



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:
☒ Industrial: ☒ New Construction _____ Expansion _____ Redevelopment / Rehab.
 _____ Office/research facility
 _____ Commercial Redevelopment/Rehabilitation
 _____ Other _____
2. In addition to the City of Mankato, applicant is requesting Tax Abatement from:
 _____ Blue Earth County _____ School District 77
3. The project will be: _____ Owner Occupied ☒ Leased Space
4. Project Address 1751 Energy Drive, Mankato, MN 56001
 Parcel Identification Number(s) _____
5. Site Plan and Construction Plans Attached: ☒ Yes _____ No
6. Total Amount of Tax Abatement Requested: \$ \$1,890,000 over 15 years.

City Portion:	Annual \$ <u>126,000</u>	Total \$ <u>\$1,890,000</u>
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.

☒ Job Creation/Retention Number of existing jobs 4
Number of jobs created by project 70
Average hourly wage of jobs created/retained \$47.28

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

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

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

☐ Removal of blight.

☐ Rehabilitation of a high profile or priority site.

☐ Significantly increase the City's tax base.

D. SOURCES & USES

<u>SOURCES</u>	<u>NAME</u>	<u>AMOUNT</u>
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

<u>USES</u>	<u>AMOUNT</u>
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) Application fee of \$4,400.
- _____I) Construction Plans and Itemized Project Construction Statement
- _____J) Attach the following documentation as Exhibits
 - _____Exhibit A – Corporation/Partnership Description
 - _____Exhibit B – Description of Project
 - _____Exhibit C – List of Shareholders/Partners
 - 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.

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

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

Points: ⁴_____

\$ 9,186,799	Private Investment	5:1	5
\$ 1,890,000	Public Investment	4:1	4
4.86	Ratio Private: Public Financing	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.	25+	5
⁴	Number of existing/retained jobs	20+	4
⁷⁴	Total	15+	3
		10+	2
	Less than	10	1

4. Ratio of Public Investment to Job Creation:

Points: ¹_____

\$ 1,890,000	Public Investment	\$8,000 or less	5
⁷⁴	Number of <i>new</i> jobs created/retained	\$10,000 or less	4
\$ 25,540.54	of Public Investment per <i>new</i> job	\$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	Over \$21/ hour	5
of jobs created/retained: ^{47.28}	\$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	40,000+	5
of square feet ^{62,605 SF}	30,000+	4
	20,000+	3
	10,000+	2
	10,000 or less	1

7. Market Value/Tax Base Generation:

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

\$80/sf+

\$70/sf+

\$60/sf+

\$50/sf+

\$40/sf+

Points: 0Commercial

\$110/sf+ 5

\$100/sf+ 4

\$90/sf+ 3

\$80/sf+ 2

\$70/sf+ 1

8. Type of Project: 100% Owner Occupied Mix Owner Occupied & Investment x Investment Property**Points:** 3

5

4

3

9. Use: x Industrial or Business Park Project Commercial Rehabilitation/Redevelopment**Points:** 5

5

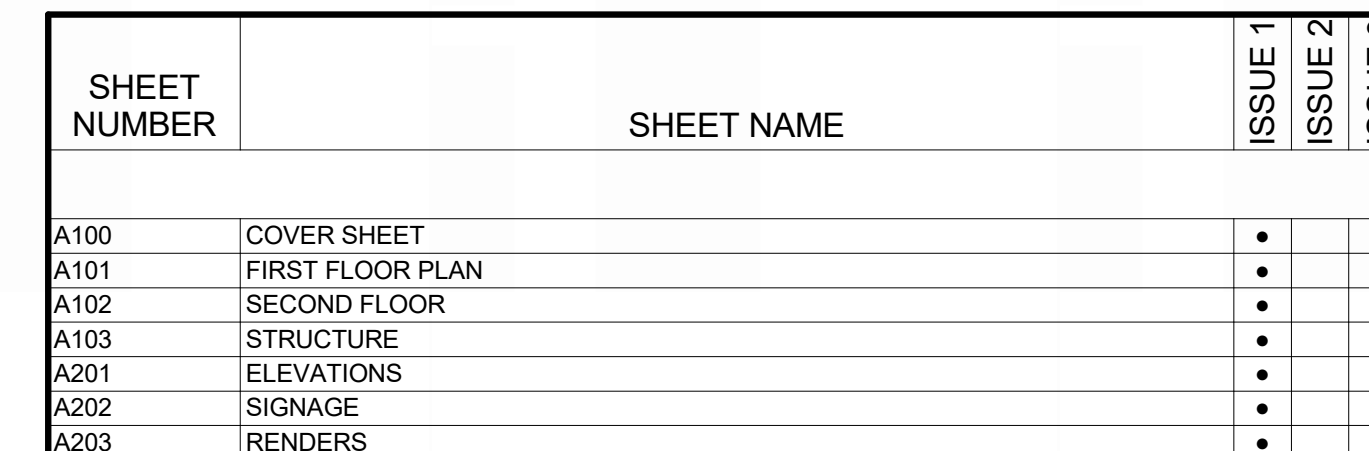
4

**10. Likelihood that the project will result in
unsubsidized, spin-off development.****Points:** 3 High 5 x Moderate 3 Low 1

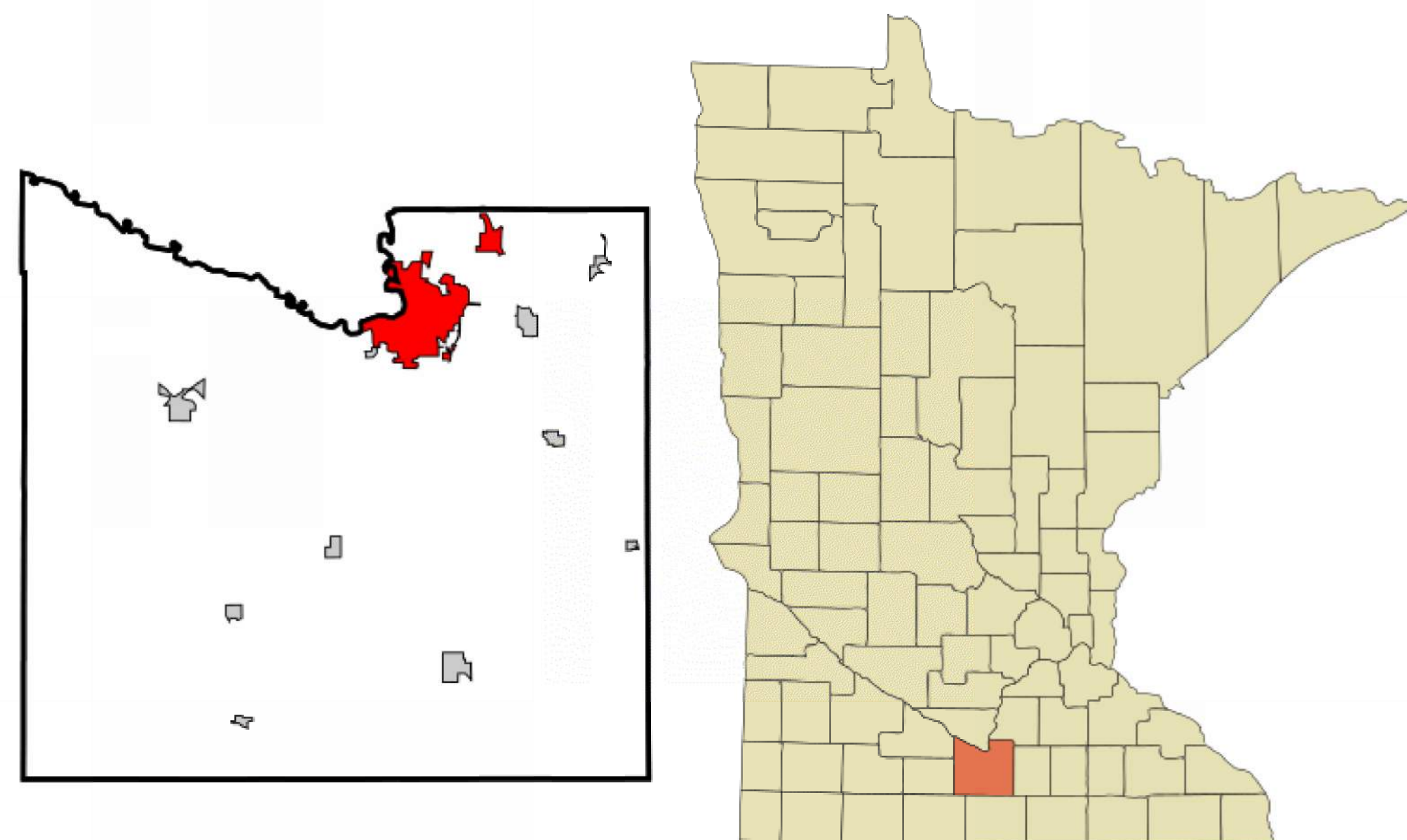
Sub - Total Points: <u>31</u> of a possible 45 points.

