AGENDA

Economic Development Authority
Monday, November 9, 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 October 13, 2026

4. **Economic Development Authority Business**

   A. Preliminary review of possible tax increment assistance for Front Street Plaza; by request of Front Street Plaza, LLC.

   B. Resolution approving the Payment Standards for rural counties within our jurisdiction.

5. **Adjournment**

MINUTES

Mankato Economic Development Authority
Regular Meeting
October 13, 2026 - 6 p.m.
IGC - Council Chambers

1. **Call Meeting to Order**

Members Present: Dennis Dieken, Kevin Mettler, Mike Laven, and Chair Najwa Massad.

Members Excused: Michael McLaughlin, Jenn Melby-Kelley, and Jessica Hatanpa.

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

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. Mettler moved and Mr. Dieken seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of September 28, 2026, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

A. Ms. Kramlinger stated on September 14, 2026, the Mankato Economic Development Authority (EDA) scheduled October 13, 2026, as the public hearing to consider a $300,000 economic development revolving loan for Verdant Agritech, LLC, to help finance equipment for a planned 63,000-square-foot indoor farming facility at 1761 Energy Drive. The facility will produce premium organic microgreens and blue oyster mushrooms year-round, with construction expected to begin in early 2027 and conclude by the end of the year. She added that the proposed loan would have a seven-year term and an interest rate of 4.725%. She reported that Verdant anticipates creating 17 jobs in the first year and 75 in the second year, exceeding the program's minimum requirement of six full-time equivalent positions, with wages also exceeding program guidelines.

Ms. Kramlinger indicated that Verdant is requesting flexibility in the loan repayment schedule, proposing interest-only payments until the facility becomes operational, anticipated in October 2027, followed by principal and interest payments for the remainder of the loan term. Staff recommend approving this flexibility due to the project's anticipated job creation and competitive wages, consistent with previous EDA exceptions. She advised that the City's revolving loan account currently has approximately $2.45 million available. Because the requested assistance exceeds $150,000, the loan is considered a business subsidy under Minnesota law and requires City Council approval following a public hearing. She also stated that the agreement will establish job and wage goals and require annual progress reporting to the Minnesota Department of Employment and Economic Development. She noted that the project aligns with the revolving loan program's objectives of expanding the local tax base, creating jobs, supporting business development, and improving economic opportunities for Mankato residents.

Mr. Mettler moved and Mr. Dieken seconded a motion to approve the Resolution approving Economic Development Loan and authorizing Executive Director to execute Economic Development Loan Documents with Verdant Agritech, LLC. The motion carried unanimously.

B. Ms. Bokelmann reported that the Housing Choice Voucher program allows the EDA flexibility to establish payment standards based on local rental market conditions and HUDs annually published Fair Market Rents (FMRs). Payment standards determine the maximum monthly subsidy a family can receive and generally must remain within 90% to 110% of HUD's FMR. Staff recommend aligning Blue Earth County's payment standards with Nicollet County's current levels, while reducing the standards for four- and five-bedroom units to comply with HUD requirements. She went on to say that in evaluating the proposed standards, the EDA considered available funding, family rent burdens, unit quality, rental market trends, unit availability, and the time families need to secure housing. She advised that due to projected funding shortfalls and limited voucher utilization, staff do not recommend increasing payment standards at this time. Although rents are expected to increase by 5% to 10% and one-bedroom unit availability remains limited, households are generally securing housing within the anticipated two-month period.

Ms. Bokelman stated that the revised payment standards will remain at 105% of FMR for each bedroom size, consistent with Nicollet County's standards, except for four- and five-bedroom units, which are currently at 110% and require reductions to remain within HUD's approved range. She stated that the revised standards will generally take effect December 1, 2026, while the four- and five-bedroom adjustments will take effect October 1, 2026.

Brief discussion on the proposed payment standards.

Mr. Dieken moved and Mr. Mettler seconded a motion to approve the Resolution adopting the Payment Standard Schedule for the Mankato EDA Housing Choice Voucher Program. The motion carried unanimously.

C. Ms. Bokelman reported the Economic Development Authority (EDA) is seeking Board authorization to apply for up to $252,626 in U.S. Department of Housing and Urban Development (HUD) funding to renew and expand its Family Self-Sufficiency (FSS) Program. She stated that the EDA currently serves 55 households and received $120,207 in coordinator funding in the previous year. Following the transfer of 38 additional FSS households from the South-Central Minnesota Multi-County Housing and Redevelopment Authority, the program's caseload has increased to 93 participants, creating a need for additional staffing capacity. She confirmed that the requested funding would support eligible coordinator salaries and benefits, including an additional staff position and $5,000 for training and professional development.

The EDA's 2027 budget includes funding for the additional position, contingent on the requested HUD support. SHe noted that the FSS Program aligns with Goal 1: Housing, of the City of Mankato Strategic Plan by helping residents overcome barriers to housing stability through employment, education, financial management, and economic self-sufficiency services.

Mr. Mettler moved and Mr. Dieken seconded a motion to approve the Resolution authorizing renewal and expansion of Family Self-Sufficiency Coordinator Funding. The motion carried unanimously.

5. **Adjournment**

There being no further business, Mr. Dieken moved and Mr. Laven seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:06 p.m.

Prepared by:	Approved by:
_____	_____
Jennie Guerrero	Najwa Massad
Deputy City Clerk	Chair

AGENDA RECOMMENDATION

Economic Development Authority **4. A.**

Meeting Date: 11/09/2026

Agenda Item:

Preliminary review of possible tax increment assistance for Front Street Plaza; by request of Front Street Plaza, LLC.

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 public hearing regarding creation of tax increment district No. 52-1 noting the desired term of the tax increment district and approval of a development agreement after obtaining a preliminary letter of commitment for project financing from a private lender; or
3. Decline to proceed with considering assistance.

Summary:

The City of Mankato has received a redevelopment proposal for 602-634 South Front Street and 112 West Liberty Street from Front Street Plaza, LLC (the “Developer”). The proposal involves demolishing six vacant buildings and constructing a 5-story office building, 6-story mixed-use building, and a 3-story parking ramp.

The 6-story mixed-use building will be constructed along Front Street. Retail, coffee shop, restaurant and active ground floor amenities for the apartment tenants will occupy the first floor with up to 165 apartment units on floors 2–6. A private outdoor terrace for residents will be located on the east side of the building. Residential units will include 35 studio units, 83 one-bedroom units, and 47 two-or-more bedroom units (540-1,166 SF). Apartment tenants will have access to high-quality shared amenities, including a rooftop pet park, fitness center, lounges, rooftop terrace, secure bicycle storage, and a bistro-style lobby integrated with the coffee shop.

The 5-story office building will be constructed at the corner of Riverfront Drive and Warren Street. In between the office building and mixed-use building will be a 3-story parking ramp. There will be direct access from the parking ramp to the apartments, office, and café mezzanine.

The estimated total project cost is $76.405 million and construction is anticipated to begin in summer 2027 and be completed in the fall of 2028. It is anticipated there will be at least 51 full-time equivalent jobs created for the retail, coffee house, and restaurant uses. It is estimated at least 53 full-time equivalent jobs will be retained for the office building.

On March 9, 2026, the City Council made a motion approving the Preliminary Plat of Front Street Place Subdivision. On April 13, 2026, the City Council passed a resolution approving a Conditional Use Permit and a Certificate of Design Compliance for the redevelopment, authorizing 160 apartment units within the mixed-use building. The TIF application proposes 165 apartment units. An amendment to the Conditional Use Permit will be needed if the project intends to include 165 apartment units. The Final Plat of Front Street Place Subdivision will be reviewed by the Planning Commission on November 18, 2026, with City Council action anticipated on December 14, 2026.

The City was previously awarded a redevelopment grant from the Minnesota Department of Employment and Economic Development (DEED) in the amount of $1,160,711 for the project. The grant eligible costs include building and site demolition, soil retention for foundation demolition, geotechnical soil corrections, public sidewalks and lighting, and removal and replacement of water, sanitary, and storm connections. The redevelopment grant requires a 50% match which will be provided by the developer.

The City also submitted an application to Minnesota DEED for a contamination cleanup grant on November 1, 2026. The application requests up to $713,131 for contaminated soil management (excavation, transportation, disposal of contaminated soil and clean soil back-fill), vapor mitigation system, and environmental oversight and reporting. The identified TIF-eligible costs and DEED grant costs exceed what the projected tax increment revenues would be from a redevelopment TIF district. It is anticipated DEED will announce grant awards in December 2026 or January 2027.

Tax Increment Financing Request

The Developer is requesting pay-as-you-go (PAYGO) tax increment financing (TIF) through the creation of a redevelopment TIF district to assist with extraordinary redevelopment costs, including building and site demolition, soil corrections, earth retention, site improvements and lighting, and water, sanitary, and storm infrastructure. These are additional costs as compared to developing a “greenfield” vacant site that wasn’t previously developed.

The Developer is documenting extraordinary costs that may be eligible for assistance under the City of Mankato’s Economic Development Guidelines. Under the PAYGO structure, the City would not upfront the funds as that would require either internal City debt financing or bond issuance. Instead, the Developer would receive two payments annually after the property taxes are paid for the term of the TIF District, depending on whether the reimbursable costs are repaid earlier. During the term of the reimbursement, the local taxing jurisdictions will still collect and retain the taxes associated with the original tax capacity.

The City Council’s policy decision has been to limit the tax increment reimbursements to 15 years to account for the additional tax capacity to be realized before significant depreciation in the asset is realized. The Developer is requesting 16 years of assistance, which would exceed the City’s policy decision by one year.

Financial Analysis Review

The City contracts with Ehlers to review financial assistance requests. Ehlers evaluated the Developer’s pro forma based on industry standards for construction costs, project costs, rental rates and operating expenses, developer fees, available funding sources, underwriting criteria, and project cash flow.

Based on its analysis, Ehlers found the proposed project isn’t financially feasible without City assistance and would require 5.314 million in TIF assistance to secure adequate debt financing. This assistance would be provided through a PAYGO TIF Note funded with 95% of the annual tax increment over 16 years. Ehlers determined that the additional year of assistance ($290,000 of additional principal) beyond the City’s 15-year policy is necessary for the project to proceed.

Policy Alignment

The City's Economic Development Policy states eligible projects include infrastructure improvements and demolition of underutilized industrial and commercial sites to reuse previously developed land/buildings. The project specifically aligns with principle 3.09: "Fostering the successful redevelopment of vacant and underutilized commercial and industrial properties."

Next Steps

In summary, the EDA is asked to review the proposal, provide comments, and request additional information if necessary. If the proposal is acceptable, the next step in the process would be to:

- Provide direction to staff regarding the desired term of the TIF district
- Obtain a preliminary letter of commitment for financing from the Developer
- Direct staff to prepare tax increment documents for a public hearing.

The public hearing could be set for November 23, 2026, with the anticipated date of public hearing to be held on January 11, 2027.

Obtaining a preliminary financing commitment before preparing tax increment documents is recommended to reduce the risk of creating a certified TIF district for a project that does not proceed. In this case, the applicant has received a preliminary letter of commitment for private project financing.

Attachments

General Location Map

Financial Analysis from Ehlers

TIF Application, Site Plan, Building Plans

General Location Map



N W E S

0 0.04 0.08 0.2 mi

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: November 2, 2026

MEMORANDUM

TO: Courtney Kramlinger, Economic Development Coordinator

FROM: Stacie Kvilvang, Ehlers

DATE: August 24, 2026

SUBJECT: Front Street Plaza TIF Request

Project Background

The City of Mankato (the "City") received a request for $11.4 million in Tax Increment Financing ("TIF") from Front Street Plaza, LLC. (the "Developer") for the redevelopment of a city block consisting of fourteen (14) parcels located on Front and Liberty Streets as noted in the map below:



The proposed project is a mixed-use development including 165 market rate apartments, 36,942 sq. ft. of office, a 29,961 sq. ft. grocery, 4,250 sq. ft. retail and a 250-stall public/private parking ramp (the "Project"). The apartments are comprised of a majority of 1-Bdrm units (50%) as noted in the table below, along with studio and 2-bedroom units (corresponding median monthly rental rates are shown as well).

