

**NORTH  
MANKATO**   
**MINNESOTA**  
OFFICE OF CITY ATTORNEY

MICHAEL H. KENNEDY  
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REPLY TO:  
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MANKATO, MN 56001  
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May 24, 2023

Scott Carlson, Mayor  
Councilmembers  
City of North Mankato  
1001 Belgrade Avenue  
North Mankato MN 56003

Re: Marijuana Law

Dear Mayor Carlson and Councilmembers:

On the agenda of the June 5, 2023 council work session will be how the new Minnesota marijuana law will effect North Mankato. I believe that both Chief Gullickson and I will be there to aid in this discussion. The purpose of this letter/memorandum is to provide some background for that discussion.

The new law is set to take effect on August 1, 2023 for the legalization. The initial issue will be how the statute will be enforced in first 12 to 18 months. The legislation creates an Office of Cannabis Management which will be the entity that has regulatory authority over the cannabis and hemp consumer industry. The legislation limits local control. It will take some time for the office to become fully functional. The statute creates the Office as of July 1, 2023. Most of the regulatory and licensing functions are reserved to the Office of Cannabis Management. They will accept the applications and fees.

The new law makes is legal for an individual 21 years of age or older to:

- 1) Use, possess, or transport cannabis paraphernalia
- 2) Possess two ounces or less of the adult-use cannabis flower in a public place
- 3) Possess up to two pound in their own residence
- 4) Possess or transport eight grams or less of adult use cannabis concentrate
- 5) Possess lower potency hem edibles
- 6) Give to another for no remuneration 2 ounces or less of the cannabis flower or eight grams of the cannabis concentrate

The law will continue to make it illegal for a person under the age of twenty-one (21) to possess marijuana or its concentrate; to use the product in a motor vehicle; to smoke the product where smoking is prohibited; operate a motor vehicle under the influence of the product; and to give the product away. It is possible that a person under twenty-one (21) would be able to possess



marijuana if it is medically prescribed. Sales outside the provisions of the statute are still prohibited and subject to criminal penalties.

The statute limits local control. A local unit of government may not prohibit the possession, transportation or use of the cannabis flower, cannabis products, lower-potency hemp edibles or hemp-derived products. A local unit of government may not prohibit the establishment or operation of a cannabis business licensed under this chapter.

Local units of government may impose reasonable restriction on the time, place and manner of the operation of the cannabis business provided that the restrictions do not effectively prohibit the establishment of the cannabis business. Local government are also specifically authorized to prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day-care, school, park or recreations facility regularly used by minors. Local government units cannot license these businesses but we can require that they register. We are required to allow no less than one per 12,500 residents. This is a floor, we can offer more but not less.

Even though the legislation limits the amount of oversight that the City can provide it does require that the City perform compliance checks. This would be similar to compliance checks for tobacco or alcohol.

The hours of operation of the businesses will be similar to those businesses with alcohol licenses. The city is able to adopt an ordinance that prohibits the sale for any period from 9:00 p.m. to 2:00 a.m. to the following day at a time between 8:00 a.m. And 10:00 a.m.

City of Mankato The City of Mankato has approved a moratorium that may last up to a year. The purpose of the moratorium was stated to give officials time to craft local regulations. It is meant to allow them time to investigate the issue. This will also allow for them to review proposed what other cities do and the sample ordinances to be prepared by the Office for Marijuana Management and the League of Minnesota Cities.

Current North Mankato Ordinance. The legislation over-rides most if not all o of the provisions of the recently passed ordinance. The City is no longer allowed to require a license and the licensing function will be taken over by the State for all cannabinoid products. While the city does not have to repeal the ordinance, we are not able to enforce its provisions.

There are a number of issues that this leaves open. Marijuana remains illegal on the Federal level. This will cause issues regarding banking and means that these businesses are heavily cash intensive. It also have repercussions in regards to housing including Section 8.

Sincerely,



Christopher M. Kennedy  
North Mankato City Attorney

Cc: Kevin McCann, City Administrator  
Ross Gullickson, Chief of Police  
April Van Genderen, City Clerk

Caswell Park Improvements - Phase 2 - copied @ 05|23|2023 10:33 AM

**AT A GLANCE**

**2024 Request Amount:** \$12,750

**Priority Ranking:** 1

**Project Summary:** \$12.75 million in state funds is requested to complete Phase 2 of the Caswell Park Improvements consisting of expanding Caswell Park’s local, regional, and statewide benefit by constructing, furnishing, and equipping an indoor field house. The project will be located on property owned by the City of North Mankato immediately adjacent to Caswell Park.