Total Points: <u>31</u>	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%

APX
CONSTRUCTION GROUP



PROJECT MANAGER: MIKAELA KRENGEL
MIKAELAK@APXCONSTRUCTIONGROUP.COM

[illegible]

Owner

VERDANT ORGANICS

COVER SHEET

PROJECT NUMBER	2026XXX
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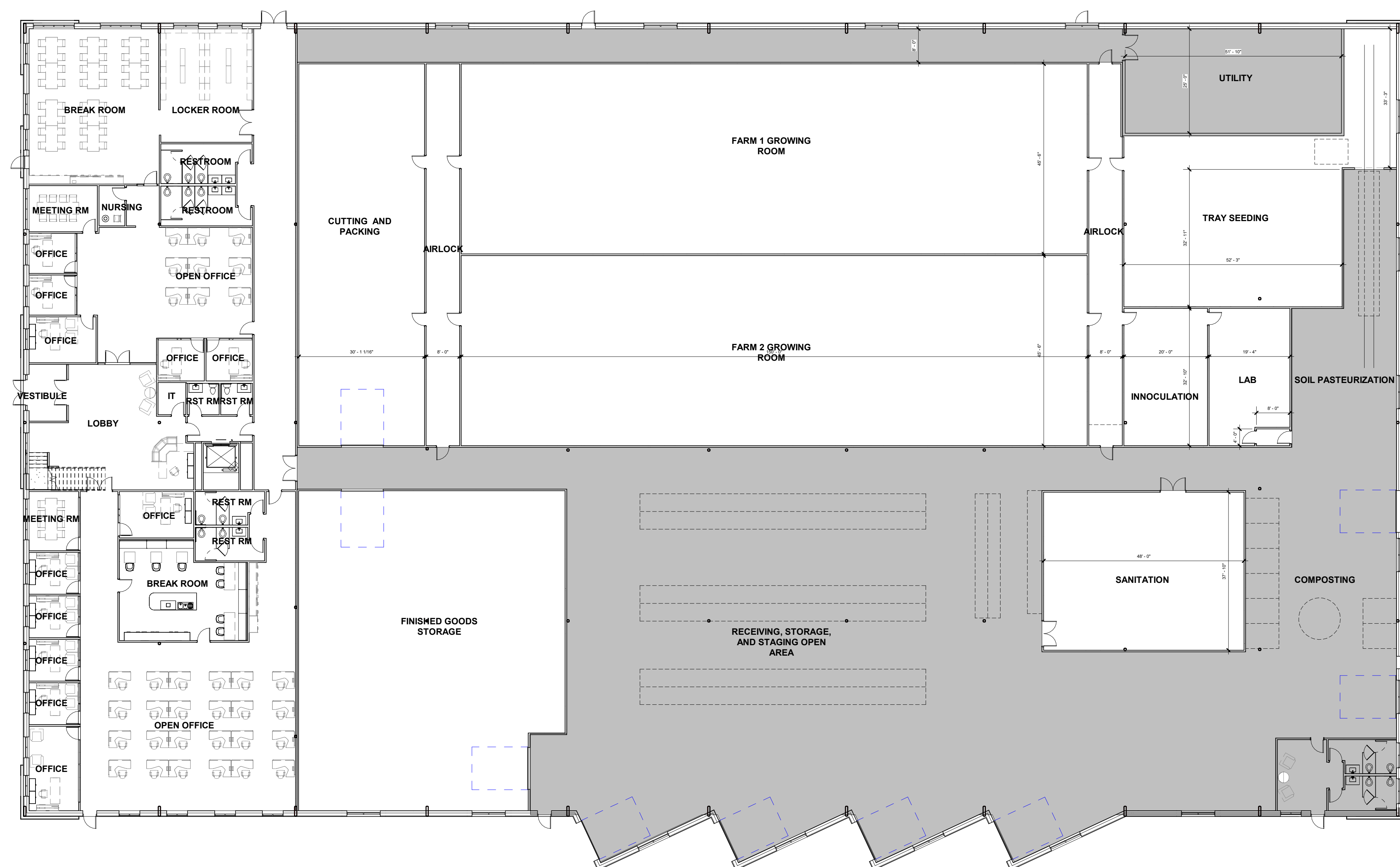
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DRAWN BY	Author
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CHECKED BY	Checker
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A100