Unit Type	No. of Units	% of Unit Mix	Median Rent
Studio	35	21%	$1,200
1 Bdrm	83	50%	$1,467
2 Bdrm	47	28%	$1,998
Total	**165**	**100%**	**N/A**

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, project costs, rental rates and operating expenses, developer fees, available funding sources, underwriting criteria, and project cash flow. Based on the results of the pro forma analysis, we conclude the project requires $5.314 million to attract adequate debt financing. This assistance would be provided in the form of a pay-as-you-go (PAYGO) note paid with 95% of the TIF generated annually from the Project over a 16-year period (the "City Assistance"). We view the additional year ($290,000 of additional principal) above the City's stated policy of only providing 15 years of assistance is necessary to meet required financial returns for the project. Follow are our comments on the overall project:

1. **Total Development Costs (TDC):** The TDC of the project is approximately $76.405 million as noted in the table below. If we net out costs associated/prorated to the commercial portion, this equates to $43,829,459 or $265,633 per residential unit, unit with the remaining $32,577,120 attributable to the commercial portion, or $443 sq. ft. The per unit residential TDC is at the lower end and the per sq. ft. commercial is at the higher end but prorating out shared costs doesn't always net the "true" per unit or sq. ft. costs. Overall, when blended together the overall TDC is not uncommon for mixed-use projects.

SOURCES	Amount	Pct.	Per Unit
First Mortgage	51,158,379	67%	310,051
PAYGO TIF Note	5,314,538	7%	32,209
Equity	19,933,662	26%	120,810
TOTAL SOURCES	**76,406,579**	**100%**	**463,070**

USES	Amount	Pct.	Per Unit
Acquisition Costs	5,095,000	7%	30,879
Construction Costs	62,742,073	82%	380,255
Professional Services	3,030,150	4%	18,365
Financing Costs	2,750,000	4%	16,667
Developer Fee	1,680,000	2%	10,182
Cash Accounts/Escrows/Reserves	1,109,356	1%	6,723
TOTAL USES	**76,406,579**	**100%**	**463,070**

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 $56.472 million to finance 74% of TDC. The Developer is able to secure this mortgage amount by pledging the PAYGO TIF Note of $5.314 million. As noted, the public assistance is approximately 7% of TDC, which is in line with what we typically see of 5% to 10%.

   The Developer will be providing $19.933 million in equity, which is 26% of TDC and in line with typical development projects which range from 20% to 50%. The equity is comprised of land acquisition ($5.095M) and future cash infusion at closing ($14.838M).

3. **Land Acquisition Costs:** The Developer has acquired the land in late 2025/early 2026. The total acquisition and land carrying costs are $5.095 million or $30,879 per residential unit. However, when you prorate the cost to the overall percentage of the building sq. ft., the per residential unit cost decreases to approximately $20,600, which is at the higher end of land costs per unit, but overall is based upon actual land acquisition costs. The commercial portion land equates to approximately $23 per building sq. ft. and is in line with industry standards.

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 $1.680 million which is 2% of total development costs, which is below the typical range for a project of this complexity and magnitude. Overall, the reduced fee helps the financing of the project more feasible.

5. **Rents:** Projected housing rents are projected at approximately $2.02 per sq. ft. Commercial rents (office, grocery, retail) range from $20 to $25 sq. ft. (triple net). These rents are consistent with expectations for newly constructed apartments and commercial space in the area. The Developer has secured letters of intent (LOI's) for the 4,250 sq. ft. or retail space and approximately 20,365 sq. ft. of the office space (55%).

6. **Operating Expenses**: The total expense ratio for the project (including operating, management fees, property taxes, and replacement reserves) is 47%, which is higher than the typical range of 34% to 40%. The reason for the higher operating expenses is due to the shared cost of operating and maintaining the shared parking facility and blending of commercial and residential expenses. Even if these costs were lowered to 40%, it would not change the financing metrics significantly. However, actual costs will be reviewed at the time of the various lookbacks suggest in the recommendations section below.

7. **Reserves:** The annual deposit to replacement reserves is proposed to be $250 per unit per year, which is a typical industry-wide rate.

8. **Financial Performance.** The Developer would like to attain an Internal Rate of Return (IRR) of 15% in year 10. Although they have stated this is their desired return metric, we review projects requesting public assistance on an additional two (2) metrics to assure the project isn't outperforming in one area. The three (3) financial performance metrics which are typical in the industry are summarized below:

Metric	Calculation	Project Performance	Typical Metrics
Yield on Cost (YOC)	Net Operating Income ("NOI") divided by the total development costs	5.6% at stabilization without TIF and 6.2% with TIF	6.5% - 7.5%
Cash on Cash (COC)	NOI less debt service divided by equity	2.4% in year 3 (stabilized) without TIF and 4.6% with TIF. Average annual COC is 7.1% over 16 yrs without TIF and 9.6% with TIF	8% to 10% annually at stabilization is goal. If threshold not met, 10% average annual when TIF ends
Internal Rate of Return ("IRR")	Annualized return on equity from annual cashflow and sale value, calculated in year 10	13.61% without TIF in year 10 and 15.69% with TIF	14% to 20%, depending on market

As noted, the Project, without TIF doesn't meet typical financial metrics for a project to move forward. Even with the PAYGO TIF, the Developer isn't guaranteed to make to stated or desired results.

Recommendation:

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 (16-year PAYGO TIF note of $5.314M). Due to the costs associated with a mixed-use development and providing public parking, this Project is only feasible, in part, through public assistance.

We recommend inclusion of a three-prong 'lookback" provision in the TIF agreement. This provision will allow for review of (i) actual project costs when project construction is completed; (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 TIF on a $1 for $1 basis. For the other return metrics we typically see a sharing factor so only a 50% reduction in the TIF needed to make the project financially feasible (provides incentive and some "upside" to the developer for the risk they are undertaking).

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

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CITY OF MANKATO
APPLICATION FOR FINANCIAL ASSISTANCE

A. APPLICANT INFORMATION

Name of Corporation/Partnership Front Street Plaza, LLC

Address 100 Warren Street, Ste 317, Mankato, MN 56001

Primary Contact Bryan Sowers, President

Address 100 Warren Street, Ste 317, Mankato, MN 56001

Phone 507.382.6607 Fax _____ Email bryan.sowers@sci-criim.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 Fredrikson & Byron, P.A. - Abbie S. Olson
Address 111 South 2nd Street + Suite 400, Mankato, MN 56001
Phone 507.344.9006 Fax _____ Email aolson@fredlaw.com

Accountant Name Katie Faugstad
Address 100 Warren Street, Suite 600, Mankato, MN 56001
Phone 507.327.0508 Fax _____ Email katiehomeruncpa@gmail.com

Contractor Name APX Construction Group - Ryan Evenson
Address 1531 Madison Avenue, Mankato, MN 56001
Phone 507.387.6836 Fax _____ Email ryan@apxconstructiongroup.com

Engineer Name ISG Inc - Nathan Hermer
Address 115 East Hickory Street + Suite 300, Mankato, MN 56001
Phone 507.387.6651 Fax _____ Email nathan.hermer@isginc.com

Architect Name ISG Inc - Jeremy Wiesen
Address 115 East Hickory Street + Suite 300, Mankato, MN 56001
Phone 507.387.6651 Fax _____ Email jeremy.wiesen@isginc.com

B. PROJECT INFORMATION

The project will be:

____	Industrial Greenfield:	____ *New Construction*	____ *Expansion*
_X_	Commercial Redevelopment:	_X_ *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.
Please see attached Exhibit B.

The project will be: _X_ 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 602-624-630-634 S. Front Street, Mankato, MN 56001
Legal Description Please see attached legal description at the end of the submittal package.

Amount of Assistance requested for:

Building Demolition $ 373,285
Environmental Remediation $ 0
Public Improvements $ 2,419,000
Site Improvements $ 8,616,000
*Land Acquisition $ 0

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

Total Subsidy Requested $ 11,408,285

Construction Start Date: October 2026
Construction Completion Date: June 2028
If Phased Project: N/A 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 0
Number of jobs created by project 344 (228 construction jobs & 116 full time hotel positions)
Average hourly wage of jobs created $15 - $60 average hourly wage based on job type
Benefits Provided Available

_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.

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

_X__ Affordable housing

___ Other: _____

D. SOURCES & USES

SOURCES	**NAME**	**AMOUNT**
Bank Loan	Frandsen Bank (or other)	$ 55,639,289
Other Private Funds		$
Equity		$ 20,200,000
Other Loans		$
ID Bonds	Other Funds - DEED Redev Grant	$ 1,160,711
Financial Assistance Requested		$ **
TOTAL		**$** 77,000,000

****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	$ 5,095,000
Site Development	$ 1,995,000
Construction	$ 61,610,600
Machinery & Equipment	$ 500,000 (FF&E)
Architectural & Engineering Fees	$ 1,785,000
Legal Fees	$ 150,000
Interest During Construction	$ 2,160,000
Debt Service Reserve	$ 860,000
Contingencies	$ 2,840,000
Application Fee (nonrefundable)	$4,400
Developer Capacity Review (if bonding/loans requested)	$ 0
TOTAL	**$** 77,000,000

E. ADDITIONAL DOCUMENTATION

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

X 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
N/A Profit & Loss Statement
N/A Balance Sheet

Provided under separate cover to Baker Tilly.

C) Current Financial Statements
N/A Profit & Loss Statement to Date
N/A Balance Sheet to Date

X D) Two Year Financial Projections

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

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

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

X 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 Front Street Plaza, LLC Date 06/22/2026

By Bryan Sowers Bryan J. Sowers

Its President

EXHIBIT A
Description of the corporation or partnership

Exhibit A

The company is governed by a Board of Governors (the “Board”) that represents company shareholders which are indicated in Exhibit D. The following resolution designates officers with signing authority.

Office of the Minnesota Secretary of State
Certificate of Organization

I, Steve Simon, Secretary of State of Minnesota, do certify that: The following business entity has duly complied with the relevant provisions of Minnesota Statutes listed below, and is formed or authorized to do business in Minnesota on and after this date with all the powers, rights and privileges, and subject to the limitations, duties and restrictions, set forth in that chapter.

The business entity is now legally registered under the laws of Minnesota.

Name:	Front Street Plaza, LLC
File Number:	1570249800029
Minnesota Statutes, Chapter:	322C
This certificate has been issued on:	07/23/2025

Steve Simon
Secretary of State
State of Minnesota

Office of the Minnesota Secretary of State

Minnesota Limited Liability Company/Articles of Organization

Minnesota Statutes, Chapter 322C

The individual(s) listed below who is (are each) 18 years of age or older, hereby adopt(s) the following Articles of Organization:

ARTICLE 1 - LIMITED LIABILITY COMPANY NAME:

Front Street Plaza, LLC

ARTICLE 2 - REGISTERED OFFICE AND AGENT(S), IF ANY AT THAT OFFICE:

Name	Address:
	100 WARREN ST STE 317 MANKATO MN 56001 3762 USA

ARTICLE 3 - DURATION: **PERPETUAL**

ARTICLE 4 - ORGANIZERS:

Name:	Address:
Ashley Ignaszewski	**60 S 6TH ST STE 1500 MINNEAPOLIS MN 55402 4443 USA**

If you submit an attachment, it will be incorporated into this document. If the attachment conflicts with the information specifically set forth in this document, this document supersedes the data referenced in the attachment.

