



Date: June 23, 2026, revised July 6, 2026, revised July 28, 2026

To: Molly Westman, Planning Coordinator, City of Mankato

From: Jen Theneman, Director of Real Estate and Community Initiatives, SWMHP

Re: Good Counsel Planned Unit Development #2 Submission

This request from Southwest Minnesota Housing Partnership (SWMHP) to the City is to request PUD #2 to include Scheid Hall residential use and to gain approval of a revised parking plan to accommodate the full parking requirements of the approved uses from PUD #1. The city reviewed and deemed the first submission incomplete, therefore a response memo providing additional information per the city's request is included as an attachment to this memo.

On May 11, 2026, SWMHP received approval for a PUD, CUP, and Preliminary/Final Plat to reuse the existing buildings for a variety of uses for the Good Counsel Hill property. As part of the contingencies of approval from the City, the approving resolution clearly excluded Scheid Hall residential uses and limited the use of the property to the extent that parking compliant with city code could be achieved. Also, the approving resolution limited off-site parking allowances to 10 Chapel-only events per year. Over the past month, SWMHP has been working tirelessly to prepare the appropriate documents for meeting the contingencies of approval of PUD #1 land use applications, as well as preparing stormwater plans, building plans and permit sets for the development of additional parking and full re-use of Theresa, Isidore, and Scheid Halls. Additionally, SWMHP has been having discussions with potential tenants and partners for the eventual occupancy of the space. **Therefore, a second request is being made to add Scheid Hall and expand the parking lot and stormwater management areas. Additionally, there are small edits to the uses outlined in phase 1 to clarify square footages, locations, and occupancies.**

It should be noted that the re-use of this property is iterative, and that sizes, uses, and locations are subject to change in future submittals. As tenants are identified, solidified, and finalized, minor adjustments will be anticipated.

Specifically, the amendment request is to allow:

- 1) A total of 239 parking spots to be constructed, and associated stormwater management infrastructure. SWMHP is requesting that this number be approved to

be adequate to support the uses in the original PUD approval (with minor amendments as outlined below)

2) The residential re-use of Scheid Hall for 5 residential units

Parking Request

A total of 239 parking spots, and associated stormwater management infrastructure are planned to be constructed as part of the adaptive re-use projects associated with the original PUD approval. SWMHP is requesting that this number be approved to be adequate to support the following uses:

- 58 residential units in Isidore and Theresa Halls (same as previous PUD)
- Up to 5 residential units in Scheid Hall
- 4,000 square feet of office use (reduction in amount from previous PUD)
- 2,000 square feet of accessory office spaces
- A 400-seat chapel/event space (for unlimited events)
- Up to 400-seat conferencing/gathering areas in Theresa (lower and first floor - not to be used at the same time as the chapel)
- A 5-bed commercially-leased area in Theresa Hall previously designated as guest suites.

Providing parking on this site is inordinately difficult and has consumed the majority of thought, planning, and discussion about the re-use of this beautiful, historic community asset. There are four competing factors at play. The first factor is the city code. The second factor is the historic preservation requirements and guidelines governing the Historic Designation leading to the use of Historic Tax Credits, the primary financing source for several of the projects to maintain the integrity and condition of the complex. The third factor is the business need for parking on the site. And finally, the environmental attributes, including the sensitive bluff areas and the woodland along the bluff, both which limit the location and amount of parking and stormwater infrastructure that can be built. SWMHP is working to balance these competing interests and develop a reasonable, adequate parking plan that honors city code, environmental stewardship, and the historic nature of the site without under-building or over-building parking.

In order to meet the stormwater management requirements associated with the additional parking proposed, SWMHP has worked with its engineers to develop a stormwater management plan that accommodates a large underground storage pond to the east of the existing Scheid Hall, a smaller underground storage pond on the southwest side of the building, which will collect the runoff from the majority of the paved areas. This is an adjustment necessitated by historic design standards and to minimize disruption to the existing environmental landscape. These areas were carefully selected to minimize impact of the historic turnaround and lawn areas (in order to satisfy National Park Service and State Historic Preservation Office's requirements to minimize impact and honor historic significant features of the property). While tree removal will be required to accommodate these areas, the bluff and woodland conservation easement will not be impacted.