SCALE

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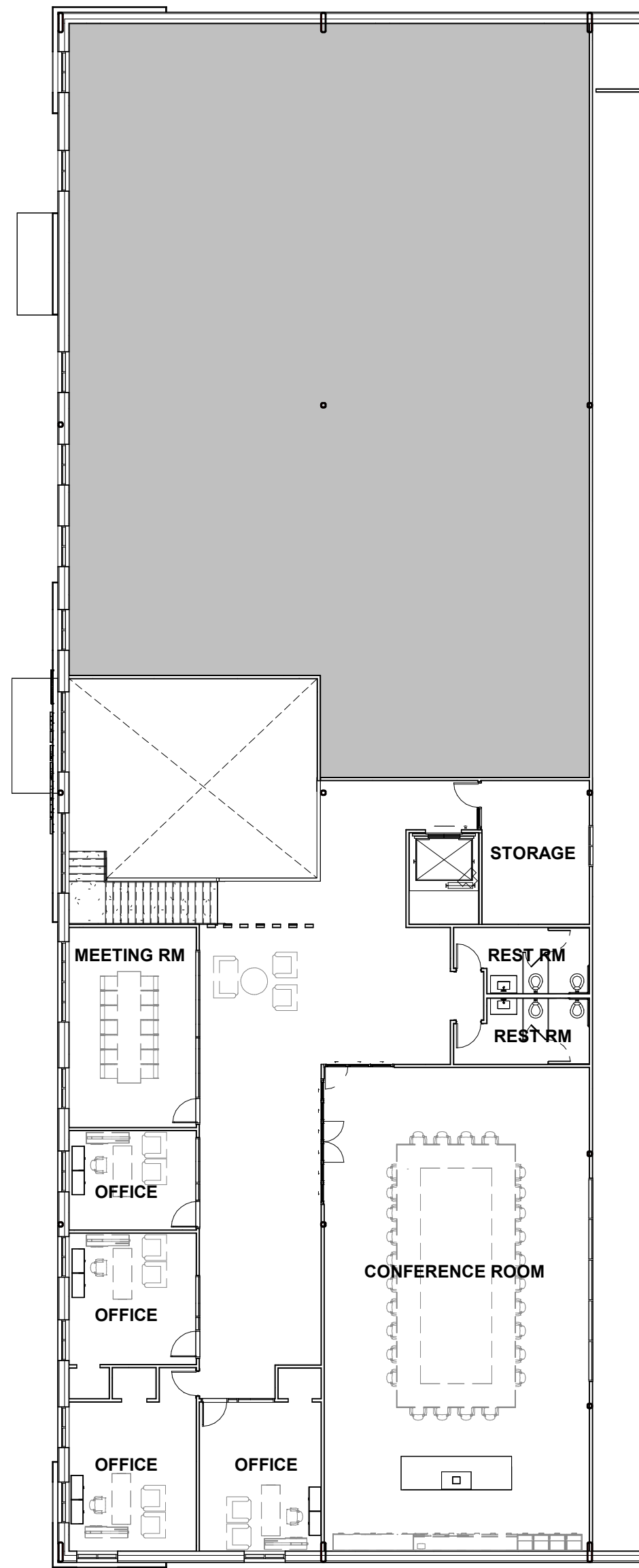
VERDANT ORGANICS

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

[illegible]

Owner

VERDANT ORGANICS

SECOND FLOOR

PROJECT NUMBER	2026XXX
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DATE	4 28 2026
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DRAWN BY	Author
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CHECKED BY	Checker
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A102

SCALE	1/16" = 1'-0"
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[illegible]

Owner

VERDANT ORGANICS

STRUCTURE

PROJECT NUMBER	2026XXX
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DATE	4/28/2026
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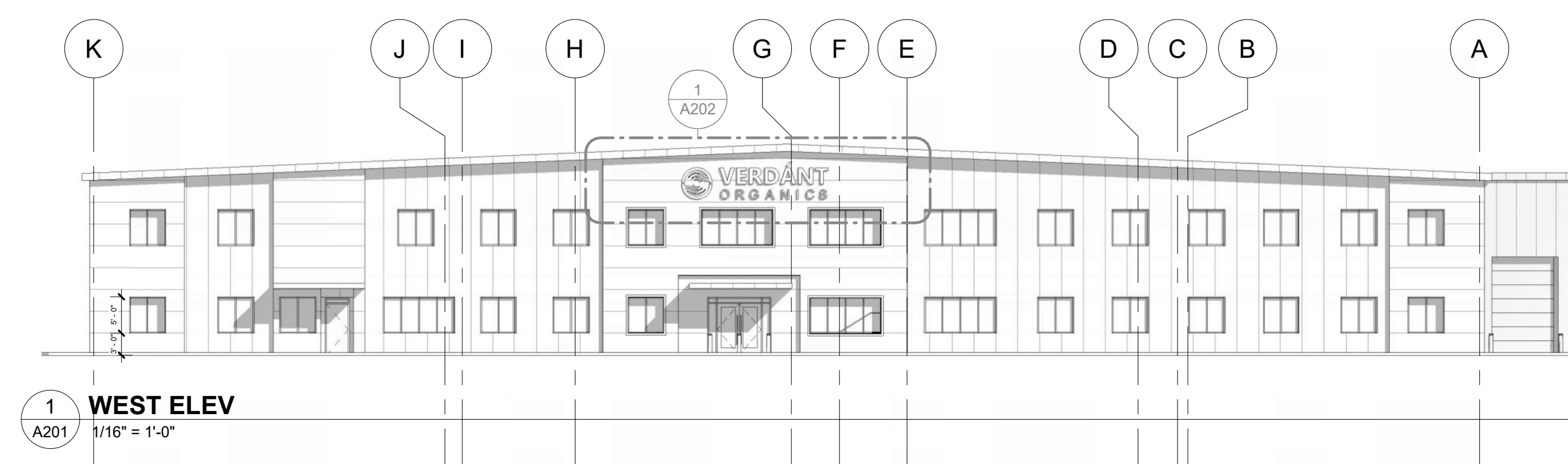
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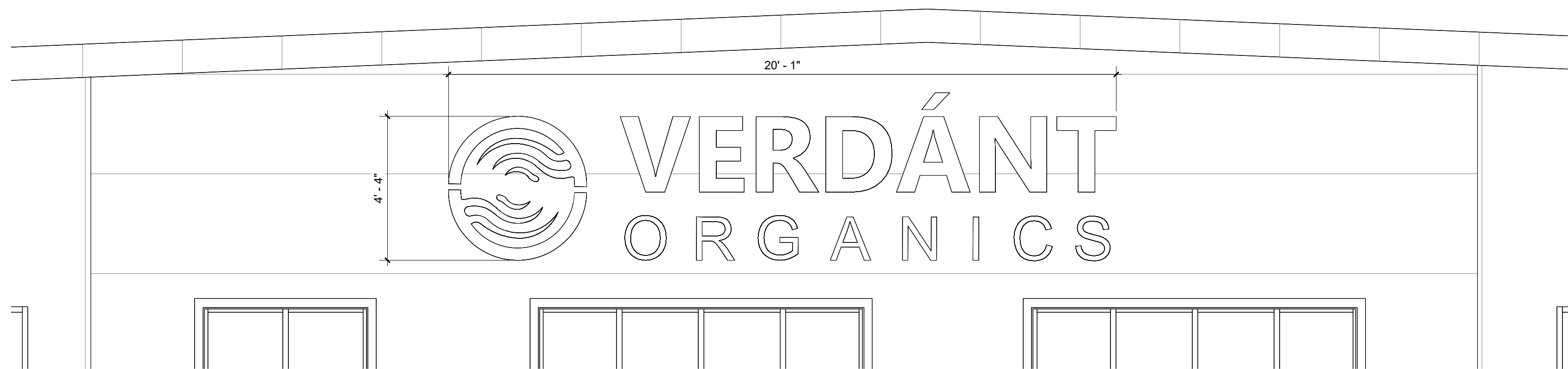
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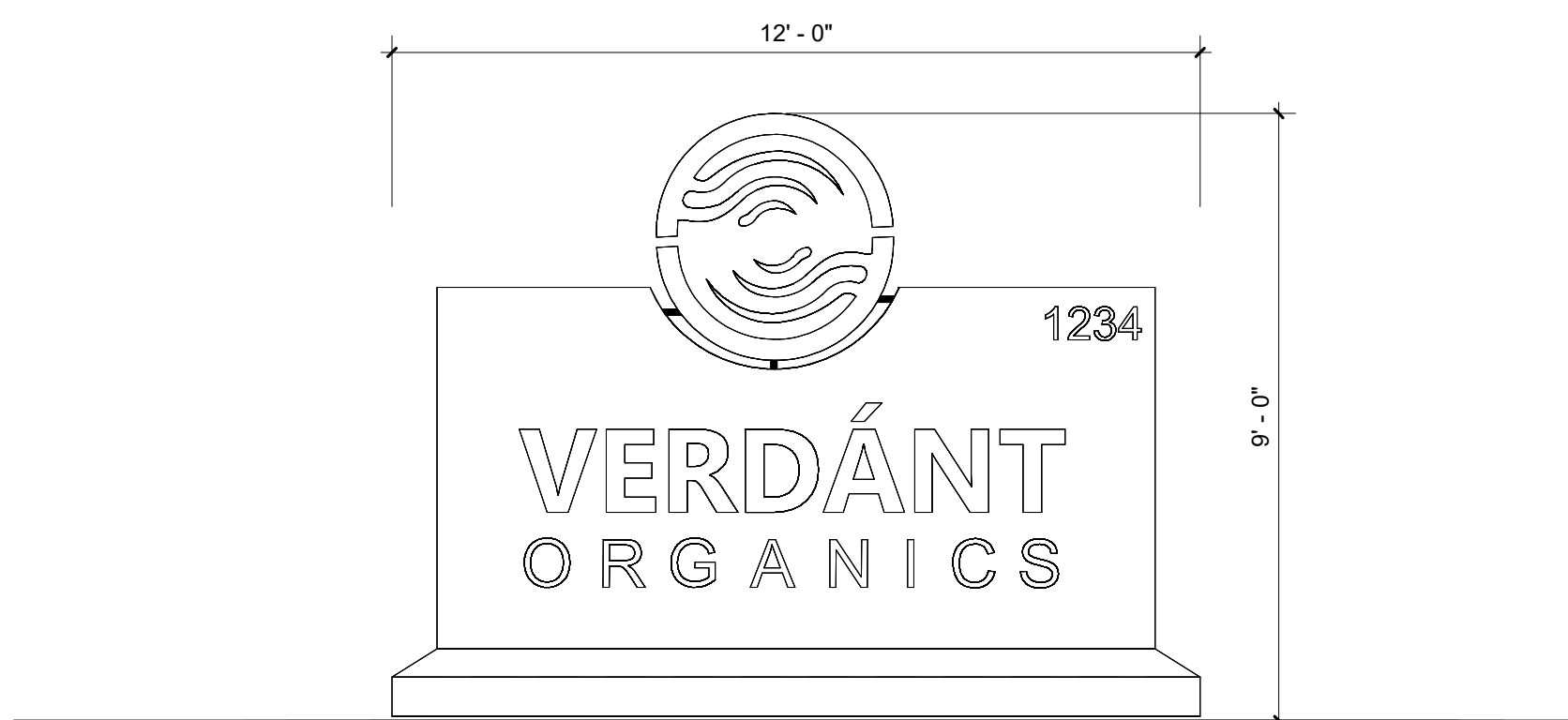
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A103 1/16" = 1'-0"