By typing my name, I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

SIGNED BY: **Ashley Ignaszewski**

MAILING ADDRESS: **None Provided**

EMAIL FOR OFFICIAL NOTICES: **aignaszewski@fredlaw.com**

Work Item 1570249800029
Original File Number 1570249800029

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
07/23/2025 11:59 PM

Steve Simon
Secretary of State

Docusign Envelope ID: C58790F4-9962-4C36-B7D2-858C6680B4A1

ORGANIZATIONAL RESOLUTIONS
OF THE INITIAL MEMBER AND MANAGER
OF
FRONT STREET PLAZA, LLC
ADOPTED WITHOUT MEETING

The undersigned, constituting the initial members and manager (the "***Manager***"), of Front Street Plaza, LLC, a Minnesota limited liability company (the "***Company***"), do hereby adopt the following organizational resolutions in writing pursuant to the Company's Operating Agreement dated July 23, 2025 (the "***Operating Agreement***") and Minnesota Statutes, Section 322C:

1. Articles of Organization

RESOLVED, the Articles of Organization of the Company, filed with the Minnesota Secretary of State on July 23, 2025 (the "***Articles***"), are hereby adopted and approved; and

RESOLVED, the Articles and the Certificate of Organization issued by the Minnesota Secretary of State on July 23, 2025, shall be inserted in the Company's minute book and made a permanent part of its records.

2. Operating Agreement

RESOLVED, the form of Operating Agreement executed by the members is adopted as the Operating Agreement of the Company, and the Secretary of the Company, following their election to office, shall certify such adoption as of this date; and

RESOLVED, the Operating Agreement shall be inserted in the Company's minute book and made a permanent part of its records.

3. Manager

RESOLVED, all formalities pertaining to the nomination and election of the Company's Manager are waived and the following entity is elected as the Managers of the Company, to hold such position until the election and qualification of its respective successor(s) or until its earlier dissolution, resignation, removal, or disqualification:

Front Street Plaza Manager, LLC

RESOLVED, all actions of the above-named entity previously taken on behalf of the Company in anticipation of its election as Manager of the Company are ratified, confirmed, and approved.

4. Officers

RESOLVED, all formalities pertaining to the nomination and election of the Company's officers are waived and the following persons are elected as the officers of the Company until the election and qualification of their respective successors or until their earlier death, resignation, removal, or disqualification:

Name	Title
Bryan Sowers	President
Jeff Mair	Vice President and Secretary
Matt Peterson	Vice President and Treasurer

RESOLVED, all actions of the above-named individual(s) previously taken on behalf of the Company in anticipation of their election as officers of the Company are ratified, confirmed, and approved.

Docusign Envelope ID: C58790F4-9962-4C36-B7D2-858C6680B4A1

5. Organizational Expenditures

RESOLVED, the Manager of the Company is authorized to pay all charges and expenses arising out of the organization of the Company and to reimburse any persons who have made any disbursements therefor.

6. Organizer

RESOLVED, any and all past actions taken by the Organizer of the Company on behalf of or in the furtherance of the Company are hereby ratified, confirmed and approved in all respects;

RESOLVED, the Company hereby assumes any and all liability arising out of or resulting from any act of the Organizer of the Company done on behalf of or in furtherance of the Company, and hereby agrees to indemnify and hold harmless the Organizer of the Company for any such liability; and

RESOLVED, the resignation of the Organizer of the Company is hereby accepted and approved in all respects.

7. Membership Interests

RESOLVED, the offer of the entity identified below to transfer to the Company the sums identified opposite such entity's name, in exchange for the membership interest in the Company set forth opposite such entity's name, are hereby accepted by the Company and such consideration represents a fair value to the Company for such membership interests:

Member	Contribution	Membership Interest
Front Street Plaza Manager, LLC	$1,000.00	100%
Totals:	**$1,000.00**	**100%**

8. Fiscal Year

RESOLVED, the initial fiscal year of the Company shall end December 31, 2025; thereafter the Company's fiscal year shall begin the first day of January and shall end on the last day of December.

9. Banking

RESOLVED, the President of the Company is hereby authorized to designate any bank or trust company in any city of the United States of America (the "***Bank***") as a depository for the funds of the Company, and is hereby authorized, empowered, and directed to open any such account using the standard forms of banking resolution of the Bank, which forms are hereby approved, confirmed, ratified and adopted; and

RESOLVED, the Bank is hereby authorized to honor and pay checks or other orders for the payment of money drawn in the name of the Company when signed by the President or the Treasurer of the Company or such other persons appointed by the Manager.

10. Limited Liability Company Seal

RESOLVED, the Company shall have no seal.

Signature Page Follows

Docusign Envelope ID: C58790F4-9962-4C36-B7D2-858C6680B4A1

Dated and effective as of July 23, 2025.

MEMBERS:

Front Street Plaza Manager, LLC

Signed by:
Bryan Sowers
16D3B42AD5C546E...

By:_____
Bryan Sowers, its President

SOLE MANAGER:

Front Street Plaza Manager, LLC

Signed by:
Bryan Sowers
16D3B42AD5C546E...

By:_____
Bryan Sowers, its President

Office of the Minnesota Secretary of State
Certificate of Organization

I, Steve Simon, Secretary of State of Minnesota, do certify that: The following business entity has duly complied with the relevant provisions of Minnesota Statutes listed below, and is formed or authorized to do business in Minnesota on and after this date with all the powers, rights and privileges, and subject to the limitations, duties and restrictions, set forth in that chapter.

The business entity is now legally registered under the laws of Minnesota.

Name:	Front Street Plaza Manager, LLC
File Number:	1571558700026
Minnesota Statutes, Chapter:	322C
This certificate has been issued on:	07/31/2025

Steve Simon
Secretary of State
State of Minnesota

Office of the Minnesota Secretary of State

Minnesota Limited Liability Company/Articles of Organization

Minnesota Statutes, Chapter 322C

The individual(s) listed below who is (are each) 18 years of age or older, hereby adopt(s) the following Articles of Organization:

ARTICLE 1 - LIMITED LIABILITY COMPANY NAME:

Front Street Plaza Manager, LLC

ARTICLE 2 - REGISTERED OFFICE AND AGENT(S), IF ANY AT THAT OFFICE:

Name	Address:
	100 WARREN ST STE 317 MANKATO MN 56001 3762 USA

ARTICLE 3 - DURATION: **PERPETUAL**

ARTICLE 4 - ORGANIZERS:

Name:	Address:
Ashley Ignaszewski	**60 S 6TH ST STE 1500 MINNEAPOLIS MN 55402 4443 USA**

If you submit an attachment, it will be incorporated into this document. If the attachment conflicts with the information specifically set forth in this document, this document supersedes the data referenced in the attachment.

By typing my name, I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

SIGNED BY: **Ashley Ignaszewski**

MAILING ADDRESS: **None Provided**

EMAIL FOR OFFICIAL NOTICES: **aignaszewski@fredlaw.com**

Work Item 1571558700026
Original File Number 1571558700026

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FILED
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Steve Simon
Secretary of State

EXHIBIT B
Description of the proposed project

Front Street Plaza, LLC

100 Warren Street, Ste 317, Mankato, MN 56001

PROJECT DESCRIPTION

Front Street Place is a mixed-use development designed to strengthen downtown Mankato as a vibrant, connected, and sustainable city center.

The project will deliver approximately 165 studio, one-bedroom, and two-bedroom apartments, along with integrated restaurant, retail, and office space. Together, these elements directly support the goals of Mankato's $500+ million Small Area Plan by adding housing, activity, and walkability to the urban core.

The development is co-led with Kilbourne Group, an experienced mixed-use real estate development firm recognized for creating walkable, community-centered environments. Kilbourne brings deep expertise in infill development, historic redevelopment, and the integration of housing, commercial spaces, and community spaces. This project marks the first collaboration between Kilbourne Group and Front Street Place, establishing a foundation for continued partnership as both groups intend to remain actively involved in future phases of the downtown development plan.

Front Street Place is guided by a collaborative approach that engages local stakeholders. The project is intended to reinforce downtown Mankato's role as a regional destination while serving as a catalyst for economic growth, private investment, and infrastructure improvements. It will also address critical workforce housing needs that are essential to attracting and retaining talent in the region.

Strategically located as a gateway to a Minnesota State University, Mankato (MSU) campus, Front Street Place aligns with initiatives like the Greater Mankato Growth, Inc.'s Transforming Tomorrow Together plan and the highly anticipated enrollment growth of more than 4,000 additional students by 2031.

By combining housing, amenities, and connectivity, the development will create an exciting livable environment that serves residents, students, and visitors alike while supporting Mankato's long-term growth and vitality.

The Project includes the redevelopment of a full city block with a six-story multi-family building on the east side of the site. The ground floor of the building will consist of retail and amenity space, while floors two through six will contain 165 housing units with a minimum 20% classified as affordable in Blue Earth County. Additionally, a five-story office building will be constructed near the northwest corner of the site. A multi-story parking ramp containing approximately 250 spaces (expandable to 286 spaces) will be constructed between the two structures.

The parking spaces will be considered public, allowing visitors, tenants and guests to have a direct connection to the many events held at the Mayo Clinic Civic Center along with many other amenities offered in the downtown area.

EXHIBIT C
Site plan, building plans, floor plans

FRONT STREET REDEVELOPMENT

MANKATO, MINNESOTA

ISG PROJECT # 26-33587



PROJECT GENERAL NOTES

A. ALL WORK SHALL CONFORM TO THE CONTRACT DOCUMENTS, WHICH INCLUDE, BUT ARE NOT LIMITED TO, THE OWNER - CONTRACTOR AGREEMENT, THE PROJECT MANUAL (WHICH INCLUDES GENERAL AND SUPPLEMENTARY CONDITIONS AND SPECIFICATIONS), DRAWINGS OF ALL DISCIPLINES AND ALL ADDENDA, MODIFICATIONS AND CLARIFICATIONS ISSUED BY THE ARCHITECT / ENGINEER.

B. CONTRACT DOCUMENTS SHALL BE ISSUED TO ALL SUBCONTRACTORS BY THE GENERAL CONTRACTOR IN COMPLETE SETS IN ORDER TO ACHIEVE THE FULL EXTENT AND COMPLETE COORDINATION OF ALL WORK. CONTRACTOR IS RESPONSIBLE FOR COORDINATING AND CORRELATING QUANTITIES AND DIMENSIONS.

C. WRITTEN DIMENSIONS TAKE PRECEDENCE OVER SCALED DIMENSIONS. NOTIFY ARCHITECT/ENGINEER OF ANY DISCREPANCIES OR CONDITIONS REQUIRING INFORMATION OR CLARIFICATION BEFORE PROCEEDING WITH THE WORK.

D. FIELD VERIFY ALL EXISTING CONDITIONS AND DIMENSIONS. NOTIFY ARCHITECT / ENGINEER OF ANY DISCREPANCIES OR CONDITIONS REQUIRING INFORMATION OR CLARIFICATION BEFORE PROCEEDING WITH THE WORK.

E. DETAILS SHOWN ARE INTENDED TO BE INDICATIVE OF THE PROFILES AND TYPE OF DETAILING REQUIRED THROUGHOUT THE WORK. DETAILS NOT SHOWN ARE SIMILAR IN CHARACTER TO DETAILS SHOWN. WHERE SPECIFIC DIMENSIONS, DETAILS OR DESIGN INTENT CANNOT BE DETERMINED, NOTIFY ARCHITECT / ENGINEER BEFORE PROCEEDING WITH THE WORK.

F. ALL MANUFACTURED ARTICLES, MATERIALS AND EQUIPMENT SHALL BE APPLIED, INSTALLED, CONNECTED, ERECTED, CLEANED AND CONDITIONED ACCORDING TO MANUFACTURERS' INSTRUCTIONS. IN CASE OF DISCREPANCIES BETWEEN MANUFACTURERS' INSTRUCTIONS AND THE CONTRACT DOCUMENTS, NOTIFY ARCHITECT / ENGINEER BEFORE PROCEEDING WITH THE WORK.

G. LARGE-SCALE, MORE SPECIFIC DETAILS TAKE PRECEDENCE OVER SMALLER-SCALE, LESS SPECIFIC DETAILS AND INFORMATION. MORE STRINGENT REQUIREMENTS FOR CODE, PRODUCTS AND INSTALLATION TAKE PRECEDENCE OVER LESS STRINGENT REQUIREMENTS. NOTIFY ARCHITECT/ENGINEER OF ANY DISCREPANCIES OR CONDITIONS REQUIRING INFORMATION OR CLARIFICATION. BEFORE PROCEEDING WITH THE WORK.