**Project Description**

Total project cost is \$25.5 million dollars. Local revenue available for the project is \$12.5 million dollars generated from future GO Bonds and Sales Tax Bonds tied to existing sales and use tax extended by voters in 2016 and approved by the Legislature in 2018. The remaining \$12.5 million dollars needed for the project is requested to come from a state of Minnesota bonding appropriation.

\$2.0 million dollars was approved by the Legislature in the fall of 2020 to complete Phase 1 consisting of upgrades to the existing Caswell Regional Sporting Complex (concession upgrades, restroom upgrades, parking lot addition, replace fencing, replace field lights, replace scoreboards, perform necessary site work, increase size of four fields to 300 feet, install knee wall and backstop nettings, provide additional spectator seating, replace the public announcement system, add gateway signage, and install turf field at Caswell North soccer complex. The softball portion of Caswell Park is located on a 27 acre parcel (1,176,120 square feet of which 4,000 square feet is concessions).

\$25.5 million dollars will be used to construct a 108,000 square foot indoor field house. The field house will include four full sized basketball courts and six tennis courts. The basketball portion of the facility can be converted into eight youth sized basketball courts or eight full sized volleyball courts. The tennis courts can be converted into 12 pickle ball courts. Associated support space is included in the 108,000 square feet such as concessions, restrooms, meeting space, and storage.

More information can be found at <https://www.caswellsports.com/bondingrequest>

**Project Rationale**

1. Responds to regional planning efforts
2. Partners with an existing statewide asset
3. Business leaders demanding more amenities
4. Local youth sporting demand & partnership with Minnesota State University,
5. Positions Mankato/ North Mankato region for future prosperity

The Caswell Regional Sporting Complex bonding request is the product of nearly a decade’s worth of

regional discussion about recreational needs in the Mankato/North Mankato Metropolitan Statistical Area, successful extension of an existing sales and use tax, and coordinated regional planning. At least three independent feasibility studies have been completed addressing the need for indoor recreational/court space in the area, including one by the Minnesota Amateur Sports Commission. All agree sufficient demand exists for construction of a fieldhouse in an area of the state underserved by this type of asset. The indoor fieldhouse is a critical piece of a constellation of recreational investments in the Mankato/North Mankato area aimed at strengthening south central Minnesota for future economic and livability success.

Conversations with business leaders in the community continue to include reports of difficulties attracting workers of all professional levels to the Mankato/North Mankato Metropolitan Statistical Area due to a lack of indoor amenities like the proposed fieldhouse. As a result, business leaders are demanding these types of investments as a way to attract talent that will help them continue to sustain and grow their companies in the area. The fieldhouse expansion will increase the regional economic impact of Caswell by increasing the number of months the park operates from six to twelve with the addition of indoor winter sports like basketball, volleyball, tennis, and pickleball. In the Mankato/North Mankato area a need exists for additional events hosted in the winter to draw visitors to the area, fill hotels, and provide customers to entertainment oriented businesses. The fieldhouse expansion at Caswell will also address these needs.

Lack of space and available time is continually mentioned by sporting groups looking to invest in local athletes and grow their programs. This lack of space limits regular practice times, performance training, and the ability to host regional tournaments. Numerous examples of citizens traveling into the Twin Cities Metro Area with children to participate in sporting leagues can be offered as a result of the lack of these amenities. The constraints mentioned above induced the area basketball, volleyball, and tennis groups to sign letters of intent with specific hours and rates to locate to the proposed facility. These letters of intent include larger regional institutions like Minnesota State University Mankato's tennis team and Bethany Lutheran College's tennis team. As a result, the Caswell Sports Regional Bonding Request not only assists local programs, but also guarantees partnership between the community and higher education institutions by co-locating uses in the same facilities. Therefore, it is a terrific example of partnership between the state and local entities.

Awarding the \$12.5 million dollars in state bonding appropriations responds to regional planning efforts, invests in a time proven existing statewide asset, addresses the demands of business leaders, resolves inequities in access to youth sporting facilities based on geography, and provides an asset that will be leveraged for decades for the prosperity of the region. It can also address an equity issue by considering the average household income in the Mankato/North Mankato area is lower than other areas of the state.

### **Project Timeline**

Predesign/Engineering - Completed as part of Phase 1

Proposed Bid Date - 90 days from receiving bonding appropriation in 2024

Construction Start - Fall 2024

Construction Completion - Fall 2025

Opening Day - Fall 2025

### **Other Considerations**

The Caswell Regional Sporting Complex bonding request answers each and every call Governor Walz made to Minnesotans. The request provides opportunities for youth and adults in the region, invests in a time proven state asset requiring enhancements to continue meeting the expectations of its visitors, and partners with an entire region seeking to secure its future prosperity by creating amenities that will attract workers and residents to Minnesota. The Caswell Regional Sporting Complex request is not simply a youth sporting facility, it is a critical piece to ensuring the Mankato/North Mankato MSA continues to prosper and eliminates barriers to that success linked to geography

The Caswell Regional Sporting Complex was in the governor's bonding bill for both 2022 and 2023. As a statewide regional asset, continued investment in Caswell Park secures additional support to a wide variety of business institutions and enhances a Minnesota jewel.