- 1) City Code. It is difficult to determine the total number of parking stalls required for this project for the following reasons:
 - a. The assembly use functions more like a religious use design as the historic use, but is no longer “church” parking standards. Because there is more assembly space on site than will be used at once (at the same time), it is difficult to calculate the parking code requirements. SWMHP is requesting the city approve flexibility from city code regarding event parking and proposes to meet that demand through event coordination and provision of shuttle services to off site parking facilities as needed for larger events.
 - b. Regarding commercial use of the 5 guest suites, there is no provision in city code for a care initiative that utilizes a non-medication administration model. The tenants are not planning medical healthcare, assisted living or hospice. Their intent is more closely considered master leasing of rooms for the short-term stay of a client who has chosen to live out their days with companion-assistance for comfort, food and bathing, rather than in a clinical or home setting. For more information on their model of care, see the document titled Threshold Home.
 - c. Based on SWMHP’s evaluation, as outlined below, a total of 239 parking spaces are needed for the above uses.

A full parking calculations chart is included as an attachment to this re-submittal.

- 2) Historic Preservation Requirements. The project is applying for Historic Designation, which will lead to the future ability to use Federal and Minnesota State Historic Tax Credits (HTCs). This is vital to the sustainability and preservation of a regional asset and to steward the historic impact of this campus and its previous owners in the Mankato area. Additionally, without the HTC’s, we would need to delay reuse for future years, thereby reducing the impact of critical housing solutions for the community. In pursuing Historic Designation, SWMHP has contracted with New History, who has supported the completion of a National Park Service (NPS-the ultimate grantor of designation for the National Historic Register) Part 1 application. Consequently, all work, including site work, is subject to review and approval by the State Historic Preservation Office (SHPO) and the National Park Service (NPS). All site work must meet the [Secretary of the Interior's Standards for Rehabilitation](#) (the "Standards"). To meet the Standards, SHPO and NPS expect sensitive site and landscaping improvements that retain the historic property's significant features. For the site, their desire is to maintain or recreate soft-to-hardscape ratio, (former agricultural) green areas, existing trees and vegetation, and unique

features such as statues, the historic turnaround/loop on the western portion of the grounds near Isidore Hall, and the green lawn in front of Theresa Hall.

During an in-person meeting on May 26, the applicant presented a site plan to SHPO reflecting the significant landscaping changes required to meet City Code parking requirements. SHPO stated that the planned improvements to meet City Code would not be approved by SHPO/NPS due to their significant impact and alteration on the historic site's character (i.e., the incremental loss of green space). Therefore, the revised plans we submit with this application attempt to accommodate the desires of SHPO, meet City requirements, while minimizing the impact to the environment.

3) Business Needs.

- a. The market need for parking is an important consideration for the housing, assembly and office uses. This includes both number of stalls and location of these stalls (as close to the building and its entrances as possible). Furthermore, the residential tenants have certain expectations and needs related to parking that run alongside, but not always in coordination with, the needs of office and assembly/event attendees. Each of these sub-populations have different needs, expectations, and behavior regarding parking.
- b. Over the past 3 months, interest in booking events on the property has been high. Demand for concerts, weddings, conferences, meetings, and performances is larger than expected, therefore SWMHP is requesting to accommodate unlimited events (with provision of a shuttle to off-site parking as the guest counts dictate) with the proposal. SWMHP views this as an interim solution. It is the expressed intent of SWMHP to eventually provide parking for all events on the hill through additional parking lots or the future possibility of a shared parking agreement with the neighboring property. Greater Mankato Growth Business After Hours was hosted in the Chapel recently, and accommodations to ensure parking did not exceed capacity included notice to attendees to carpool, signage, parking attendants and a shuttle van to the privately owned parcel to the north of Loyola Catholic School's parcels. Additionally, the President of Loyola Catholic Schools offered their parking lots as overflow for the event. With attendees coming and going at various times, the overflow parking was not needed. The applicant has mechanisms in place, which have been tested with two sizable events which have flowed smoothly without incident. Additional off-site property owners are willing to sign a memorandum of understanding to allow for parking of vehicles to use in conjunction with shuttling.

4) Environmental Constraints.