H. PROVIDE CONTINUOUS SEALANT AROUND ALL MATERIALS AT ALL INTERIOR AND EXTERIOR WALL PENETRATIONS. REFER TO SPECIFICATIONS FOR APPROPRIATE SEALANT.

I. ALL DISSIMILAR METALS SHALL BE EFFECTIVELY ISOLATED FROM EACH OTHER TO AVOID GALVANIC CORROSION.

J. SEAL ALL OPENINGS IN WALLS, FLOORS, CEILINGS, AND ROOFS, AROUND DUCTS, PIPES, VENTS, TRAPS, CONDUIT AND ALL OTHER PENETRATIONS WITH FIRE STOPPING AS SPECIFIED AND REQUIRED BY CODES. IF FIRE STOPPING IS NOT REQUIRED AT PENETRATIONS PER CODE, SEAL WITH CONTINUOUS SEALANT.

K. PROVIDE TEMPORARY WALLS, ENCLOSURES, DUST SHIELDS AND WALK-OFF MATS AS REQUIRED TO SEPARATE DEMOLITION AND CONSTRUCTION FROM EXISTING BUILDING.

L. PROVIDE BRACING AND SHORING AS REQUIRED TO PROTECT EXISTING STRUCTURE TO REMAIN. PROVIDE SECURE AND WEATHERPROOF ENCLOSURE OF TEMPORARY OPENINGS IN EXTERIOR WALLS. PROTECT ALL BUILDING COMPONENTS FROM DAMAGE DURING DEMOLITION AND CONSTRUCTION.

M. RESTORE ALL EXISTING AREAS AFFECTED BY DEMOLITION AND RELATED NEW CONSTRUCTION TO THEIR ORIGINAL CONDITION, INCLUDING BUT NOT LIMITED TO WALLS, FLOORS, AND CEILINGS AND THEIR ASSOCIATED FINISHES.

N. PROVIDE SOLID WALL BACKING WITH METAL OR FIRE-RETARDANT WOOD BLOCKING BEHIND DOOR HARDWARE SUCH AS WALL STOPS, BUMPERS, HOLD OPENS, ETC. AND AT ALL ITEMS REQUIRING FASTENING THROUGH GYP BD. TO BLOCKING

O. RENDERED IMAGES MAY NOT BE AN ACCURATE REPRESENTATION OF BUILDING CONDITIONS, REFER TO PLANS AND DETAILS CONTAINED WITHIN FOR SCOPE OF WORK.

602 S. Front Street MU Redevelopment
4/23/2026

RESIDENTIAL BUILDING TABULATION

		AMENITY	EXTERIOR AMENITY **	BOH / PET / UTILITIES	STORAGE	GSF	BALCONIES* (APPOX. 65sf EA.)	NRSF	NET : GROSS
RESIDENTIAL	LEVEL_06	634		263		30,484		26,062	85.5%
	LEVEL_05			263		30,484		26,648	87.4%
	LEVEL_04			263		30,484		26,648	87.4%
	LEVEL_03	534		263		29,984		26,648	88.9%
	LEVEL_02	3,035	12,813	853		29,984		22,817	76.1%
	LEVEL 1.5	1,133		2,748	1,681	5,562		1,681	30.2%
	LEVEL 01	2,661		1,339	3,647	7,647		3,647	47.7%
	TOTAL	**7,997**	**12,813**	**5,992**	**5,328**	**164,629**	**0**	**134,151**	81.5%

UNIT TABULATIONS

	STUDIOS & JUNIOR 1 BEDROOMS				1-BED					2-BED						3-BED		TOTAL
	S1	S2	S3	S4	A1	A1.1	A1.2	A2	A3	B1/B1.1	B2	B3	B4	B5	B10	C1	C2	
	540	*586*	*600*	*612*	*720*	*0*	*0*	*0*	*0*	*1080*	*1168*	*0*	*997*	*0*	*0*	*0*	*0*	
LEVEL_06	6		1	1	15					6	2		2					33
LEVEL_05	6	1	1	1	15					6	2		2					34
LEVEL_04	6	1	1	1	15					6	2		2					34
LEVEL_03	6	1	1	1	15					6	2		2					34
LEVEL_02	6		1	1	15					5	1		1					30
LEVEL 1.5																		0
LEVEL 01																		0
TOTAL	**30**	**3**	**5**	**5**	**75**	**0**	**0**	**0**	**0**	**29**	**9**	**0**	**9**	**0**	**0**	**0**	**0**	**165**
	18.2%	*1.8%*	*3.0%*	*3.0%*	*45.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*17.6%*	*5.5%*	*0.0%*	*5.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	100%
									75.00						*47.00*			

NON-RESIDENTIAL TABULATION

		RETAIL (+BOH/ TRASH)	OFFICE	REST. / F&B	CAFÉ	PARKING DECK	EXTERIOR AMENITY **		
NON-RESIDENTIAL	LEVEL_05		8,132				674	0	
	LEVEL_04		8,800					0	
	LEVEL_03		8,800					0	
	LEVEL_02		8,800			17,356		0	
	LEVEL 1.5		0		1,568	27,786		0	
	LEVEL 01	22,250	2,880	4,779	4,114	27,786	2,500	0	
	TOTAL	**22,250**	**37,412**	**4,779**	**5,682**	**72,928**	**3,174**		

UNIT TABULATIONS

									0.00						*0.00*				

R2	AMENITY	X AMENITY	SERVICE	STORAGE	GSF*	BALCONIES	NRSF	NET:GROSS
	7,997	**12,813**	**5,992**	**5,328**	**164,629**	**0**	**134,151**	**81.5%**

	30	**3**	**5**	**5**	**75**	**0**	**0**	**0**	**0**	**29**	**9**	**0**	**9**	**0**	**0**	**0**	**0**	**165**
		43					**75**					**47**				**0**		
	18.2%	*1.8%*	*3.0%*	*3.0%*	*45.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*17.6%*	*5.5%*	*0.0%*	*5.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	100.0%
		26.1%					*45.5%*					*28.5%*				*0.0%*		100.0%
TARGET		*9.3%*					*52.6%*					*31.3%*				*0.0%*		
TARGET		*24*					*79*					*47*				*0*		

TOTAL RESIDENTIAL GSF	**164,629**		**813**	**NSF / UNIT**
TOTAL DEVELOPMENT GSF	**307,680**			
LOT AREA	**109,036**			
PROPOSED FAR	**2.82**			

** BALCONIES NOT INCLUDED IN NRSF*
*** EXTERIOR AMENITY NOT INCLUDED IN GSF*

PARKING	Standard	ADA	Van		
L01 SURFACE	46	2		48	
L01 COVERED	33	5	2	40	
L01 RAMP	38			38	
L1.5	79	5		84	
L02	36	4		40	
Totals	232	16	2	250	1.52

PROJECT INDEX:

OWNER:

OWNER NAME
CONTACT NAME
ADDRESS
CITY, STATE (NON-ABBREV.) ZIPCODE
PHONE #
FAX #

PROJECT ADDRESS:

BUILDING NAME
ADDRESS
MANKATO, MINNESOTA ZIPCODE

MANAGING OFFICE:
I & S GROUP, INC. (ISG)

MANKATO OFFICE
115 EAST HICKORY ST.
SUITE 300
MANKATO, MINNESOTA 56001
PHONE: 507.387.6651
FAX: 507.540.3665

PROJECT MANAGER: NAME
EMAIL: EMAIL

REFERENCE SCALE
1" = 1'
2"
1"
0 1-5/16"

4/23/2026 4:10:46 PM

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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

REVISION SCHEDULE

DATE	DESCRIPTION	BY

PROJECT NO.	26-33587
FILE NAME	
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	MM/DD/YY
CLIENT PROJECT NO.	

TITLE

TITLE SHEET, SHEET INDEX, PROJECT GENERAL NOTES

SHEET

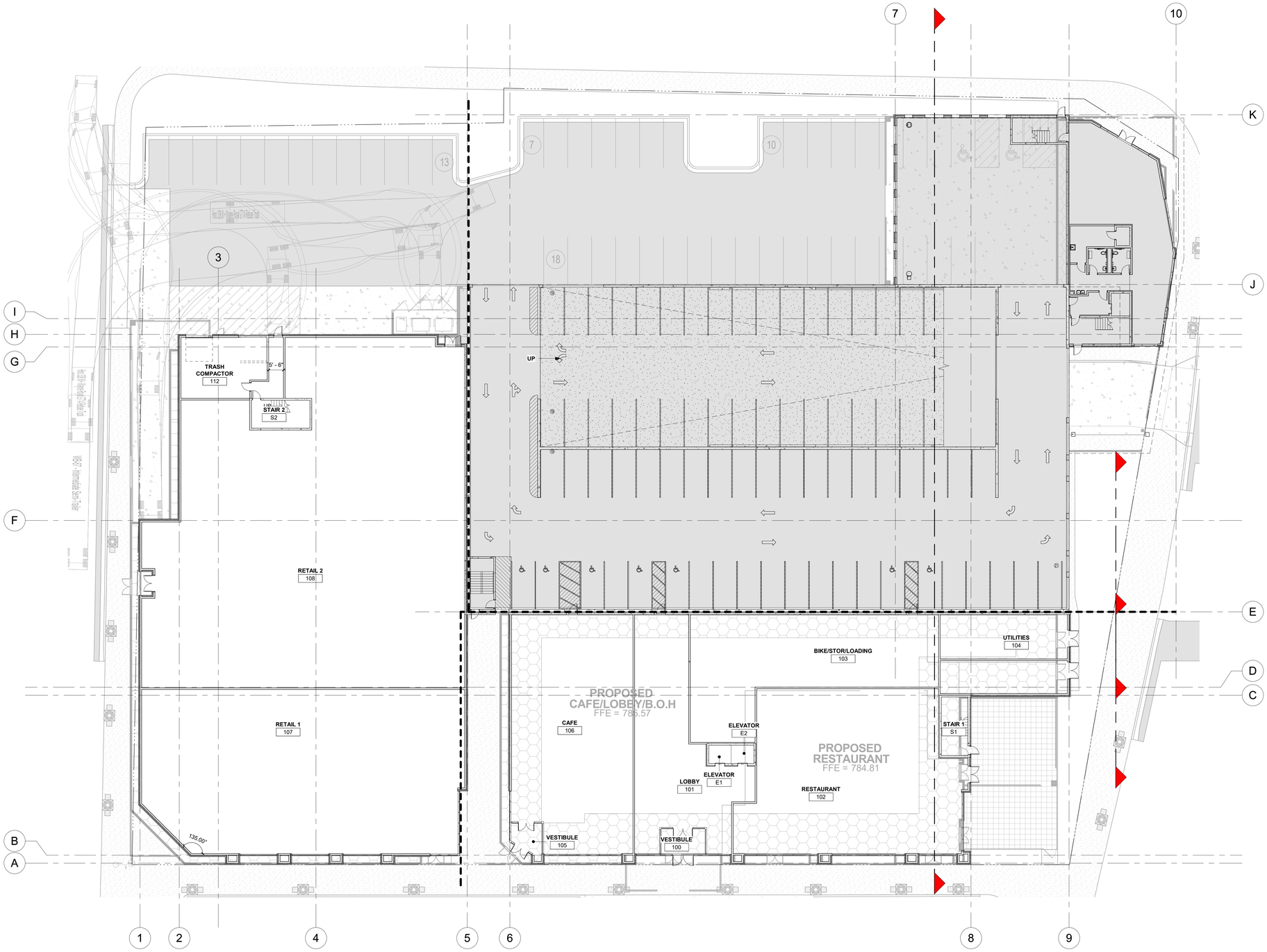
G1-10

FLOOR PLAN SHEET NOTES

- ALL INTERIOR PARTITION WALLS SHALL BE WALL TYPE __, UNLESS OTHERWISE NOTED.
- INTERIOR WALL DIMENSIONS ARE FROM FACE OF MASONRY/ CONCRETE AND CENTER OF STUD WALL, UNLESS NOTED OTHERWISE.
- PAINT ALL EXPOSED METAL SURFACES, INCL, BUT NOT LIMITED TO COLUMNS, RISERS, STRINGERS, HANDRAILS, GUARDRAILS, EXPOSED DECKING, AND FLOOR EDGES, UNLESS NOTED OTHERWISE.
- REFER TO SHEET A6-01 "FINISH SCHEDULES" FOR MARKER/TACK BOARD SPECIFICATIONS.
- INSTALL FIRE RETARDANT TREATED BLOCKING AS REQUIRED AT ALL PARTITIONS TO RECEIVE COUNTERS, SHELVING, MARKER BOARDS, TV'S, ETC.
- ALL WALL MOUNTED ITEMS TO SIT FLUSH ON A WALL SURFACE. IN INSTANCES WHERE A WALL MOUNTED ITEM IS TO BE INSTALLED ON TWO DIFFERENT FINISH THICKNESSES, PROVIDE A HARDBOARD BACKER FOR THE ITEM TO SIT FLUSH. PROVIDE SEALANT AROUND ALL EDGES OF BACKER AND PAINT TO MATCH ADJACENT SURFACE

