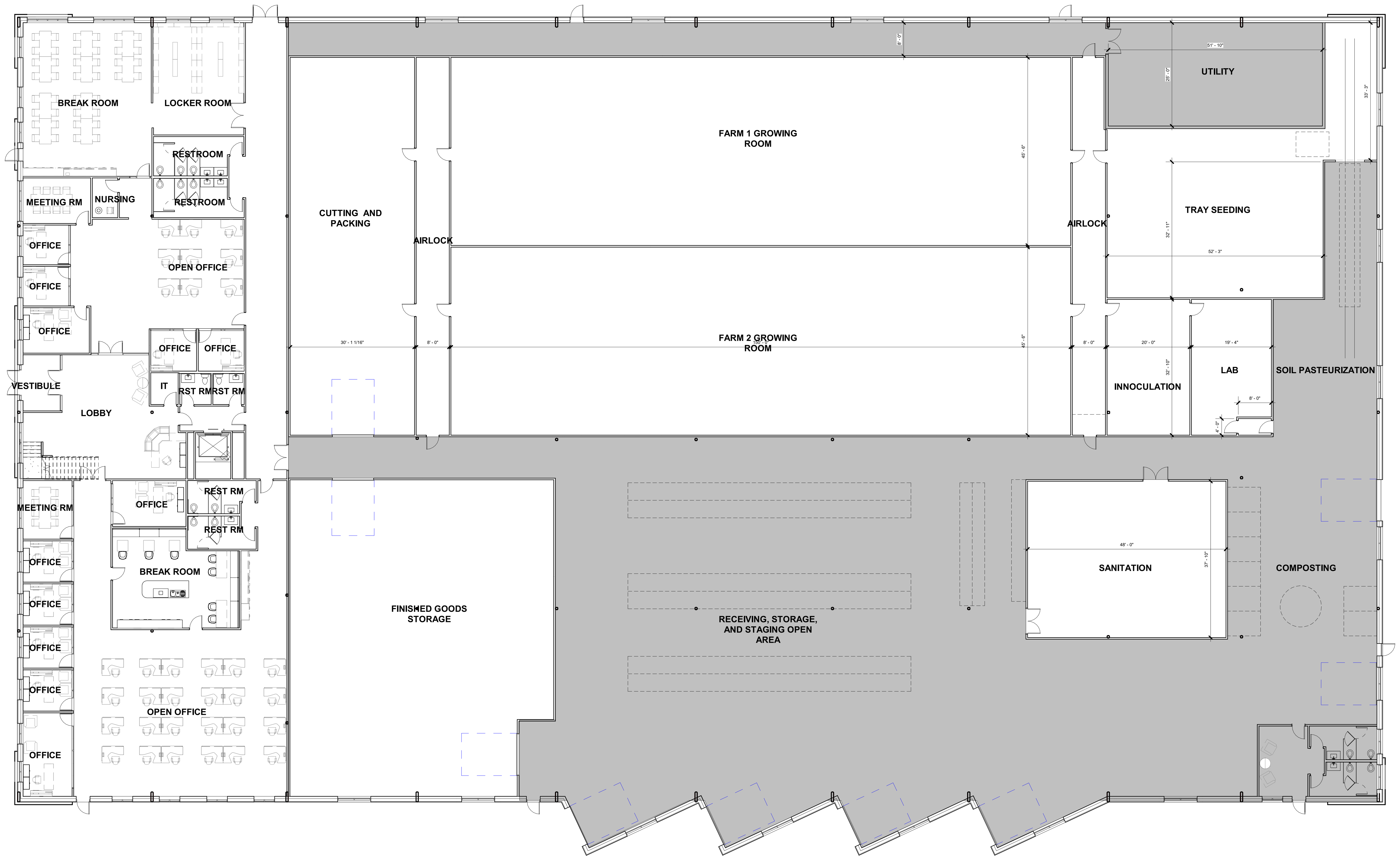

1
A101
FIRST LEVEL
1/16" = 1'-0"

APX
CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

FIRST FLOOR PLAN

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	ESG
CHECKED BY	ESG

A101

SCALE	1/16" = 1'-0"

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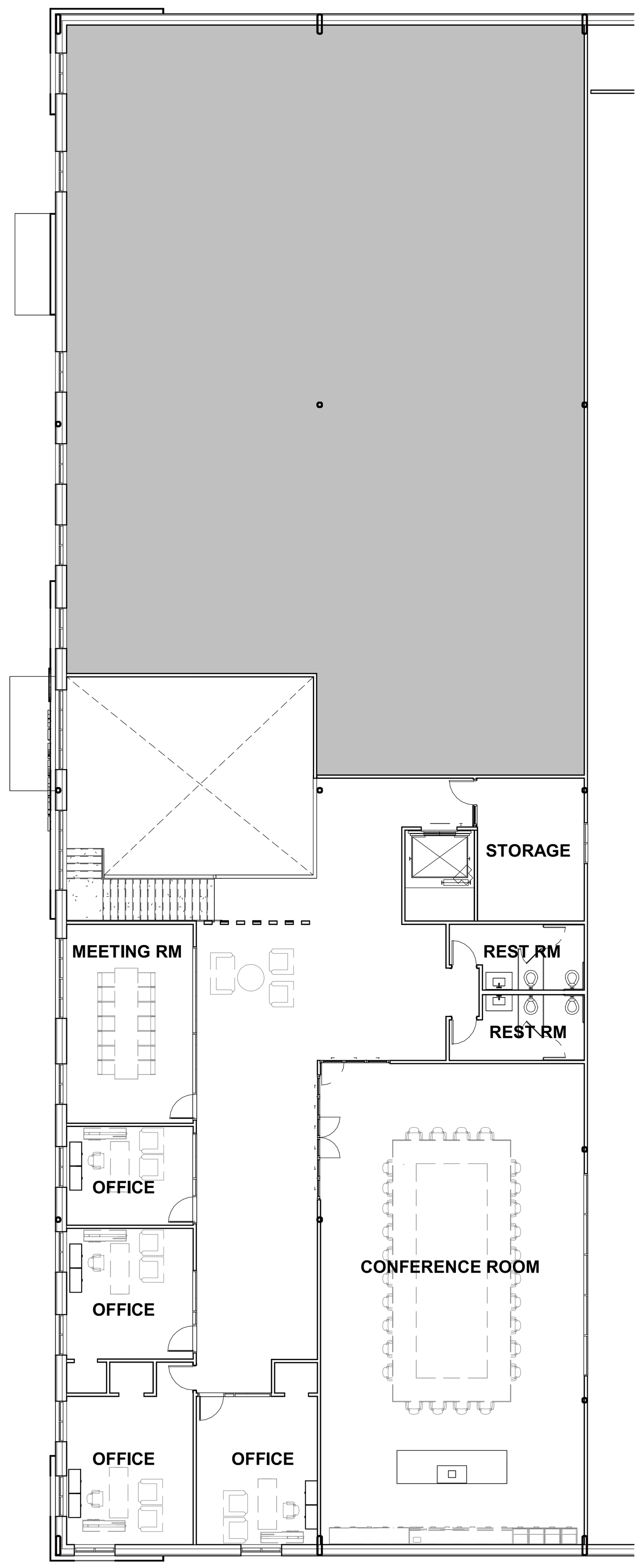

1
A102
SECOND FLOOR
1/16" = 1'-0"

CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

SECOND FLOOR

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A102

SCALE	1/16" = 1'-0"

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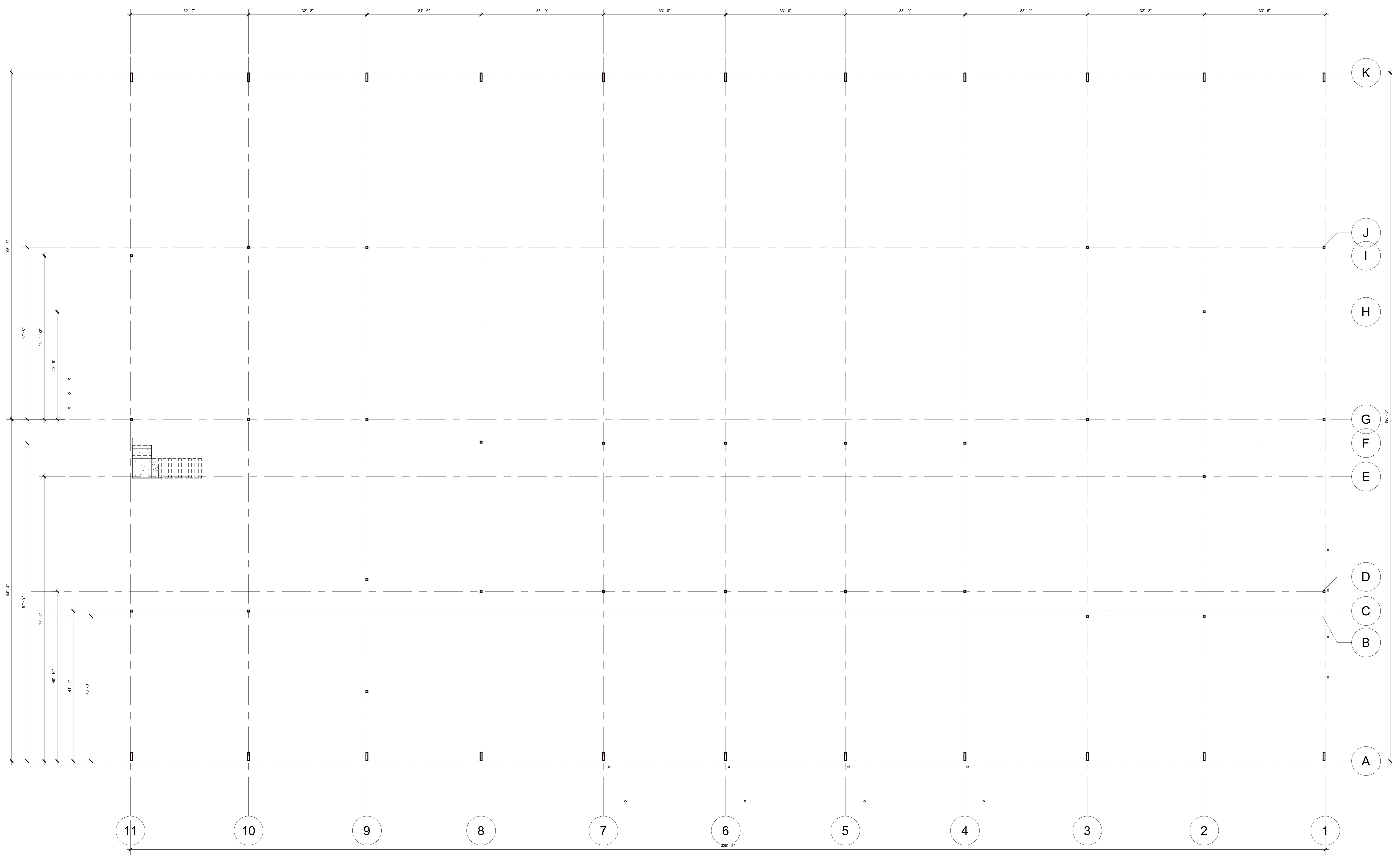

1 A103 **STRUCTURE**
1/16" = 1'-0"

APX CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

STRUCTURE

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A103

SCALE	1/16" = 1'-0"

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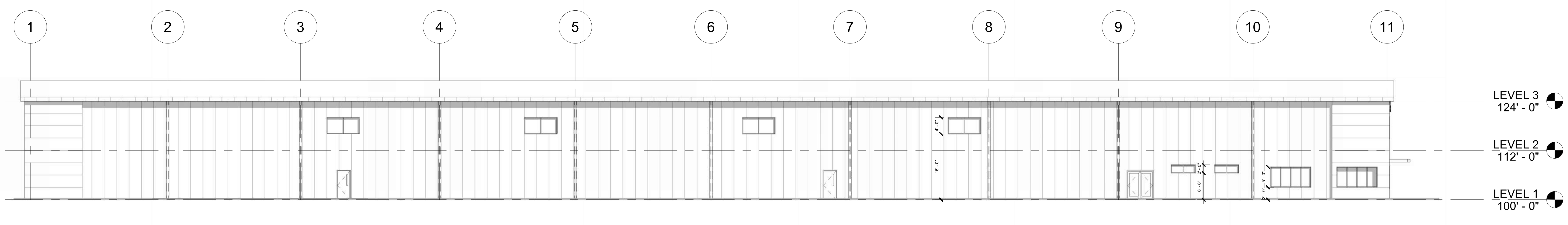
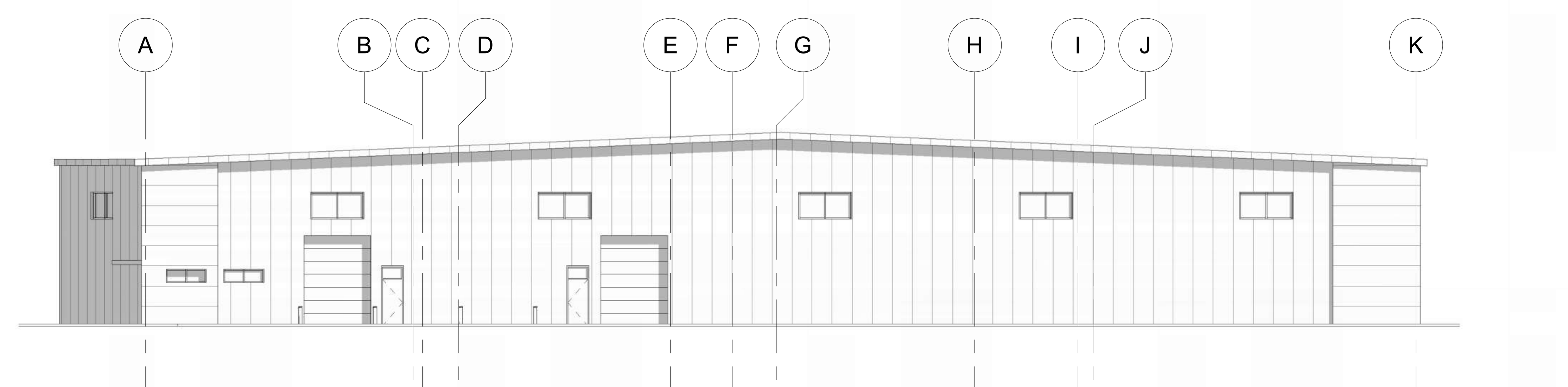
1 A201 **WEST ELEV**
1/16" = 1'-0"



2 A201 **NORTH ELEV**
1/16" = 1'-0"



3 A201 **EAST ELEV**
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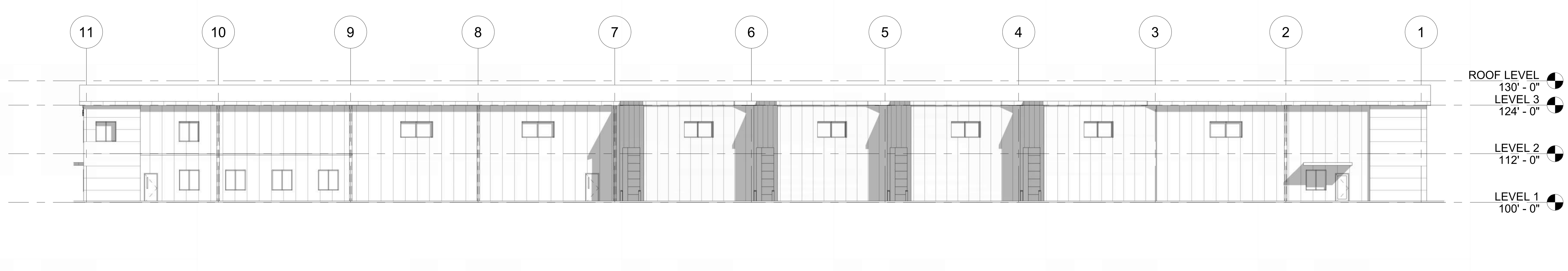

4 A201 **SOUTH ELEV**
1/16" = 1'-0"

APX CONSTRUCTION GROUP

SCHEMATIC DESIGN
NOT FOR CONSTRUCTION

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

ELEVATIONS

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A201

SCALE 1/16" = 1'-0"

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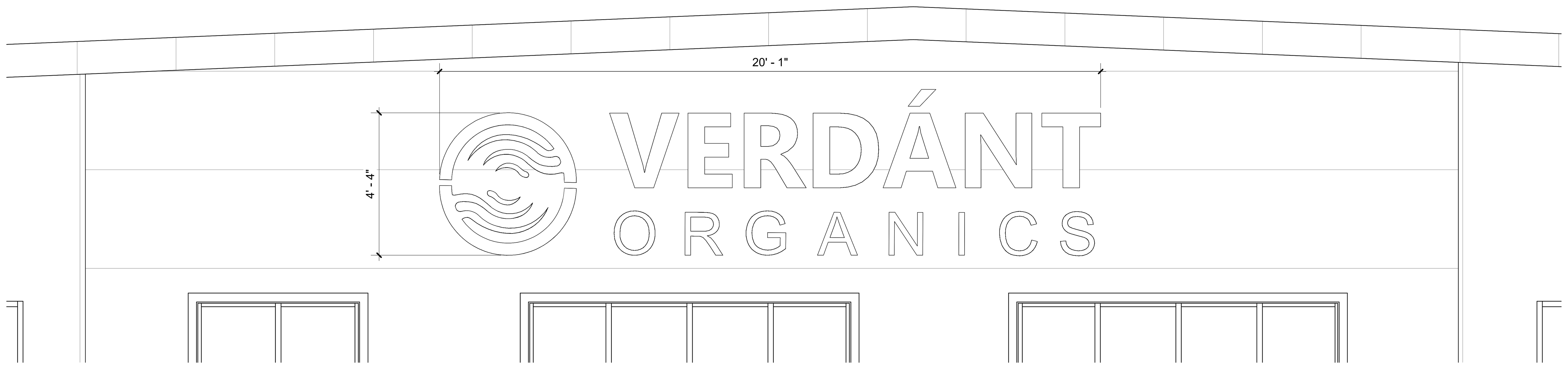

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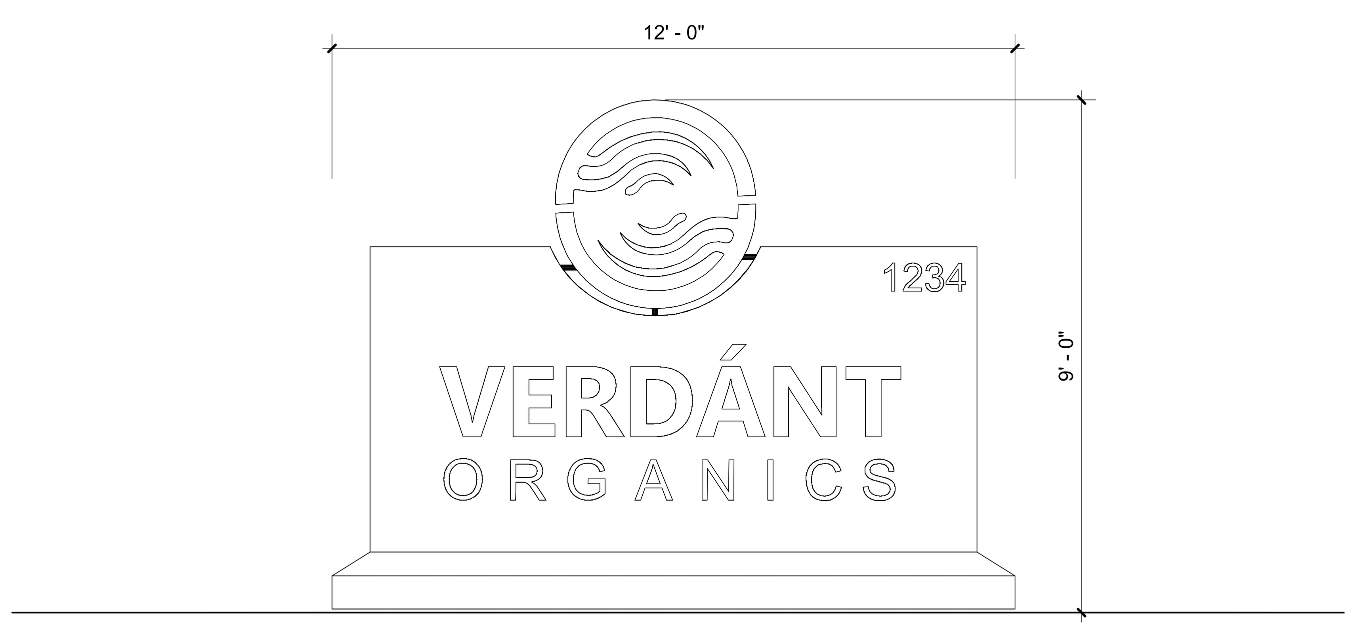

2 A202 **MONUMENT SIGN**
3/8" = 1'-0"

CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

SIGNAGE

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A202

SCALE	3/8" = 1'-0"