- a. This property offers gorgeous vistas, topography, and woodlands. As discussed at the last Council meeting, many community members,

including Tourtellotte and Loyola neighbors enjoy the beauty of the hill. It is the desire of all stakeholders to preserve and enhance the beauty and enjoyment of this space. Given the existing buildings' proximity to the bluff, adding parking in a convenient and sensible location becomes challenging.

- b. SWMHP wishes to balance environmental impacts with City requirements, while maintaining historic significance and cost-conscious initiatives in order to keep housing and other uses reasonably priced for community benefit.

Based on balancing all these factors, SWMHP is proposing a total of 239 stalls located on the included site plan. SWMHP specifically requests that this parking plan be approved to satisfy the parking needs of the above uses, with the addition of allowances/requirements for shuttles for unlimited large events (over 100 people attending). **If this request cannot be accommodated, SWMHP asks that the City put a denial of the parking plan/allowance request in the resolution to be submitted with the SHPO Part 2 Historic Review application. SWMHP must show that efforts are being made to minimize historic and environmental impact through a PUD for parking as proposed in order to move forward in SHPO review.**

Scheid Hall Request

We request evaluation for the residential re-use of Scheid Hall for 5 residential units. At the time of PUD approval, the plans for Scheid Hall were not finalized. SWMHP has finalized building permit layouts for Scheid Hall and therefore, seeks to include the use of the building for residential apartments in this amendment. The plans are included for reference and the number of units is reflected in the parking calculation.

SWMHP is asking for PUD #2 to include Scheid Hall residential units in PUD approval.

Next Steps/Schedule

SWMHP is eager to finalize tenant finish/remodel plans for the first phase of this adaptive re-use, which includes:

- 1) Re-model/re-use of Scheid Hall for 5 rental units;
- 2) Isidore Hall West (original building) for 16 rental units and 3,000 sq. ft of leased office (to be used by SWMHP's offices and another Mankato-based non-profits);
- 3) Isidore Hall East for 11 rental units, and 500 square feet of office space;
- 4) Theresa Hall for use of the Chapel and conferencing/gathering space for assembly/events (unlimited), and 26 rental units, 5 commercially leased residential spaces (previously guest suites), and 1,000 sq ft of leased office space (to be used by a local non-profit and housing property management);
- 5) SWMHP desires to start construction on the residential component of the project July/August 2026, for occupancy by the end of 2026.

Future Requests

SWMHP intends to submit PUD#3 and IO amendment for the tenant finish and occupancy of Notre Dame Hall as an assisted living community (same as historic use) by September of 2026 for occupancy Spring of 2027. The partnership with local provider, Oak Terrace Senior Communities, was recently announced with favorable reaction and inquiries to be added to their waiting list have already been received.

SWMHP intends to submit PUD #4 for the remodel/re-use St. Joseph's Hall for approximately 50 rental units. In addition to a future request for local housing vouchers, applications for future funding to accomplish this complex task are intended to be submitted throughout 2027. Applicant is also having conversations about green building and sustainability considerations to employ in this renovation. If successful, construction could start in early 2028 for a Fall 2028 occupancy.

In Summary

SWMHP remains extremely excited about the potential of the reuse of the Good Counsel campus. Diligent pursuit of partners, financing, and the development of plans that find a balance between environmental and historic preservation, while at the same time meeting the desires of the city and the needs of the future residents, guests, and office occupants, are constantly top of mind. SWMHP feels confident this plan meets that balance, and that updated iterations and opportunities will necessitate amendments and innovations in the future. Our desire is to honor the legacy vision of this beautiful campus, therefore SWMHP is seeking alternative storm water designs (underground storage) to minimize the impact on existing green space and trees on top of the hill. The future of this campus is impactful for City of Mankato economic development, preservation of important history, and significantly impacts the City's number one strategic priority: housing. This project provides a place for workforce, individuals, families, seniors, small business, nonprofits and more, a safe place to call home.

We appreciate the collaboration with City Staff, Planning Commission and City Council to date, and invite all parties to recognize the uniqueness of the opportunities before us, and create successful outcomes for city policy, historic preservation and the community we all serve. We will be hosting the Blue Earth County Commissioners for a tour in September, and invite Staff and Council to visit this complex site to share ideas and better understand the vision for the future adaptive reuse.