### **Impact on State Operating Subsidies**

None.

### **Who will own the facility?**

City of North Mankato

### **Who will operate the facility?**

City of North Mankato

### **Who will use or occupy the facility?**

General public, local youth athletic teams, area public schools, in-state visiting teams, out of state visiting teams, international visiting teams, Minnesota Attack Volleyball Club, Minnesota Rise AAU basketball, the Mankato Area Basketball Association, the Mankato Area Tennis Association, Minnesota State University Mankato Tennis Team, Bethany Lutheran College Tennis Team, Caswell Regional Sporting Complex staff, other local groups.

### **Public Purpose**

See "other considerations" response. To promote the economic and social benefits of sports and sports tourism.

### **Description of Previous Appropriations**

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### **Project Contact Person**

Kevin McCann  
City Administrator

507-625-4141  
kmccann@northmankato.com

(\$ in thousands)

Caswell Park Improvements - Phase 2 - copied @ 05|23|2023 10:33 AM

**PROJECT FUNDING SOURCES**

| Funding Source                                | Prior Years | FY 2024         | FY 2026    | FY 2028    |
|---|-------------|-----------------|------------|------------|
| <b>State Funds Appropriated and Requested</b> |             |                 |            |            |
| General Obligation Bonds                      | \$0         | \$12,750        | \$0        | \$0        |
| <b>State Funds Pending</b>                    |             |                 |            |            |
| <b>Non-State Funds Already Committed</b>      |             |                 |            |            |
| City Funds                                    | \$0         | \$12,750        | \$0        | \$0        |
| <b>Non-State Funds Pending</b>                |             |                 |            |            |
| <b>TOTAL</b>                                  | <b>\$0</b>  | <b>\$25,500</b> | <b>\$0</b> | <b>\$0</b> |

**TOTAL PROJECT COSTS**

| Cost Category            | Prior Years | FY 2024         | FY 2026    | FY 2028    |
|--------------------------|-------------|-----------------|------------|------------|
| Property Acquisition     | \$0         | \$0             | \$0        | \$0        |
| Predesign Fees           | \$0         | \$0             | \$0        | \$0        |
| Design Fees              | \$0         | \$110           | \$0        | \$0        |
| Project Management       | \$0         | \$60            | \$0        | \$0        |
| Construction             | \$0         | \$25,000        | \$0        | \$0        |
| Relocation Expenses      | \$0         | \$0             | \$0        | \$0        |
| One Percent for Art      | \$0         | \$0             | \$0        | \$0        |
| Occupancy Costs          | \$0         | \$330           | \$0        | \$0        |
| Inflationary Adjustment* | \$0         | \$0             | \$0        | \$0        |
| <b>TOTAL</b>             | <b>\$0</b>  | <b>\$25,500</b> | <b>\$0</b> | <b>\$0</b> |

\*Inflation is already included in project costs.

**STATUTORY REQUIREMENTS**

|  |    |
|--|----|
| <b>The following requirements will apply to projects after adoption of the bonding bill.</b> |    |
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?                  | No |
| <b>Predesign Review (M.S. 16B.335 subd. 3):</b>  |    |
| Does this request include funding for predesign?   | No |
| Has the predesign been submitted to the Department of Administration?                        | No |



**STATUTORY REQUIREMENTS**

| <b>The following requirements will apply to projects after adoption of the bonding bill.</b>  |     |
|---|-----|
| Has the predesign been approved by the Department of Administration?  | No  |
| <b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>   | Yes |
| <b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>                       | Yes |
| <b>Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?</b>   | Yes |
| <b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>  | Yes |
| <b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>   | No  |
| <b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>   | Yes |
| <b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>   | Yes |
| <b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?</b>   | Yes |
| <b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>  | Yes |
| <b>M.S. 473.4485: Guideway Project</b>  |     |
| Is this a Guideway Project?   | No  |
| Is the required information included in this request?   | N/A |
| <b>Has the governing body of the political subdivision passed a resolution of support, which indicates this project's priority number if the applicant is submitting multiple requests?</b> | Yes |