4/28/2026 12:00:22 PM

[illegible]



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



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

[illegible]

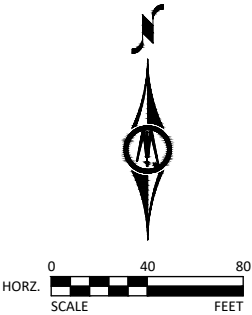
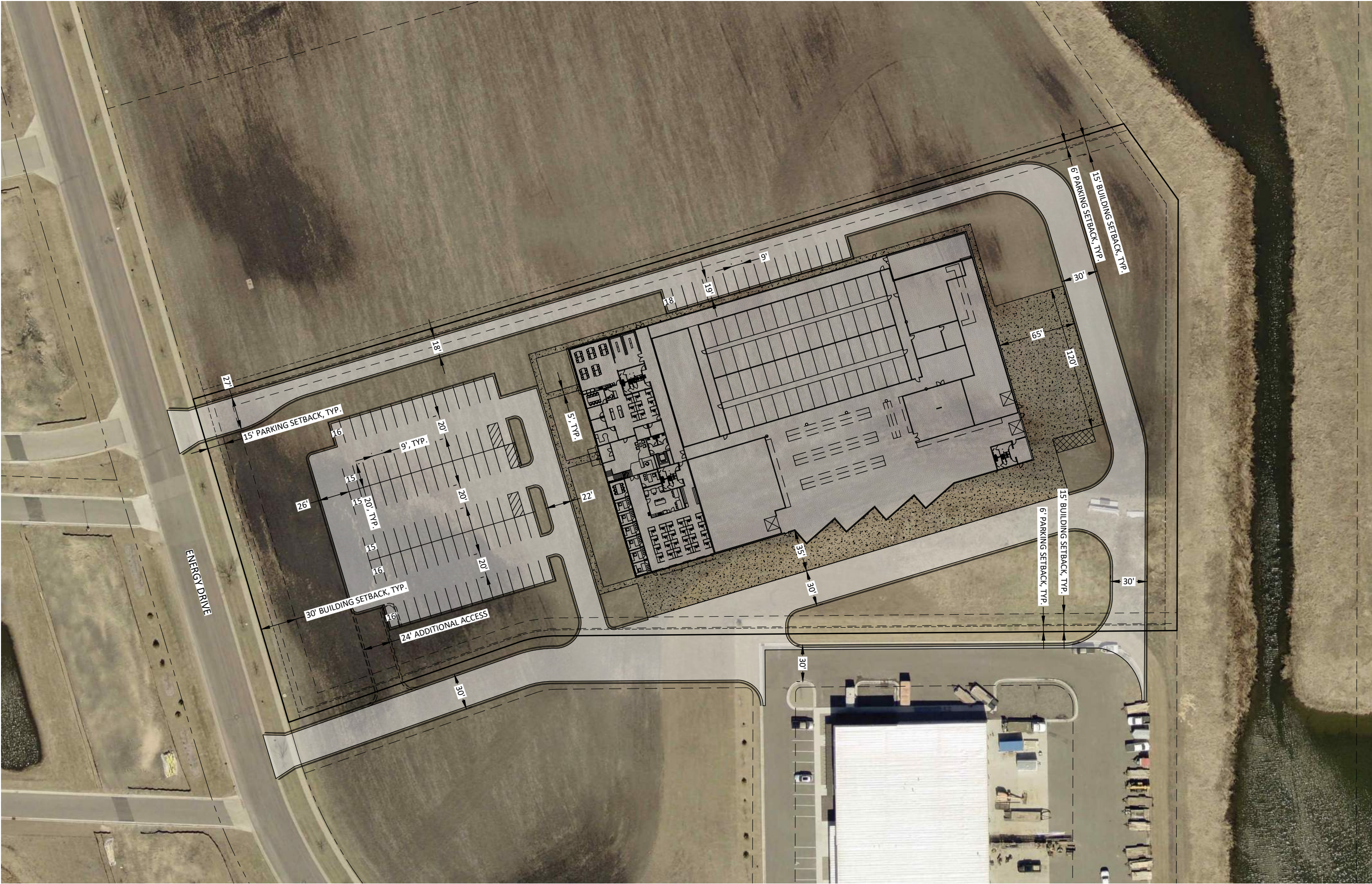
VERDANT ORGANICS

