Pursuant to the due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on July 3, 2023. Mayor Carlson called the meeting to order at 7:00 pm, asking everyone to join the Pledge of Allegiance. The following were present for roll call: Council Members Steiner, Oachs, Peterson, Whitlock, City Administrator McCann, Finance Director Ryan, and City Clerk Van Genderen. Absent: Community Development Director Fischer, Public Works Director Arnold.

#### Approval of Agenda

Council Member Steiner moved, seconded by Council Member Oachs, to approve the agenda as presented. Vote on the motion Steiner, Oachs, Peterson, Whitlock, and Carlson, aye, no nays. Motion carried.

#### Approval of Council Minutes from June 20, 2023, Council Meeting.

Council Member Whitlock moved, seconded by Council Member Steiner, to approve the June 20, 2023, Council Meeting Minutes. Vote on the motion Steiner, Oachs, Peterson, Whitlock, and Carlson, aye, no nays. Motion carried.

Approval of Council Work Session Minutes from June 20, 2023, Council Work Session Meeting. Council Member Oachs moved, seconded by Council Member Peterson, to approve the Council Work Session Minutes of June 20, 2023. Vote on the motion Steiner, Oachs, Peterson, Whitlock, and Carlson, aye, no nays. Motion carried.

# Public Hearing, 7 pm to Consider City Code Business Regulations, Chapter 113, Sales, Testing, Manufacturing, and Possession of Products Containing THC, Cannabis, or Cannabinoids.

Attorney Kennedy appeared before Council and noted that the ordinance would repeal and replace a portion of the City Code Chapter 113 to allow the sale of THC at places with a liquor license. With no one appearing before Council, Mayor Carlson closed the Public Hearing.

#### Public Hearing, 7 pm to Consider Amending City Code Chapter 34 Sales and Use Tax.

City Administrator McCann reported that the Ordinance would update City Code to reflect the total of \$21 million approved by the State Legislature, and the tax would run through 2044.

Barb Church, 102 Wheeler Avenue, appeared before the Council and requested clarification on the total of \$21 million since the original request was \$15 million in 2017.

City Administrator McCann stated that the voters approved \$15 million in 2017, and the legislature approved \$9 million. The City went back for a total \$15 million and was granted the additional \$6 million from the original 2017 request.

#### **Consent Agenda**

Council Member Steiner moved, seconded by Council Member Whitlock, to approve the Consent Agenda.

- A. Bills and Appropriations.
- B. Res. No. 46-23 Accepting Donations/Contributions/Grants.
- C. Approved an Audio Permit for Church Service at 304 Monroe Avenue, St. Paul Lutheran Church, on July 23, 2023, from 8:30 am to 10:30 am.
- D. Set a Public Hearing for 7 pm on July 17, 2023, to Consider Amendments to City Code Chapter 73: Recreational Vehicles.

Vote on the motion Steiner, Oachs, Peterson, Whitlock, and Carlson, aye, no nays. Motion carried.

Public Comments Concerning Business Items on the Agenda.

None.

#### **Business Items**

Ordinance No. 157 City Code Business Regulations, Chapter 113, Sales, Testing, Manufacturing, and Possession of Products Containing THC, Cannabis or Cannabinoids.

City Attorney Kennedy reviewed future changes that will be occurring when the sale of recreational marijuana becomes available on August 1, 2023, but noted that licensing would be controlled by the Minnesota Office of Cannabis Management, which will begin licensing sales in 2025. Council Member Steiner requested clarification on whether the ordinance would allow places with liquor sales to sell THC products. It was noted that Ordinance No. 157 would allow the sale of THC products at both on-sale and off-sale liquor establishments. Mayor Carlson requested clarification on if the State law conflicts with Federal Law. Attorney Kennedy stated it conflicts with Federal Law.

Council Member Steiner moved, seconded by Council Member Whitlock, to Adopt Ordinance No. 157 City Code Business Regulations, Chapter 113, Sales, Testing, Manufacturing, and Possession of Products Containing THC, Cannabis, or Cannabinoids. Vote on the motion, Steiner, Peterson, and Whitlock, aye, Carlson nay, Oachs abstain. Motion carried.

Ordinance No. 158, An Ordinance Repealing and Replacing Sections of City Code Section Title III; Administration, Chapter 34.40 to 34.60.