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CONSTRUCTION GROUP

NO.	DESCRIPTION	DATE

Owner

VERDANT ORGANICS

RENDERS

PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	Author
CHECKED BY	Checker

A203

SCALE

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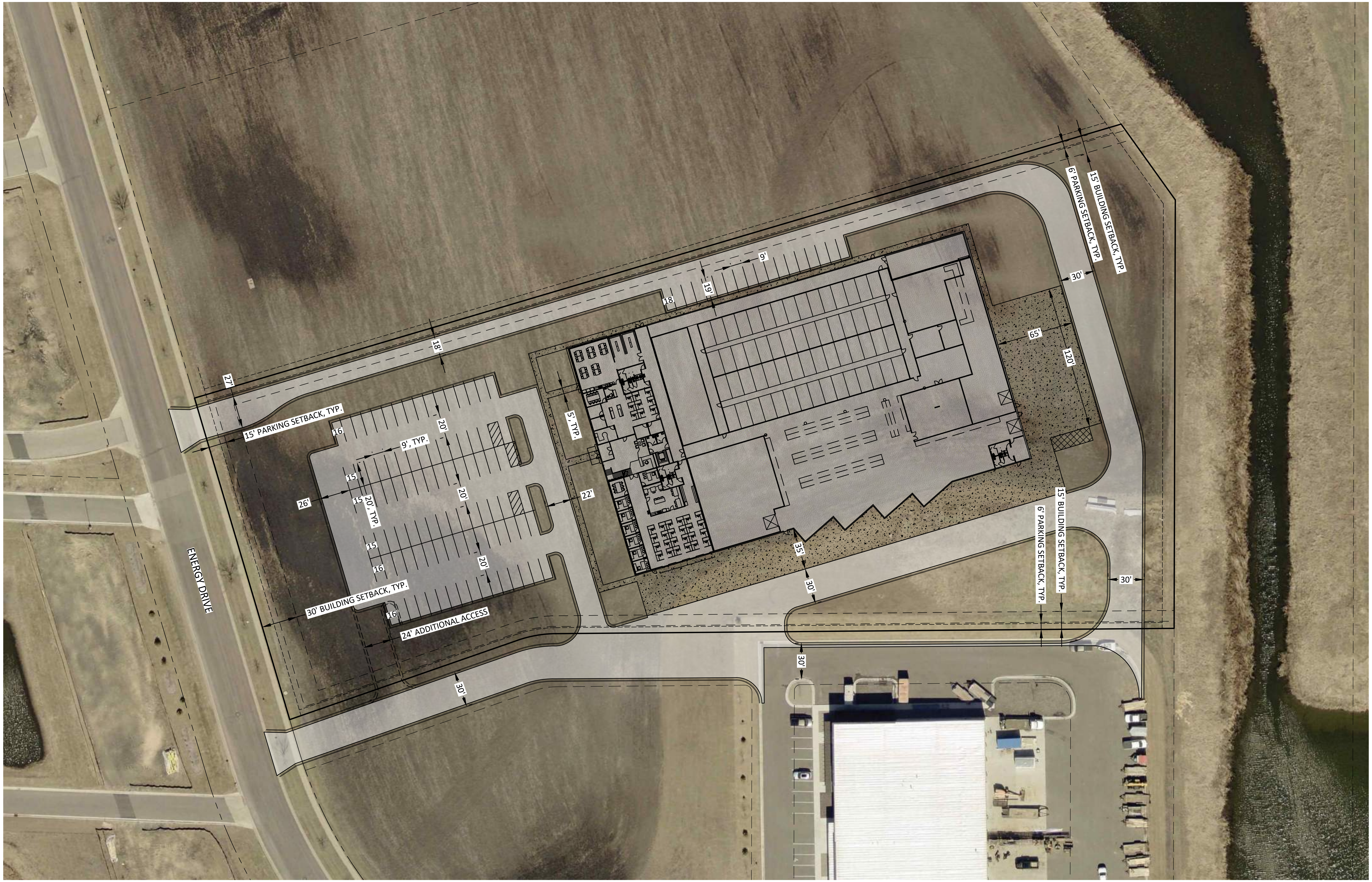
VERDANT ORGANICS

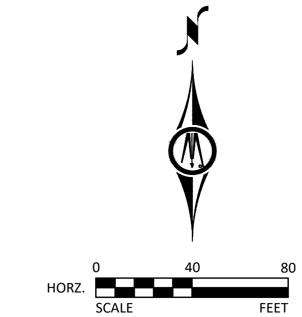
MANKATO MINNESOTA

CONCEPT PLAN REV. 1

APRIL 2026

BOLTON & MENK





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IMPERVIOUS PARKING OR STORAGE	6 FEET
REAR	
MAIN BUILDING	0 FEET
IMPERVIOUS PARKING OR STORAGE	0 FEET

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LOT WIDTH (MINIMUM) = 100 FEET
MAXIMUM GROUND COVERAGE = 75% BY ALL STRUCTURES IN M-1
MAXIMUM BUILDING HEIGHT = NO REQUIREMENT

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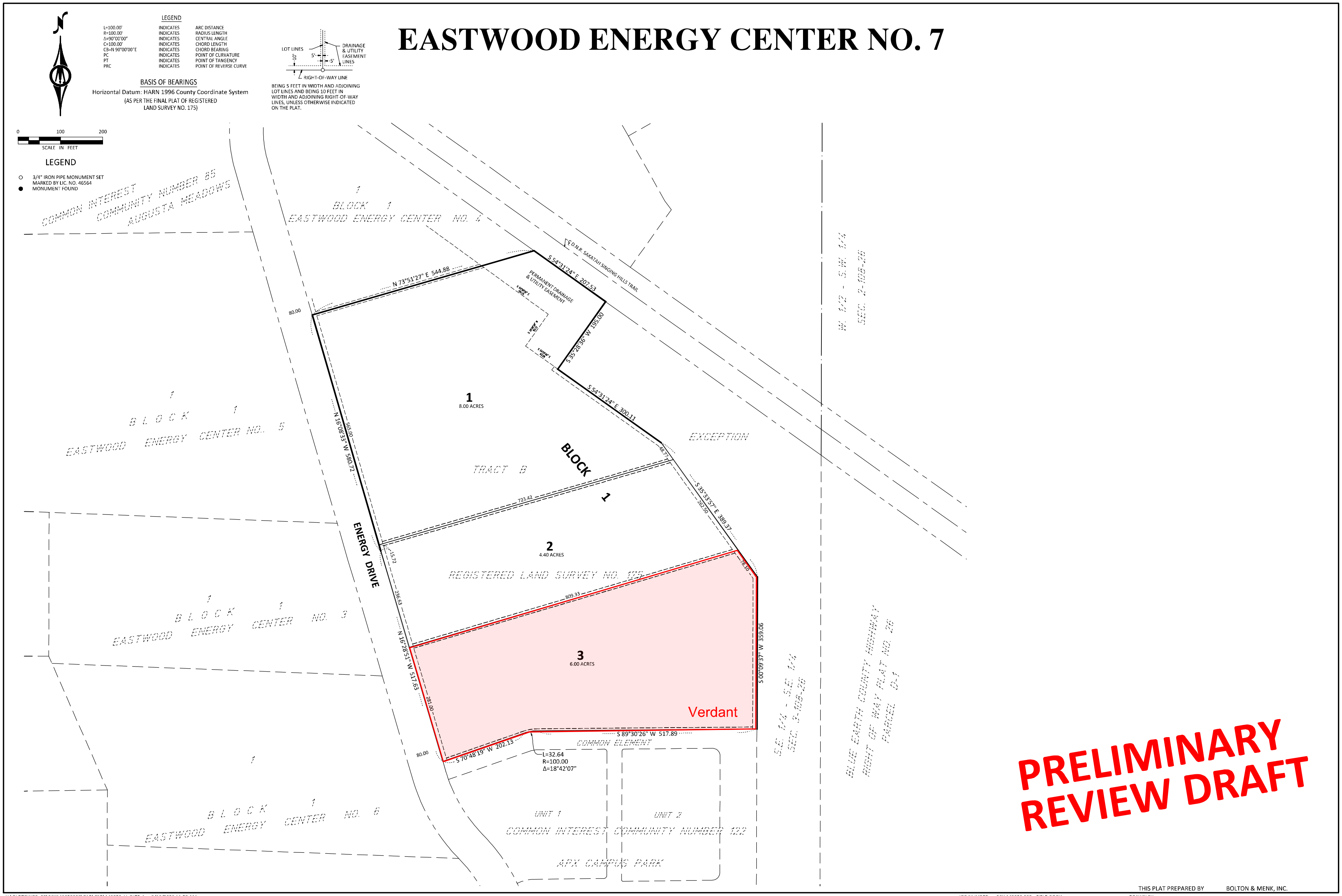
OFFICIAL PLAT COPY



EHLERS
PUBLIC FINANCE ADVISORS

MEMORANDUM

TO: Courtney Kramlinger, Economic Development Coordinator

FROM: Stacie Kvilvang, Ehlers

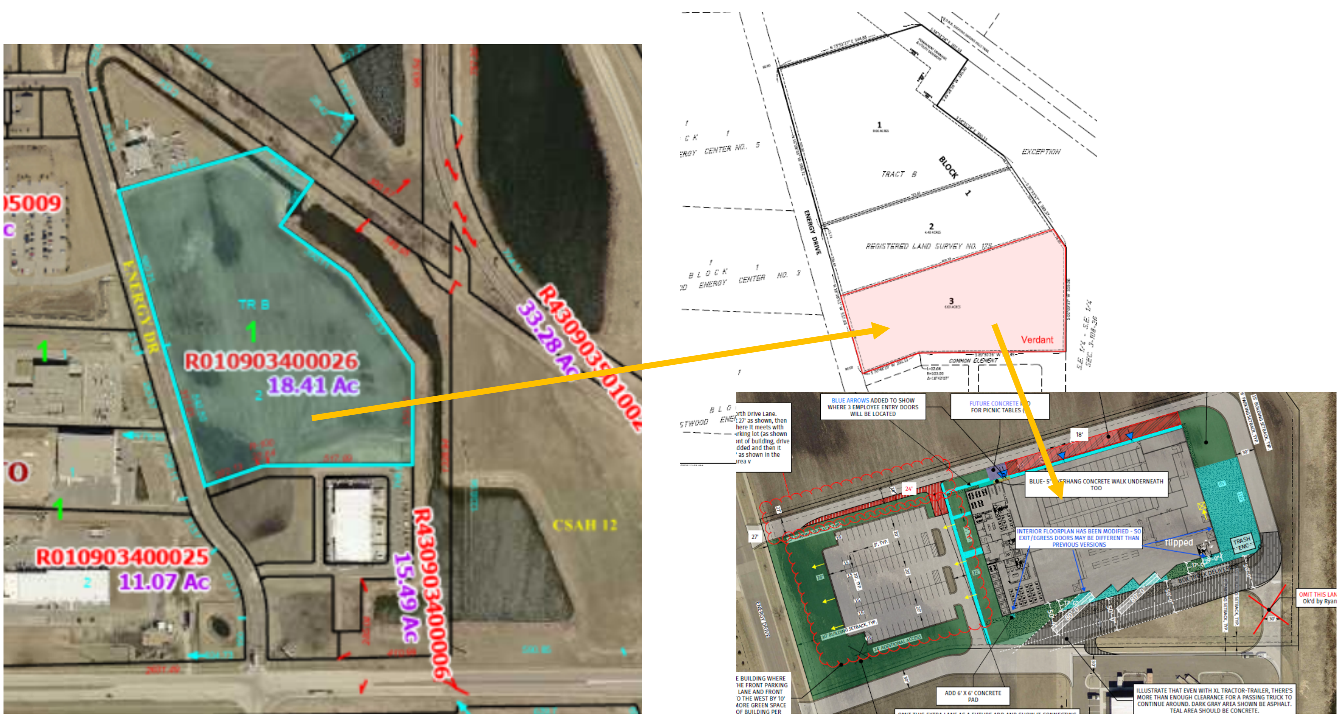
DATE: August 28, 2026

SUBJECT: Old Town Properties, LLC.

Project Background

The City of Mankato (the "City") received a request for $1,890,000 in Tax Abatement Financing ("Abatement") from Old Town Properties, LLC (the "Developer") for the construction of a 63,000 sq. ft. office and indoor organic production and processing facility for cultivation, processing, packaging and distribution of mushrooms and microgreens (the "Project"). They requested a 15-year term with annual abatement of $126,000. The Developer would own the facility and lease it to Verdant Organics (the "Tenant").

The Developer originally purchased the existing site in 2022, which included the southern parcels that have been replatted (total of 26.53acres) for $1.849M, or $1.60 sq. ft. In 2023, they replatted and sold the parcel located at 1021 Elevate Lane for $600,000 ($8.35 sq. ft. sq. ft.) and currently own and lease that space to tenants. The remaining 18.41-acre site noted below (PID : R01.09.03.400.026) would be replatted into 3 lots, with the proposed Project being developed on approximately 6 acres located on the southern end of the existing parcel.



Tax Abatement

MN Statutes 469.1813 allows a political subdivision (city, county or school district) to grant an abatement of all or a portion of their share of the taxes to a business or development if they deem that in doing so is in the public's interest because it will meet at least one (1) of ten (10) reasons. For purposes of this discussion, the project in question would meet the following two (2) benefits:

1. Increase or preserve tax base; and
2. Provide employment opportunities in the political subdivision;

Each political subdivision has a say in the abatement of their portion of taxes, and the City can only agree to abate their share. In addition, if a city awards more than $150,000 in assistance to a commercial business (housing is exempt from this requirement), the City is required to hold a public hearing on the abatement and enter into a formal agreement with the business that outlines job and wage goals attributable to the project.

Cities typically treat tax abatement like tax increment financing (TIF). The value that the City abates is only the new increased value of the property created by construction of building (so land value taxes still go to the City). Based upon the projected valuation of the Project upon completion by the County Assessor ($5.046M), the overall taxes to be paid by the Project is approximately $141,000/year. Of this, the City's portion is approximately $31,000/year or 22% of the overall taxes.

The Abatement agreement is with the property owner, since they are ultimately responsible for payment of the property taxes and the Abatement note is issued and paid to them. The Tenant is not entitled to the Abatement unless there is a formal agreement with the Developer, of which the agreement is a private agreement between the parties.

Financial Analysis

The Developer submitted financial information ("Proforma") for the Project to the City. Ehlers conducted a review of the Developer's current Proforma based on industry standards for construction costs, land costs, rental rates, developer fee, available funding sources, underwriting criteria, and project cash flow. Based on the results of the pro forma analysis, we conclude the project requires approximately $178,000 in Abatement. This assistance would be provided in the form of a pay-as-you-go (PAYGO) note paid with 90% of the City's portion of the increased taxes (Abatement) generated annually from the Project over a 7-year period (the "City Assistance"). This equates to approximately $28,000/per year when the project is fully valued in year two (2).

1. **Total Development Costs (TDC):** The TDC of the project is approximately $13.56 million as noted in the table below. The per sq. ft. cost at $215 is higher than what we typically see of $120 to $150. The increased cost is attributable to the higher land purchase price and possibly the cost of tenant build out.

First Mortgage	10,850,499	80.00%
Developer Equity	2,712,625	20.00%
TOTAL SOURCES	**13,563,124**	**100.00%**

Acquistion Costs	1,568,160	11.56%	24.89
Construction Costs	10,559,848	77.86%	167.62
Professional Services	1,144,116	8.44%	18.16
Financing Costs	291,000	2.15%	4.62
Developer Fee	0	0.00%	0.00
TOTAL USES	**13,563,124**	**100.00%**	**215.29**

2. **Project Financing**: The Developer proposes to finance the Project with a combination of debt and equity. The Developer anticipates securing a first mortgage in the amount of $10.850 million to finance 80% of TDC. The Developer will be providing $2.712 million in equity, which is 20% of TDC and in line with typical development projects which range from 20% to 50%. The equity is comprised of land acquisition ($1.568M) and future cash infusion at closing ($1.144M).

3. **Land Acquisition Costs:** As discussed earlier, the Developer owns the land and has sold a portion already. The sale of land as proposed would likely reimburse the Developer for their original purchase price plus holding costs to date (taxes, etc.). Sale of the remaining 18.88 acres after this transaction would provide the Developer approximately $4.9M in gross profit, if sold at the same anticipated $6.00 sq. ft. We view that the purchase price of the land exceeds what we typically see for bulk manufacturing and contributes to the overall gap in the project.

4. **Developer Fee:** A developer fee compensates a developer for the staff time, effort and resources required to complete the steps necessary to bring a project to the development stage. This fee is typically 3% to 5% of TDC. The proposed developer fee is $0 since the developer is the builder and will receive compensation as part of that contract. Overall, charging no developer fee makes the financing of the project more feasible.

5. **Rent:** For commercial projects we look at rents on a triple net (NNN) basis, meaning taxes, insurance and operating costs/CAM are netted out. The Developer has a 10-year lease with the tenant, with two 5-year renewals. The proposed rent for the tenant is $15.72 sq. ft., and inflates annually, which is typical of the tenant profile for this type of facility.

6. **Financial Performance.** The Developer would like to attain an Yield on Cost (YOC) of 9% to 11%. This is higher than what we see for this type of build-to-suit and would expect that a YOC of 7.5% to 9%, depending on the tenant and proposed lease terms, etc.. Based upon our review, the YOC is 7.75% with tax abatement and 7.52% without tax abatement.

   The other financial metric we review is when the project can meet a likely 120% debt service coverage for it bank financing. Based upon our review, by year seven (7) the project would meet this requirement.

Recommendation:

If the EDA agrees that $6 sq. ft. for the land is a fair market price for the land, based on our review of the Developer's Proforma and under current market conditions, the proposed Project isn't feasible without the City Assistance outlined (7-year PAYGO Abatement note of $178,700). If the EDA deems that the land value is excessive, if we reduced the land to $4.50 sq. ft. (where County has value on smaller lots), they would still require 5 years of Abatement ($122,400).

We recommend inclusion of a three-prong 'lookback" provision in the Abatement agreement. This provision will allow for review of (i) actual project costs when project construction is completed (since everything is just estimates at this time); (ii) project performance and returns on investment against initial projections at stabilization; and (iii) review at sale. If project costs are lower when (i) is completed we typically see a reduction in Abatement on a $1 for $1 basis. For the other return metrics we typically see a sharing factor so only a 50% reduction in the Abatement needed to make the project financially feasible.

Please contact me at 651-697-8506 if you have any questions or comments.

AGENDA RECOMMENDATION

Economic Development Authority **4. D.**

Meeting Date: 09/14/2026

Agenda Item:

Motion setting October 13, 2026 as the date of hearing to consider a loan request from Verdant Agritech LLC (DBA Verdant Organics) to purchase equipment.

Recommendation/Action(s):

Motion setting date of hearing.

Summary:

An application requesting an economic development revolving loan has been submitted by Verdant Agritech, LLC to purchase equipment to be used for Verdant Organics.

Verdant, in partnership with the property owner, will construct a 63,000 square foot indoor farming facility at 1761 Energy Drive to grow premium organic microgreens and blue oyster mushrooms year-round. It's anticipated construction of the facility would begin late 2026 or early 2027 and its anticipated construction would be completed within approximately 9 months.

The request to the EDA is to finance a portion of the $2.6 million capital equipment costs. The request to the EDA is for a $300,000 economic development revolving loan for the purchase of equipment.

The equipment would include:

- Tank water heaters;
- Air conditioning with Makeup Air;
- Back-up generator - Genx;
- Water filtration systems;
- Water chilling system;
- Carbon Dioxide collection, storage, and carbonization systems;
- Air compressor – High PSI;
- Automated tray seeder with watering bars.

Verdant has shared the equipment is vital to the operation of the facility. Per the revolving loan guidelines, the term of the loan would be for 7 years and the rate would be 70% of the prime rate. At this time, the current prime rate is 6.75%, which means the loan rate would be 4.725%. The revolving loan guidelines state that repayment of the loan is to begin within one month of taking possession of equipment purchased with loan funds, and that exceptions to this may be made on a case by case basis. Verdant Agritech, LLC has requested to begin making interest payments once the facility begins operations and interest and principal payments once the facility has been operating for 1 year.

The revolving loan guidelines require a minimum 10% equity investment of the total project costs. The loan application notes of the $2.6 million in equipment costs, $500,000 would be private funds from Organics Ventures LLC, $1,400,000 in existing raised equity, and $400,000 from a Minnesota Growth Fund loan, in addition to this loan request.

The revolving loan criteria limit the loan amount to $300,000 or 40% of the total project costs, whichever is less. One permanent full-time job must be created or retained within two years of the loan closing for each $50,000 borrowed from the revolving loan fund. Verdant Agritech, LLC is requesting financing that totals $300,000, which means at least 6 full-time equivalent jobs would need to be created. Per the revolving loan guidelines, the positions shall pay at least 110 percent of the federal poverty rate for a family of four within two years of the loan closing. Verdant anticipates there would be 17 jobs created within year one, and 75 jobs created in year two, and would exceed the revolving loan guidelines for wage rates.

State Statute requires a business subsidy agreement be approved by the City Council when assistance exceeds $150,000. A resolution authorizing a business subsidy agreement would be presented to the City Council for consideration at a future meeting.

In Verdant's application, it was indicated that Verdant will, "address key challenges facing food service and retail buyers, including inconsistent quality, unreliable supply, limited shelf life, and food waste. Clean-room cultivation eliminates washing requirements, while proprietary gas-flushed packaging extends shelf life up to four times longer than conventional products, reducing spoilage and improving inventory management."

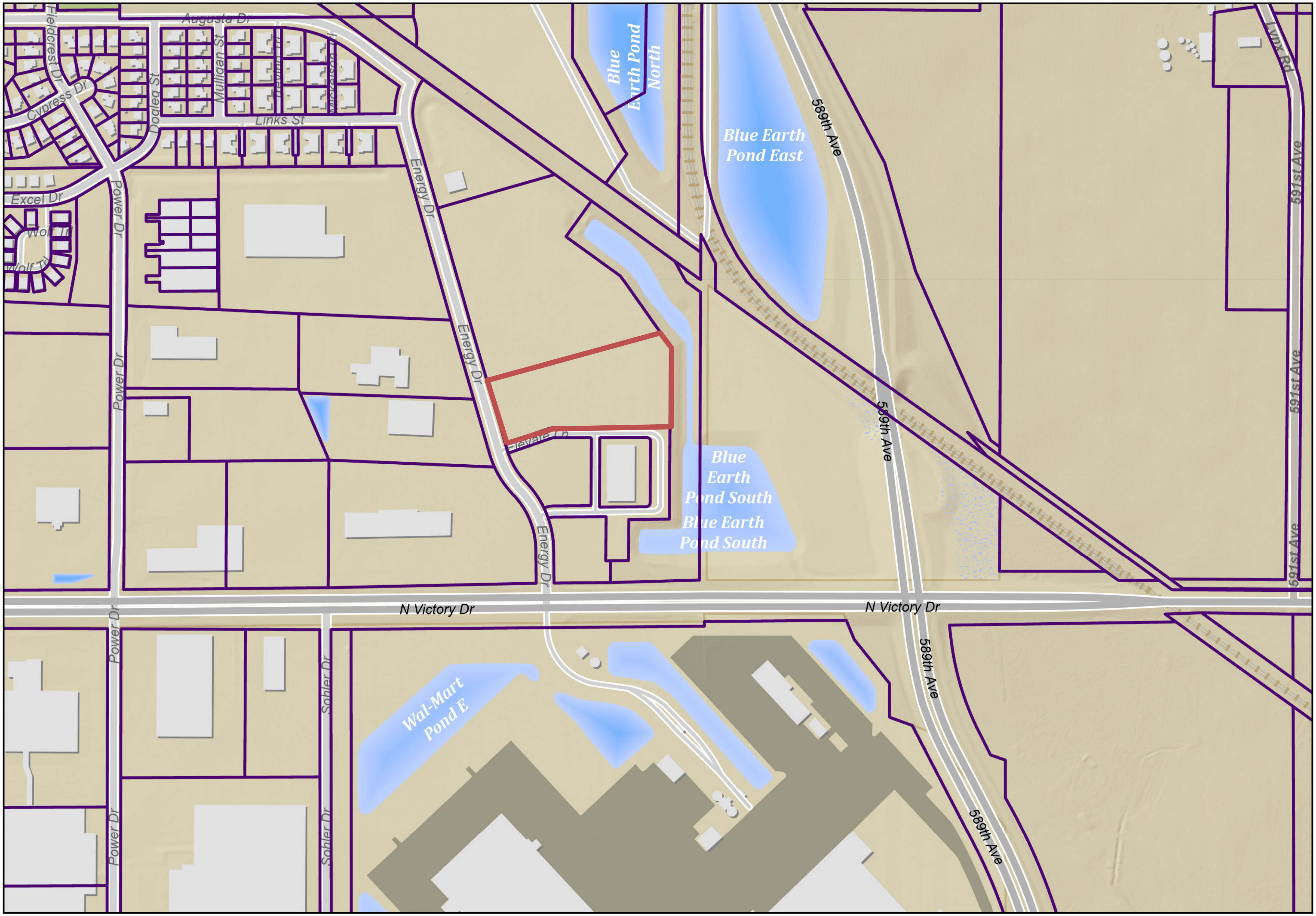
The purpose of the revolving loan program is to increase the City's tax base, create and retain jobs and improve economic opportunity and living standards for the residents of Mankato by promoting local business development and expansion and leveraging private sector funds.