RESOLUTION ESTABLISHING THE 2024 BONDING REQUEST  
OF THE NORTH MANKATO CITY COUNCIL

WHEREAS, the 14,461 citizens of the City of North Mankato play a vital role in all areas of the vitality of the regional economy in the Mankato-North Mankato Metropolitan Statistical Area and the State of Minnesota; and

WHEREAS, the long-term cost of service delivery and the level of service providers associated with public services are important considerations for the City Council of North Mankato; and

WHEREAS, the City Council of North Mankato wishes to act in the best long-term interest of the Citizens of North Mankato in maintaining a regional and statewide balance in financial resources available to communities to address the costs of service delivery, provision of service, and regional economic tourism.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following priorities be advanced to the Minnesota State Legislature;

1. Request state bonding dollars for the expansion of Caswell Regional Sporting Complex with an indoor recreational facility.

Adopted by the City Council this 5<sup>th</sup> day of June 2023.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



## Memo

Date: May 15, 2023

To: Officials of Local Governments and Political Subdivisions

From: Jim Schowalter, Commissioner

A handwritten signature in blue ink, appearing to be 'JS', is written over the name 'Commissioner'.

## RE: 2024 Capital Budget Instructions

I am pleased to present the 2024 Capital Budget Instructions. All local unit of government and political subdivision capital project requests are due to Minnesota Management and Budget (MMB) through CBS by June 16, 2023, and final edits are due October 13, 2023. Prosperity and opportunity for all people in all parts of our state stems from the well-being of their community. While communities across Minnesota may look different, many share the same goals and face the same challenges. Governor Walz's capital budget will continue to focus resources on the most critical projects and strategic investments across the state and give local leaders tools they need to succeed, with particular focus on projects that:

- Address life and safety issues
- Preserve existing infrastructure and repair existing facilities before starting new projects
- Provide at least a 50% local match
- Are proposed following community engagement
- Have a local resolution of support from the governing body
- Aid in making Minnesota the best state in the country for kids to grow up
- Integrate climate preparedness and/or clean energy
- Address and undo historical and systemic disparities and inequities, including those based on race, gender, veterans' status, geography, and economic status

### Key dates

- **June 16, 2023** – All local unit of government requests are due to MMB through CBS.
- **July 17, 2023** – MMB submits all local unit of government requests and state agency preliminary requests to the Legislature.
- **October 13, 2023** – Final edits to local government requests are due to MMB.
  - Note: After June 16, send any edits or updates to MMB's Capital Budget Coordinator, [Marianne.Conboy@state.mn.us](mailto:Marianne.Conboy@state.mn.us).
- **January 16, 2024** – Governor Walz submits his 2024 Capital Budget Recommendations to the Legislature and MMB publishes all requests.

## How to Submit Your 2024 Capital Budget Request

- Review the local government-specific Capital Budget Instructions posted on [MMB's Capital Budget Instructions website](#). The website also includes answers to frequently asked questions about bonding including allowable uses of general obligation bond proceeds.
- Check your local government's access to the Capital Budget System (CBS). If you have not yet verified access to CBS, email [Budget.Finance.mmb@state.mn.us](mailto:Budget.Finance.mmb@state.mn.us).
- Review CBS training materials, including the User Guide and the new CBS training video, on the ["System Training Materials" section of MMB's CBS website](#) for details about how to use the system.

## New in 2024

- A new "Capital Request Form" (PDF) is available on [MMB's Capital Budget Instructions website](#) to provide users the option to work on narratives and other information offline, before entry in CBS.
- MMB will host a Q&A session for local governments on **May 31 at 1 p.m.** The session is designed to answer questions brought by local governments, after they have reviewed the 2024 Capital Budget Instructions, the [FAQ website](#), and CBS training materials, including the training video. MMB will send a meeting invitation to CBS users.
- Local governments that submit water infrastructure projects may be contacted for additional information about their project, in coordination with the Public Facilities Authority.

## Reminders

Local governments should submit draft bill language for their requests using the "Upload Documents" screen in CBS by June 16.

Local governments may choose to copy a previous year's project request narrative by using the "Copy Previous Requests" function in CBS. As with all 2024 requests, project costs must be entered in July 2023 dollars to use MMB's inflation schedule to add inflation costs. If a project from 2022 is copied over into 2024, you can escalate project costs by:

- Identifying the 2022 project costs before inflation is included, which are in July 2021 dollars.
- Adding 17% to those project costs, which brings amounts to July 2023 dollars.
- Local units of government should either enter a mid-point of construction date in the Project Overview screen of CBS to add system-generated inflation or include inflation in the project costs and select the "Inflation Already Included" checkbox on the Project Overview screen. Updated construction inflation factor estimates are presented in Appendix 2 of the 2024 Local Unit of Government Capital Budget Instructions, based on various mid-point of construction dates.