KEYNOTE LEGEND

REMOVE, NOT FOR USE
VERIFY INFO AND USE WHEN VERIFIED



1 FIRST FLOOR PLAN - OVERALL
1/16" = 1'-0"

REFERENCE SCALE
1" = 1'
0 1/4" 1/2" 1" 2"

4/23/2026 4:10:48 PM

N

ISG

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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

REVISION SCHEDULE

DATE	DESCRIPTION	BY

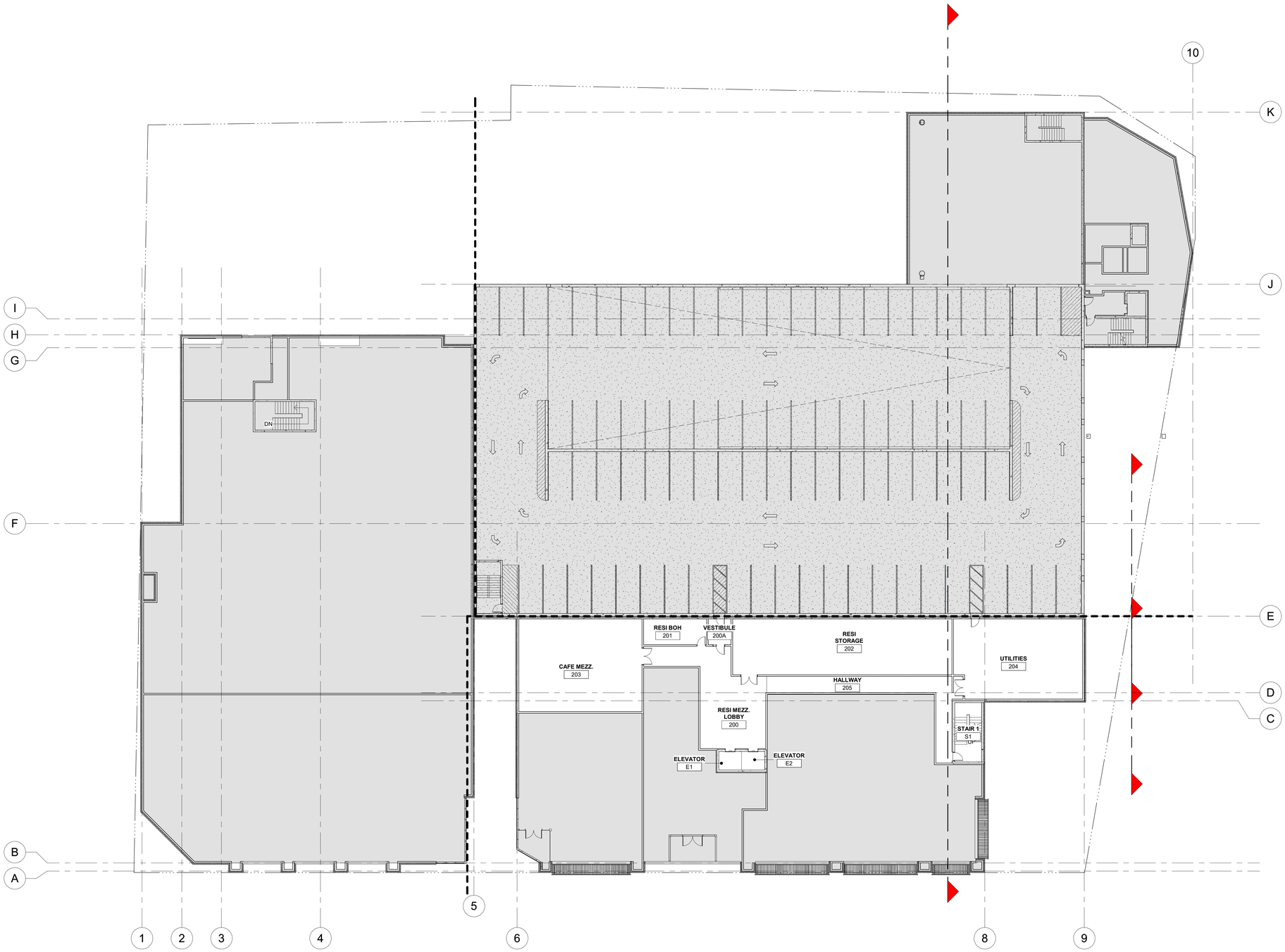
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FILE NAME	
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	MM/DD/YY
CLIENT PROJECT NO.	

TITLE

FIRST FLOOR PLAN - OVERALL

SHEET

A1-11



1 SECOND FLOOR PLAN - OVERALL
1/16" = 1'-0"

REFERENCE SCALE
1" = 1'
0 1/4" 1/2" 1" 2"

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FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

REVISION SCHEDULE

DATE	DESCRIPTION	BY

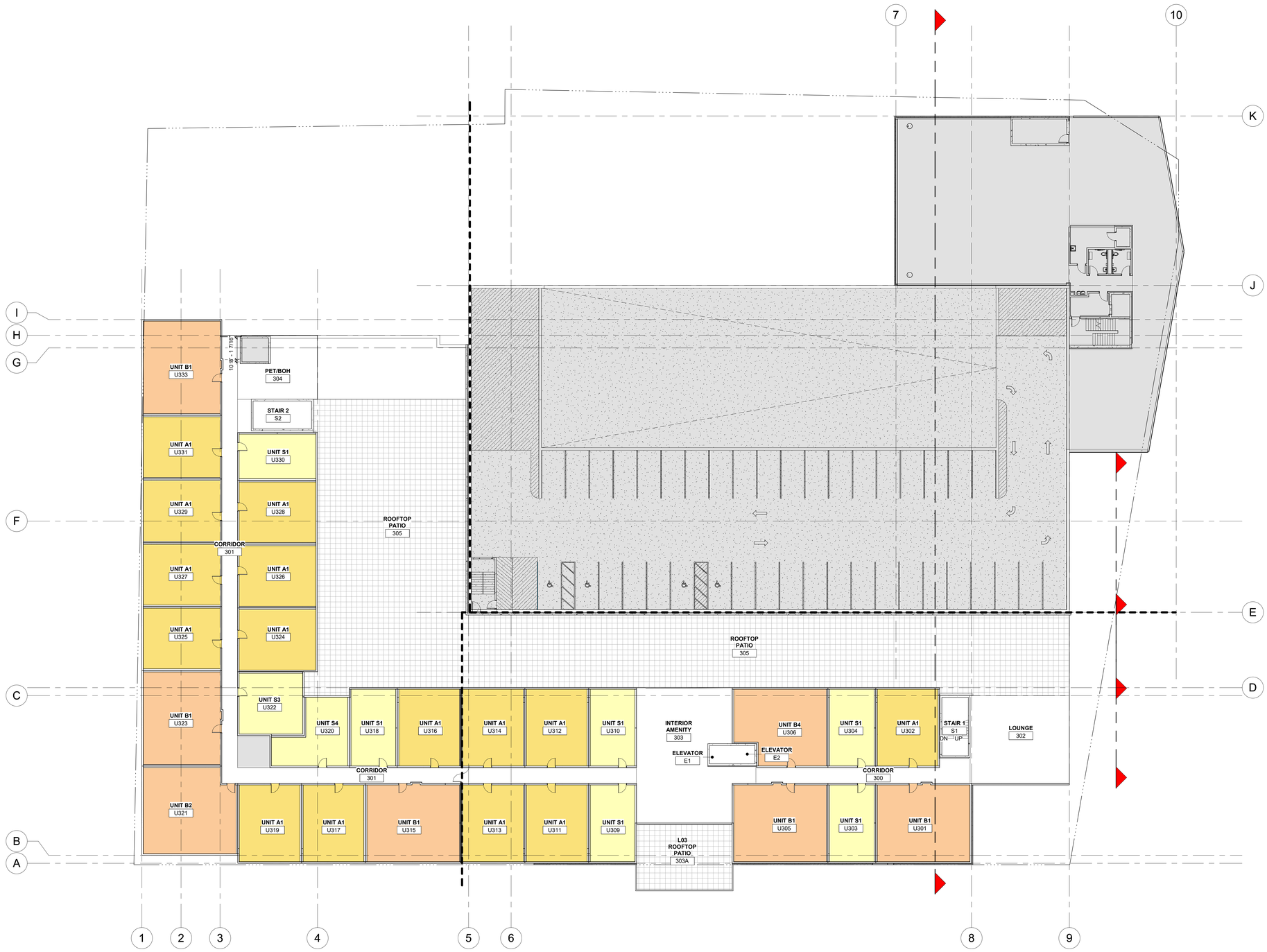
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FILE NAME	
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	04/08/26
CLIENT PROJECT NO.	

TITLE

SECOND FLOOR PLAN - OVERALL

SHEET

A1-12



1 THIRD FLOOR PLAN - OVERALL
1/16" = 1'-0"

REFERENCE SCALE
1" = 1'
0 1/4" 1/2" 1" 2"

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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