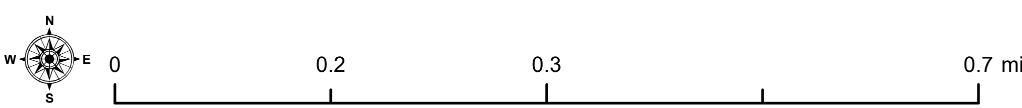
The requested action is a motion setting October 13, 2026, as the date of hearing to consider the loan request.

Attachments

General Location Map
Application

General Location Map





This information is to be used for reference purposes only. The City of Mankato does not guarantee accuracy of the material contained herein and is not responsible for misuse or misinterpretation.

Produced by: City of Mankato GIS
Published: September 8, 2026

City of Mankato
Leading the way...

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Mankato, MN 56002-3368

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www.mankatomn.gov

CITY OF MANKATO
APPLICATION FOR FINANCIAL ASSISTANCE

A. APPLICANT INFORMATION

Name of Corporation/Partnership Verdant Agritech LLC, DBA as Verdant Organics

Address IDS Center Suite 900, 80 South Eight Street, Minneapolis MN 55402

Primary Contact Michael C. Borman

Address 5337 Girard Avenue South, Minneapolis, MN 55419 (use as mailing address)

Phone 612 810-9718 Fax na Email mborman@verdantagritech.com

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. **Attach as Exhibit A**.
- Brief description of the proposed project. **Attach as Exhibit B**.
- Site plan, building plans, floor plans, etc. **Attach as Exhibit C.**
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. **Submit directly to Baker Tilly as Exhibit D**.
- Breakdown of sources/uses with and without financial assistance (sample on page 6). **Attach as Exhibit E**.
- Prospective Lessees. **Attach as Exhibit F.**

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

The project will be:

__x__Industrial Greenfield: __x__*New Construction* ____ *Expansion*
____Commercial Redevelopment: ____*New Construction* ____ *Rehabilitation*
____Industrial Redevelopment: ____*New Construction* ____ *Rehabilitation*
____Housing Redevelopment: ____*New Construction* ____ *Rehabilitation*
____Mixed Use Redevelopment: ____*New Construction* ____ *Rehabilitation*
____Other____

Please explain the basic components of the project proposed, i.e., amount of new commercial square footage, numbers of housing units (rental or owner occupied, breakdown of units by number of bedrooms and square footage of units, proposed rents), etc.

Verdant is buidling a 63,000 square foot indoor farming facility to grow organic microgreens and blue oyster mushrooms.
This project will fund $300,000 of planned $2.6M of CAP-X purchases for equipment to be used in the growing facility.
An itemized list of the $300,000 of CAP-X items to be purchased with the project funding is included in the appendix.
An itemized list of the total $2.6M of planned CAP-X items is also included in the appendix.

The project will be: ____Owner Occupied __x__Leased Space
If leased space, please attach a list of names and addresses of future lessees and indicate the status of commitments or lease agreements. **Attach as Exhibit F. If this information is to remain private, please submit directly to Baker Tilly.**

Project Address 1761 Energy Drive, Mankato MN 56001
Legal Description Descriibed in Exhibit C

Amount of Assistance requested for:

Building Demolition $______________________
Environmental Remediation $______________________
Public Improvements $______________________
Site Improvements $ 300,000 (for equipment financing)
*Land Acquisition $______________________

**(Land Acquisition may be considered under certain circumstances when extraordinary in nature and shall not exceed 50% of total subsidy request)*

Total Subsidy Requested $ 300,000

Construction Start Date: ~August, 2026 - based on permitting approval timing
Construction Completion Date: ~May, 2027 - based on permitting approval timing and constuction start date
If Phased Project: ____________Year ____ % Construction Completed
____________Year ____ % Construction Completed

City of Mankato will provide assessment and tax information based on plans submitted

Current Assessed Value on Project Site:		$____________________
Current Real Estate Taxes on Project Site:	City	$____________________
	County	$____________________
	School District	$________________
Estimated Assessed Value upon Completion:	Phase I	$____________________
	Phase II	$____________________
Estimated Real Estate Taxes upon Completion:	Phase I	$____________________
	Phase II	$____________________

C. PUBLIC PURPOSE

It is the policy of the City of Mankato that the use of Financial Assistance should result in a benefit to the public.

Please indicate how this project will serve a public purpose.

_x_ Job Creation: Number of existing jobs No local jobs at time of application
Number of jobs created by project 17 jobs end of year 1; 75 jobs end of year 2
Average hourly wage of jobs created Farm jobs $35.3; Corporate jobs $82.60
Benefits Provided all full-time jobs include healthcare benefits

_x_ Increase in tax base

_x_ Enhancement or diversification of the city's economic base.

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

_x_ The project contributes to the fulfillment of the City's development or redevelopment objectives.

___Removal of blight or the rehabilitation of a high profile or priority downtown site.

___Affordable housing

___Other:____

D. SOURCES & USES

SOURCES	NAME	AMOUNT
Bank Loan		$
Other Private Funds	Loan - Organic Ventures LLC	$ $500,000
Equity	Existing Raised Equity From Investors	$ $1,400,000
Other Loans	Loan - 1% Int. Minnesota Growth Fund	$ $400,000
ID Bonds		$
Financial Assistance Requested	Equipment Financing Loan	$ $300,000 **
TOTAL		**$** $2,600,000

****Note: if Tax Increment is to be considered, be advised it is not an upfront funding source and is provided only on a pay-as-you-go basis on an annual basis. Developer needs to identify funding sources to cover ALL costs up front, absent Tax Increment.**

USES	AMOUNT
Land Acquisition	$____________________
Site Development	$____________________
Construction	$____________________
Machinery & Equipment	$____________________
Architectural & Engineering Fees	$____________________
Legal Fees	$____________________
Interest During Construction	$____________________
Debt Service Reserve	$____________________
Contingencies	$____________________
Application Fee (nonrefundable)	$ 4,400
Developer Capacity Review (if bonding/loans requested)	$ 3,500
TOTAL	**$____________________**

E. ADDITIONAL DOCUMENTATION

Applicants will also be required to provide the following documentation directly to Baker Tilly.

______ 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

F) Personal Financial Statements of all Major Shareholders
_______ Profit & Loss
_______ Current Tax Return

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

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

_______I) Non refundable application fee of $4,400

*If establishing a tax increment financing district is authorized by the Mankato City Council, additional payment of $4,400 will be required in order to create the district. This would be reimbursable with pay-as-you-go TIF provided the District is approved.

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 and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name Verdant Agritech LLC, DBA Verdant Organics Date June 23, 2026

By Michael C. Borman, Presdient and CEO

Its

Appendix – Exhibit A – Company Overview

Verdant Organics: Sustainable Agriculture Built to Work Smarter

Vision & Mission: To be the trusted partner that reliably delivers high-quality, sustainably grown and affordable organic produce – *with a 24-day shelf life.*

Company Overview

Founded in 2021 by Howard Rogers, Gregg Haugen and Michael Macaluso, Verdant Organics is on mission to transform controlled environment agriculture through its proprietary CIPA™ (Closed-Loop Indoor Precision Agriculture) platform, integrating mushroom and microgreen production into a highly efficient, regenerative growing system.

Its first facility in Mankato, Minnesota, will produce premium organic microgreens and blue oyster mushrooms year-round. CO_2 generated during mushroom cultivation is captured and reused to accelerate microgreen growth, increasing yields by 2–3x while reducing costs. Spent substrates are composted and reused as growing media, eliminating the need for purchased soil, fertilizers, and chemical inputs.

Verdant addresses key challenges facing foodservice and retail buyers, including inconsistent quality, unreliable supply, limited shelf life, and food waste. Clean-room cultivation eliminates washing requirements, while proprietary gas-flushed packaging extends shelf life up to four times longer than conventional products, reducing spoilage and improving inventory management.

The U.S. market for microgreens and specialty mushrooms exceeds $3 billion with a 10% CAGR. Verdant will initially target foodservice distributors, wholesalers, and restaurants before expanding into premium retail grocery channels and market feedback confirms strong demand for reliable, organic, ready-to-use produce with extended shelf life.

Verdant is in a strong financial position, having secured $3.7 million in equity financing, $1.0 million in debt financing, including a low-interest Minnesota Growth Fund loan. Management has operated without compensation, conserving cash while expenditures have remained focused on legal, accounting, software, travel, and fundraising activities.

Led by an experienced management team and supported by Andrew Zimmern (both as an investor, advisor and celebrity spokesperson), Verdant is positioned for significant growth.

Leadership Team:

- **Michael Borman, CEO:** Former Chief Product Officer at Ever.Ag and co-founder of Conservis, an AgTech platform acquired by TELUS and Rabobank. MBA, University of Michigan; BS, University of Wisconsin–Madison.
- **Howard Rogers, COO:** 35+ years leading large-scale food production, indoor cultivation, bakery, mushroom, and aquaculture operations.
- **Gregg Haugen, CSO & SVP Finance:** Former Cargill investment executive and founding senior partner at CarVal Investors, overseeing more than $5 billion in investments. MBA, Northwestern University.
- **Willard Velie, SVP Business Development:** 35+ years in financial services, agriculture, and AgTech, including leadership roles with Franklin Templeton, Prudential, Ever.Ag, and Access Alpha Worldwide.

Ownership: Management owns approximately 89% of the company, with the balance held by private investors. Verdant has no private equity or venture capital ownership.

Appendix – Exhibit B – Project Description

Project Description

Verdant, in partnership with APX construction and Kyle Smith, is building a state-of-the-art indoor growing facility in Mankato in the Energy Drive Industrial Park. The purpose of this project is to secure $300,000 of low interest debt financing to help with the procurement of capital equipment to be used in its planned new facility. In total the company has budgeted approximately $2.6 million for CAP-X purchases which will be financed through equity and debt which the company has or plans to raise. The capital equipment financing request in this application is part of the company's financing plan and is a key component of our funding plan. If not approved, the company will need to secure an equivalent amount of additional financing in the form of equity, loans or a combination of both. A spreadsheet outlining total planned CAP-X purchases for the company is included in the Appendix as Exhibit 5.

The specific items to be purchased with the $300,000 equipment financing loan from the city are listed in the table below which includes equipment pricing, estimated shipping, taxes and tariffs. Most of this equipment will be located in our utility room and is vital to the operation of the facility. Our intent is to begin making interest payments once the facility begins operations and interest and principal payments once the facility has been operating for 1 year.

City of Mankato Equipment Financing Budget

CAP-X Item	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	Purchase Timing
Tank Water Heaters - 200 Gallon, gas. General building hot water.	$ 4,500	3	$ 13,500	$ 1,063	$ -	$ 1,200	$ 15,763	Nov
Air Conditioning; with Makeup Air	$ 15,000	1	$ 15,000	$ 1,181	$ -	$ 1,200	$ 17,381	Nov
Back-Up Generator - Genx	$ 30,000	1	$ 30,000	$ 2,363	$ -	$ 800	$ 33,163	Nov
Water Filtration System	$ 10,000	1	$ 10,000	$ 788	$ -	$ 250	$ 11,038	Nov
Water Chilling System	$ 12,500	1	$ 12,500	$ 984	$ -	$ 650	$ 14,134	Dec
CO2 Collection, Storage, & Carbonization Systems	$ 35,000	5	$ 175,000	$ 13,781	$ -	$ 2,500	$ 191,281	Aug
Air compressor - High PSI	$ 3,000	1	$ 3,000	$ 236	$ -	$ 400	$ 3,636	Jan
Automated Tray Seeder with Watering Bars	$ 12,000	1	$ 12,000	$ 945	$ -	$ 800	$ 13,745	Dec
Sub-Total CAP-X			**$ 271,000**	**$ 21,341**	**$ -**	**$ 7,800**	**$ 300,141**	

VERDANT ORGANICS
NEW PEMB

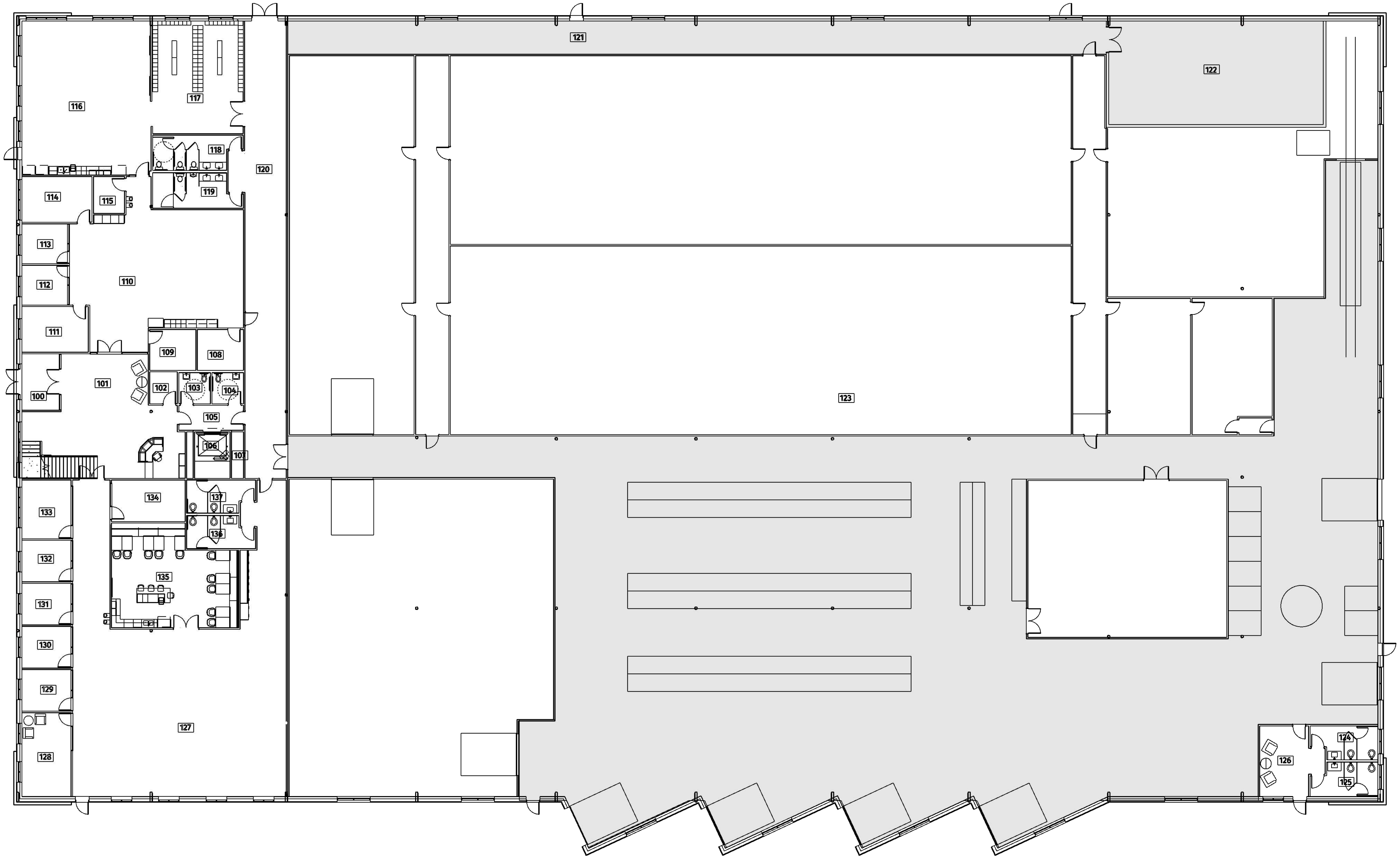
ENERGY DRIVE
MANKATO, MN 56001
COUNTY: BLUE EARTH

PROJECT TEAM

GENERAL CONTRACTOR
APX CONSTRUCTION GROUP
1531 MADISON AVE, STE. 200
MANKATO, MN 56001
(507) 387-6836
PROJECT MANAGER: MIKAELA KRENGEL
MIKAELAK@APXCONSTRUCTIONGROUP.COM
CONCEPT DESIGNER: JEN SWENSON
JENS@APXCONSTRUCTIONGROUP.COM

LOCATION MAP

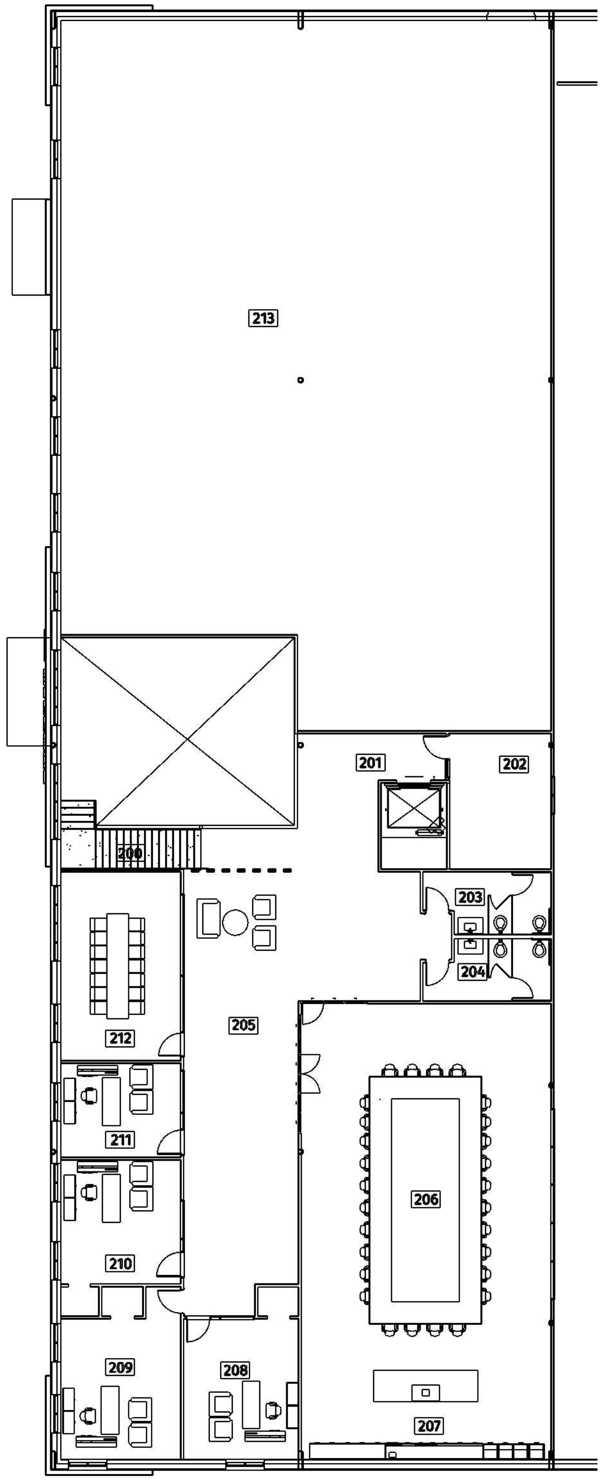
APX CONSTRUCTION GROUP



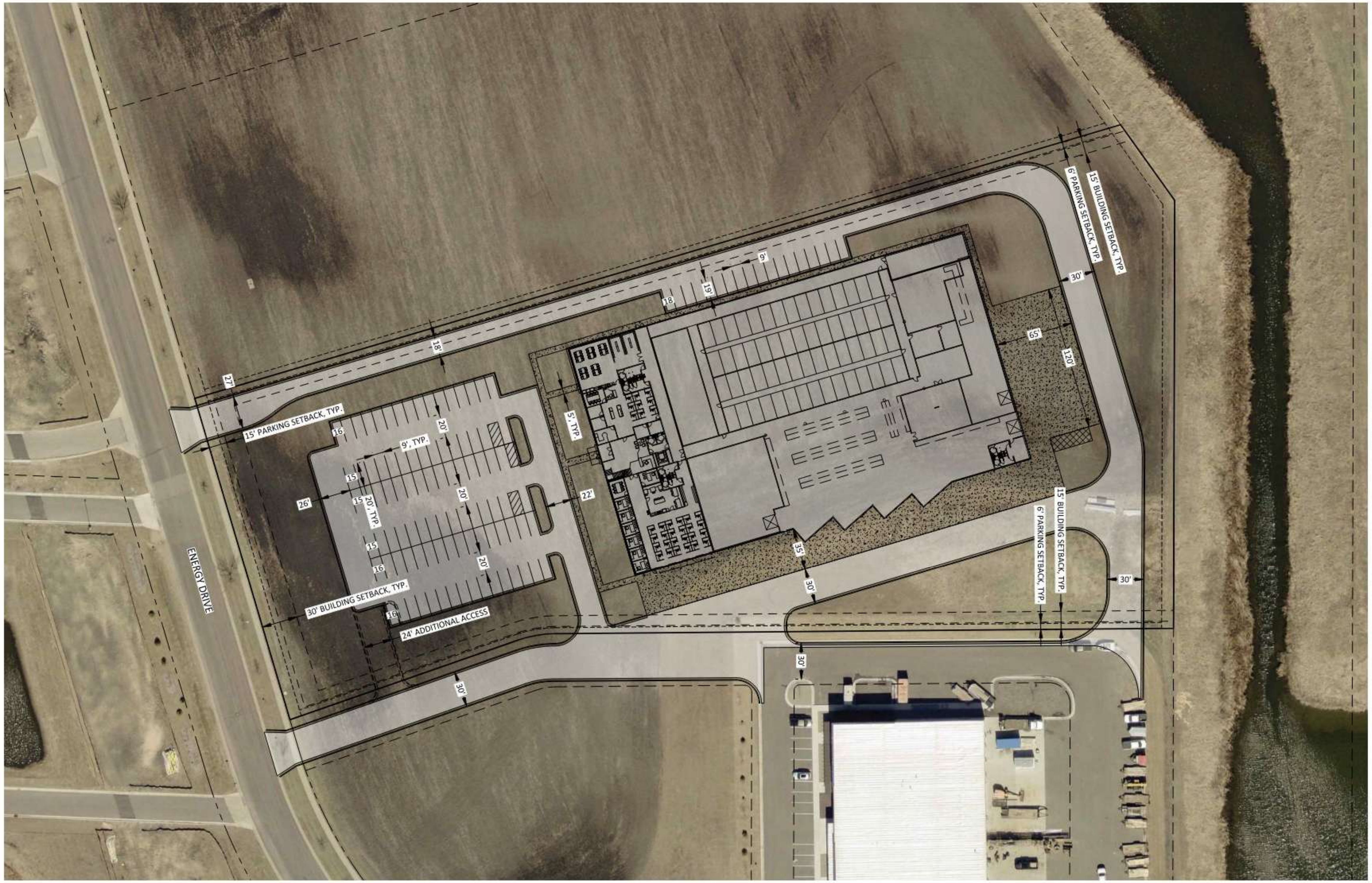
 DISCLAIMER: Project is Design-Build due to the lack of on-site consultation & supervision, and control over the actual construction process, and because of the various local building code requirements and weather conditions. The Drafter/Designer/Architect assumes no responsibility in the use of these plans for any damages. This includes structural failures due to any deficiencies, omissions, or errors in the design or blueprints. It is recommended that you consult with a local building official and/or inspector prior to the start of the construction. General Contractor shall verify all existing dimensions and field conditions prior to ordering or fabricating any materials. Sizes and dimensions can differ from what is shown on documents. Cross reference plans with all other consultant's sets. All construction shall be installed in accordance with the manufacturer's current specifications and industry standards. All construction components shall meet adopted code requirements.