SIGNAGE

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

A202

SCALE	$3/8" = 1'-0"$
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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

[illegible]

Owner

VERDANT ORGANICS

RENDERS

PROJECT NUMBER	2026XXX
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DATE	4 28 2026
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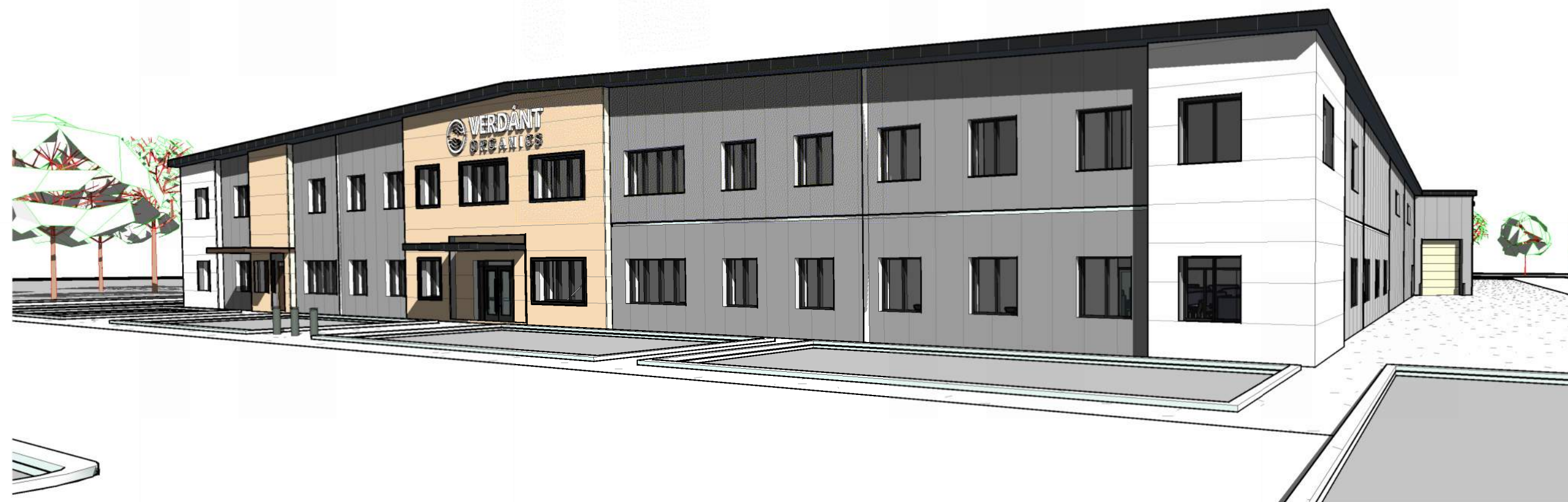
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A203

SCALE

VERDANT ORGANICS

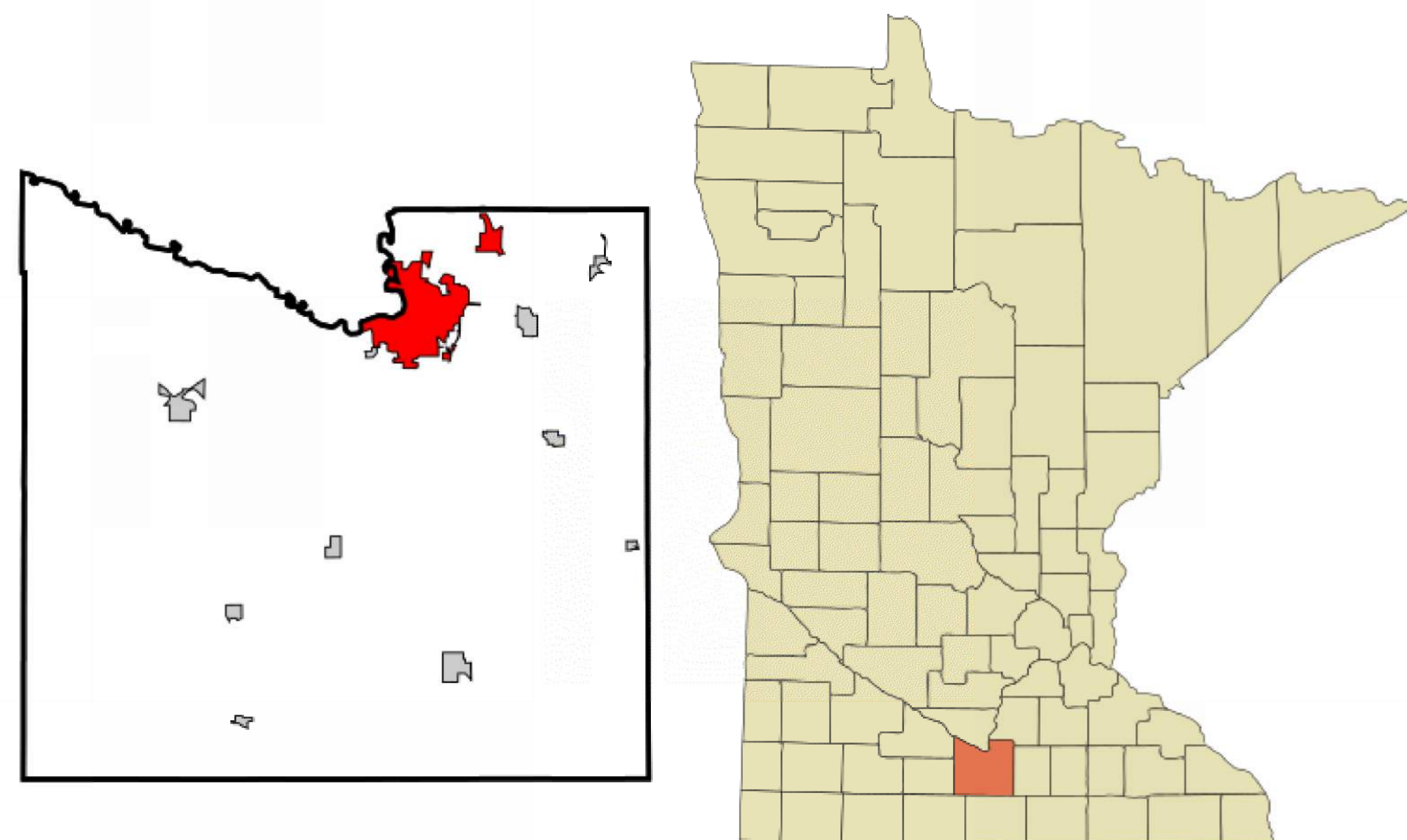


SHEET NUMBER	SHEET NAME	ISSUE 1	ISSUE 2
A100	COVER SHEET	•	
A101	FIRST FLOOR PLAN	•	
A102	SECOND FLOOR	•	
A103	STRUCTURE	•	
A201	ELEVATIONS	•	
A202	SIGNAGE	•	
A203	RENDERS	•	