REVISION SCHEDULE

DATE	DESCRIPTION	BY

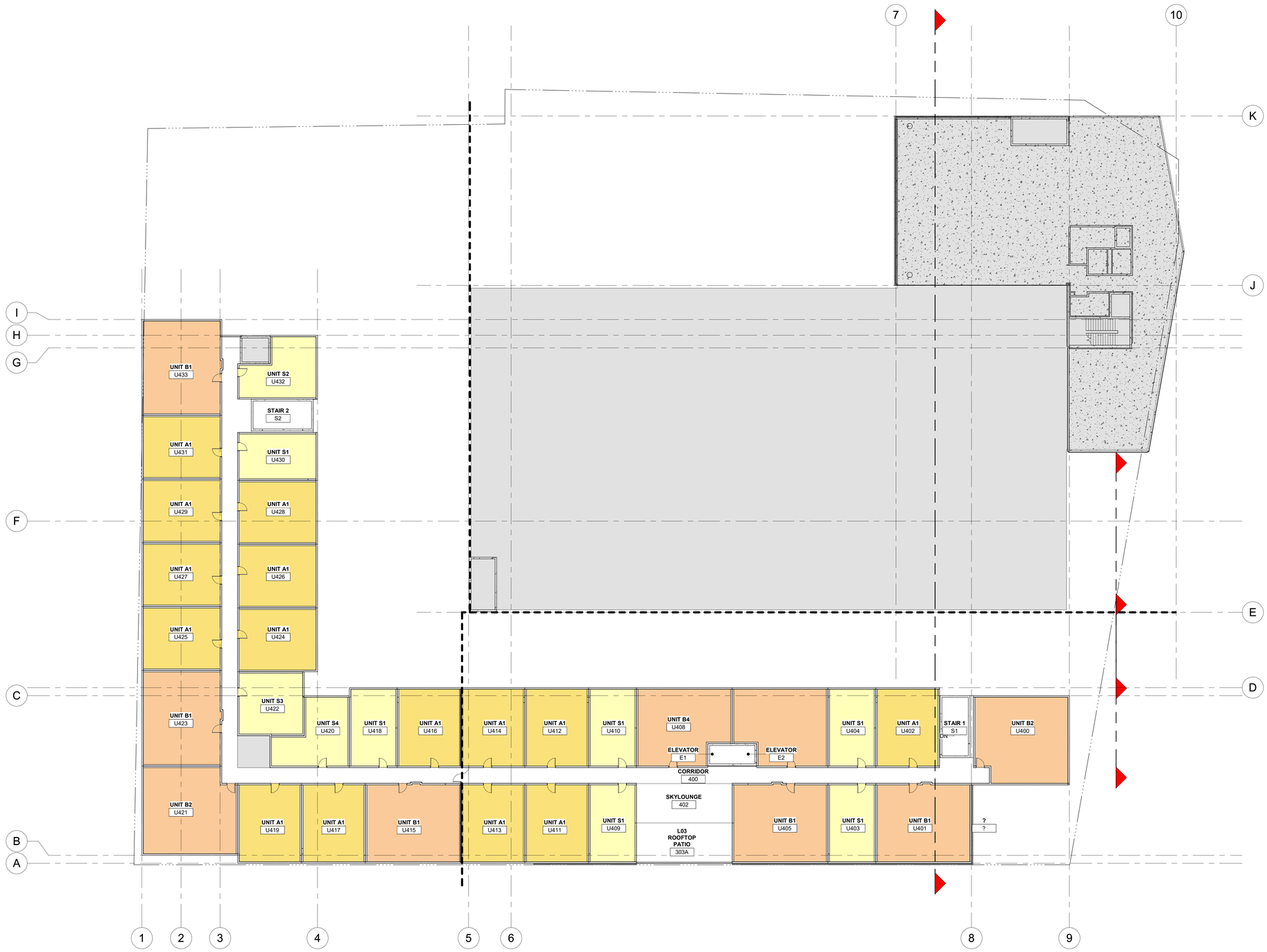
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FILE NAME	
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	03/27/26
CLIENT PROJECT NO.	

TITLE

THIRD FLOOR PLAN - OVERALL

SHEET

A1-13



1 FOURTH FLOOR PLAN - OVERALL
1/16" = 1'-0"

REFERENCE SCALE
1" = 1'
0 1/4" 1/2" 1"

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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

REVISION SCHEDULE

DATE	DESCRIPTION	BY

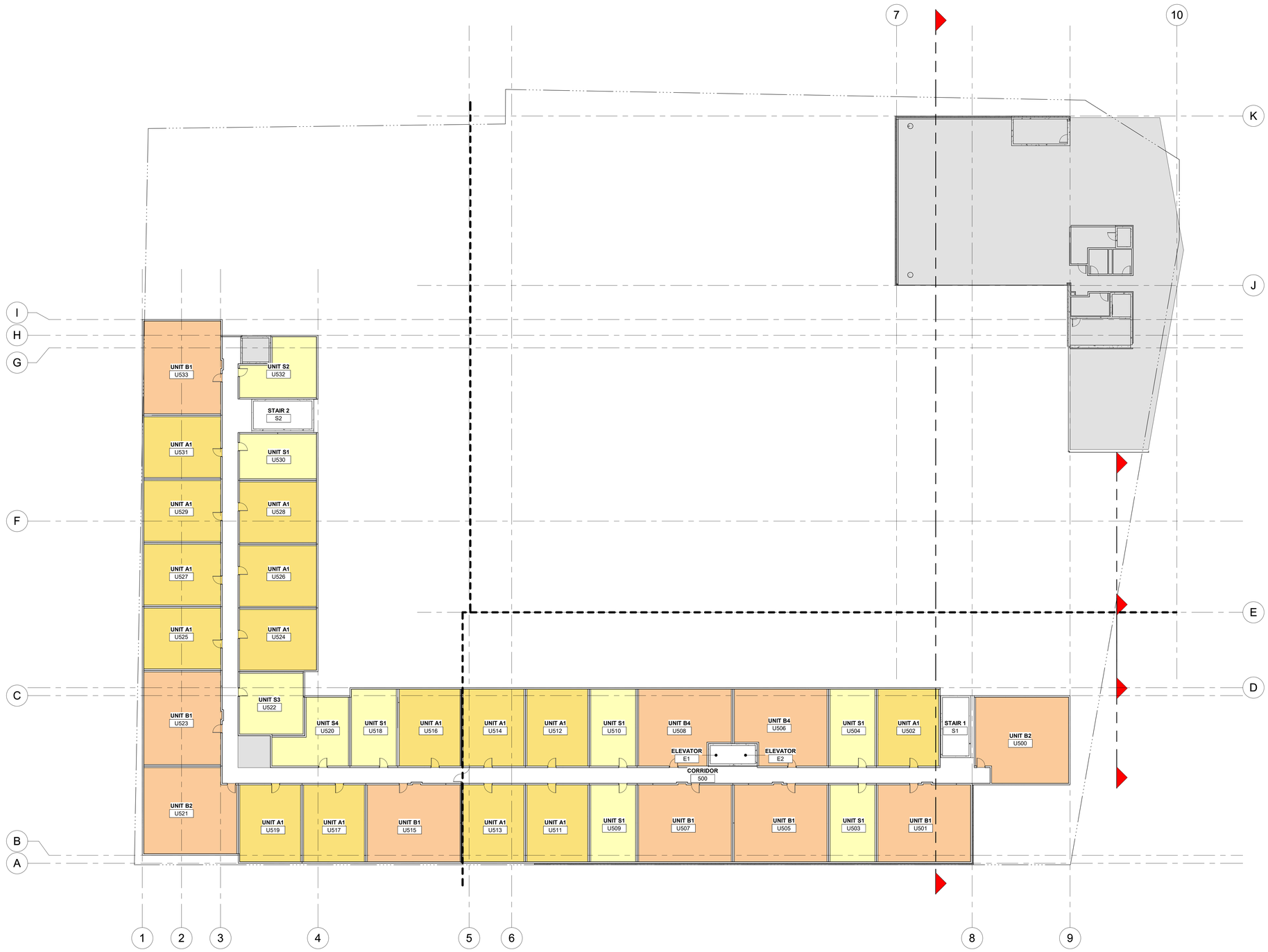
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FILE NAME	
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	03/27/26
CLIENT PROJECT NO.	

TITLE

FOURTH FLOOR PLAN - OVERALL

SHEET

A1-14



1 FIFTH FLOOR PLAN - OVERALL
1/16" = 1'-0"

REFERENCE SCALE
1" = 1'
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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

REVISION SCHEDULE

DATE	DESCRIPTION	BY

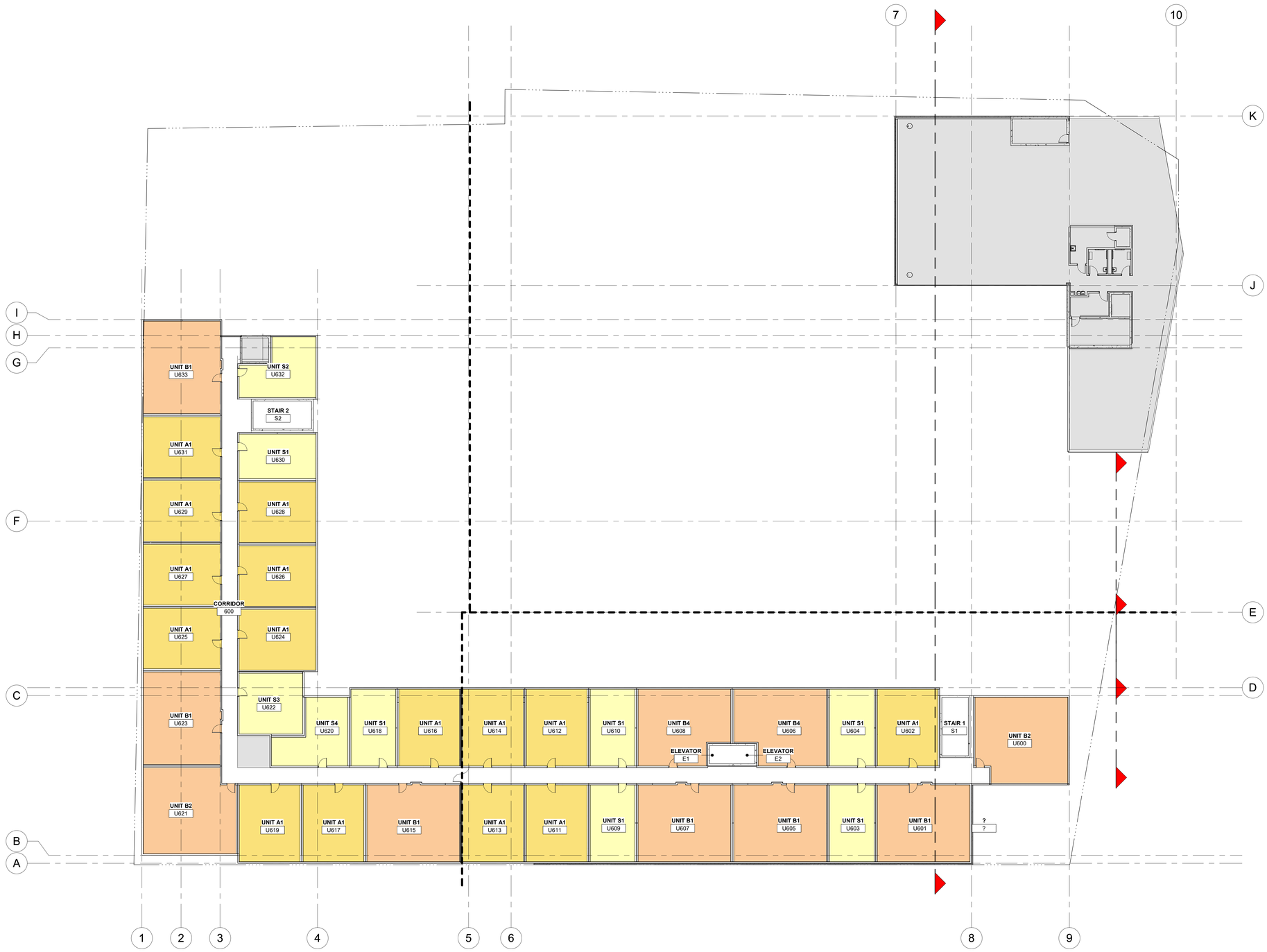
PROJECT NO.	26-33587
FILE NAME	
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	03/27/26
CLIENT PROJECT NO.	