Do not use the capital budget request process for requests for assistance that could be funded through a state agency financial assistance program. If your request could be funded by an

existing state grant program (such as local bridge or road repair, infrastructure redevelopment, flood mitigation, water/wastewater treatment systems, historic preservation, or trails), you should submit your request directly to the state agency that administers the relevant grant program.

Capital projects funded from state general obligation bonds must comply with the Minnesota Constitution, which limits funding to projects that are publicly owned and provide a public purpose, and applicable federal tax law. All project requests must come from a political subdivision. Private individuals, businesses, and nonprofit organizations are not eligible to receive state general obligation bond financing.

Applicants should be aware that bond proceeds may only be used for qualified capital expenditures, such as predesign/design expenses, construction, and acquisition or improvement of specific tangible long-lived fixed assets. General operating expenses such as services, programs, strategic planning, master planning, and moving and relocation costs are not bond-eligible expenses. Expenses that are not bond-eligible can be submitted as part of your request, but if you desire state monies to pay for those expenses, you will need to request cash appropriations from the general fund or other state fund.

Projects that are considered for state funding should come with substantial financial commitments from the local government. Because competition for limited state resources will be very strong, MMB encourages local governments to be selective in their requests and propose only the most important project(s) with clear regional or statewide significance. A 50% non-state match from local governments is normally required. Separately, full funding must be in place in order for state funds to be released for a capital project.

### **Questions?**

If you have questions about the capital budget process, requirements, or due dates, please contact MMB's Capital Budget Coordinator, Marianne Conboy ([Marianne.Conboy@state.mn.us](mailto:Marianne.Conboy@state.mn.us) or 651-201-8189).

If you have questions about CBS, including system access and system issues, please contact MMB Budget Operations ([Budget.Finance.MMB@state.mn.us](mailto:Budget.Finance.MMB@state.mn.us)).

Governor Walz and MMB appreciate your dedication in preparing timely and thoughtful requests. We look forward to discussing your projects.

Owner: **City of Mankato**  
 Project: **All Seasons Arena**  
 Location: Mankato, MN  
 Date: 05/12/23



**ALL SEASON ARENA ROUGH-ORDER OF MAGNITUDE PRICING**

| Priority Options                                 | Equipment Replacement & Addition (Rinks Remain Same Size)   | Budget Price       |
|--|---|--------------------|
| Option #1  | Building Addition: Refrigeration room addition to house new ice making equipment (900 sf, SW side of building). Price includes moving electrical service.                     | \$1,300,000        |
| Option #2  | Ice Making Equipment Replacement for both rinks: This assumes both rinks remain same size.  | \$4,270,000        |
| Option #3  | Fire Code Compliance: Includes replacing wood paneling at observation area in south rink. Price also includes re-sheetrocking interior wood partitions at south rink level 2. | \$360,000          |
| <b>Equipment Replacement &amp; Addition Cost</b> |   | <b>\$5,930,000</b> |

| Rink Reduction Options | Reducing Olympic Sized Rink to NHL Sized  | Budget Price |
|------------------------|---|--------------|
| Option #4              | Premium to Reduce Rink Size: Includes replacing floor, piping & modifying dasher boards (New dasher boards add option 5). | \$1,460,000  |
| Option #5              | Replace Dasher Boards: Accommodate NHL sized rink. (Item assumes existing boards cannot be modified)                      | \$270,000    |

| Interior Add Options | Interior Space Improvements   | Budget Price |
|----------------------|---|--------------|
| Option #6            | Observation Balcony on North Rink: Replace bleachers to accommodate new layout for smaller rink. Price includes new balcony / stair access. Option Only Possible if Rink Shrinks. | \$870,000    |
| Option #7            | Lobby Improvement: Addition (500 sf) and renovation (1,700 sf) front entry to improve congestion. Pricing includes moving electrical room.  | \$1,500,000  |
| Option #8            | Concessions / Dryland Moved: Move Concessions & Core Restroom Upstairs & Move Dryland Downstairs.   | \$750,000    |
| Option #9            | Pedestrian Access: Add board lift with operator on (1) rink for ice resurfacers.  | \$20,000     |
| Option #10           | HVAC Equipment: Replace Dehumidification Unit.  | \$349,913    |
| Option #11           | HVAC Equipment: Replace Existing (8) furnaces.  | \$95,662     |
| Option #12           | HVAC Equipment: Replace Existing Water Heaters.   | \$35,273     |
| Option #13           | HVAC Equipment: Replace (2) Boilers.  | \$91,711     |