DESIGN TEAM –

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

PROJECT MANAGER: MIKAELA KRENGEL
MIKAELAK@APXCONSTRUCTIONGROUP.COM

[illegible]

Owner

VERDANT ORGANICS

COVER SHEET

PROJECT NUMBER	2026XXX
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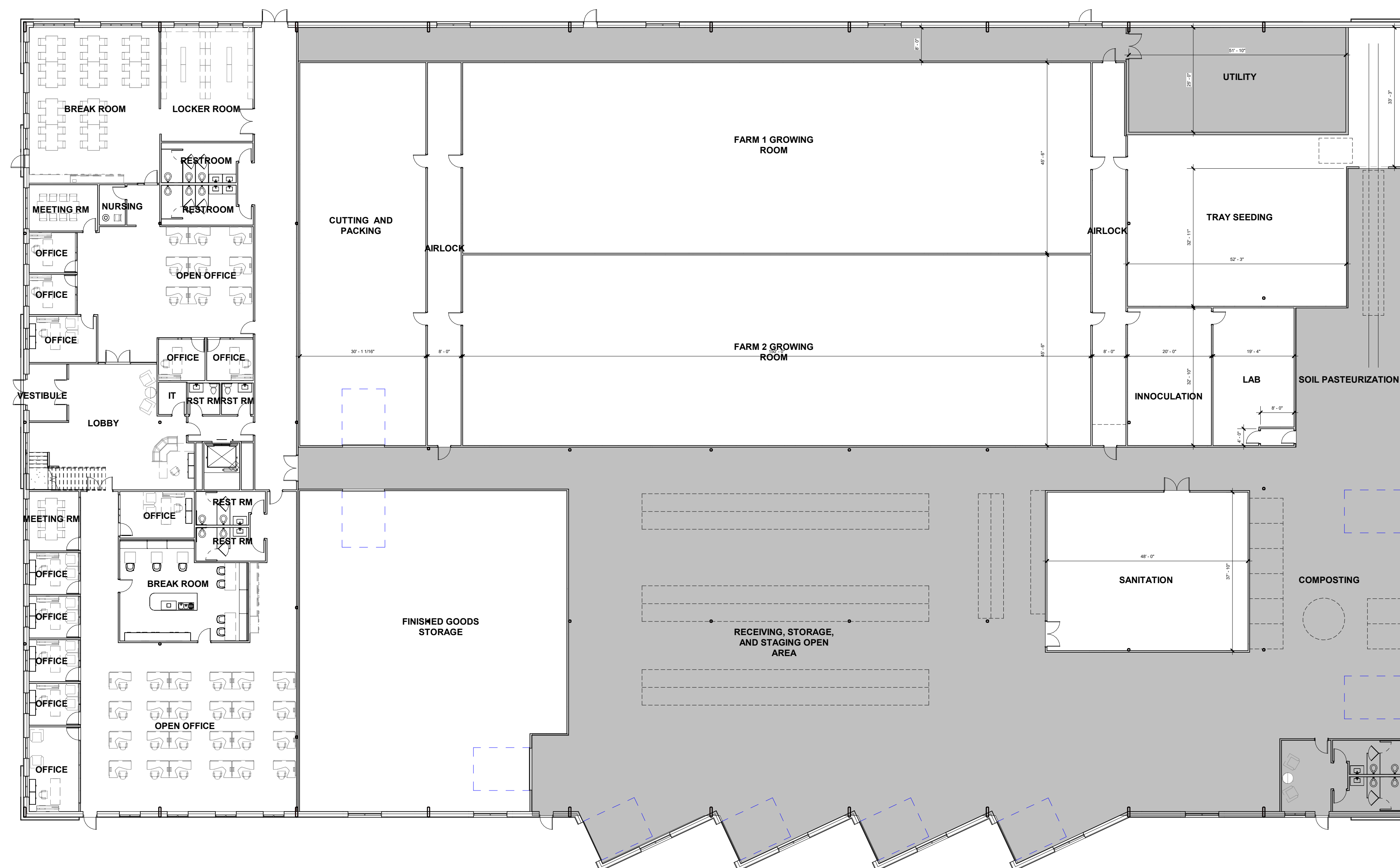
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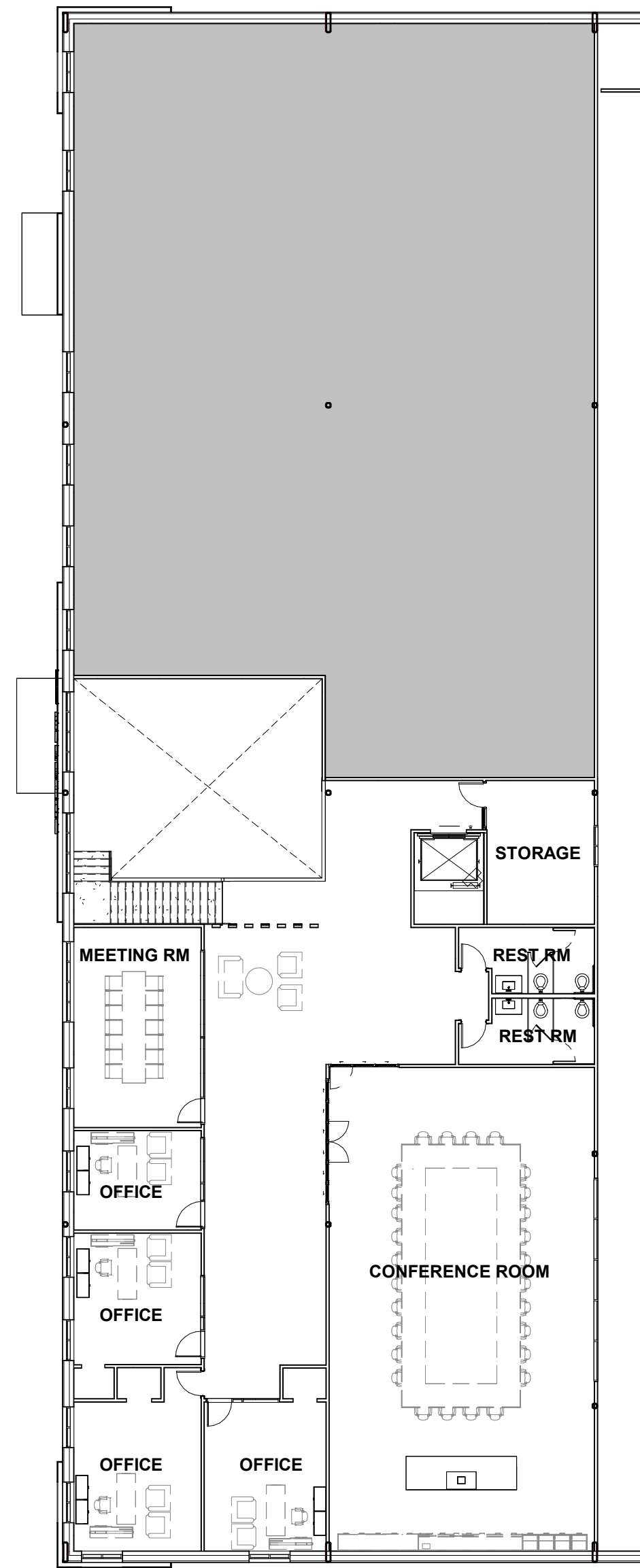
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	Checker