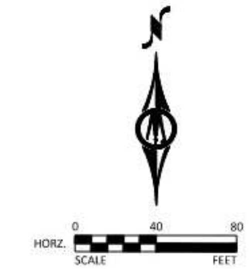
FIRST FLR PLAN	2026.06.01
VERDANT ORGANICS	A103

APX CONSTRUCTION GROUP



SECOND FLOOR PLAN | 2026.06.01





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UTILITY & SITE DATA

ALL ZONING AND SETBACK INFORMATION WAS OBTAINED FROM THE CITY OF MANKATO CODE. FOR DETAILED ZONING INFORMATION AND SPECIFIC INTERPRETATION OF CODE REQUIREMENTS, CONTACT THE CITY OF MANKATO.

ZONING:
SUBJECT PROPERTY - M-1, LIGHT INDUSTRIAL DISTRICT

SETBACKS:

FRONT	
MAIN BUILDING	30 FEET
IMPERVIOUS PARKING OR STORAGE	15 FEET
SIDE	
MAIN BUILDING	15 FEET
IMPERVIOUS PARKING OR STORAGE	6 FEET
REAR	
MAIN BUILDING	0 FEET
IMPERVIOUS PARKING OR STORAGE	0 FEET

LOT AREA (MINIMUM) = 7,000 SQ.FT.
LOT WIDTH (MINIMUM) = 100 FEET
MAXIMUM GROUND COVERAGE = 75% BY ALL STRUCTURES IN M-1
MAXIMUM BUILDING HEIGHT = NO REQUIREMENT

BUILDING AREA NOTES

PRODUCTION FLR:	~51,000 SF
OFFICE:	~13,000 SF
TOTAL AREA:	~64,000 SF

Appendix – Exhibit D – Company Ownership Breakout

Overview

The company is largely owned by its founders and management. While the company is currently completing an initial $5.5 Million in equity raise, most investors fall below the 5% ownership threshold. Ownership structure is outlined in the table below:

Entity / Individual	Role	Share Type	Shares	% Ownership
Global Access LLC	Corporation	Founders Shares	1,250,000	16.999%
Michael Macaluso	Corporate Officer	Founders Shares	1,123,097	15.273%
Howard Rogers	Corporate Officer	Founders Shares	1,250,000	16.999%
Michael Borman	Corporate Officer	Incentive Units	714,950	9.723%
Haugen Children Trust	Family Trust	Founders Shares	625,000	8.499%
Gregg Haugen	Corporate Officer	Founders Shares	605,000	8.227%
Organic Ventures LLC	Corporation	Shares	389,864	5.302%
Willard D. Velie	Corporate Officer	Incentive Units	285,980	3.889%
	Total		**6,243,891**	**84.911%**

Facility Areas		CAP-X		3rd party Install
Receiving	$	54,432	$	2,000
Sanitation	$	219,525	$	25,400
Composting	$	196,809	$	18,080
Inoculation	$	18,450	$	8,400
Lab	$	26,969	$	9,000
Soil Pasteurization	$	219,787	$	5,500
Tray Seeding	$	219,814	$	21,320
Utility Room	$	354,325	$	15,800
Microgreen Rooms	$	406,924	$	137,800
Mushroom Rooms	$	121,638	$	50,720
Airlocks	$	21,309	$	6,800
Cooling Room	$	53,533	$	34,600
Packaging Room	$	540,146	$	55,800
Finished Goods	$	149,905	$	51,900
Total	**$**	**2,603,568**	**$**	**443,120**

Receiving Area CAP-X Estimate

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom	Purchase Timing
CAP-X	**Receiving Area**										
	Pallet jack - manual hydraulic	$ 300	1	$ 300	$ 24	$ -	$ -	$ 324	66.7%	33.3%	Dec
	Pallet jack - electric	$ 2,500	1	$ 2,500	$ 197	$ -	$ -	$ 2,697	66.7%	33.3%	Sep
	Pallets	$ 30	60	$ 1,800	$ 142	$ -	$ -	$ 1,942	66.7%	33.3%	Jan
	Pallet racks	$ 900	6	$ 5,400	$ 425	$ -	$ -	$ 5,825	66.7%	33.3%	Feb / Jul / Nov
	Storage racks - shelving	$ 250	10	$ 2,500	$ 197	$ -	$ -	$ 2,697	66.7%	33.3%	Feb / Jul / Nov
	Dry fireproof cabinet	$ 1,000	1	$ 1,000	$ 79	$ -	$ -	$ 1,079	66.7%	33.3%	Jan
	Insect bug zap light	$ 500	3	$ 1,500	$ 118	$ -	$ -	$ 1,618	66.7%	33.3%	May
	Fork lift electric (for unloading trucks)	$ 25,000	1	$ 25,000	$ 1,969	$ -	$ -	$ 26,969	66.7%	33.3%	Dec
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -	66.7%	33.3%	
	Sub-Total CAP-X			**$ 40,000**	**$ 3,150**	**$ -**	**$ -**	**$ 43,150**			
	Mushroom Straw Prep Area										
	Combi bins - 4x4x4 (16 bins per farm)	$ 100	20	$ 2,000	$ 158	$ -	$ 1,000	$ 3,158	100.0%	0.0%	Mar
	FMC straw shredder & blower	$ 6,000	1	$ 6,000	$ 473	$ -	$ -	$ 6,473	100.0%	0.0%	TBD
	Water and hoses	$ 100	2	$ 200	$ 16	$ -	$ -	$ 216	100.0%	0.0%	Feb
	Sinks - stainless 3 compartment + faucet	$ 1,000	1	$ 1,000	$ 79	$ -	$ 250	$ 1,329	100.0%	0.0%	Feb
	Mixing jugs	$ 25	4	$ 100	$ 8	$ -	$ -	$ 108	100.0%	0.0%	Mar
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -	100.0%	0.0%	
	Sub-Total CAP-X			**$ 9,300**	**$ 732**	**$ -**	**$ 1,250**	**$ 11,282**			
	Total CAP-X			**$ 49,300**	**$ 3,882**	**$ -**	**$ 1,250**	**$ 54,432**			
3rd Party	Water & Hose Hook-Up	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Sink, Water and Drain	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Charging Station Set-Up / 220 Electrical (forklift, pallet jack)	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Electrical for Outlets	$ 100	8	$ 800	$ -	$ -	$ -	$ 800			
	Project Management	$ -	0	$ -	$ -	$ -	$ -	$ -			
	Sub Total - 3rd Party Services			***$ 2,000***	***$ -***	***$ -***	***$ -***	***$ 2,000***			
	Project Component Totals			**$ 51,300**	**$ 3,882**	**$ -**	**$ 1,250**	**$ 56,432**			

Sanitation Area CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom		Purchase Timing
CAP-X	**Sanitation Station - Tray Washing Room 24'x38**											
	Room wall panels (950MM EPS 100MM x 10')	$ 59.63	34	$ 2,009	$ 158	$ 502	$ 301	$ 2,970	100.0%	0.0%		
	Room Wall panels (950MM EPS 100MM x3')	$ 19.88	4	$ 239	$ 19	$ 60	$ 36	$ 353	100.0%	0.0%		Sep 30% down / Nov 70%
	Room ceiling panels (950MM EPS 100MM x12'3")	$ 73.32	24	$ 1,760	$ 139	$ 440	$ 264	$ 2,602	100.0%	0.0%		Sep 30% down / Nov 70%
	U channels	$ 0.38	105	$ 40	$ 3	$ 10	$ 6	$ 59	100.0%	0.0%		Sep 30% down / Nov 70%
	L channels	$ 0.26	40	$ 10	$ 1	$ 3	$ 2	$ 15	100.0%	0.0%		Sep 30% down / Nov 70%
	Single door 4'	$ 450.00	1	$ 450	$ 35	$ 113	$ 68	$ 665	100.0%	0.0%		Sep 30% down / Nov 70%
	Horizontal Supports, H-beam (18' length)	$ 226	2	$ 453	$ 36	$ 113	$ 68	$ 669	100.0%	0.0%		Nov
	Vertical Supports, Square Tube (9' 7.75" height)	$ 81	4	$ 323	$ 25	$ 81	$ 49	$ 478	100.0%	0.0%		Nov
	Base Plate Supports (4" L x 4" W x 0.25" H)	$ 25	4	$ 100	$ 8	$ 25	$ 15	$ 148	100.0%	0.0%		Nov
	Base Plate Anchor Bolts	$ 3	16	$ 48	$ 4	$ 12	$ 7	$ 71	100.0%	0.0%	$ 1,366	Nov
	Sanitation room exhaust system	$ 5,000	2	$ 10,000	$ 788	$ -	$ -	$ 10,788	100.0%	0.0%		Jan
	Room lighting fixtures	$ 190	4	$ 760	$ 60	$ -	$ -	$ 820	100.0%	0.0%		Jan
	Room electrical outlets	$ 6	8	$ 48	$ 4	$ -	$ -	$ 52	100.0%	0.0%		Jan
	Room electrical drop outlets	$ 50	4	$ 200	$ 16	$ -	$ -	$ 216	100.0%	0.0%		Jan
	Gravity fed roller 10' (move trays to sanitizing station)	$ 150	10	$ 1,500	$ 118	$ -	$ 350	$ 1,968	100.0%	0.0%		Nov
	Tray sanitation system (wash & dry dumped trays)	$ 150,000	1	$ 150,000	$ 11,813	$ 5,625	$ 2,500	$ 169,938	100.0%	0.0%		Jul
	Tray flipper - load sanitation system	$ 10,000	1	$ 10,000	$ 788	$ 375	$ 1,500	$ 12,663	100.0%	0.0%		Jul
	Hoses	$ 100	1	$ 100	$ 8	$ -	$ -	$ 108	100.0%	0.0%		Feb
	Sinks - stainless 3 compartment + Faucet	$ 1,000	1	$ 1,000	$ 79	$ -	$ -	$ 1,079	100.0%	0.0%		Jan
	Storage racks for cleaning materials	$ 200	1	$ 200	$ 16	$ -	$ -	$ 216	100.0%	0.0%		Feb
	Sub-Total - Tray Washing Room CAP-X			**$ 179,239**	**$ 14,115**	**$ 7,358**	**$ 5,165**	**$ 205,876**				
CAP-X	**Sanitation Station - Rolling Rack Washing Room 24'x38**											
	Room wall panels (950MM EPS 100MM x 10')	$ 59.63	34	$ 2,009	$ 158	$ 502	$ 301	$ 2,970	66.7%	33.3%		Sep 30% down / Nov 70%
	Room wall panels (950MM EPS 100MM x3')	$ 19.88	4	$ 239	$ 19	$ 60	$ 36	$ 353	66.7%	33.3%		Sep 30% down / Nov 70%
	Room ceiling panels (950MM EPS 100MM x12'3")	$ 73.32	24	$ 1,760	$ 139	$ 440	$ 264	$ 2,602	66.7%	33.3%		Sep 30% down / Nov 70%
	U channels	$ 0.38	105	$ 40	$ 3	$ 10	$ 6	$ 59	66.7%	33.3%		Sep 30% down / Nov 70%
	L channels	$ 0.26	40	$ 10	$ 1	$ 3	$ 2	$ 15	66.7%	33.3%		Sep 30% down / Nov 70%
	Single door 4'	$ 450.00	1	$ 450	$ 35	$ 113	$ 68	$ 665	66.7%	33.3%		Sep 30% down / Nov 70%
	Horizontal Supports, H-beam (30' length)	$ 377	2	$ 754	$ 59	$ 189	$ 113	$ 1,115	66.7%	33.3%		Nov
	Vertical Supports, Square Tube (9' 7.75" height)	$ 81	4	$ 323	$ 25	$ 81	$ 49	$ 478	66.7%	33.3%		Nov
	Base Plate Supports (4" L x 4" W x 0.25" H)	$ 25	4	$ 100	$ 8	$ 25	$ 15	$ 148	66.7%	33.3%		Nov
	Base Plate Anchor Bolts	$ 3	16	$ 48	$ 4	$ 12	$ 7	$ 71	66.7%	33.3%	$ 1,812	Nov
	Room lighting fixtures	$ 190	4	$ 760	$ 60	$ -	$ -	$ 820	66.7%	33.3%		Dec
	Room electrical outlets	$ 6	8	$ 48	$ 4	$ -	$ -	$ 52	66.7%	33.3%		Dec
	Room electrical drop outlets	$ 50	4	$ 200	$ 16	$ -	$ -	$ 216	66.7%	33.3%		Dec
	Sinks - stainless 3 compartment + faucet	$ 1,000	1	$ 1,000	$ 79	$ -	$ -	$ 1,079	66.7%	33.3%		Dec
	Rolling rack sanitation system (wand power washer)	$ 2,400	1	$ 2,400	$ 189	$ -	$ 200	$ 2,789	66.7%	33.3%		Mar
	Storage racks for cleaning materials	$ 200	1	$ 200	$ 16	$ -	$ -	$ 216	66.7%	33.3%		Mar
	Sub-Total - Rolling Rack Washing Room CAP-X			**$ 10,341**	**$ 814**	**$ 1,433**	**$ 1,060**	**$ 13,648**				
	Total Cap-X			**$ 189,580**	**$ 14,929**	**$ 8,791**	**$ 6,225**	**$ 219,525**				
3rd Party	Room & ceiling panel assembly	$ 75	200	$ 15,000	$ -	$ -	$ -	$ 15,000				
	Sink and hose insallation (pluming)	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Water to rooms	$ 100	16	$ 1,600	$ -	$ -	$ -	$ 1,600				
	Electrical - lighting, outlets, drop outlets	$ 100	16	$ 1,600	$ -	$ -	$ -	$ 1,600				
	Roller line insallation - electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Roller line insallation - assembly	$ 100	40	$ 4,000	$ -	$ -	$ -	$ 4,000				
	Sanitation system insallation - electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Sanitation system insallation - plumbing	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Sanitation system insallation - assembly	$ 100	16	$ 1,600	$ -	$ -	$ -	$ 1,600				
	Project Component Totals			**$ 25,400**	**$ -**	**$ -**	**$ -**	**$ 25,400**				
	Project Component Totals			**$ 214,980**	**$ 14,929**	**$ 8,791**	**$ 6,225**	**$ 244,925**				

Composting Area CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom	Purchase Timing
CAP-X	**Food Waste Collection**										
	Motorized Lift Roller 15' (move spent substrate trays)	$ 2,000	15	$ 30,000	$ 2,363	$ -	$ 500	$ 32,863	100.0%	0.0%	Oct
	Gravity Fed Roller 200' (move spent substrate trays)	$ 150	200	$ 30,000	$ 2,363	$ -	$ 2,000	$ 34,363	100.0%	0.0%	Oct
	Tray Dumping Station (dump substrate into bins)	$ 15,000	1	$ 15,000	$ 1,181	$ 563	$ 1,500	$ 18,244	100.0%	0.0%	Oct
	Substrate Shredding Line	$ 20,000	1	$ 20,000	$ 1,575	$ -	$ 2,500	$ 24,075	100.0%	0.0%	Oct
	Observation Platform	$ 1,500	1	$ 1,500	$ 118	$ -	$ 500	$ 2,118	100.0%	0.0%	Oct
	5 Rolling Bins (to move mushroom substrate)	$ 500	5	$ 2,500	$ 197	$ -	$ 250	$ 2,947	100.0%	0.0%	Mar
	Sub-Total CAP-X			**$ 99,000**	**$ 7,796**	**$ 563**	**$ 7,250**	**$ 114,609**			
	Composting Bins										
CAP-X	Rolling 8 Yard Composting Bins (12 of 24)	$ 1,110	12	$ 13,320	$ 1,049	$ -	$ 2,181	$ 16,550	100.0%	0.0%	Jan
	Bin Drop Stations	$ 330	12	$ 3,960	$ 312	$ -	$ -	$ 4,272	100.0%	0.0%	Jan
	Indoor Blower Package	$ 8,125	1	$ 8,125	$ 640	$ -	$ -	$ 8,765	100.0%	0.0%	Jan
	Flex Hose Assemblies	$ 220	12	$ 2,640	$ 208	$ -	$ -	$ 2,848	100.0%	0.0%	Jan
	Controls & Instruments	$ 1,850	1	$ 1,850	$ 146	$ -	$ -	$ 1,996	100.0%	0.0%	Jan
	Exterior Manifold Header	$ 5,725	1	$ 5,725	$ 451	$ -	$ -	$ 6,176	100.0%	0.0%	Jan
	Insect bug zap light	$ 500	2	$ 1,000	$ 79	$ -	$ -	$ 1,079	100.0%	0.0%	Apr
	Power Washer - Electric	$ 300	1	$ 300	$ 24	$ -	$ -	$ 324	100.0%	0.0%	Apr
	Room electrical outlets	$ 6	8	$ 48	$ 4	$ -	$ -	$ 52	66.7%	33.3%	Dec
	Room electrical drop outlets	$ 50	4	$ 200	$ 16	$ -	$ -	$ 216	66.7%	33.3%	Dec
	Yard Forklift (Used)	$ 35,156	1	$ 35,156	$ 2,769	$ -	$ 2,000	$ 39,925	100.0%	0.0%	Mar
	Sub-Total CAP-X			**$ 72,324**	**$ 5,696**	**$ -**	**$ 4,181**	**$ 82,201**			
	Total CAP-X			**$ 171,324**	**$ 13,492**	**$ 563**	**$ 11,431**	**$ 196,809**			
3rd Party	Roller line Installation	$ 70	40	$ 2,800	$ -	$ -	$ -	$ 2,800			
	Dumping Station Set-Up & Testing	$ 70	40	$ 2,800	$ -	$ -	$ -	$ 2,800			
	Roller Line Installation - Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Roller Line Installation - Assembly	$ 70	40	$ 2,800	$ -	$ -	$ -	$ 2,800			
	Dumping Station - Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Dumping Station Installation - Assembly	$ 70	16	$ 1,120	$ -	$ -	$ -	$ 1,120			
	Substrate Shredding Station - Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Substrate Shredding Station Installation - Assembly	$ 70	8	$ 560	$ -	$ -	$ -	$ 560			
	Aeration Unit Installation in Compost Bins	$ 500	12	$ 6,000	$ -	$ -	$ -	$ 6,000			
	Air Blower Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Exterior Water Connection - for Hose	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Project Management	$ -	0	$ -	$ -	$ -	$ -	$ -			
	Sub Total - 3rd Party Services			***$ 18,080***	***$ -***	***$ -***	***$ -***	***$ 18,080***			
	Project Component Totals			**$ 189,404**	**$ 13,492**	**$ 563**	**$ 11,431**	**$ 214,889**			

Mushroom Inoculation CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom		Purchase Timing
CAP-X	**Inoculation & Mushroom Tube Prep Area**											
	Room Wall Panels (950MM EPS 100MM x 10')	$ 59.63	22	$ 1,330	$ 105	$ 332	$ 199	$ 1,966	0.0%	100.0%		Sep 30% down / Nov 70%
	Room Wall Panels (950MM EPS 100MM x3')	$ 19.88	4	$ 239	$ 19	$ 60	$ 36	$ 353	0.0%	100.0%		Sep 30% down / Nov 70%
	Room Ceiling Panels (950MM EPS 100MM x10')	$ 59.63	22	$ 1,312	$ 103	$ 328	$ 197	$ 1,940	0.0%	100.0%		Sep 30% down / Nov 70%
	U Channels	$ 0.38	70	$ 26	$ 2	$ 7	$ 4	$ 39	0.0%	100.0%		Sep 30% down / Nov 70%
	L Channels	$ 0.26	40	$ 10	$ 1	$ 3	$ 2	$ 15	0.0%	100.0%		Sep 30% down / Nov 70%
	Single Door 4'	$ 450.00	2	$ 900	$ 71	$ 225	$ 135	$ 1,331	0.0%	100.0%		Nov
	Horizontal Supports, H-beam (16' length)	$ 201	2	$ 402	$ 32	$ 101	$ 60	$ 595	0.0%	100.0%		Nov
	Vertical Supports, Square Tube (9' 7.75" height)	$ 81	4	$ 323	$ 25	$ 81	$ 49	$ 478	0.0%	100.0%		Nov
	Base Plate Supports (4" L x 4" W x 0.25" H)	$ 25	4	$ 100	$ 8	$ 25	$ 15	$ 148	0.0%	100.0%		Nov
	Base Plate Anchor Bolts	$ 3	16	$ 48	$ 4	$ 12	$ 7	$ 71	0.0%	100.0%	$ 1,292	Nov
	Handwash sink knee operated	$ 350.00	1	$ 350	$ 28	$ -	$ -	$ 378	0.0%	100.0%		Dec
	Ceiling Vent - for air outflow	$ 250.00	1	$ 250	$ 20	$ -	$ -	$ 270	0.0%	100.0%		Dec
	Hepa Filter Air Intake	$ 424.00	1	$ 424	$ 33	$ -	$ -	$ 457	0.0%	100.0%		Dec
	Overhead LED lighting Fixtures	$ 150.00	6	$ 900	$ 71	$ -	$ -	$ 971	0.0%	100.0%		Dec
	Floor Pads	$ 50.00	5	$ 250	$ 20	$ -	$ -	$ 270	0.0%	100.0%		Mar
	Chairs	$ 200.00	5	$ 1,000	$ 79	$ -	$ -	$ 1,079	0.0%	100.0%		Mar
	Stainless Tables	$ 250.00	5	$ 1,250	$ 98	$ -	$ -	$ 1,348	0.0%	100.0%		Mar
	Tube Filling Stand 3'	$ 650.00	1	$ 650	$ 51	$ -	$ -	$ 701	0.0%	100.0%		Mar
	Transportation Racks - 1 tubes	$ 1,000.00	2	$ 2,000	$ 158	$ -	$ -	$ 2,158	0.0%	100.0%		Mar
	Tipper Tie Machine	$ 2,500.00	1	$ 2,500	$ 197	$ -	$ -	$ 2,697	0.0%	100.0%		Mar
	Scales: 1 for Spawn 1 for columns	$ 250.00	2	$ 500	$ 39	$ -	$ -	$ 539	0.0%	100.0%		Mar
	Hoist for lifting tubes	$ 300.00	2	$ 600	$ 47	$ -	$ -	$ 647	0.0%	100.0%		Mar
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -	0.0%	100.0%		
	Sub-Total CAP-X			**$ 15,364**	**$ 1,210**	**$ 1,173**	**$ 704**	**$ 18,450**				
3rd Party	Plumbing - Water to Room, Sink Installation	$ 100.00	4	$ 400	$ -	$ -	$ -	$ 400				
	Electrical - Power to Room, Room Lights, Outlets	$ 100.00	16	$ 1,600	$ -	$ -	$ -	$ 1,600				
	Hepa Filtration Installation	$ 100.00	4	$ 400	$ -	$ -	$ -	$ 400				
	Room and Ceiling Panel Installation	$ 75.00	80	$ 6,000	$ -	$ -	$ -	$ 6,000				
	Project Management	$ 2,500.00	0	$ -	$ -	$ -	$ -	$ -				
	Sub Total - 3rd Party Services			***$ 8,400***	***$ -***	***$ -***	***$ -***	***$ 8,400***				
	Project Component Totals			**$ 23,764**	**$ 1,210**	**$ 1,173**	**$ 704**	**$ 26,850**				

