



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