A100

SCALE



Owner	
VERDANT ORGANICS	
FIRST FLOOR PLAN	
PROJECT NUMBER	2026XXX
DATE	4 28 2026
DRAWN BY	ESC
CHECKED BY	ESC
A101	
SCALE	1/16" = 1'-0"



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

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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Owner

VERDANT ORGANICS

STRUCTURE

PROJECT NUMBER	2026XXX
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DATE	4/28/2026
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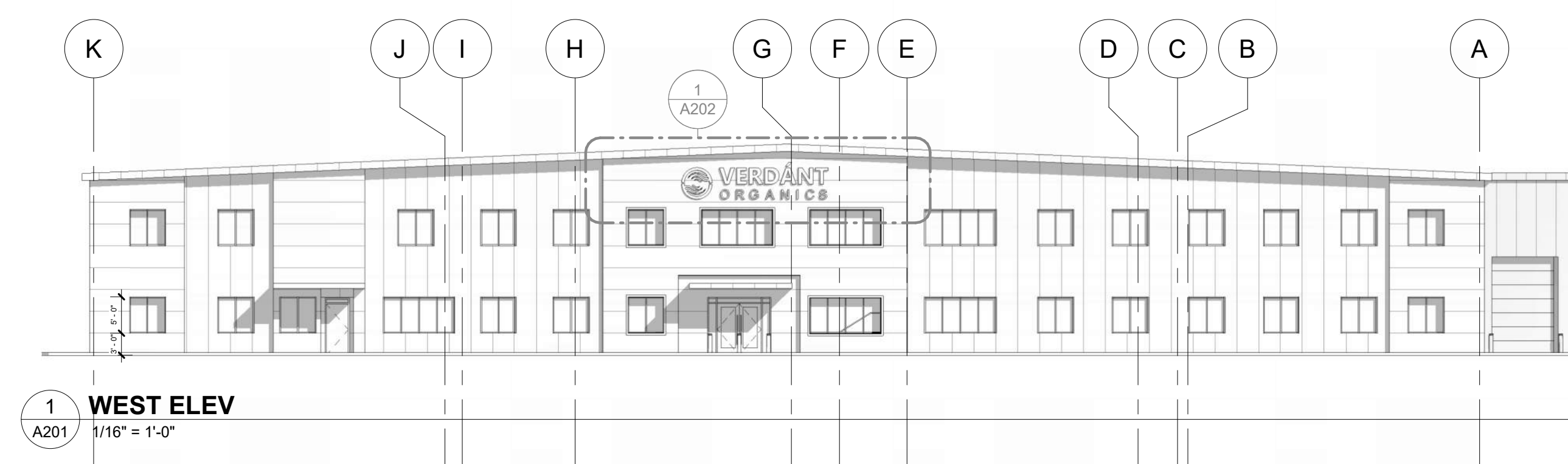
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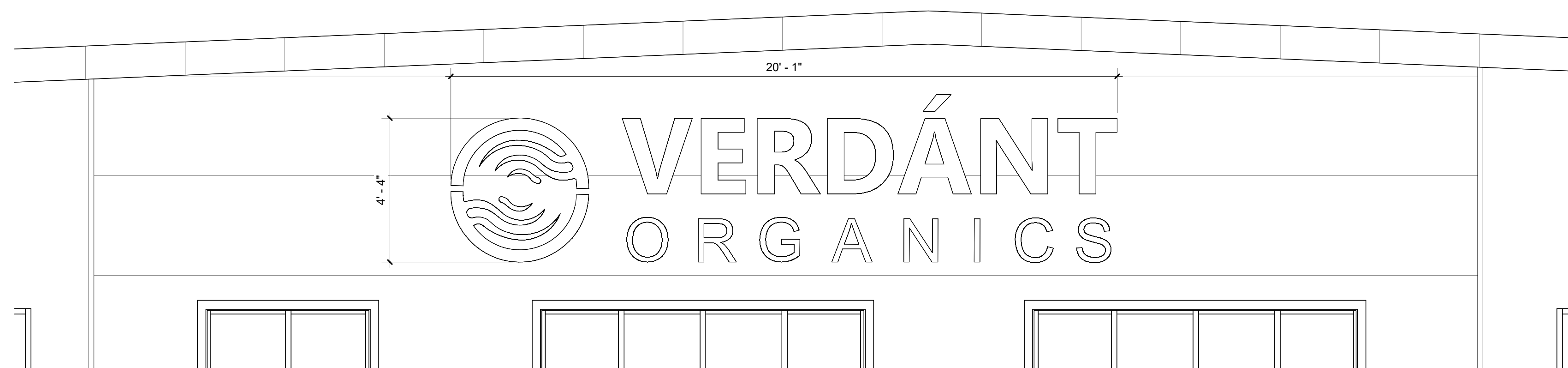
A103

SCALE $1/16" = 1'-0"$

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A103 1/16" = 1'-0"

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[illegible]



12' - 0"

9' - 0"

1234

VERDANT
ORGANICS

[illegible]

[illegible]