TITLE

FIFTH FLOOR PLAN - OVERALL

SHEET

A1-15



1 SIXTH FLOOR PLAN - OVERALL
1/16" = 1'-0"

REFERENCE SCALE
1" = 1'
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FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

REVISION SCHEDULE

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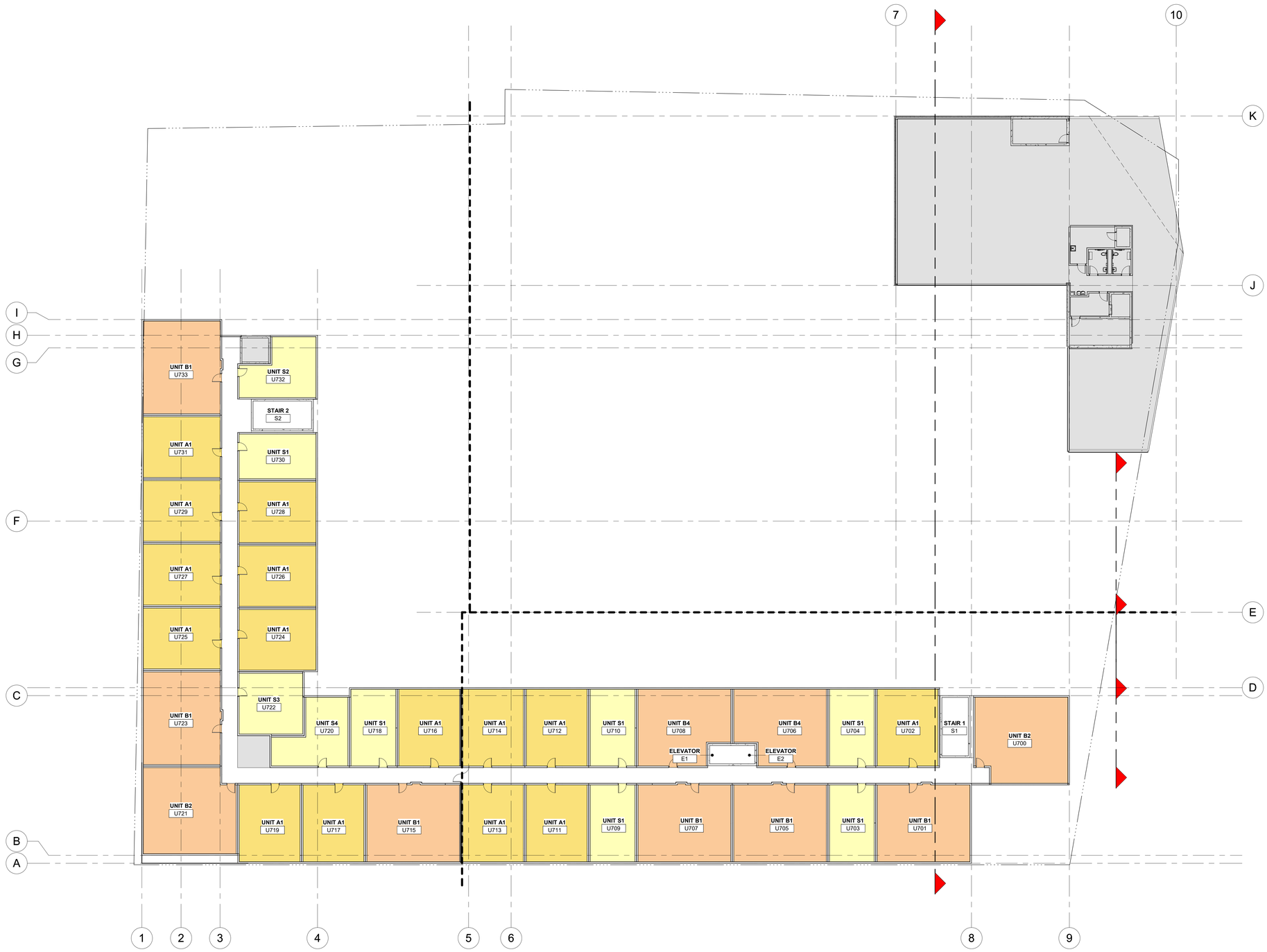
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FILE NAME	
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	03/30/26
CLIENT PROJECT NO.	

TITLE

SIXTH FLOOR PLAN - OVERALL

SHEET

A1-16



1 SEVENTH FLOOR PLAN - OVERALL
1/16" = 1'-0"

REFERENCE SCALE
1" = 1'
0 1/4" 1/2" 1"

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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

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CLIENT PROJECT NO.	

TITLE

SEVENTH FLOOR PLAN - OVERALL

SHEET

A1-17

WALL LEGEND

EXISTING CONSTRUCTION TO REMAIN

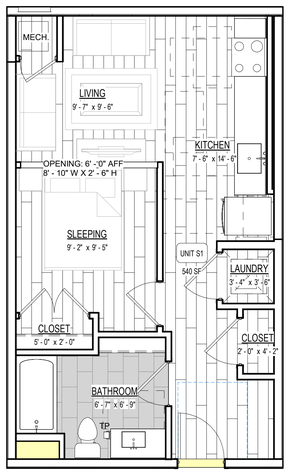
NEW CONSTRUCTION

FLOOR PLAN SHEET NOTES

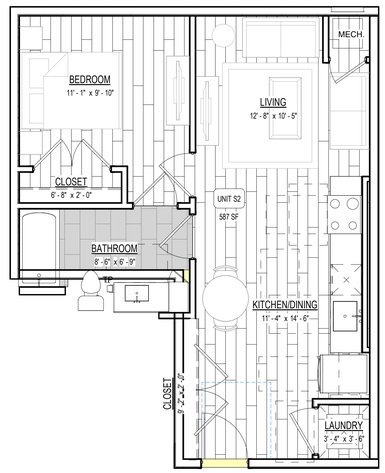
- ALL INTERIOR PARTITION WALLS SHALL BE WALL TYPE __, UNLESS OTHERWISE NOTED.
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- REFER TO SHEET A0-51 'FINISH SCHEDULES' FOR MARKER/TACK BOARD SPECIFICATIONS.
- INSTALL FIRE RETARDANT TREATED BLOCKING AS REQUIRED IN ALL PARTITIONS TO RECEIVE COUNTERS, SHELVING, MARKER BOARDS, TV'S, ETC.
- ALL WALL MOUNTED ITEMS TO SIT FLUSH ON A WALL SURFACE. IN INSTANCES WHERE A WALL MOUNTED ITEM IS TO BE INSTALLED ON TWO DIFFERENT FINISH THICKNESSES, PROVIDE A HARDBOARD BACKER FOR THE ITEM TO SIT FLUSH. PROVIDE SEALANT AROUND ALL EDGES OF BACKER AND PAINT TO MATCH ADJACENT SURFACE

KEYNOTE LEGEND

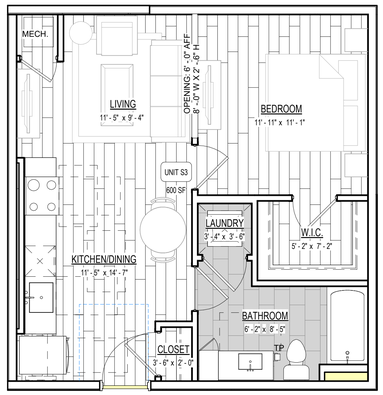
VERIFY IMPACT AND/OR USE OF REMOVE NOTE WHEN VERIFIED



1 UNIT S1 - FLOOR PLAN
1/4" = 1'-0"



2 UNIT S2 - FLOOR PLAN
1/4" = 1'-0"



3 UNIT S3 - FLOOR PLAN
1/4" = 1'-0"

N

REFERENCE SCALE
1" = 1'
0 1/4" 1/2" 1"

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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

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CLIENT PROJECT NO.	

TITLE

UNIT PLANS

SHEET

A5-51

WALL LEGEND

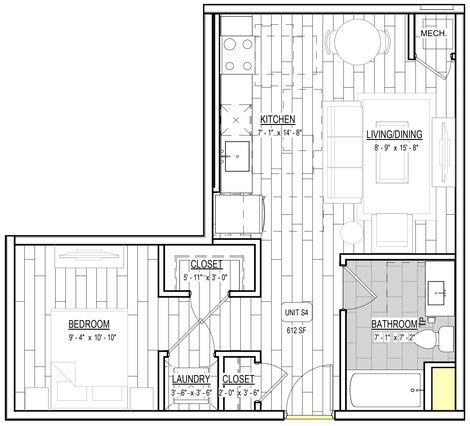
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	NEW CONSTRUCTION

FLOOR PLAN SHEET NOTES

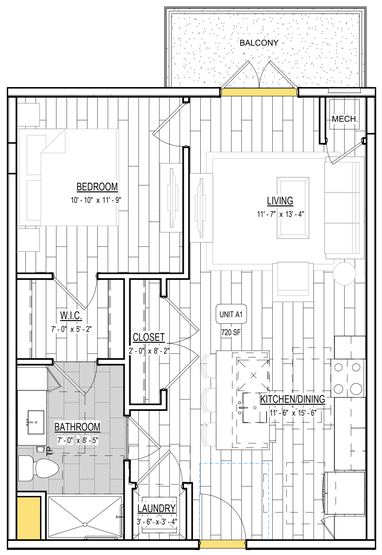
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VERIFY IMEP AND/OR USE REMOVE NOTE WHEN VERIFIED

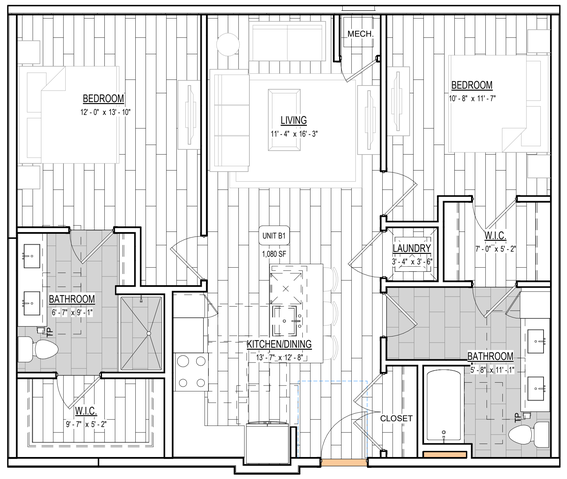
KEYNOTE LEGEND



1 UNIT S4 - FLOOR PLAN
1/4" = 1'-0"



2 UNIT A1 - FLOOR PLAN
1/4" = 1'-0"



3 UNIT B1 - FLOOR PLAN
1/4" = 1'-0"

N

REFERENCE SCALE
1" = 1'
2"
1"
0 1/4" 1/2"

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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

REVISION SCHEDULE

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REVIEWED BY	Checker
ORIGINAL ISSUE DATE	MM/DD/YY
CLIENT PROJECT NO.	

TITLE

UNIT PLANS

SHEET

A5-52

WALL LEGEND

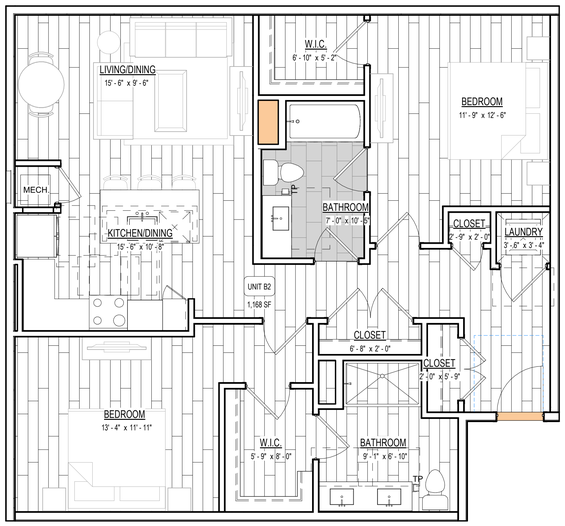
	EXISTING CONSTRUCTION TO REMAIN
	NEW CONSTRUCTION

FLOOR PLAN SHEET NOTES

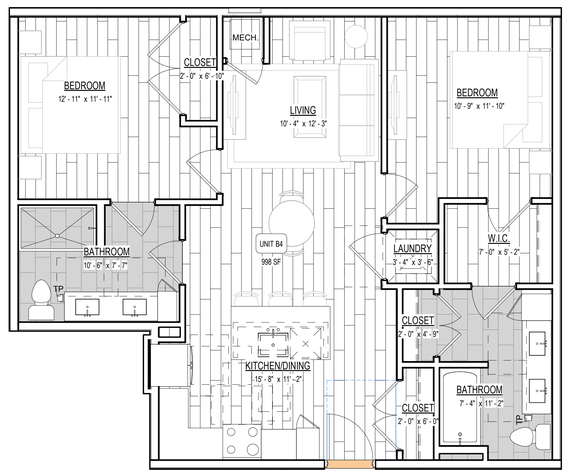
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KEYNOTE LEGEND

VERIFY IMPACT AND/OR USE REMOVE NOTE WHEN VERIFIED



1 UNIT B2 - FLOOR PLAN
1/4" = 1'-0"



2 UNIT B4 - FLOOR PLAN
1/4" = 1'-0"

REFERENCE SCALE
1" = 1'
0 1/4" 1/2" 1"

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PROJECT

FRONT STREET REDEVELOPMENT

MANKATO MINNESOTA

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CLIENT PROJECT NO.	