| Exterior Add Options | Exterior Building Improvements  | Budget Price |
|----------------------|---|--------------|
| Option #14           | Parking Lot Replacement: Demolish existing parking lot & complete 2' deep over-excavation & regrade to eliminate steep entrance. Pricing assumes 50% of curbs to be replaced. | \$1,113,682  |
| Option #15           | Parking lot improvements: Add entrance & exit on to Balcerzak.  | \$50,000     |
| Option #16           | Parking Lot Repair: Patching & restriping existing lot.   | \$30,000     |
| Option #17           | Building Façade Improvement: Repaint & Add new Signage (3 signs)  | \$220,000    |

|            | Other Options  | Budget Price |
|------------|--|--------------|
| Option #18 | Improve Existing Dryland Area: Impact Resistant Sheetrock on walls, New hard lid Ceiling, protection of lights, sprinklers, etc. (Option can only be selected if Option #8 is rejected). | \$170,000    |

|  | Other Recommendations | Budget Price |
|--|-----------------------|--------------|
|--|-----------------------|--------------|

Recommendation #1 Recommendation to City of Mankato to add bus drop off lane at Balcerzak.

| Option 1                                |               |
|---|---------------|
| Project Options                         | 1-13          |
| Improvements Recommended                | \$ 11,372,559 |
| Bond Interest Rate                      | 4.2%          |
| Payback Period (Years)                  | 15            |
| ISD 77 Annual Contributions             | \$ 100,000    |
| ISD77 Present Value Contribution, total | \$ 1,096,450  |

| Jurisdiction          | 2020 Census  |               | Project Cost         |                | ISD 77               | Net Project Cost    |                     | Initial Cash        |                      | Total Cash & |  |
|-----------------------|--------------|---------------|----------------------|----------------|----------------------|---------------------|---------------------|---------------------|----------------------|--------------|--|
|                       | Population   | % of Total    | Apportionment        | Contribution   | Apportionment        | Contribution        | Bonding Amount      | Annual Bond Payment | Bond Payments        |              |  |
| City of Mankato       | 44468        | 69.8%         | \$ 7,939,758         | \$ 765,487     | \$ 7,174,271         | \$ 4,500,000        | \$ 2,674,271        | \$ (243,903)        | \$ 8,158,540         |              |  |
| City of North Mankato | 14275        | 22.4%         | \$ 2,548,800         | \$ 245,735     | \$ 2,303,066         | \$                  | \$ 2,303,066        | \$ (210,047)        | \$ 3,150,712         |              |  |
| Blue Earth County     | 4951         | 7.8%          | \$ 884,001           | \$ 85,228      | \$ 798,773           | \$                  | \$ 798,773          | \$ (72,851)         | \$ 1,092,762         |              |  |
| ISD 77                |              |               |                      | \$ (1,096,450) | \$ 1,096,450         | \$                  | \$ 1,096,450        | \$ (100,000)        | \$ 1,500,000         |              |  |
| <b>Total</b>          | <b>63694</b> | <b>100.0%</b> | <b>\$ 11,372,559</b> | <b>\$ -</b>    | <b>\$ 11,372,559</b> | <b>\$ 4,500,000</b> | <b>\$ 6,872,559</b> | <b>\$ (626,801)</b> | <b>\$ 13,902,015</b> |              |  |

| Option 2                                |               |
|---|---------------|
| Options                                 | 1-18          |
| Improvements Recommended                | \$ 12,956,241 |
| Bond Interest Rate                      | 4.2%          |
| Payback Period (Years)                  | 15            |
| ISD 77 Annual Contributions             | \$ 100,000    |
| ISD77 Present Value Contribution, total | \$ 1,096,450  |

| Jurisdiction          | 2020 Census  |               | Project Cost         |                | ISD 77               | Net Project Cost    |                     | Initial Cash        |                      | Total Cash & |  |
|-----------------------|--------------|---------------|----------------------|----------------|----------------------|---------------------|---------------------|---------------------|----------------------|--------------|--|
|                       | Population   | % of Total    | Apportionment        | Contribution   | Apportionment        | Contribution        | Bonding Amount      | Annual Bond Payment | Bond Payments        |              |  |
| City of Mankato       | 44468        | 69.8%         | \$ 9,045,407         | \$ 765,487     | \$ 8,279,919         | \$ 4,500,000        | \$ 3,779,919        | \$ (344,742)        | \$ 9,671,124         |              |  |
| City of North Mankato | 14275        | 22.4%         | \$ 2,903,733         | \$ 245,735     | \$ 2,657,998         | \$                  | \$ 2,657,998        | \$ (242,419)        | \$ 3,636,278         |              |  |
| Blue Earth County     | 4951         | 7.8%          | \$ 1,007,102         | \$ 85,228      | \$ 921,874           | \$                  | \$ 921,874          | \$ (84,078)         | \$ 1,261,171         |              |  |
| ISD 77                |              |               |                      | \$ (1,096,450) | \$ 1,096,450         | \$                  | \$ 1,096,450        | \$ (100,000)        | \$ 1,500,000         |              |  |
| <b>Total</b>          | <b>63694</b> | <b>100.0%</b> | <b>\$ 12,956,241</b> | <b>\$ -</b>    | <b>\$ 12,956,241</b> | <b>\$ 4,500,000</b> | <b>\$ 8,456,241</b> | <b>\$ (771,238)</b> | <b>\$ 16,068,573</b> |              |  |