Owner

VERDANT ORGANICS

RENDERS

PROJECT NUMBER	2026XXX
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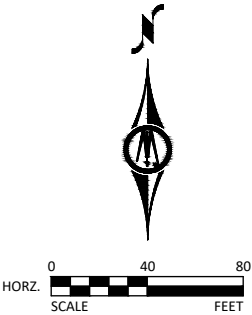
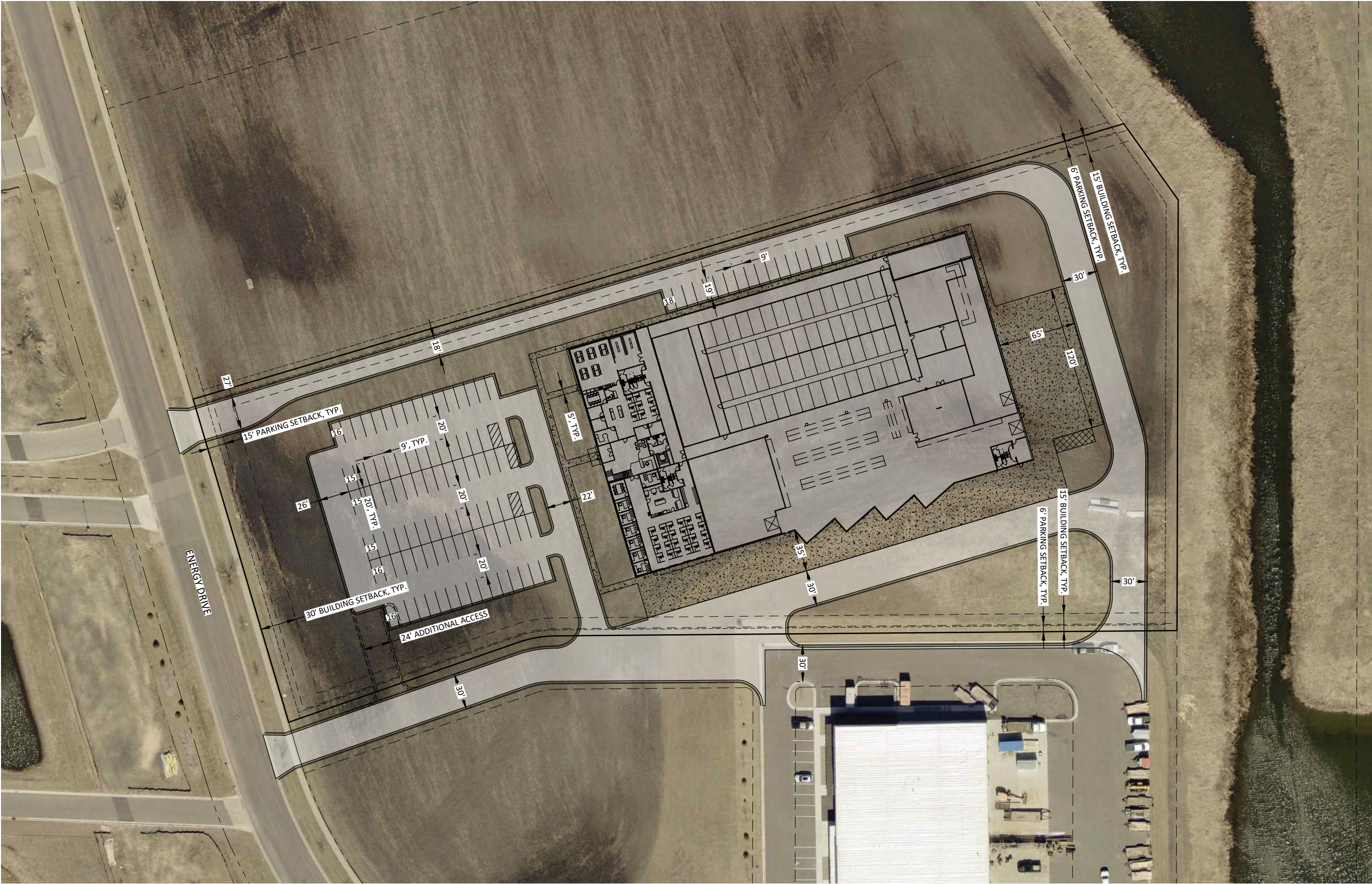
DATE	4 28 2026
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CHECKED BY	Checker
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A203

SCALE



UTILITY & SITE DATA

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

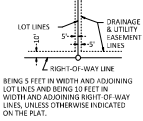
EASTWOOD ENERGY CENTER NO. 7



LEGEND
L=100.00' INDICATES
R=100.00' INDICATES
C=100.00' INDICATES
CH=100.00' INDICATES
PT INDICATES
PFC INDICATES
ARC DISTANCE
RADIUS LENGTH
CENTRAL ANGLE
CHORD LENGTH
CHORD BEARING
POINT OF CURVATURE
POINT OF TANGENCY
POINT OF REVERSE CURVE

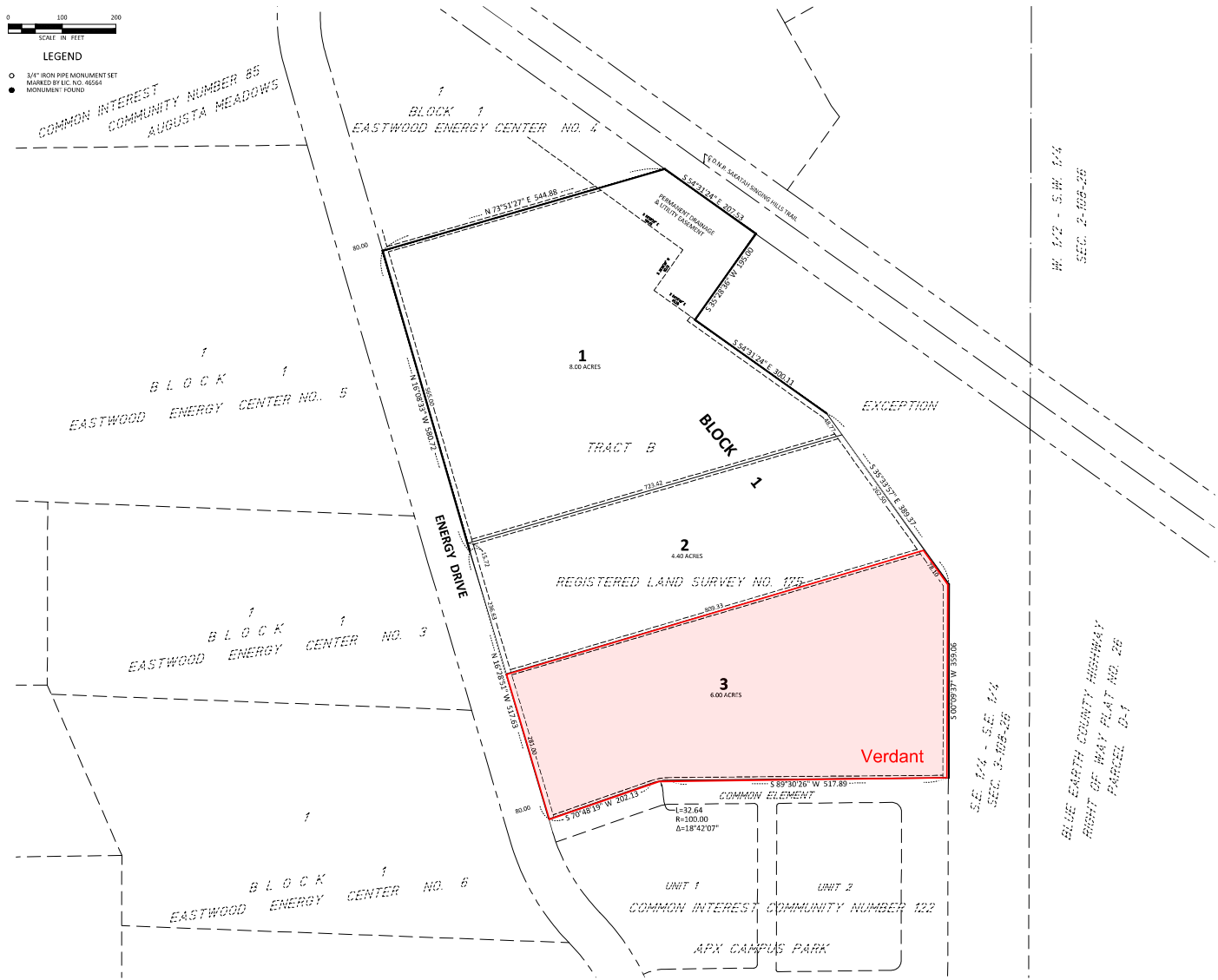
BASIS OF BEARINGS

Horizontal Datum: HARN 1996 County Coordinate System
(AS PER THE FINAL PLAT OF REGISTERED
LAND SURVEY NO. 113)



LEGEND

○ 3/4" IRON PIPE MONUMENT SET
MAKED BY L.C. NO. 46564
● MONUMENT FOUND



**PRELIMINARY
REVIEW DRAFT**