Lab and Mushroom Inoculation CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom		Purchase Timing
CAP-X	LAB - 20' x 30'											
	Room Wall Panels (950MM EPS 100MM x 10')	$ 59.63	22	$ 1,330	$ 105	$ 332	$ 199	$ 1,966	30.0%	70.0%		Sep 30% down / Nov 70%
	Room Wall Panels (950MM EPS 100MM x3')	$ 19.88	4	$ 239	$ 19	$ 60	$ 36	$ 353	30.0%	70.0%		Sep 30% down / Nov 70%
	Room Ceiling Panels (950MM EPS 100MM x10')	$ 59.63	22	$ 1,312	$ 103	$ 328	$ 197	$ 1,940	30.0%	70.0%		Sep 30% down / Nov 70%
	U Channels	$ 0.38	70	$ 26	$ 2	$ 7	$ 4	$ 39	30.0%	70.0%		Sep 30% down / Nov 70%
	L Channels	$ 0.26	40	$ 10	$ 1	$ 3	$ 2	$ 15	30.0%	70.0%		Sep 30% down / Nov 70%
	Single Door 4'	$ 450.00	2	$ 900	$ 71	$ 225	$ 135	$ 1,331	30.0%	70.0%		Nov
	Horizontal Supports, H-beam (24' length)	$ 302	2	$ 603	$ 48	$ 151	$ 91	$ 892	30.0%	70.0%		Nov
	Vertical Supports, Square Tube (9' 7.75" height)	$ 81	4	$ 323	$ 25	$ 81	$ 49	$ 478	30.0%	70.0%		Nov
	Base Plate Supports (4" L x 4" W x 0.25" H)	$ 25	4	$ 100	$ 8	$ 25	$ 15	$ 148	30.0%	70.0%		Nov
	Base Plate Anchor Bolts	$ 3	16	$ 48	$ 4	$ 12	$ 7	$ 71	30.0%	70.0%	$ 1,589	Nov
	Handwash sink knee operated	$ 350.00	1	$ 350	$ 28	$ -	$ -	$ 378	30.0%	70.0%		Dec
	Ceiling Vent - for air outflow	$ 250.00	1	$ 250	$ 20	$ -	$ -	$ 270	30.0%	70.0%		Dec
	Hepa Filter Air Intake	$ 460.00	2	$ 920	$ 72	$ -	$ -	$ 992	30.0%	70.0%		Dec
	Hepa Workstation Hoods	$ 500.00	2	$ 1,000	$ 79	$ -	$ -	$ 1,079	30.0%	70.0%		Dec
	Overhead LED lighting Fixtures	$ 150.00	6	$ 900	$ 71	$ -	$ -	$ 971	30.0%	70.0%		Dec
	Dry Fireproof Cabinet	$ 1,000.00	1	$ 1,000	$ 79	$ -	$ -	$ 1,079	30.0%	70.0%		Mar
	Rolling 3 Door Cooler	$ 3,000.00	1	$ 3,000	$ 236	$ -	$ -	$ 3,236	30.0%	70.0%		Mar
	Microscopes (Compound and Dissecting)	$ 1,000.00	2	$ 2,000	$ 158	$ -	$ -	$ 2,158	30.0%	70.0%		Mar
	Glass Material - Petri Dishes, Tubes, Jars	$ 1,000.00	1	$ 1,000	$ 79	$ -	$ -	$ 1,079	30.0%	70.0%		Mar
	Stainless Tables	$ 225.00	5	$ 1,125	$ 89	$ -	$ -	$ 1,214	30.0%	70.0%		Mar
	Floor Pads	$ 50.00	5	$ 250	$ 20	$ -	$ -	$ 270	30.0%	70.0%		Mar
	Small Autoclave	$ 3,000.00	1	$ 3,000	$ 236	$ -	$ -	$ 3,236	30.0%	70.0%		Mar
	Chairs	$ 200.00	5	$ 1,000	$ 79	$ -	$ -	$ 1,079	30.0%	70.0%		Mar
	Testing and Analysis Software	$ 2,500.00	1	$ 2,500	$ 197	$ -	$ -	$ 2,697	30.0%	70.0%		Mar
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -	30.0%	70.0%		
	Total CAP-X			**$ 23,186**	**$ 1,826**	**$ 1,223**	**$ 734**	**$ 26,969**				
3rd Party	Plumbing - Water to Room, Sink Installation	$ 100.00	4	$ 400	$ -	$ -	$ -	$ 400				
	Electrical - Power to Room, Room Lights, Outlets	$ 100.00	16	$ 1,600	$ -	$ -	$ -	$ 1,600				
	Cooler Hook-Up	$ 100.00	2	$ 200	$ -	$ -	$ -	$ 200				
	Hepa Filtration Installation	$ 100.00	8	$ 800	$ -	$ -	$ -	$ 800				
	Room and Ceiling Panel Installation	$ 75.00	80	$ 6,000	$ -	$ -	$ -	$ 6,000				
	Project Management	$ -	0	$ -	$ -	$ -	$ -	$ -				
	Sub Total - 3rd Party Services			***$ 9,000***	***$ -***	***$ -***	***$ -***	***$ 9,000***				
	Project Component Totals			**$ 32,186**	**$ 1,826**	**$ 1,223**	**$ 734**	**$ 35,969**				

Soil Pasteurization CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom	Purchase Timing
CAP-X	Autoclave - 6 'x 30' - New	$ 43,900	1	$ 43,900	$ 3,457	$ 10,975	$ 9,000	$ 67,332	100.0%	0.0%	July 50% down / Nov 50%
	Autoclave Control System Included	$ 3,000	1	$ 3,000	$ 236	$ -	$ -	$ 3,236	100.0%	0.0%	July 50% down / Nov 50%
	Autoclave Rail System - 90' (Plan to Fabricate in US)	$ 275	90	$ 24,750	$ 1,949	$ -	$ 750	$ 27,449	100.0%	0.0%	July 50% down / Nov 50%
	Autoclave Horizontal Trucks - 2x4'	$ 250	10	$ 2,500	$ 197	$ 625	$ -	$ 3,322	100.0%	0.0%	July 50% down / Nov 50%
	Autoclave Cart Baskets	$ 350	10	$ 3,500	$ 276	$ 875	$ -	$ 4,651	100.0%	0.0%	July 50% down / Nov 50%
	Hopper w/ Feeder Conveyor	$ 100,000	1	$ 100,000	$ 7,875	$ -	$ 2,500	$ 110,375	100.0%	0.0%	Jan
	Cart Winch Extension	$ 2,975	1	$ 2,975	$ 234	$ -	$ 213	$ 3,422	100.0%	0.0%	Apr
	Sub-Total CAP-X			**$ 180,625**	**$ 14,224**	**$ 12,475**	**$ 12,463**	**$ 219,787**			
3rd Party Services	Autoclave Installation & Setting	$ 1,500	1	$ 1,500	$ -	$ -	$ -	$ 1,500			
	Autoclave Installation - Plumbing	$ 100	16	$ 1,600	$ -	$ -	$ -	$ 1,600			
	Autoclave Installation - Electrical	$ 100	8	$ 800	$ -	$ -	$ -	$ 800			
	Hopper and Feeder Conveyor Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400			
	Autoclave Rail and Dumping Station Installation	$ 75	16	$ 1,200	$ -	$ -	$ -	$ 1,200			
	Project Management	$ -	0	$ -	$ -	$ -	$ -	$ -			
	Sub Total - 3rd Party Services			***$ 5,500***	***$ -***	***$ -***	***$ -***	***$ 5,500***			
	Project Component Totals			**$ 186,125**	**$ 14,224**	**$ 12,475**	**$ 12,463**	**$ 225,287**			

Tray Seeding Room CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom		Purchase Timing
CAP-X	Tray Seeding Room											
	Room Wall Panels (950MM EPS 100MM x 10')	$ 59.63	81	$ 4,838	$ 381	$ 1,210	$ 726	$ 7,154	100.0%	0.0%		Sep 30% down / Nov 70%
	Room Wall Panels (950MM EPS 100MM x3')	$ 19.88	4	$ 239	$ 19	$ 60	$ 36	$ 353	100.0%	0.0%		Sep 30% down / Nov 70%
	Room Ceiling Panels (1150MM EPS 100MM x12')	$ 59.63	9	$ 537	$ 42	$ 134	$ 81	$ 794	100.0%	0.0%		Sep 30% down / Nov 70%
	Room Ceiling Panels (1150MM EPS 100MM x13")	$ 75.00	44	$ 3,300	$ 260	$ 825	$ 495	$ 4,880	100.0%	0.0%		Sep 30% down / Nov 70%
	U Channels	$ 0.38	261	$ 99	$ 8	$ 25	$ 15	$ 147	100.0%	0.0%		Sep 30% down / Nov 70%
	L Channels	$ 0.26	160	$ 42	$ 3	$ 10	$ 6	$ 62	100.0%	0.0%		Sep 30% down / Nov 70%
	Single Door 4'	$ 450	1	$ 450	$ 35	$ 113	$ 68	$ 665	100.0%	0.0%		Sep 30% down / Nov 70%
	Door Locks	$ 20.60	1	$ 21	$ 2	$ 5	$ 3	$ 30	100.0%	0.0%		Sep 30% down / Nov 70%
	Horizontal Supports, H-beam (20' 3" length)	$ 255	6	$ 1,528	$ 120	$ 382	$ 229	$ 2,259	100.0%	0.0%		Nov
	Vertical Supports, Square Tube (9' 7.75" height)	$ 81	13	$ 1,051	$ 83	$ 263	$ 158	$ 1,554	100.0%	0.0%		Nov
	Base Plate Supports (4" L x 4" W x 0.25" H)	$ 25	13	$ 324	$ 26	$ 81	$ 49	$ 480	100.0%	0.0%		Nov
	Base Plate Anchor Bolts	$ 3	52	$ 156	$ 12	$ 39	$ 23	$ 231	100.0%	0.0%		Nov
	Connector Fittings (2 two side plates)	$ 25	6	$ 150	$ 12	$ 38	$ 23	$ 222	100.0%	0.0%		Nov
	Horizontal Supports, H-beam (12' 11" length)	$ 162	1	$ 162	$ 13	$ 41	$ 24	$ 240	100.0%	0.0%		Nov
	Horizontal Supports, H-beam (8' 3" length)	$ 104	2	$ 207	$ 16	$ 52	$ 31	$ 307	100.0%	0.0%	$ 5,292	Nov
	Room lighting fixtures	$ 190	4	$ 760	$ 60	$ -	$ -	$ 820	66.7%	33.3%		Dec
	Room electrical outlets	$ 6	8	$ 48	$ 4	$ -	$ -	$ 52	66.7%	33.3%		Dec
	Room electrical drop outlets	$ 50	4	$ 200	$ 16	$ -	$ -	$ 216	66.7%	33.3%		Dec
	Sinks -Stainless 3 compartment + Faucet	$ 1,000	1	$ 1,000	$ 79	$ -	$ -	$ 1,079	100.0%	0.0%		Dec
	Hopper and Automated Lift Conveyor	$ 65,000	1	$ 65,000	$ 5,119	$ -	$ -	$ 70,119	100.0%	0.0%		Jan
	Soil Filling Station & Watering	$ 25,000	1	$ 25,000	$ 1,969	$ -	$ -	$ 26,969	100.0%	0.0%		Jan
	Machine Controlled Seeding Station	$ 20,000	1	$ 20,000	$ 1,575	$ -	$ -	$ 21,575	100.0%	0.0%		Jan
	Roller Line 15'	$ 150.00	15	$ 2,250	$ 177	$ -	$ -	$ 2,427	100.0%	0.0%		Jan
	Rolling Spring Loaded Dollies for Sanitized Trays	$ 3,320	10	$ 33,201	$ 2,615	$ -	$ -	$ 35,816	100.0%	0.0%		Mar
	Rolling Racks for tray movement (do 2 rooms per day)	$ 249	154	$ 38,346	$ 3,020	$ -	$ -	$ 41,366	100.0%	0.0%		Mar
	Sub-Total CAP-X			**$ 198,909**	**$ 15,664**	**$ 3,276**	**$ 1,966**	**$ 219,814**				
3rd Party Services	Room & Ceiling Panel Assembly	$ 75	200	$ 15,000	$ -	$ -	$ -	$ 15,000				
	Electrical - lighting, outlets, drop outlets	$ 100	16	$ 1,600	$ -	$ -	$ -	$ 1,600				
	Soil Hopper & Seeder Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Hopper Installation	$ 120	16	$ 1,920	$ -	$ -	$ -	$ 1,920				
	Seeder & Watering Station Installation	$ 100	16	$ 1,600	$ -	$ -	$ -	$ 1,600				
	Soil Filling Station, Watering Line & Sink Plumbing	$ 100	8	$ 800	$ -	$ -	$ -	$ 800				
	Project Management	$ -	0	$ -	$ -	$ -	$ -	$ -				
	Sub Total - 3rd Party Services			***$ 21,320***	***$ -***	***$ -***	***$ -***	***$ 21,320***				
	Project Component Totals			**$ 220,229**	**$ 15,664**	**$ 3,276**	**$ 1,966**	**$ 241,134**				

Utility Room CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	Purchase Timing
CAP-X	Low-Pressure Gas-Fired Steam Boiler (40–60 BHP):	$ 65,559	1	$ 65,559	$ 5,163	$ -	$ -	$ 70,722	Oct
	Tank Water Heaters - 200 Gallon, gas. General building hot wat	$ 4,500	3	$ 13,500	$ 1,063	$ -	$ -	$ 14,563	Nov
	Air Conditioning; with Makeup Air	$ 15,000	1	$ 15,000	$ 1,181	$ -	$ -	$ 16,181	Nov
	Back-Up Generator - Genx	$ 30,000	1	$ 30,000	$ 2,363	$ -	$ -	$ 32,363	Nov
	Water Filtration System	$ 10,000	1	$ 10,000	$ 788	$ -	$ -	$ 10,788	Nov
	Water Chilling System	$ 12,500	1	$ 12,500	$ 984	$ -	$ -	$ 13,484	Dec
	Sinks -Stainless 3 compartment + Faucet	$ 400	1	$ 400	$ 32	$ -	$ -	$ 432	Dec
	CO2 Collection, Storage, Carbonization	$ 35,000	5	$ 175,000	$ 13,781	$ -	$ -	$ 188,781	Aug (1), Nov (4)
	Air compressor - High PSI	$ 3,000	1	$ 3,000	$ 236	$ -	$ -	$ 3,236	Feb
	Security System	$ 3,500	1	$ 3,500	$ 276	$ -	$ -	$ 3,776	Jan, Mar
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -	
	Sub-Total CAP-X			**$ 328,459**	**$ 25,866**	**$ -**	**$ -**	**$ 354,325**	
3rd Party Services	Water Heater Installation - Electrical	$ 100	2	$ 200	$ -	$ -	$ -	$ 200	
	Water Heater Installation - Plumbing	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	Water Heater Installation - Gas	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	Water Filtration Installation - Electrical	$ 100	2	$ 200	$ -	$ -	$ -	$ 200	
	Water Filtration Installation - Plumbing	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	Water Chilling Installation - Electrical	$ 100	2	$ 200	$ -	$ -	$ -	$ 200	
	Water Chilling Installation - Plumbing	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	AC installation - Electrical	$ 100	2	$ 200	$ -	$ -	$ -	$ 200	
	AC Installation - Gas	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	Back-Up Generator installation (+gas, electrical)	$ 10,000	1	$ 10,000	$ -	$ -	$ -	$ 10,000	
	CO2 collection & Storage - Electric	$ 100	2	$ 200	$ -	$ -	$ -	$ 200	
	Air Compressor installation - electrical	$ 100	2	$ 200	$ -	$ -	$ -	$ 200	
	Air Compressor installation - plumbing	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	Boiler installation - Electrical	$ 100	2	$ 200	$ -	$ -	$ -	$ 200	
	Boiler installation - Plumbing	$ 100	8	$ 800	$ -	$ -	$ -	$ 800	
	Boiler installation - Gas	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	Sink Installation - plumbing	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	Security System Installation - Security Company	$ 100	4	$ 400	$ -	$ -	$ -	$ 400	
	Project Management	$ -	0	$ -	$ -	$ -	$ -	$ -	
	Sub Total - 3rd Party Services			***$ 15,800***	***$ -***	***$ -***	***$ -***	***$ 15,800***	
	Project Component Totals			**$ 344,259**	**$ 25,866**	**$ -**	**$ -**	**$ 370,125**	

Farm 1 Microgreen Growing Room CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom	Purchase Timing
CAP-X	**Microgreen Growing Rooms**										
	Cooling Room Wall Panels (950MM EPS 100MM x 10')	$ 59.63	250	$ 14,922	$ 1,175	$ 3,730	$ 2,238	$ 22,066	100.0%	0.0%	Sep 30% down / Nov 70%
	Cooling Room Wall Panels (950MM EPS 100MM x3')	$ 19.88	20	$ 1,193	$ 94	$ 298	$ 179	$ 1,764	100.0%	0.0%	Sep 30% down / Nov 70%
	Cooling Room Ceiling Panels (950MM EPS 100MM x10')	$ 59.63	140	$ 8,348	$ 657	$ 2,087	$ 1,252	$ 12,345	100.0%	0.0%	Sep 30% down / Nov 70%
	U Channels	$ 0.38	780	$ 296	$ 23	$ 74	$ 44	$ 438	100.0%	0.0%	Sep 30% down / Nov 70%
	L Channels	$ 0.26	84	$ 22	$ 2	$ 5	$ 3	$ 32	100.0%	0.0%	Sep 30% down / Nov 70%
	Single Door	$ 140.00	20	$ 2,800	$ 221	$ 700	$ 420	$ 4,141	100.0%	0.0%	Sep 30% down / Nov 70%
	Door Locks	$ 20.60	20	$ 412	$ 32	$ 103	$ 62	$ 609	100.0%	0.0%	Sep 30% down / Nov 70%
	Racking / Shelving	$ 6,000	20	$ 120,000	$ 9,450	$ -	$ -	$ 129,450	100.0%	0.0%	Dec
	CO2 Piping to Room 1/4" tube	$ 3.00	600	$ 1,800	$ 142	$ -	$ -	$ 1,942	100.0%	0.0%	Dec
	CO2 room controller & dispersion head	$ 30.00	20	$ 600	$ 47	$ -	$ -	$ 647	100.0%	0.0%	Dec
	Water Piping to Room - PEX	$ 0.28	600	$ 168	$ 13	$ -	$ -	$ 181	100.0%	0.0%	Dec
	Water Misting System	$ 42.50	560	$ 23,800	$ 1,874	$ -	$ -	$ 25,674	100.0%	0.0%	Sep
	Water Misting Controller	$ 30.00	14	$ 420	$ 33	$ -	$ -	$ 453	100.0%	0.0%	Dec
	Water Drip System	$ 33.42	280	$ 9,358	$ 737	$ -	$ -	$ 10,095	100.0%	0.0%	Sep
	Water Drip Controller	$ 30.00	14	$ 420	$ 33	$ -	$ -	$ 453	100.0%	0.0%	Dec
	Room LED lighting - IP68 Waterproof LED Lights	$ 1.01	12,100	$ 12,173	$ 959	$ -	$ -	$ 13,131	100.0%	0.0%	Feb
	Room LED lighting controller	$ 30.00	14	$ 420	$ 33	$ -	$ -	$ 453	100.0%	0.0%	Feb
	Water Proof Shelf Fans	$ 17.50	1,120	$ 19,600	$ 1,544	$ -	$ -	$ 21,144	100.0%	0.0%	Feb
	Water Proof Omni Directional Room Fan	$ 250	40	$ 10,000	$ 788	$ -	$ -	$ 10,788	100.0%	0.0%	Feb
	Roof Mounted Sensor Programable Control Unit	$ 500	20	$ 10,000	$ 788	$ -	$ -	$ 10,788	100.0%	0.0%	Feb
	Sensors - CO2, Lighting, Humidity & Temp	$ 350	20	$ 7,000	$ 551	$ -	$ -	$ 7,551	100.0%	0.0%	Feb
	Growing Trays - Standard	$ 2	12,320	$ 24,640	$ 1,940	$ -	$ -	$ 26,580	100.0%	0.0%	Feb/Jun/Sep 1/3 each
	Growing Trays - 5th Topper Tray - different color	$ 2	2,464	$ 4,928	$ 388	$ -	$ -	$ 5,316	100.0%	0.0%	Feb/Jun/Sep 1/3 each
	Clean Tray Spring Loaded Dollies	$ 3,000	12	$ 36,000	$ 2,835	$ -	$ -	$ 38,835	100.0%	0.0%	Feb/Jun/Sep 1/3 each
	Rolling Racks for tray movement (do 2 rooms per day)	$ 249	231	$ 57,519	$ 4,530	$ -	$ -	$ 62,049	100.0%	0.0%	Feb/Jun/Sep 1/3 each
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -	100.0%	0.0%	
	Sub-Total CAP-X			**$ 366,838**	**$ 28,889**	**$ 6,998**	**$ 4,199**	**$ 406,924**			
3rd Party	Plumbing - Carbonated Water to Room	$ 100.00	32	$ 3,200	$ -	$ -	$ -	$ 3,200			
	Electrical - Power to Room, Room Lights, Outlet	$ 100.00	40	$ 4,000	$ -	$ -	$ -	$ 4,000			
	CO2 Connectivity to Room	$ 75.00	40	$ 3,000	$ -	$ -	$ -	$ 3,000			
	Foliar Spray Assembly and Installation (do w/ internal)	$ 40.00	1,120	$ 44,800	$ -	$ -	$ -	$ 44,800			
	Drip Assembly and Installation (do w/ internal)	$ 40.00	280	$ 11,200	$ -	$ -	$ -	$ 11,200			
	LED Strip lighting installation (do w/ internal)	$ 40.00	210	$ 8,400	$ -	$ -	$ -	$ 8,400			
	Shelving Unit Assembly (do w/ internal)	$ 40.00	80	$ 3,200	$ -	$ -	$ -	$ 3,200	$ 67,600		
	Microgreen Growing Room Assembly	$ 75.00	800	$ 60,000	$ -	$ -	$ -	$ 60,000			
	Project Management	$ -	-	$ -	$ -	$ -	$ -	$ -			
	Sub Total - 3rd Party Services			***$ 137,800***	***$ -***	***$ -***	***$ -***	***$ 137,800***			
	Project Component Totals			**$ 504,638**	**$ 28,889**	**$ 6,998**	**$ 4,199**	**$ 544,724**			