| Option 3                                |               |
|---|---------------|
| Options                                 | 1-5, 7-13     |
| Improvements Recommended                | \$ 10,502,559 |
| Bond Interest Rate                      | 4.2%          |
| Payback Period (Years)                  | 15            |
| ISD 77 Annual Contributions             | \$ 100,000    |
| ISD77 Present Value Contribution, total | \$ 1,096,450  |

| Jurisdiction          | 2020 Census  |               | Project Cost         |                | ISD 77               | Net Project Cost    |                     | Initial Cash        |                      | Total Cash & |  |
|-----------------------|--------------|---------------|----------------------|----------------|----------------------|---------------------|---------------------|---------------------|----------------------|--------------|--|
|                       | Population   | % of Total    | Apportionment        | Contribution   | Apportionment        | Contribution        | Bonding Amount      | Annual Bond Payment | Bond Payments        |              |  |
| City of Mankato       | 44468        | 69.8%         | \$ 7,332,367         | \$ 765,487     | \$ 6,566,880         | \$ 4,500,000        | \$ 2,066,880        | \$ (188,507)        | \$ 7,327,598         |              |  |
| City of North Mankato | 14275        | 22.4%         | \$ 2,353,817         | \$ 245,735     | \$ 2,108,082         | \$                  | \$ 2,108,082        | \$ (192,264)        | \$ 2,883,965         |              |  |
| Blue Earth County     | 4951         | 7.8%          | \$ 816,375           | \$ 85,228      | \$ 731,147           | \$                  | \$ 731,147          | \$ (66,683)         | \$ 1,000,246         |              |  |
| ISD 77                |              |               |                      | \$ (1,096,450) | \$ 1,096,450         | \$                  | \$ 1,096,450        | \$ (100,000)        | \$ 1,500,000         |              |  |
| <b>Total</b>          | <b>63694</b> | <b>100.0%</b> | <b>\$ 10,502,559</b> | <b>\$ -</b>    | <b>\$ 10,502,559</b> | <b>\$ 4,500,000</b> | <b>\$ 6,002,559</b> | <b>\$ (547,454)</b> | <b>\$ 12,711,810</b> |              |  |

| Option 4                                |              |
|---|--------------|
| Options                                 | 1-6, 8-13    |
| Improvements Recommended                | \$ 9,872,559 |
| Bond Interest Rate                      | 4.2%         |
| Payback Period (Years)                  | 15           |
| ISD 77 Annual Contributions             | \$ 100,000   |
| ISD77 Present Value Contribution, total | \$ 1,096,450 |

| Jurisdiction          | 2020 Census  |               | Project Cost        |                | ISD 77              | Net Project Cost    |                     | Initial Cash        |                      | Total Cash & |  |
|-----------------------|--------------|---------------|---------------------|----------------|---------------------|---------------------|---------------------|---------------------|----------------------|--------------|--|
|                       | Population   | % of Total    | Apportionment       | Contribution   | Apportionment       | Contribution        | Bonding Amount      | Annual Bond Payment | Bond Payments        |              |  |
| City of Mankato       | 44468        | 69.8%         | \$ 6,892,532        | \$ 765,487     | \$ 6,127,045        | \$ 4,500,000        | \$ 1,627,045        | \$ (148,392)        | \$ 6,725,882         |              |  |
| City of North Mankato | 14275        | 22.4%         | \$ 2,212,623        | \$ 245,735     | \$ 1,966,888        | \$                  | \$ 1,966,888        | \$ (179,387)        | \$ 2,690,804         |              |  |
| Blue Earth County     | 4951         | 7.8%          | \$ 767,404          | \$ 85,228      | \$ 682,176          | \$                  | \$ 682,176          | \$ (62,217)         | \$ 933,252           |              |  |
| ISD 77                |              |               |                     | \$ (1,096,450) | \$ 1,096,450        | \$                  | \$ 1,096,450        | \$ (100,000)        | \$ 1,500,000         |              |  |
| <b>Total</b>          | <b>63694</b> | <b>100.0%</b> | <b>\$ 9,872,559</b> | <b>\$ -</b>    | <b>\$ 9,872,559</b> | <b>\$ 4,500,000</b> | <b>\$ 5,372,559</b> | <b>\$ (489,996)</b> | <b>\$ 11,849,937</b> |              |  |