TITLE

UNIT PLANS

SHEET

A5-53

EXHIBIT D

Names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership.

****SUPPLY DIRECTLY TO BAKER TILLY****

Please see Shareholder Info Exhibit (provided under separate cover to Baker Tilly).

EXHIBIT E
SOURCES AND USES WITH/WITHOUT FINANCIAL ASSISTANCE

Front Street Plaza, LLC

100 Warren Street, Ste 317, Mankato, MN 56001

Sources & Uses without TIF:

Investment Details		
	Total	PSF
Acquisition Cost	$5,095,000	$21.65
Hard Costs	$58,567,146	$248.92
Soft Costs	$14,251,306	$60.57
Total Investment	**$77,913,452**	**$331.14**

Funding Sources		
	Total	%
Equity	$24,170,178	31%
Mezzanine Debt	$0	0%
Senior Debt	$53,743,274	69%
Total Investment	**$77,913,452**	**100%**

Senior Debt Overview	
Interest Rate	6.00%
Amortization	30 Years
Lending Institution	TBD
Rate Index	SOFR

Financial Metrics	
Leverage IRR	11.68%
Equity Multiple	2.61
Annualized Project Cash Return	13.99%
Stabilized Net Operating Income	$4,079,309
Average Unleveraged Cash on Cash Return	5.84%
Stabilized Debt Service Coverage Ratio	1.26
Post Refinance DSCR	1.23
Average Stabilized Debt Yield	8.47%

Sources & Uses with TIF

Investment Details		
	Total	PSF
Acquisition Cost	$5,095,000	$21.65
Hard Costs	$58,567,146	$248.92
Soft Costs	$13,993,742	$59.48
Total Investment	**$77,655,889**	**$330.05**

Funding Sources		
	Total	%
Equity	$20,073,809	26%
Mezzanine Debt	$0	0%
Senior Debt	$57,582,080	74%
Total Investment	**$77,655,889**	**100%**

Senior Debt Overview	
Interest Rate	6.00%
Amortization	30 Years
Lending Institution	TBD
Rate Index	SOFR

Financial Metrics	
Leverage IRR	16.58%
Equity Multiple	3.42
Annualized Project Cash Return	21.00%
Stabilized Net Operating Income	$4,657,411
Average Unleveraged Cash on Cash Return	6.59%
Stabilized Debt Service Coverage Ratio	1.26
Post Refinance DSCR	1.24
Average Stabilized Debt Yield	8.89%

EXHIBIT F
Prospective Lessees

****SUPPLY DIRECTLY TO BAKER TILLY IF PRIVATE INFORMATION****

N/A

Front Street Plaza, LLC

100 Warren Street, Ste 317, Mankato, MN 56001

June 22, 2026

Courtney Kramlinger, AICP
Economic Development Coordinator
City of Mankato
10 Civic Center Plaza
Mankato, MN 56001
ckramlinger@mankatomn.gov

RE: TIF Application – Letter of Commitment

Front Street Plaza, LLC is proposing to redevelop an existing blighted city block consisting of multiple properties bounded by Riverfront Drive, Warren Street, S. Front Street and Liberty Street. More specifically, the property addresses are known as 602, 624, 628, 630 and 634 S. Front Street and 112 Liberty Street situated in Downtown Mankato.

This is a proposed mixed-use development that includes a 5-story multi-family apartment complex with an estimated 165 units of varying sizes ranging from approximately 540 sq/ft to 1088 sq. ft consisting of studios, one-bedroom and two-bedrooms. The apartment complex is situated above multiple ground floor retail spaces located along the S. Front Street block enhancing the walkability and cultural design in the central and fringe business districts. On the opposite corner of the block is proposed to be a 5-story office complex consisting of approximately 34,000 sqft with a minimum of 250 parking stalls (expandable to 286) on a multi-level ramp situated in the middle of the block for easy ingress/egress on both the North and South sides of Warren and Liberty Streets.

The development is designed to be a complementary and integrated mixed-use development that enhances livability in the downtown district. Apartment tenants will share common amenities including a pet park on the roof of the retail platform, fitness center, multiple lounge spaces, a rooftop terrace, a European bistro lobby integrated with the Coffee House, storage units, secure bicycle rack space and designated move-in-out access, among others. The apartment lobby will be integrated with a Coffee House and/or corner restaurant, while a national grocer is proposed on the South corner, all culminating to provide a new style of living for Greater Mankato. The design will “blend” with the current structural designs in this area, while creating a level-up effect intended to catalyze ongoing redevelopment in the downtown consistent with the recently completed regional plan (Transforming Tomorrow Together) and various downtown city plans.

The oldest buildings on the block were constructed in the late 1800s and early 1900s and are currently experiencing structural and deferred maintenance issues. This resulted in a substandard classification and ultimately a decision to purchase all buildings on the block to achieve a highest and best use development plan. The block will provide ample parking with a multi-level public parking ramp that will effectively meet the shared parking requirements during the day and nighttime hours for the proposed mixed uses. The public parking is integral to the project and downtown walkability with a cost of approximately $35,000 per stall.

With consideration for an approved TIF District and Development Agreement for the proposed project, and various committed funding sources identified by a bank LOI, Front Street Plaza, LLC has the capability to fund the construction associated with the proposed project cost of approximately $77,000,000.

Anticipating creation of the required TIF District and associated TIF funding approval, Front Street Plaza, LLC commits to constructing the proposed project on the described redevelopment property in substantial conformance with the construction plans, Certificate of Design Compliance, and related approvals in collaboration with the City.

Front Street Plaza, LLC will obtain, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

Further, Front Street Plaza, LLC will construct, operate and maintain, or cause to be operated and maintained, the Project substantially in accordance with applicable City approvals and agreements, and all local, State, and federal laws and regulations including, but not limited to zoning, building code, public health laws and regulations, except for approved variances that may be necessary to construct the project contemplated in the construction plans approved by the City.

Subject to the terms and conditions of the proposed TIF Agreement and to unavoidable delays, Front Street Plaza, LLC intends to commence construction of the project in approximately October 2026 and substantially complete the project consistent with the proposed development district, Tax Increment Plan, and approved construction plans in approximately June 2028.

On behalf of Front Street Plaza, LLC, and its Board of Governors, we thank you for your support of this project. We look forward to a continued partnership revitalizing the core downtown district in this next development phase.

Respectfully,

Bryan G. Sowers

Bryan G. Sowers,
President,
Front Street Plaza, LLC
100 Warren Street, Ste 317
Mankato, MN 56001

AGENDA RECOMMENDATION

Economic Development Authority **4. B.**

Meeting Date: 11/09/2026

Agenda Item:

Resolution approving the Payment Standards for rural counties within our jurisdiction.

Recommendation/Action(s):

Adoption of the attached resolution.

Summary:

The Housing Choice Voucher (HCV) Program regulations recognize that some flexibility is necessary to allow the EDA to adapt the program to local housing market conditions. The payment standard establishes the maximum monthly subsidy a family may receive from the EDA for a particular unit size.

Payment standards are based on Fair Market Rents (FMRs) published annually by HUD. FMRs are established based on rents for standard-quality rental housing in each FMR area and are set at the 40th percentile of rents in the market.

The EDA establishes payment standards within HUD's approved basic range of 90 to 110 percent of the published FMR for each unit size. The payment standards for rural counties were delayed as we awaited shortfall funding reviews to ensure there would be no negative impact on Housing Assistance Payments as we adjust standards. The rural counties have been reviewed and adjusted to remain within the basic range of 90-110 percent of published FMRs. The Payment Standards are being recommended, providing the same standard across the rural counties except for Sibley County for the 4-5BR, which requires an increase to be within the allowable range of 90 percent.

The EDA reviews the appropriateness of its payment standards annually when new FMRs are published and at other times as necessary. In addition to ensuring that payment standards remain within HUD's basic range, the EDA considers the following factors when determining whether adjustments are warranted:

- Funding Availability: The EDA reviewed the program budget to determine the projected impact of payment standard adjustments on available funding and the number of families that can be served. Rural counties have been adjusted both up and down, yet within the HUD-approved basic range, to align under a common payment standard.
- Rent Burden of Participating Families: The EDA reviewed the percentage of participating families paying more than 30 percent of their adjusted monthly income toward their portion of rent. The EDA considers increasing payment standards when 40 percent or more of families within a particular unit size are paying more than 30 percent of adjusted income.

- Quality of Units Selected: The EDA reviewed the quality and location of units selected by participating families to determine whether payment standards are sufficient to reach the mid-range of the rental market. Staff conduct rent-reasonableness determinations at lease-up, encourage leasing in areas outside low-income census tracts, and monitor rental rates through regular housing studies.
- Changes in Rent to Owners: The EDA reviews a sample of assisted units to monitor changes in owner rents by bedroom size. Staff are not seeing decreases in rents, and rental rates were assessed with anticipated increases of approximately 5-10 percent.
- Unit Availability: The EDA reviews the availability of rental units by bedroom size, with particular attention to areas with lower concentrations of poverty and minority households.
- Lease-Up Time and Success Rate: The EDA considers the percentage of families unable to locate suitable housing before their vouchers expire and whether families are leaving the jurisdiction to find affordable housing. Households are currently taking approximately two months to secure housing, which is consistent with the anticipated timeframe for voucher participation.

Effective Date

Changes to payment standard amounts are generally effective December 1 of each year. However, if proposed FMRs indicate that one or more current payment standards may fall outside HUD's basic range when final FMRs are published, the revised payment standards become effective October 1 instead. The revised standards will be effective December 1, 2026, except for the 4–5 bedroom standards in Sibley County, which are effective October 1, 2026, to maintain compliance with HUD requirements.

Board Action

The Board is asked to approve, by resolution, the revised Payment Standards.

Attachments

Resolution

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

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

WHEREAS, the Mankato Economic Development Authority has entered an Annual Contributions Contract to provide Section 8 Housing Choice benefits to PIPESTONE, ROCK, SIBLEY, WASECA, and WATONWAN COUNTY residents; and

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

NOW, THEREFORE, BE IT RESOLVED that the Mankato Economic Development Authority adopts the proposed Payment Standards effective December 1, 2026, except for 4-5BRs in Sibley County that are effective October 1, 2026.

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

Adopted this 9th day of November 2026.

_____

Najwa Massad, Board Chair

ATTEST:

_____

Susan MH Arntz, Executive Director

EXHIBIT A

PIPESTONE, ROCK, WASECA, WATONWAN COUNTY PAYMENT STANDARDS

Effective: 12/1/2026

Bedroom Size	FMR				New Standard	Increase
	Pipestone	Rock	Waseca, Watonwan			
Efficiency	$706	$770	$717	$706	$738	96-105%
1 Bedroom	$775	$775	$787	$842	$814	97-105%
2 Bedroom	$1014	$1014	$1030	$1014	$1067	104-105%
3 Bedroom	$1209	$1404	$1349	$1261	$1320	94- 109%
4 Bedroom	$1488	$1501	$1354	$1333	$1422	95-107%
5 Bedroom	$1711	$1726	$1557	$1533	$1553	90-101%

Sibley County Payment Standards

Effective: 12/1/2026

Bedroom Size	Old Standard	FMR	New Standard	Increase
Efficiency	$704	$706	$738	105%
1 Bedroom	$779	$775	$814	105%
2 Bedroom	$1024	$1014	$1067	105%
3 Bedroom	$1363	$1404	$1320	94%
4 Bedroom	$1369	$1695	**$1526**	90%
5 Bedroom	$1575	$1949	**$1754**	90%