Farm 1 Mushroom Growing Room CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom	Purchase Timing
CAP-X	**Mushroom Growing Rooms**										
	Cooling Room Wall Panels (950MM EPS 100MM x 10')	$ 59.63	250	$ 14,922	$ 1,175	$ 3,730	$ 2,238	$ 22,066	0.0%	100.0%	Sep 30% down / Nov 70%
	Cooling Room Wall Panels (950MM EPS 100MM x3')	$ 19.88	20	$ 1,193	$ 94	$ 298	$ 179	$ 1,764	0.0%	100.0%	Sep 30% down / Nov 70%
	Cooling Room Ceiling Panels (950MM EPS 100MM x10')	$ 59.63	140	$ 8,348	$ 657	$ 2,087	$ 1,252	$ 12,345	0.0%	100.0%	Sep 30% down / Nov 70%
	Ceiling Beam to Hang the Mushroom tubes	$ 75	100	$ 7,500	$ 591	$ 1,875	$ 1,125	$ 11,091	0.0%	100.0%	Sep 30% down / Nov 70%
	Tube Hangers (Hooks, chains, beam attachment)	$ 25.00	600	$ 15,000	$ 1,181	$ 3,750	$ 2,250	$ 22,181	0.0%	100.0%	Sep 30% down / Nov 70%
	U Channels	$ 0.38	410	$ 156	$ 12	$ 39	$ 23	$ 230	0.0%	100.0%	Sep 30% down / Nov 70%
	L Channels	$ 0.26	44	$ 11	$ 1	$ 3	$ 2	$ 17	0.0%	100.0%	Sep 30% down / Nov 70%
	Single Door	$ 140.00	10	$ 1,400	$ 110	$ 350	$ 210	$ 2,070	0.0%	100.0%	Sep 30% down / Nov 70%
	Door Locks	$ 20.60	10	$ 206	$ 16	$ 52	$ 31	$ 305	0.0%	100.0%	Sep 30% down / Nov 70%
	Room Cooling System / Radiator (pandy)	$ 220.00	10	$ 2,200	$ 173	$ -	$ -	$ 2,373	0.0%	100.0%	Nov
	CO2 Ductwork from Mushroom Room to CO2 Collection	$ 10.00	350	$ 3,500	$ 276	$ -	$ -	$ 3,776	0.0%	100.0%	Dec
	CO2 Collection Duct - (left of door 2 inches off floor)	$ 200.00	10	$ 2,000	$ 158	$ -	$ -	$ 2,158	0.0%	100.0%	Dec
	Intake Duct from Clean Air Plenum 1 per room	$ 200.00	10	$ 2,000	$ 158	$ -	$ -	$ 2,158	0.0%	100.0%	Dec
	Air Intake Fan 1 per room	$ 200.00	10	$ 2,000	$ 158	$ -	$ -	$ 2,158	0.0%	100.0%	Dec
	Hepa Filter (1 per 5 rooms)	$ 460.00	2	$ 920	$ 72	$ -	$ -	$ 992	0.0%	100.0%	Dec
	Clean Air Plenum (1 per 5 rooms)	$ 2,000.00	2	$ 4,000	$ 315	$ -	$ -	$ 4,315	0.0%	100.0%	Dec
	Water Piping to Room - PEX	$ 0.28	200	$ 56	$ 4	$ -	$ -	$ 60	0.0%	100.0%	Dec
	Water Misting System	$ 30.50	60	$ 1,830	$ 144	$ -	$ -	$ 1,974	0.0%	100.0%	Sep
	Water Misting Controller	$ 30.00	10	$ 300	$ 24	$ -	$ -	$ 324	0.0%	100.0%	Jan
	Room LED lighting - IP68 Waterproof LED Lights	$ 1.01	800	$ 805	$ 63	$ -	$ -	$ 868	0.0%	100.0%	Jan
	Room LED lighting controller	$ 30.00	10	$ 300	$ 24	$ -	$ -	$ 324	0.0%	100.0%	Jan
	Water Proof Omni Directional Room Fan	$ 250.00	40	$ 10,000	$ 788	$ -	$ -	$ 10,788	0.0%	100.0%	Jan
	Roof Mounted Sensor Programable Control Unit	$ 500.00	10	$ 5,000	$ 394	$ -	$ -	$ 5,394	0.0%	100.0%	Jan
	Sensors - CO2, Lighting, Humidity & Temp	$ 650.00	10	$ 6,500	$ 512	$ -	$ -	$ 7,012	0.0%	100.0%	Jan
	Harvest Totes - harvest one room every other day	$ 12.00	145	$ 1,740	$ 137	$ -	$ -	$ 1,877	0.0%	100.0%	Feb
	Harvest Totes Trolly Style Rolling Racks (21 bins / per)	$ 350.00	8	$ 2,800	$ 221	$ -	$ -	$ 3,021	0.0%	100.0%	Feb
	Open	$ -	-	$ -	$ -	$ -	$ -	$ -	0.0%	100.0%	
	Sub-Total CAP-X			**$ 94,687**	**$ 7,457**	**$ 12,184**	**$ 7,310**	**$ 121,638**			
3rd Party	Plumbing - Carbonated Water to Room	$ 100.00	16	$ 1,600	$ -	$ -	$ -	$ 1,600			
	Electrical - Power to Room, Room Lights, Outlet	$ 100.00	24	$ 2,400	$ -	$ -	$ -	$ 2,400			
	CO2 Connectivity to Room	$ 75.00	80	$ 6,000	$ -	$ -	$ -	$ 6,000			
	Misting Spray Assembly (do w/ internal)	$ 40.00	240	$ 9,600	$ -	$ -	$ -	$ 9,600			
	LED Strip lighting installation (do w/ internal)	$ 40.00	20	$ 800	$ -	$ -	$ -	$ 800			
	Hanging Bracket Installation (do w/ internal)	$ 40.00	8	$ 320	$ -	$ -	$ -	$ 320	$ 10,720		
	Mushroom Growing Room Assembly	$ 75.00	400	$ 30,000	$ -	$ -	$ -	$ 30,000			
	Project Management	$ -	-	$ -	$ -	$ -	$ -	$ -			
	Sub Total - 3rd Party Services			***$ 50,720***	***$ -***	***$ -***	***$ -***	***$ 50,720***			
	Project Component Totals			**$ 145,407**	**$ 7,457**	**$ 12,184**	**$ 7,310**	**$ 172,358**			

Airlock CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom	Purchase Timing
CAP-X	**Airlock #1 & #2 (on both sides of growing Rooms)**										
	Cooling Room Wall Panels (950MM EPS 100MM x 10')	$ 59.63	90	$ 5,367	$ 349	$ 1,342	$ 805	$ 7,862	66.7%	33.3%	Sep 30% down / Nov 70%
	Cooling Room Wall Panels (950MM EPS 100MM x3')	$ 19.88	12	$ 716	$ 47	$ 179	$ 107	$ 1,048	66.7%	33.3%	Sep 30% down / Nov 70%
	Cooling Room Wall Panels (850MM EPS 100MM x10')	$ 6.63	12	$ 239	$ 16	$ 60	$ 36	$ 349	66.7%	33.3%	Sep 30% down / Nov 70%
	Cooling Room Ceiling Panels (1150MM EPS 100MM x8')	$ 53.67	48	$ 2,560	$ 166	$ 640	$ 384	$ 3,751	66.7%	33.3%	Sep 30% down / Nov 70%
	U Channels	$ 0.38	252	$ 96	$ 6	$ 24	$ 14	$ 140	66.7%	33.3%	Sep 30% down / Nov 70%
	L Channels	$ 0.26	160	$ 42	$ 3	$ 10	$ 6	$ 61	66.7%	33.3%	Sep 30% down / Nov 70%
	Single Door 4'	$ 450.00	6	$ 2,700	$ 176	$ 675	$ 405	$ 3,956	66.7%	33.3%	Sep 30% down / Nov 70%
	Door Locks	$ 20.60	6	$ 124	$ 8	$ 31	$ 19	$ 181	66.7%	33.3%	Sep 30% down / Nov 70%
	Hepa Filter & Blower - 450 size	$ 460.00	4	$ 1,840	$ 120	$ 460	$ 276	$ 2,696	66.7%	33.3%	Sep 30% down / Nov 70%
	Airllock Lighting	$ 190	6	$ 1,140	$ 74	$ -	$ -	$ 1,214	66.7%	33.3%	Dec
	Airlock Outlets	$ 6	8	$ 48	$ 3	$ -	$ -	$ 51	66.7%	33.3%	Dec
	open	$ -	-	$ -	$ -	$ -	$ -	$ -	66.7%	33.3%	
	Sub-Total CAP-X			**$ 14,870**	**$ 967**	**$ 3,421**	**$ 2,052**	**$ 21,309**			
3rd Party	Wall and Ceiling Panel Assembly	$ 75.00	48	$ 3,600	$ -	$ -	$ -	$ 3,600			
	Hepa Filters & Blower Installation	$ 100.00	16	$ 1,600	$ -	$ -	$ -	$ 1,600			
	Electical - Lighting & Outlets	$ 100.00	16	$ 1,600	$ -	$ -	$ -	$ 1,600			
	Project Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
	Sub Total - 3rd Party Services			***$ 6,800***	***$ -***	***$ -***	***$ -***	***$ 6,800***			
	Project Component Totals			**$ 21,670**	**$ 967**	**$ 3,421**	**$ 2,052**	**$ 28,109**			

Cooling Room Area CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	Purchase Timing	
CAP-X	**Cooling Room Construction**									
	Cooling Room Wall Panels (950MM PU 100MM x 10')	$ 82.14	42	$ 3,426	$ 270	$ 856	$ 128	$ 4,680	Sep 30% down / Nov 70%	
	Cooling Room Wall Panels (950MM PU 100MM x3')	$ 28.28	6	$ 493	$ 39	$ 123	$ 18	$ 673	Sep 30% down / Nov 70%	
	Cooling Room Ceiling Panels (1150MM PU 100MM x11.8')	$ 82.14	24	$ 1,971	$ 155	$ 493	$ 74	$ 2,693	Sep 30% down / Nov 70%	
	U Channels	$ 0.38	134	$ 51	$ 4	$ 13	$ 2	$ 70	Sep 30% down / Nov 70%	
	L Channels	$ 0.26	80	$ 21	$ 2	$ 5	$ 1	$ 28	Sep 30% down / Nov 70%	
	Horizontal Supports, H-beam (30' 1" length)	$ 378	2	$ 756	$ 60	$ 189	$ 28	$ 1,033	Nov	
	Vertical Supports, Square Tube (9' 7.75" height)	$ 81	4	$ 323	$ 25	$ 81	$ 12	$ 442	Nov	
	Base Plate Supports (4" L x 4" W x 0.25" H)	$ 25	4	$ 100	$ 8	$ 25	$ 4	$ 136	Nov	
	Base Plate Anchor Bolts	$ 3	16	$ 48	$ 4	$ 12	$ 2	$ 66	Nov	$ 1,677
	Enclosed Room Lighting Units 8' Units	$ 194	16	$ 3,104	$ 244	$ -	$ -	$ 3,348	Dec	
	Constant Capacity Refrigeration Units - Cooling Room	$ 18,500	2	$ 37,000	$ 2,914	$ -	$ -	$ 39,914	Dec	
	Electrical Outlets	$ 2.50	12	$ 30	$ 2	$ -	$ -	$ 32	Dec	
	Conduit Per Foot	$ 1.00	350	$ 350	$ 28	$ -	$ -	$ 378	Dec	
	Junction Boxes	$ 6	6	$ 36	$ 3	$ -	$ -	$ 39	Dec	
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -		
	Sub-Total - Tray Washing Room CAP-X			**$ 47,709**	**$ 3,757**	**$ 1,797**	**$ 270**	**$ 53,533**		
3rd Party Services	Steel Wall & Ceiling Panel Assembly	$ 75	200	$ 15,000	$ -	$ -	$ -	$ 15,000		
	Enclosed Room Lighting Installation & Electrical	$ 100	40	$ 4,000	$ -	$ -	$ -	$ 4,000		
	Swinging Refrigerated Door - Left Open 4' width	$ 250	8	$ 2,000	$ -	$ -	$ -	$ 2,000		
	Cooling Equipment installation and Electrical	$ 250	48	$ 12,000	$ -	$ -	$ -	$ 12,000		
	Electrical Outlets & Junction Boxes	$ 100	16	$ 1,600	$ -	$ -	$ -	$ 1,600		
	Sub Total - 3rd Party Services			***$ 34,600***	***$ -***	***$ -***	***$ -***	***$ 34,600***		
	Project Component Totals			**$ 82,309**	**$ 3,757**	**$ 1,797**	**$ 270**	**$ 88,133**		

Cutting & Packaging Room CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	% Micro	%Mushroom		Purchase Timing
CAP-X	**General Room Construction**											
	Cooling Room Wall Panels (950MM PU 100MM x 17')	$ 146.84	61	$ 8,951	$ 582	$ 2,238	$ 1,343	$ 13,113	66.7%	33.3%		Sep 30% down / Nov 70%
	Cooling Room Ceiling Panels (950MM PU 100MM x10')	$ 82.14	4	$ 329	$ 21	$ 82	$ 49	$ 481	66.7%	33.3%		Sep 30% down / Nov 70%
	Cooling Room Ceiling Panels (1150MM PU 100MM x13')	$ 98.57	40	$ 3,943	$ 256	$ 986	$ 591	$ 5,776	66.7%	33.3%		Sep 30% down / Nov 70%
	Horizontal Supports, H-beam (30' 1" length)	$ 378	4	$ 1,513	$ 98	$ 378	$ 227	$ 2,216	66.7%	33.3%		Sep 30% down / Nov 70%
	Vertical Supports, Square Tube (16' 7.75" height)	$ 140	8	$ 1,116	$ 73	$ 279	$ 167	$ 1,635	66.7%	33.3%		Sep 30% down / Nov 70%
	Base Plate Supports (4" L x 4" W x 0.25" H)	$ 25	8	$ 200	$ 13	$ 50	$ 30	$ 292	66.7%	33.3%		Sep 30% down / Nov 70%
	Base Plate Anchor Bolts	$ 3	32	$ 96	$ 6	$ 24	$ 14	$ 141	66.7%	33.3%	$ 4,285	Sep 30% down / Nov 70%
	U Channels	$ 0.38	190	$ 72	$ 5	$ 18	$ 11	$ 106	66.7%	33.3%		Sep 30% down / Nov 70%
	L Channels	$ 0.26	136	$ 35	$ 2	$ 9	$ 5	$ 52	66.7%	33.3%		Sep 30% down / Nov 70%
	Plastic Strip Curtain	$ 391	1	$ 391	$ 25	$ -	$ -	$ 416	66.7%	33.3%		Jan
	Sliding Refrigerated Door	$ 5,700	1	$ 5,700	$ 798	$ -	$ -	$ 6,498	66.7%	33.3%		Jan
	Enclosed Room Lighting Units 8' Units	$ 194	16	$ 3,104	$ 202	$ -	$ -	$ 3,306	66.7%	33.3%		Jan
	Constant Capacity Refrigeration Units - Cooling Room	$ 18,500	2	$ 37,000	$ 2,405	$ -	$ -	$ 39,405	66.7%	33.3%		Dec
	Electrical Outlets	$ 2.50	12	$ 30	$ 2	$ -	$ -	$ 32	66.7%	33.3%		Dec
	Electrical Drop lines	$ 50	6	$ 300	$ 24	$ -	$ -	$ 324	66.7%	33.3%		Dec
	Conduit Per Foot	$ 1.00	350	$ 350	$ 23	$ -	$ -	$ 373	66.7%	33.3%		Dec
	Junction Boxes	$ 6.00	6	$ 36	$ 2	$ -	$ -	$ 38	66.7%	33.3%		Dec
	Storage Racks for packaging	$ 1,500.00	2	$ 3,000	$ 195	$ -	$ -	$ 3,195	66.7%	33.3%		Mar
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -	66.7%	33.3%		
	Sub-Total - Tray Washing Room CAP-X			**$ 66,165**	**$ 4,732**	**$ 4,064**	**$ 2,438**	**$ 77,399**				
CAP-X	**Cutting & Packaging Lines**											
	Microgreen Automated Cutter	$ 67,000	1	$ 67,000	$ 4,355	$ -	$ 1,000	$ 72,355	100.0%	0.0%		Dec
	Microgreen Automated Cutter - Spare Blade	$ 2,500	1	$ 2,500	$ 163	$ -	$ 1,000	$ 3,663	100.0%	0.0%		Dec
	Incline Conveyor to Microgreen Packager	$ 18,000	1	$ 18,000	$ 1,170	$ -	$ 2,000	$ 21,170	100.0%	0.0%		Dec
	Automated Tray Feeding Line (per foot)	$ 1,000	20	$ 20,000	$ 1,300	$ -	$ 350	$ 21,650	100.0%	0.0%		Dec
	Packaging Equipment CAM - packer, gas flush, weigher etc.	$ 314,450	1	$ 314,450	$ 20,439	$ -	$ 500	$ 335,389	100.0%	0.0%		Dec
	Pre & Post Tray Weighing	$ 4,000	2	$ 8,000	$ 520	$ -	$ -	$ 8,520	100.0%	0.0%		Jan
	Case Taper - Microgrees	$ 10,000	1	$ 10,000	$ 650	$ -	$ -	$ 10,650	100.0%	0.0%		Jan
	Case Erector - Microgreens - when at scale	$ 13,000	1	$ 13,000	$ 845	$ -	$ -	$ 13,845	100.0%	0.0%		Jan
	Gravity Tray Feeding Lining	$ 100	20	$ 2,000	$ 130	$ -	$ -	$ 2,130	100.0%	0.0%		Jan
	Box Packing Station	$ 2,000	1	$ 2,000	$ 130	$ -	$ -	$ 2,130	0.0%	100.0%		Jan
	Food Grade Scale	$ 150	2	$ 300	$ 20	$ -	$ -	$ 320	0.0%	100.0%		Jan
	Box Date, Code Printer - Mushrooms (use case taper)	$ -	0	$ -	$ -	$ -	$ -	$ -	0.0%	100.0%		Jan
	Sub-Total - Rolling Rack Washing Room CAP-X			**$ 429,950**	**$ 27,947**	**$ -**	**$ 4,850**	**$ 462,747**				
	Total Cap-X			**$ 496,115**	**$ 32,679**	**$ 4,064**	**$ 7,288**	**$ 540,146**				
3rd Party Services	Room Assembly	$ 75	200	$ 15,000	$ -	$ -	$ -	$ 15,000				
	Room electrical lighting, outlests	$ 100	8	$ 800	$ -	$ -	$ -	$ 800	66.7%	33.3%		
	Automated Cutter - Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Automated Cutter - Assembly & Installation	$ 250	24	$ 6,000	$ -	$ -	$ -	$ 6,000				
	Incline Conveyor- Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Incline Conveyor - Assembly and Installation	$ 250	16	$ 4,000	$ -	$ -	$ -	$ 4,000				
	Tray Feeding Line - Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Tray Feeding Line - Assembly and Installation	$ 250	16	$ 4,000	$ -	$ -	$ -	$ 4,000				
	Packaging Equipment - Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Packaging Equipment - Vendor Assembly, Install & Training	$ 250	96	$ 24,000	$ -	$ -	$ -	$ 24,000				
	Check Weigher Installation - Electrical	$ 100	4	$ 400	$ -	$ -	$ -	$ 400				
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -				
	Project Component Totals			**$ 55,800**	**$ -**	**$ -**	**$ -**	**$ 55,800**				
	Project Component Totals			**$ 551,915**	**$ 32,679**	**$ 4,064**	**$ 7,288**	**$ 595,946**				