| Option 5                                |               |
|---|---------------|
| Options                                 | 1-7, 9-13     |
| Improvements Recommended                | \$ 10,622,559 |
| Bond Interest Rate                      | 4.2%          |
| Payback Period (Years)                  | 15            |
| ISD 77 Annual Contributions             | \$ 100,000    |
| ISD77 Present Value Contribution, total | \$ 1,096,450  |

| Jurisdiction          | 2020 Census  |               | Project Cost         |                | ISD 77               | Net Project Cost    |                     | Initial Cash        |                      | Total Cash & |  |
|-----------------------|--------------|---------------|----------------------|----------------|----------------------|---------------------|---------------------|---------------------|----------------------|--------------|--|
|                       | Population   | % of Total    | Apportionment        | Contribution   | Apportionment        | Contribution        | Bonding Amount      | Annual Bond Payment | Bond Payments        |              |  |
| City of Mankato       | 44468        | 69.8%         | \$ 7,416,145         | \$ 765,487     | \$ 6,650,658         | \$ 4,500,000        | \$ 2,150,658        | \$ (196,147)        | \$ 7,442,211         |              |  |
| City of North Mankato | 14275        | 22.4%         | \$ 2,380,711         | \$ 245,735     | \$ 2,134,977         | \$                  | \$ 2,134,977        | \$ (194,717)        | \$ 2,920,758         |              |  |
| Blue Earth County     | 4951         | 7.8%          | \$ 825,702           | \$ 85,228      | \$ 740,474           | \$                  | \$ 740,474          | \$ (67,534)         | \$ 1,013,007         |              |  |
| ISD 77                |              |               |                      | \$ (1,096,450) | \$ 1,096,450         | \$                  | \$ 1,096,450        | \$ (100,000)        | \$ 1,500,000         |              |  |
| <b>Total</b>          | <b>63694</b> | <b>100.0%</b> | <b>\$ 10,622,559</b> | <b>\$ -</b>    | <b>\$ 10,622,559</b> | <b>\$ 4,500,000</b> | <b>\$ 6,122,559</b> | <b>\$ (558,398)</b> | <b>\$ 12,875,976</b> |              |  |

| Option 6                                |              |
|---|--------------|
| Options                                 | 1-5          |
| Improvements Recommended                | \$ 7,660,000 |
| Bond Interest Rate                      | 4.2%         |
| Payback Period (Years)                  | 15           |
| ISD 77 Annual Contributions             | \$ 100,000   |
| ISD77 Present Value Contribution, total | \$ 1,096,450 |

| Jurisdiction          | 2020 Census  |               | Project Cost        |                | ISD 77              | Net Project Cost    |                     | Initial Cash        |                     | Total Cash & |  |
|-----------------------|--------------|---------------|---------------------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|--|
|                       | Population   | % of Total    | Apportionment       | Contribution   | Apportionment       | Contribution        | Bonding Amount      | Annual Bond Payment | Bond Payments       |              |  |
| City of Mankato       | 44468        | 69.8%         | \$ 5,347,833        | \$ 765,487     | \$ 4,582,346        | \$ 4,500,000        | \$ 82,346           | \$ (7,510)          | \$ 4,612,653        |              |  |
| City of North Mankato | 14275        | 22.4%         | \$ 1,716,747        | \$ 245,735     | \$ 1,471,013        | \$                  | \$ 1,471,013        | \$ (134,161)        | \$ 2,012,421        |              |  |
| Blue Earth County     | 4951         | 7.8%          | \$ 595,420          | \$ 85,228      | \$ 510,191          | \$                  | \$ 510,191          | \$ (46,531)         | \$ 697,968          |              |  |
| ISD 77                |              |               |                     | \$ (1,096,450) | \$ 1,096,450        | \$                  | \$ 1,096,450        | \$ (100,000)        | \$ 1,500,000        |              |  |
| <b>Total</b>          | <b>63694</b> | <b>100.0%</b> | <b>\$ 7,660,000</b> | <b>\$ -</b>    | <b>\$ 7,660,000</b> | <b>\$ 4,500,000</b> | <b>\$ 3,160,000</b> | <b>\$ (288,203)</b> | <b>\$ 8,823,043</b> |              |  |