Finished Goods Area CAP-X Estimates

Component	Sub Component	Unit Cost $	Qty	Sub Total $	Taxes $	Tariffs $	Freight $	Total Cost $	Purchase Timing	
CAP-X	**Finished Goods Storage & Pick Pack Area ~60'x90'**									
	Cooling Room Wall Panels (950MM PU 100MM x 10')	$ 82.14	87	$ 7,115	$ 462	$ 1,779	$ 1,067	$ 10,424	Sep 30% down / Nov 70%	
	Cooling Room Wall Panels (950MM PU 100MM x3')	$ 28.28	6	$ 493	$ 32	$ 123	$ 74	$ 722	Sep 30% down / Nov 70%	
	Cooling Room Ceiling Panels (1150MM PU 100MM x12.5')	$ 102.68	96	$ 9,857	$ 641	$ 2,464	$ 1,479	$ 14,440	Sep 30% down / Nov 70%	
	U Channels	$ 0.38	270	$ 102	$ 7	$ 26	$ 15	$ 150	Sep 30% down / Nov 70%	
	L Channels	$ 0.26	120	$ 31	$ 2	$ 8	$ 5	$ 46	Sep 30% down / Nov 70%	
	Horizontal Support, H-beam (30' length)	$ 377	10	$ 3,772	$ 245	$ 943	$ 566	$ 5,526	Nov	
	Horizontal Support, H-beam (20' length)	$ 251	2	$ 503	$ 33	$ 126	$ 75	$ 737	Nov	
	Horizontal Support, H-beam (12' length)	$ 151	1	$ 151	$ 10	$ 38	$ 23	$ 221	Nov	
	Horizontal Support, H-beam (24' length)	$ 302	1	$ 302	$ 20	$ 75	$ 45	$ 442	Nov	
	Horizontal Support, H-beam (36" length)	$ 453	1	$ 453	$ 29	$ 113	$ 68	$ 663	Nov	
	Vertical Support - (9' 7.75" height)	$ 81	17	$ 1,374	$ 89	$ 344	$ 206	$ 2,014	Nov	
	Base Plate Supports (4" L x 4" W x 0.25" H)	$ 25	17	$ 424	$ 28	$ 106	$ 64	$ 621	Nov	
	Base Plate Anchor Bolts	$ 3	68	$ 204	$ 13	$ 51	$ 31	$ 299	Nov	
	Connector Fittings (4 way side plates)	$ 50	6	$ 300	$ 20	$ 75	$ 45	$ 440	Nov	$ 10,962
	Strip Curtain	$ 391	2	$ 782	$ 51	$ -	$ -	$ 833	Feb	
	Sliding Refrigerated Door 8' Door	$ 5,700	2	$ 11,400	$ 798	$ -	$ -	$ 12,198	Feb	
	Enclosed Room Lighting Units 8' Units	$ 194	16	$ 3,104	$ 202	$ -	$ -	$ 3,306	Dec	
	Constant Capacity Refrigeration Units - Cooling Room	$ 18,500	4	$ 74,000	$ 4,810	$ -	$ -	$ 78,810	Dec	
	Electrical Outlets	$ 2.50	12	$ 30	$ 2	$ -	$ -	$ 32	Dec	
	Conduit Per Foot	$ 1.00	350	$ 350	$ 23	$ -	$ -	$ 373	Dec	
	Junction Boxes	$ 6.00	6	$ 36	$ 2	$ -	$ -	$ 38	Dec	
	Pallet Racking (to get room started - expand later)	$ 15,000	1	$ 15,000	$ 975	$ -	$ -	$ 15,975	Mar	
	Work Tables	$ 500	3	$ 1,500	$ 98	$ -	$ -	$ 1,598	Mar	
	Open	$ -	0	$ -	$ -	$ -	$ -	$ -		
	Sub-Total - Tray Washing Room CAP-X			**$ 131,283**	**$ 8,590**	**$ 6,270**	**$ 3,762**	**$ 149,905**		
3rd Party Services	Steel Wall & Ceiling Panel Assembly	$ 75	400	$ 30,000	$ -	$ -	$ -	$ 30,000		
	Enclosed Room Lighting Installation & Electrical	$ 100	40	$ 4,000	$ -	$ -	$ -	$ 4,000		
	Sliding Door Installation	$ 250	16	$ 4,000	$ -	$ -	$ -	$ 4,000		
	Plastic Strip Curtain	$ 75	4	$ 300	$ -	$ -	$ -	$ 300		
	Cooling Equipment installation and Electrical	$ 250	48	$ 12,000	$ -	$ -	$ -	$ 12,000		
	Electrical Outlets & Junction Boxes	$ 100	16	$ 1,600	$ -	$ -	$ -	$ 1,600		
	Sub Total - 3rd Party Services			***$ 51,900***	***$ -***	***$ -***	***$ -***	***$ 51,900***		
	Project Component Totals			**$ 183,183**	**$ 8,590**	**$ 6,270**	**$ 3,762**	**$ 201,805**		

AGENDA RECOMMENDATION

Economic Development Authority **4. E.**

Meeting Date: 09/14/2026

Agenda Item:

Resolution requesting the establishment of a property tax levy for the Economic Development Authority for property taxes to be collected during the 2027 fiscal year.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

In 2007, the City approved an Economic Development Authority Levy, which is reflected in the Economic Development Fund and has historically been used to support economic development, redevelopment, building rehabilitation, and community partnership activities.

Minnesota Statutes, Section 469.107, enables a city to levy a tax for the benefit of an Economic Development Authority. The amount of the levy may not exceed 0.01813 percent of estimated market value.

From 2013 through 2020, the EDA levy was established at $225,000 and supported the following activities:

- $10,000 – Southern Minnesota Initiative Foundation
- $25,000 – City Center Partnership
- $40,000 – Arts and Culture District in the City Center
- $50,000 – GMG Regional Services Agreement, partially funded by the levy
- $25,000 – Parking Lot Development or City Center Redevelopment
- $75,000 – Building Rehabilitation

Historically, funding for the City Center Partnership, Arts & Culture, and Parking Lot Development/City Center Redevelopment supported implementation goals identified in the City Center Renaissance Plan and/or action steps in the Arts, Culture, & Community Enhancement Plan. More broadly, the EDA levy and other economic development incentive programs have primarily been directed toward reinvestment in building infrastructure and supporting redevelopment activities rather than ongoing operational expenses. These investments are intended to leverage additional private and public investment, increase the tax base, and maintain the viability of the City's building stock. The funding provided to the Southern Minnesota Initiative Foundation is an example of supporting a semi-public entity that provides capital and resources to public and private ventures.

Recent EDA Levy History
Beginning in 2021, the EDA levy was increased to $365,000 to reflect increased expenses associated with partnership funding. One significant example is the fee for Greater Mankato Growth (GMG) services through the Regional Economic Development Alliance (REDA) partnership. The City's fee increased from $99,714 in 2009 to $195,733.44 in 2023.

The City Council approved a new REDA Joint Services Agreement on October 10, 2023, which expires December 31, 2029. Under the current agreement, the per-capita rate used to calculate the fees will be stabilized at the same rate among all partners by the end of the agreement. Mankato's fee is expected to be reduced to $186,581.29 in 2027. In prior years, savings resulting from reductions in the REDA fee have been redirected toward commercial and residential building rehabilitation.

The following table summarizes activities funded with EDA levy proceeds from 2021 through 2026:

Activity	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Southern Minnesota Initiative Foundation	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
City Center Partnership	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Arts & Culture (Twin Rivers and CityArt)	$40,000	$40,000	$40,000	$40,500	$40,500	$40,500
GMG Regional Services Agreement (REDA Partnership)	$195,000	$195,000	$195,000	$193,650	$192,116.40	$190,946.49
Commercial & Residential Building Rehabilitation	$70,000	$95,000	$95,000	$95,850	$97,383.60	$98,553.51
Affordability Partnership Initiatives	$25,000	—	—	—	—	—

2027 Levy Request and Budget Considerations
The preliminary 2027 EDA levy request is to remain at $365,000. This request establishes the amount that may be levied for EDA purposes; it is not intended to represent a final commitment to specific expenditures or allocations within the Economic Development Fund.

The 2027 EDA levy budget shall include the GMG Regional Services Agreement (REDA Partnership) fee, which will be $186,581.29 in 2027. The remainder of the budget may be left to the discretion of the EDA through the budgeting process.

As previously reported to the City Council, the preliminary property tax levy may be reduced through subsequent budget considerations but may not be increased. The same principle applies to the requested EDA levy. Accordingly, establishing the preliminary EDA levy at $365,000 provides the EDA and Council with the ability to consider the full range of potential funding needs while retaining the opportunity to reduce the levy as the budget process continues.

Resolution
The attached resolution formally requests establishment of the EDA levy pursuant to Minnesota Statutes, Section 469.107. Adoption of the resolution does not constitute final approval of the specific allocation of levy proceeds.

The final decision regarding the amount of the EDA levy and the allocation of EDA levy proceeds is expected to occur as part of the September–December 2026 budget process. Future budget discussions can be used to evaluate funding options and determine which programs, partnerships, and economic development activities best align with current community needs and City priorities.

Attachments

Resolution

RESOLUTION REQUESTING THE CITY COUNCIL
FOR THE ESTABLISHMENT OF A PROPERTY TAX LEVY
FOR THE ECONOMIC DEVEMENT AUTHORITY OF THE CITY OF MANKATO
FOR PROPERTY TAXES TO BE COLLECTED
DURING THE 2027 FISCAL YEAR

WHEREAS the Economic Development Authority has authority under M.S. 469.107 to request a property tax levy not to exceed 0.01813 percent of the taxable market value; and

WHEREAS the Economic Development Authority may request the City Council for a Levy; and

WHEREAS the Economic Development Authority has indicated support for the Economic Development initiatives; and

WHEREAS the sum total of said initiatives are listed at $365,000; and

WHEREAS the City of Mankato is required to adopt a preliminary property tax levy at a regular meeting prior to the 30th of September each year; and

WHEREAS the Economic Development Authority desires to conform and comply with the requirements of M.S. 469.107 and M.S. 275.065 regarding deadlines for requesting the levy before the final Council approval in December of 2026.

NOW THEREFORE BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF MANKATO, BLUE EARTH COUNTY, MINNESOTA that a formal request be made for the purpose of establishing a property tax levy, in the amount of $365,000 for fiscal year 2027.

This resolution shall become effective immediately upon passage.

Adopted this 14th day of September, 2026.

____
Najwa Massad
Chair

Attest:

____
Susan MH Arntz
Executive Director

AGENDA RECOMMENDATION

Economic Development Authority **4. F.**

Meeting Date: 09/14/2026

Agenda Item:

Public hearing and Resolution approving the 2027 Annual Agency Plan.

Recommendation/Action(s):

Public Hearing and Adoption of the attached resolution.

Summary:

The 2027 PHA Annual Plan is a comprehensive guide to public housing agency policies, programs, operations, and strategies for meeting local housing needs and goals. The EDA submits this plan, which represents the role of the agency and programs in the community. The plan follows strategic planning identified in the community consolidated plan, strengthens ties to community service agencies, fair housing, and accesses the tools necessary to reach established goals.

These tools include:

- Annual review of payment standards and utility allowances.
- Annual review of the Administrative Plan for the Housing Choice Voucher program and Admissions and Occupancy Plans for Public Housing.
- Identifies special vouchers including:
  - Project-Based Vouchers.
  - Family Self-Sufficiency, and Homeownership.
  - Mainstream Vouchers for non-elderly, disabled.
  - VASH Vouchers for homeless veterans.
  - Foster Youth to Independence vouchers to meet needs for homeless and at-risk foster.
  - Stability Vouchers that work to prevent homelessness.
- Utilizes preferences based on community needs; and
- Manages capital funding reserves that improve and replace publicly owned housing.

The plan identifies and recommends policy changes the EDA has enacted since submission of the last Annual Plan.

- Administrative Plan and Admissions and Occupancy Procedures (ACOP): Housing Opportunity Through Modernization Act (HOTMA) revisions were provided last year in anticipation for implementation in 2027. Adjusted reporting times for income and household changed from 30 days to 10 days to comply with new HOTMA rules. Additionally, the removal of specific fair housing and LEP requirements as required by HUD.

- Expansion to regional jurisdiction: Plan includes the new regional service area for the Housing Choice Voucher program. Minnesota residents residing in Blue Earth, Nicollet, Pipestone, Rock, Sibley, Waseca or Watonwan counties.
- Repositioning of Public Housing units in the RAD/Section 18 program: The conversion allows for a more predictable, sustainable revenue stream while still providing the same protection/rights to all current tenants. The program revenue will come from rent payments from tenants that reflect 30% of their income, and the HUD funding will change from an annual operating subsidy and Capital Fund Grant to a Housing Assistance Payments (HAP). The Section 18 conversion of 49 units transitioned on April 1, 2025. The RAD/ Small PHA Blend options was submitted in July 2025 and is being reviewed by HUD with a closing date of November 30, 2026. The Administrative Plan includes these project-based vouchers in Chapter

While this plan has specific emphasis on the operations and strategies of the Housing Choice Voucher program and Public Housing program. It also addresses affordable housing needs in the community and progress in implementing action steps identified in the Affordable Housing Action Plan (AHAP) and the City's Strategic Plan. The programs and services administered by the EDA intend to cover the continuum of housing.

The Annual Agency Plan highlights routine accomplishments and new initiatives over the past year and the AHAP that include:

Administering Housing Choice Voucher and Public Housing Programs:

- Received high performer status with HUD providing safe, decent, and affordable housing to 984 voucher holders and 130 Public Housing units.
- Prioritized special populations with 10 VASH, 112 Mainstream, 22 Foster Youth to Independence, and 5 Stability vouchers.
- Administered capital funding to maintain and renovate public housing to meet all inspection criteria and received a REAC Inspection rating of 98%.

Administered the Housing Trust Fund:
Combined, Mankato and Blue Earth County received $1,302,887 in Statewide Affordable Housing Aid from the MN Department of Revenue to create local Housing Trust funds with $180,146 certified for 2027. Trust funds are a consistent, flexible resource for addressing housing needs in the community. HTF will provide opportunities to leverage public and private funds and jump start projects that benefit and invest in affordable housing. In 2025, the EDAs leveraged an additional 600,000 in EDA and MN Housing HTF Grant funding to the HTF that will support the Partnership Community Land Trust (PCLT).

Administration of Community Development Block Grant Fund (CDBG):
The CDBG program provided public service funding that supported the quality of life for more than 587 low to moderate income individuals, included park improvements at Highland Park, and rehabilitated 5 owner-occupied units and 2 rental units. Additionally, 2 PCLT homes are being sold, 7 owner-occupied homes have rehabilitation in process and the 40 units of supportive housing serving homelessness are under construction for the Poplar apartments.

Creation of Affordable Housing:

- The EDA is successfully administering the Public Housing and Housing Choice Voucher programs. The EDA evaluates the availability of additional housing vouchers with the use of current resources.
- Assisted 28 low-income families this past year obtain homeownership utilizing the MCPP program with MN Housing.
- Expanded affordable homeownership with the Partnership Community Land Trust: providing $1,135,000 from the HTF to PCLT for 24 homes in 2026-27. 5 acquisition/rehabilitation homes, 4 on Scotch Lane, 8 at the Meadows, and 7 at Quarry View.

- Supported funding through MN Housing Low Income Housing Tax Credits for the Poplar Apartments currently under construction to provide supportive housing for those who are homeless (40 units).

- More rental assistance with the EDA awarded:
  - MN Housing Bridges Vouchers (25) for those with mental illness leasing that began in August 2025 and fully utilized in 2026.
  - MN Housing Bring It Home Rental Assistance (150) prioritizing families regionally with leasing started May 1, 20 25.
  - Local Homeless Prevention Aid from MN Department of Treasury (35) youth homelessness or at risk of homelessness households.
  - Voluntary Transfer of vouchers from Pipestone HRA (53 vouchers) and South Central MN Multi-County HRA (348 vouchers)

Preservation of Affordable Housing:

- The Capital Fund Program maintains and renovates public housing units to meet all inspection criteria and received 98% at the last REAC Inspection.
- Allocated an HTF gap loan of $600,000 for the RAD/Section 18 conversion and preservation of public housing in Blue Earth County.
- Rehabilitation of 5 owner-occupied homes and 2 rental units through the Community Development Block Grant Funding.
- Anticipated funding to support the rehabilitation at the Homestead Apartments following flooding in 2025.

Preventing and Ending Homelessness:

- Conduct bi-weekly case conferencing with shelters, street outreach, and housing providers to house/shelter homeless.
- Use the regional Coordinated Entry Assessment system for homeless response and participate in monthly regional case conferencing.
- Utilizes preferences for coordinated entry, supportive housing, and involuntary displacement due to natural disaster or governmental action, and VAWA outlined in the Administrative Plan and have increased services addressing homelessness by 33% over the past 5 years in Mankato and Blue Earth County.
- Expanded emergency nighttime shelter through the summer months using local Housing Trust Fund dollars and Community Development Block Grant funding.
- Poplar Apartment supportive housing development targeting those at risk of homelessness or homeless by Trellis Company was funded in December 2024 and is under construction with completion anticipated in February 2027.
- Successfully administer programs for homelessness, including 4 dedicated units for long-term homelessness at Breckenridge Town homes.

- Administered housing stability vouchers for those who are homeless or at risk of homelessness.
- Maintains a response system to house veterans experiencing homelessness within our CoC Region using VASH Vouchers and a veteran's preference.

- Continued collaboration seeking capital funding for a 24/7 emergency shelter.

Expanded Affordable Housing Opportunities:

- The EDA continues to apply for additional affordable housing as available and is seeking information on the State Tax Credit program through MN Housing to expand the local housing trust fund.

Community Education and Landlord Engagement:

- Help move citizens to economic self-sufficiency and become homeowners. Staff continue the Family Self-Sufficiency program, helping move participants off government assistance and promoting asset development. This year, 93 participants made progress towards achieving their goals.
- Continue to offer homebuyer education to homebuyers through HCV Homeownership Program. EDA collaborates with SWMHP as a HUD certified housing counseling agency to provide program participants with housing counseling.
- Offer homeownership assistance through the Housing Voucher Program and Minnesota Cities Participation program.
- Participate in the Preventing Rental Evictions Program (PREP) to engage local landlords and tenants in supporting affordable rental housing. Supported Partners for Housing offering Rentwise education to local renters.
- Promoted the Beyond Background insurance program.

Assist Participants who are Victims of Domestic Abuse:

- Staff refer victims to law enforcement as well as to services provided by the Committee Against Domestic Abuse (CADA).

- Staff terminate housing assistance/lease agreements of the perpetrators of violence.
- Staff work with CADA social services staff to provide supportive housing to residents of CADA House.
- Utilize preference for VAWA on HCV wait list.

Continue to Build Partnerships:
The plan also highlights our strength in community partnerships that include and are not limited to: Arc of MN, City of Mankato, Connections Shelter, Habitat for Humanity, ISD 77, Lutheran Social Services, Minnesota Valley Action Council, Partners for Housing, River Valley Continuum of Care, Salvation Army, Southern MN Regional Legal Services, and Southwest MN Housing Partnership.

The plan was posted for public comment and a Resident Advisory Committee Meeting was held on August 25. A summary of comments received are attached. Following the Public Hearing, the Board is asked to approve by resolution the Annual Public Housing Agency Annual as presented.

Attachments

Resolution

Annual Agency Plan

Resident Advisory Meeting

Resolution Adopting the 2027 Public Housing Agency Annual Plan

WHEREAS, the U.S. Department of Housing and Urban Development requires Public Housing Agencies to annually plan the provision of housing activities; and

WHEREAS, the Mankato Economic Development Authority has developed the 2027 Annual Plan in compliance with federal regulations.

NOW, THEREFORE, BE IT RESOLVED that the Mankato Economic Development Authority approves the Resolution Adopting the 2027 Public Housing Agency Annual Plan.

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

Adopted this 14th day of September 2026.

____
Najwa Massad, Board Chair

Attest: ___________________________________
Susan MH Arntz, Executive Director

Annual PHA Plan *(Standard PHAs and Troubled PHAs)*	**U.S. Department of Housing and Urban Development Office of Public and Indian Housing**	**OMB No. 2577-0226 Expires: 9/30/2027**

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services. They also inform HUD, families served by the PHA, and members of the public of the PHA's mission, goals, and objectives for serving the needs of low-, very low-, and extremely low- income families.

Applicability. The Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form. Note: PHAs with zero public housing units must continue to comply with the PHA Plan requirements until they closeout their Section 9 programs (ACC termination).

Definitions.

(1) ***High-Performer PHA*** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers (HCVs) and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, SEMAP for PHAs that only administer tenant-based assistance and/or project-based assistance, or PHAS if only administering public housing.
(2) ***Small PHA*** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
(3) ***Housing Choice Voucher (HCV) Only PHA*** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
(4) ***Standard PHA*** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
(5) ***Troubled PHA*** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
(6) ***Qualified PHA*** - A PHA with 550 or fewer public housing dwelling units and/or HCVs combined and is not PHAS or SEMAP troubled.

A.	**PHA Information.**
A.1	**PHA Name**: Mankato EDA **PHA Code**: MN063 **PHA Type**: ☑ Standard PHA ☐ Troubled PHA **PHA Plan for Fiscal Year Beginning**: (MM/YYYY): 01-01-2027 **PHA Inventory** (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) **Number of Public Housing (PH) Units** 130 **Number of Housing Choice Vouchers (HCVs)** 984 **Total Combined Units/Vouchers** 1114 **PHA Plan Submission Type:** ☑ Annual Submission ☐ Revised Annual Submission **Public Availability of Information.** In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA and should make documents available electronically for public inspection upon request. PHAs are strongly encouraged to post complete PHA Plans on their official websites and to provide each resident council with a copy of their PHA Plans. The Mankato Economic Development Authority has developed the 2027 Annual Agency Plan in compliance with the Quality Housing and Work Responsibly Act of 1998 and the 2027 Public Housing Capital Fund. The plan and capital fund are available for review on the City of Mankato website at www.mankatomn.gov. A copy can also be requested by contacting Nicole Cunningham, Housing Coordinator, at 507-387-8675 or in writing to ncunningham@mankatomn.gov or City of Mankato, PO Box 3368, Mankato, MN 56002-3368. On August 10, 2026, the EDA will set a Public Hearing for the Annual Agency Plan and Capital Fund to be held September 14, 2026, at 6:00 pm. Everyone is invited. For further information, call Nicole Cunningham at 507-387-8675.

☐ **PHA Consortia**: (Check box if submitting a Joint PHA Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
				PH	HCV
Lead PHA:					

B. Plan Elements

B.1 Revision of Existing PHA Plan Elements.

(a) Have the following PHA Plan elements been revised by the PHA?

Y N
☐ ☑ Statement of Housing Needs and Strategy for Addressing Housing Needs.
☐ ☑ Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
☐ ☑ Financial Resources.
☐ ☑ Rent Determination.
☐ ☑ Operation and Management.
☐ ☑ Grievance Procedures.
☐ ☑ Homeownership Programs.
☐ ☑ Community Service and Self-Sufficiency Programs.
☐ ☑ Safety and Crime Prevention.
☐ ☑ Pet Policy.
☐ ☑ Asset Management.
☐ ☑ Substantial Deviation.
☐ ☑ Significant Amendment/Modification.

(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):

(c) The PHA must submit its Deconcentration Policy for Field Office review.

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those wtih annual income at or below the federal poverty level or 30% of the area3 median income, whichever number is higher. To ensure this requirement is ment, a PHA may skip non ELI families on the waiting list in order to select an ELI family.

Low-ncome families admitted to the program that are "continuously assisted" under the 1937 Housing Act (24 CFR 982.4(b)), as well as low-income or moderate-income families admitted to the program that are displaced as a reslut of the repayment of the mortgage or voluntary terminated of an insurance contract on eligible low-income hoiusing, are not counted for income targeting purpose (24 CFR 982.201(b)(2)(v)).

PHA Policy: The PHA will monitor progress in meeting the income targeting requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligibvle families on an as-needed basis to ensure the income targeting requirement is met.

B.2	**New Activities.** (a) Does the PHA intend to undertake any new activities related to the following in the PHA's applicable Fiscal Year? Y N ☐ ☑ Choice Neighborhoods Grants. ☐ ☑ Modernization or Development. ☑ ☐ Demolition and/or Disposition. ☐ ☑ Designated Housing for Elderly and/or Disabled Families. ☐ ☑ Conversion of Public Housing to Tenant-Based Assistance. ☑ ☐ Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD. ☑ ☐ Homeownership Program under Section 32, 9 or 8(Y) ☐ ☑ Occupancy by Over-Income Families. ☐ ☑ Occupancy by Police Officers. ☑ ☐ Non-Smoking Policies. ☑ ☐ Project-Based Vouchers. ☑ ☐ Units with Approved Vacancies for Modernization. ☐ ☑ Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants). (b) If any of these activities are planned for the applicable Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan. The Mankato EDA will renovate approximately 5-7 public housing units in 2027. The units will be vacant and modernized with the capital reserve funds. The EDA has approved the conversion of the public housing program to Section 8 Project Based Vouchers and staff worked with a consultant to assist in processing the conversion of Public Housing under HUD's RAD/Section 18 Blend. Section 18 Disposition: The EDA disposed of 49 public housing units via the Section 18 Disposition Program for Scattered Site Units as outlined in PIH Notice 2021-07on April 1, 2025. Rental Assistance Demonstration (RAD): The EDA is converting its remaining public housing portfolio to Section 8 Project Based Vouchers under the guidelines of H 2019-19/PIH 2019-13, REV-4 and PIH Notice 2021-07, any successor Notices. The EDA is using the RAD/Section 18 Blend for one hundred one (101) units at Orness Plaza under Development 1 and twenty-nine (29) units under the scattered sites Development. The EDA has closed out of the public housing program. No change is proposed in the number of units or bedroom distribution. The EDA will close out its Public Housing program. Project Based Vouchers: Changes in policy related to eligibility, admissions, selection, and occupancy are anticipated to be only those necessary to follow the Housing Choice Voucher, project-based voucher, and RAD project based voucher programs, including, but not limited to income guidelines. The EDA provides preferences for: local residency, regional coordinated entry, victim of domestic violence, veterans preference, special services vouchers including Mainstream, VASH, Foster Youth to Independence, and stability vouchers. Additional preferences include involuntarily displaced due to governmental action, conversion of public housing through RAD or Section 18, natural disaster. An additional preference is the Move On preference for those graduating from a supportive or transitional housing program. Residence Rights, Participation, waiting list and Grievence procedures: Upon conversion to project based vouchers the EDA will adopt the residence rights, participation, waiting list and grievance procedures listed in Section 1.6 of H2019-09/PIH 2019-13, Rev-4; and H 2016-17/PIH 2016-17(Attachment A). These resident rights, participation, waiting list, and grievance procedures are appended to this attachment. Additionally, the EDA certifies that it is currently compliant with all fair housing and civil rights requirements. RAD was designated by HUD to assist in addressing the capital needs of puvlic hosuing by providing the EDA with access to private sources of capital to repair and preserve affordable housing assets. The EDA does not anticipate any site selection changes or relocation needs because of the RAD and Section 18 conversions comply with all applicable site selection and neighborhood reviews and that all appropriate procedures have been followed as required by Section 5.2 of the RAD Fair Housing, civil rights, and relocation Notice H 2016-17/PIH 2016-17 (HA).

B.3	**Progress Report.** Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.

Provide safe, decent, and affordable housing for low-income people:

* Engaged in the work addressed in our Affordable Housing Action Plan to create new affordable units, preserve existing housing, prevent and end homelessness, and educate the community on resources.
* Administer an Affordable Housing Trust Fund dedicating public revenue for affordable housing. Trust funds are a consistent, flexible resource for addressing housing needs in the community. The HTF will provide opportunities to leverage public and private funds and jump start projects that benefit and invest in the community.
  - Funding to the Partnership Community Land Trust to expand homeownership opportunities.
  - Funding to support Partners for Housing Street Outreach to homeless as part of the local partnership.
  - Funding to support housing preservation in the Public Housing RAD/Section 18 Conversion.
  - Funding to support the Homeless Shelter summer expansion to provide year round nighttime shelter.
* Supported the development of 40 new permanent supportive housing units at the Poplar Apartments.
* Administered Housing Choice Voucher program with 720 Vouchers, limited utilization due to budget capacity from 984.
* Anticipate the conversion of 130 the RAD/Section 18 Public Housing program to project-based vouchers by end of 2026.
* The EDA evaluates the availability of additional housing vouchers with the use of current resources. Accepted the voluntary transfer of 85 vouchers from the South Central MN Multi-County HRA.
* The Capital Fund Program has been administered under the RAD/Section 18 conversion to maintain and renovate the public housing units to meet all inspection criteria and received a 98% on the REAC Inspection completed the spring of 2026. Maintain the portfolio appearance consistent with the surrounding neighborhoods.
* Policies to administer flat rents are following PIH 2014-12.
* Assisted 28 families obtain homeownership under the Minnesota City Participation Program.

Administration of Community Development Block Grant Fund (CDBG):

The CDBG program provided public service funding supported the quality of life for more than 587 low to moderate income individuals, and included park improvements at Highland Park, and rehabilitated 5 owner occupied units and 2 rental units. Additionally, 2 PCLT homes are being sold, 7 owner occupied homes have rehabilitation in process and the 40 units of supportive housing are under construction for the Poplar apartments.

Address the needs of the homeless in Blue Earth County:

* Administering 4 supportive housing units at Breckenridge Town homes identified as long term homeless units.
* Administering the Continuum of Care program providing supportive services and subsidized rents to prevent homelessness.
* Administering 5 Housing Stability vouchers preventing homelessness.
* Supporting emergency shelter summer expansion for year round shelter increasing access to nighttime shelter using HTF dollars.
* Facilitate bi-weekly case conferencing with shelters and housing providers to limit time homeless in our community.
* Staff utilize and participate in the Coordinated Entry system and participate in monthly case conferencing.
* Utilized CoC funding to staff housing navigation and street outreach services to those experiencing homelessness.
* EDA in partnership with Public Safety, Salvation Army, and Partners for Housing seeking CoC funding to expand the Street Outreach team.
* The EDA utilizes preferences for Coordinated Entry, Supportive Housing, and Involuntarily displacement due to natural disaster or governmental action, and VAWA outlined in the Administrative Plan and ACOP.
* Through participating in the coordinated entry homeless response system and use of preferences, EDA has increased housing subsidies serving homelessness by 33% over the past 5 years.
* Participate in a local homeless response system to end Veterans homelessness within our CoC Region.
* Continue to seek funding and partnership for a 24/7 year-round emergency homeless shelter providing congregate and non-congregate shelter.

Help move citizens to economic self-Sufficiency:

* Support home-buyer education, the First Home Home-buyer Capacity Program, and administer the HCV Homeownership Program.
* Partner with the SWMNHP, a HUD certified housing counseling agency, to provide housing counseling and education.
* Utilize the Minnesota Cities Participation Program with MN Housing aiding first time home buyers, step up buyers, and fix up funding.
* Offer down-payment assistance through the City of Mankato Homeownership revolving loan fund and Minnesota Cities Participation program.
* Staff continues to administer the Family Self-Sufficiency program which helps move program participants off of government assistance and promotes asset development. In the past 12 months 93 participants made progress towards achieving their goals.

Expand Affordable Housing Opportunities:

* Leasing State funded Bridges rental assistance serving 25 households facing serious and persistent mental illness.
* Expanded affordable housing with rental assistance utlizing th new State funded Bring It Home rental assistance to serve an additional 150 households prioritizing families with children and household incomes below 30% of AMI.
* Utilize the MCPP program with MN Housing aiding 28 first time home-buyers, step up buyers and fix up loans.
* Authorize Housing Trust Fund dollars to expand the Partnership Community Land Trust in the Mankato area anticipating 24 additional homes by 2027.
* Seeking Low Income Housing Tax Credit (LIHTC) program, financing needed to preserve and increase affordable housing in Mankato.
* CDBG funds for site acquisition and Project Based vouchers continue to be allocated to LIHTC projects.
* Received $118,774 in local affordable housing aid from the MN Department of Revenue to support youth and youth families in partnership with Mankato Public Schools.
* Apply for additional affordable housing as available.

Assist Program Participants who are Victims of Domestic Abuse:

* Staff refer victims to law enforcement as well as to services provided by the Committee Against Domestic Abuse (CADA).
* Staff terminate housing assistance/lease agreements of the perpetrators of violence.
* Staff work with CADA social services staff to provide supportive housing to residents of CADA House.
* Utilize preference for VAWA on the HCV Wait list.

B.4	**Capital Improvements.** Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved. 2023-2027 Plan approved 01-31-2024
B.5	**Most Recent Fiscal Year Audit**. (a) Were there any findings in the most recent FY Audit? Y N ☑ ☐ (b) If yes, please describe: o comply with Uniform Guidance requirements related to Housing Quality Standards (HQS) reinforcements. Specifically, two housing units that failed initial inspections did not undergo the required reinspections, and one housing unit was reinspected beyond the mandated 30-day timeframe.Management acknowledges the non-compliance identified related to Housing Quality Standards (HQS) reinspection requirements. The EDA recognizes the importance of ensuring that all units participating in the Housing Choice Voucher Program meet federal housing quality and safety standards and that required reinspections occur within the timelines established by federal regulations. The instances cited in the audit occurred during a period of staffing transition within the inspection department, when the agency experienced reduced inspection capacity and relied on temporary processes that did not provide sufficient tracking of reinspection deadlines. As a result, two units that failed initial inspections were identified as not having documented reinspections, and one unit was reinspected outside the required 30-day timeframe. Management also notes that some inspections referenced in the report may have been completed but were not properly logged in the inspection tracking system. Some of the failed inspections involved 24-hour deficiencies related to the implementation of the updated smoke detector requirements. Because these reinspections were not consistently scheduled or recorded within the inspection software, the agency did not have a reliable method for tracking or verifying their completion in the system at the time of the audit.
C.	**Other Document and/or Certification Requirements.**
C.1	**Resident Advisory Board (RAB) Comments.** (a) Did the RAB(s) have comments to the PHA Plan? Y N ☑ ☐ (b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.

C.2	**Certification by State or Local Officials.** Form HUD 50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.3	**Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations* *Including PHA Plan Elements that Have Changed,* must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.4	**Challenged Elements.** If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public. (a) Did the public challenge any elements of the Plan? Y ☐ N ☑ (b) If yes, include Challenged Elements.

C.5	**Troubled PHA.** (a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place? Y N N/A ☐ ☑ ☐ (b) If yes, please describe:

Instructions for Preparation of Form HUD-50075-ST Annual PHA Plan for Standard and Troubled PHAs

A. PHA Information. All PHAs must complete this section (24 CFR 903.4).

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Inventory, Number of Public Housing Units and Number of HCVs, PHA Plan Submission Type**, and the **Public Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. Note: The number of HCV's should include all special purpose vouchers (e.g. Mainstream Vouchers, etc.) (24 CFR 903.23(e)).

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table (24 CFR 943.128(a)).

B. Plan Elements. All PHAs must complete this section.

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the "yes" box. If an element has not been revised, mark "no" (24 CFR 903.7).

☐ **Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location (24 CFR 903.7(a)(2)(i)). Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy (24 CFR 903.7(a)(2)(ii)).

☐ **Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions**. PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2 (24 CFR 903.23(b)). Describe the PHA's admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA's policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR 903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements (24 CFR 903.7(b)). Describe the PHA's procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists (24 CFR 903.7(b)). A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV (24 CFR 903.7(b)). Describe the unit assignment policies for public housing (24 CFR 903.7(b)).

☐ **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program and state the planned use for the resources (24 CFR 903.7(c)).

☐ **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies (24 CFR 903.7(d)).

☐ **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA (24 CFR 903.7(e)).

☐ **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants (24 CFR 903.7(f)).

☐ **Homeownership Programs**. A description of any Section 5h, Section 32, Section 8y, or HOPE I public housing or HCV homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval (24 CFR 903.7(k)).

☐ **Community Service and Self Sufficiency Programs**. Describe how the PHA will comply with the requirements of (24 CFR 903.7(l)). Provide a description of: (**1**) Any programs relating to services and amenities provided or offered to assisted families; and (**2**) Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs subject to Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 135) and FSS (24 CFR 903.7(l)).

☐ **Safety and Crime Prevention (VAWA).** Describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must provide development-by-development or jurisdiction wide-basis: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities (24 CFR 903.7(m)). Note: All coordination and activities must be consistent with federal civil rights obligations. A description of: (**1**) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to survivors of domestic violence, dating violence, sexual assault, or stalking; (**2**) Any activities, services, or programs provided or offered by a PHA that helps survivors of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and (**3**) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance survivor safety in assisted families (24 CFR 903.7(m)(5)).

☐ **Pet Policy.** Describe the PHA's policies and requirements pertaining to the ownership of pets in public housing (24 CFR 903.7(n)).

☐ **Asset Management.** State how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory (24 CFR 903.7(q)).

☐ **Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan (24 CFR 903.7(s)(2)(i)).

☐ **Significant Amendment/Modification**. PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan (24 CFR 903.7(s)(2)(ii)). For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the 'Sample PHA Plan Amendment' found in Notice PIH 2019-23(HA), successor RAD Implementation Notices, or other RAD Notices.

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2 (24 CFR 903.23(b)).

B.2 **New Activities.** If the PHA intends to undertake any new activities related to these elements in the current Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

☐ **Choice Neighborhoods Grants. (1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for Choice Neighborhoods Grants; and (**2)** A timetable for the submission of applications or proposals. The application and approval process for Choice Neighborhoods is a separate process. See guidance on HUD's website at: https://www.hud.gov/cn (Notice PIH 2011-47).

☐ **Modernization or Development (Conventional & Mixed-Finance). (1)** A description of any Public Housing (including name, project number (if known) and unit count) for which the PHA will apply for modernization or development; and (**2)** A timetable for the submission of applications or proposals. The application and approval process for modernization or development is a separate process. (See 24 CFR part 905 and guidance on HUD's website at: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6/mfph#4).

☐ **Demolition and/or Disposition.** With respect to public housing only, (1) describe any public housing development(s), or portion of a public housing development projects, owned by the PHA and subject to ACCs (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition approval under section 18 of the 1937 Act (42 U.S.C. 1437p); and (2) a timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed as described in the PHA's last Annual and/or 5-Year PHA Plan submission. The application and approval process for demolition and/or disposition is a separate process. Approval of the PHA Plan does not constitute approval of these activities. See guidance on HUD's website at: https://www.hud.gov/program_offices/public_indian_housing/centers/sac/demo_dispo/ and 24 CFR 903.7(h).

☐ **Designated Housing for Elderly and Disabled Families.** Describe any public housing projects owned, assisted, or operated by the PHA (or portions thereof), in the upcoming fiscal year, that the PHA has continually operated as, has designated, or will apply for designation for occupancy by elderly and/or disabled families only. Include the following information: (**1**) development name and number; (**2**) designation type; (**3**) application status; (**4**) date the designation was approved, submitted, or planned for submission, (**5**) the number of units affected and **(6)** expiration date of the designation of any HUD approved plan. **Note**: The application and approval process for such designations is separate from the PHA Plan process, and PHA Plan approval does not constitute HUD approval of any designation (24 CFR 903.7(i)(c)).

☐ **Conversion of Public Housing under the Voluntary or Mandatory Conversion programs.** Describe **(1)** any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; **(2)** an analysis of the projects or buildings required to be converted under Section 33; and (**3)** a statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at the Special Applications Center (SAC) (https://www.hud.gov/sac) and 24 CFR 903.7(j).

☐ **Conversion of Public Housing under the Rental Assistance Demonstration (RAD) program (including Faircloth to RAD).** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA plans to voluntarily convert to Project-Based Rental Assistance or Project-Based Vouchers under RAD. Note that all PHAs shall be required to provide the information listed in Attachment 1D of Notice PIH 2019-23(HA) as a significant amendment or its successor notice. See additional guidance on HUD's website at: https://www.hud.gov/RAD/library/notices.

☐ **Homeownership Programs**. A description of any Section 5h, Section 32, Section 8y, or HCV homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval (24 CFR 903.7(k)).

☐ **Occupancy by Over-Income Families.** A PHA that owns or operates fewer than two hundred fifty (250) public housing units, may lease a unit in a public housing development to an over-income family (a family whose annual income exceeds the limit for a low income family at the time of initial occupancy), if all the following conditions are satisfied: (1) There are no eligible low income families on the PHA waiting list or applying for public housing assistance when the unit is leased to an over-income family; (2) The PHA has publicized availability of the unit for rental to eligible low income families, including publishing public notice of such availability in a newspaper of general circulation in the jurisdiction at least thirty days before offering the unit to an over-income family; (3) The over-income family rents the unit on a month-to-month basis for a rent that is not less than the PHA's cost to operate the unit; (4) The lease to the over-income family provides that the family agrees to vacate the unit when needed for rental to an eligible family; and (5) The PHA gives the over-income family at least thirty day notice to vacate the unit when the unit is needed for rental to an eligible family. The PHA may incorporate information on occupancy by over-income families into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. (See additional guidance on HUD's website at: Notice PIH-2021-35 (24 CFR 960.503) (24 CFR 903.7(b)).

☐ **Occupancy by Police Officers.** The PHA may allow police officers who would not otherwise be eligible for occupancy in public housing, to reside in a public housing dwelling unit. The PHA must include the number and location of the units to be occupied by police officers, and the terms and conditions of their tenancies; and a statement that such occupancy is needed to increase security for public housing residents. A "police officer" means a person determined by the PHA to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State or local government or by any agency of these governments. An officer of an accredited police force of a housing agency may qualify. The PHA may incorporate information on occupancy by police officers into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: Notice PIH 2021-35. (24 CFR 960.505) (24 CFR 903.7(b)) NOTE: All activities must be consistent with civil rights laws – including ensuring that it does not have a disparate impact on protected class groups based on race, color, religion, national origin, sex (including sexual orientation), familial status, and disability.

☐ **Non-Smoking Policies.** The PHA may implement non-smoking policies in its public housing program and incorporate this into its PHA Plan statement of operation and management and the rules and standards that will apply to its projects. See additional guidance on HUD's website at: Notice PIH 2009-21 and Notice PIH-2017-03 (24 CFR 903.7(e)).

☐ **Project-Based Vouchers.** Describe any plans to use HCVs for new project-based vouchers, which must comply with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in 24 CFR 983.55(b)(1) and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. If using project-based vouchers, provide the projected number of project-based units and general locations (including if PBV units are planned on any former or current public housing units or sites), and describe how project-basing would be consistent with the PHA Plan (24 CFR 903.7(b)(3), 24 CFR 903.7(r)).

☐ **Units with Approved Vacancies for Modernization.** The PHA must include a statement related to units with approved vacancies that are undergoing modernization in accordance with 24 CFR 990.145(a)(1).

☐ **Other Capital Grant Programs** (i.e., Capital Fund Lead Based Paint, Housing Related Hazards, At Risk/Receivership/Substandard/Troubled Program, and/or Emergency Safety and Security Grants).

For all activities that the PHA plans to undertake in the applicable Fiscal Year, provide a description of the activity in the space provided.

B.3 Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan (24 CFR 903.7(s)(1)).

B.4 Capital Improvements. PHAs that receive funding from the Capital Fund Program (CFP) must complete this section (24 CFR 903.7 (g)). To comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan in EPIC and the date that it was approved. PHAs can reference the form by including the following language in the Capital Improvement section of the appropriate Annual or Streamlined PHA Plan Template: "See Capital Fund 5 Year Action Plan in EPIC approved by HUD on XX/XX/XXXX."

B.5 Most Recent Fiscal Year Audit. If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided (24 CFR 903.7(p)).

C. Other Document and/or Certification Requirements.

C.1 Resident Advisory Board (RAB) comments. If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations (24 CFR 903.13(c), 24 CFR 903.19).

C.2 Certification by State of Local Officials. Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR 903.15). **Note:** A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of 24 CFR 5.150 et. seq., 24 CFR 903.7(o)(1), and 903.15.

C.4 Challenged Elements. If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public (24 CFR 903.23(b)).

C.5 Troubled PHA. If the PHA is designated troubled, and has a current MOA, improvement plan, or recovery plan in place, mark "yes," and describe that plan. Include dates in the description and most recent revisions of these documents as attachments. If the PHA is troubled, but does not have any of these items, mark "no." If the PHA is not troubled, mark "N/A" (24 CFR 903.9).

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan.

Public reporting burden for this information collection is estimated to average 5.64 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

Resident Advisory Meeting – Meeting Notes

Date: August 25, 2026
Time: 1:30 p.m.
Location: Intergovernmental Center

Meeting Discussion

The Resident Advisory Meeting included a review of the agency plan, RAD/Section 18 conversion of public housing, and community accomplishments and action steps related to creating and preserving affordable housing.

The meeting also included an overview of recent **HOTMA** changes and the new **NSPIRE** inspection protocol.

HOTMA Updates

Specific examples were provided to help residents understand how the HOTMA changes may affect them.

- **Medical Expense Threshold:** The medical expense threshold under HOTMA will increase from 3% to 10%. While the mandatory deduction will increase, fewer households may qualify to claim additional medical expenses.
- **Asset Limits:** The new $100,000 asset limit was explained. This change applies to **new applicants** and does not affect existing tenants.
- **Earned vs. Unearned Income:** The changes related to the treatment of new earned income versus unearned income were reviewed.
- **Interim Recertifications:** The 10% threshold was discussed, along with the change that prohibits interim recertifications within three months before or after an annual recertification.

NSPIRE Inspection Protocol

A brief overview of the new NSPIRE inspection protocol and related changes was provided.

Other EDA Programs

A brief overview was also provided of additional programs offered by the EDA, including:

- Bridges
- Local Homeless Prevention Aid
- Bring It Home
- Local Affordable Housing Trust Fund

Resident Comments and Questions

Residents provided the following feedback and suggestions:

- **Safety:** Residents expressed interest in having security cameras installed near playgrounds and mailboxes.
- **Internet/Fiber Optics:** Residents expressed interest in improved fiber-optic internet options at EDA properties.

EDA Response and Follow-Up

Resident feedback continues to support the conversion of public housing units. The EDA will continue to provide opportunities for residents to learn about and better understand the new HOTMA regulations and NSPIRE inspection protocol. During the past year, NSPIRE protocols and their potential impacts were also discussed with tenants and landlords as part of the HQS inspection process.
The EDA will continue to support lease compliance while working to promote safe and well-maintained housing environments for residents. Resident feedback regarding safety improvements, including cameras at playgrounds and mailboxes, as well as improved fiber-optic service, will be considered as part of ongoing property and resident service discussions.