City Administrator McCann stated that with the State Legislature authorizing the extension of the Sales Tax to \$15 million with a grand total of \$21 million, the current City Code needs to reflect the updated language. In 2008 the City was authorized to collect \$6 million. In 2017, voters approved \$15 million, but the legislature only approved \$9 million. In 2023, the legislature approved the additional \$6 million approved by voters in 2023, bringing the grand total to \$21 million: \$6 million in 2008, \$9 million in 2017, and \$6 million in 2023.

Council Member Steiner moved, seconded by Council Member Peterson to Adopt Ordinance No. 158, An Ordinance Repealing and Replacing Sections of City Code Section Title III; Administration, Chapter 34.40 to 34.60. Vote on the motion Steiner, Oachs, Peterson, Whitlock, and Carlson, aye, no nays. Motion carried.

#### Assignment and Assumption of Promissory Note, Mortgage, and Consent.

City Administrator McCann reported that in 2021 the City approved a forgivable loan to WW Land Company for an infill project at 235 Belgrade Avenue. WW Land Company is looking to sell the property to the current tenant of the property, Heidi Hermel, who runs the Skin Clinic Med Spa out of the location. WW Land Company requests the transfer of the forgivable loan to AH Hermel LLC. The City originally approved the project using Sales Tax Funds for downtown revitalization and toward the construction of the project due to soil issues that required helical piers and would have been a costly expense to the developer. City Administrator McCann noted that with the completion of the project, the City's goal was completed, and he recommended the transfer from WW Land Company to AH Hermel LLC.

Council Member Whitlock moved, seconded by Council Member Steiner to Approve the Assignment and Assumption of Promissory Note, Mortgage, and Consent. Vote on the motion Steiner, Oachs, Peterson, Whitlock, and Carlson, aye, no nays. Motion carried.

#### **Open Forum**

Barb Church, 102 Wheeler Avenue, appeared before Council and stated she thought the City Council should invite the same people who spoke about climate change with the Mankato City Council to speak at a North Mankato City Council meeting.

Tom Hagen, 927 Lake Street appeared before Council, stating the City should consider some form of energy and climate committee.

John Hurd, 732 Garfield Avenue, appeared before Council and stated he could not write comments on the Lookout Drive study page. He stated he did not think the City should do any mosquito spraying. He thought the City should consider doing a laser show rather than Fireworks. Council Member Steiner clarified that the City does not host Fireworks. Mr. Hurd stated he does not like the new street lights and would prefer to go back to the orange-colored lights. He stated that the City should encourage planting boulevard trees and trees in general.

#### City Administrator and Staff Comments

City Administrator McCann stated that Mayor Carlson is working on starting up the Intergovernmental Committee, and maybe a discussion about climate change could be a topic of discussion.

Public Information Officer Brown commented that the comments for the Lookout Drive project have not opened.

City Administrator McCann noted that the City offers boulevard trees at a discount for those interested.

City Administrator McCann invited everyone out to Fun Days July 6-9<sup>th</sup>. He noted that carnival wristbands could be purchased at City Hall.

City Administrator McCann reported AquaZumba by Fit for 10 will occur at the Spring Lake Swim Facility and the next adult night will be on July 14, 2023.

City Administrator McCann stated that youth recreation programs such as golf, tennis, sand volleyball, and football are available for interested youth.

City Administrator McCann invited everyone to the LEEP Legends game on July 13<sup>th</sup>; Culture, Recreation, and Quality of Life Director Heintz will be participating.

Mayor Carlson requested clarification on how to locate information on the Kiddie Parade. Public Information Officer Brown stated the Library hosts the parade and to visit the library website for additional information.

#### **Mayor and Council Comments**

Council Member Steiner stated he would like a Council Work Session on terminating the use of the Darn Nice Area.

Mayor Carlson thanked the park and street staff for all of their work.

At 7:36 pm, on a motion by Council Meeting was adjourned	Member Oachs, seconded by Council Member
	Mayor
City Clerk	

#### Exhibit A

# CITY OF NORTH MANKATO COUNTIES OF NICOLLET AND BLUE EARTH STATE OF MINNESOTA

#### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of North Mankato, Nicollet and Blue Earth Counties, Minnesota, will hold a public hearing on July 17, 2023, at 7:00 p.m., at the City Hall, 1001 Belgrade Avenue in the City of North Mankato, Minnesota (the "City"), relating to the proposed establishment of Tax Increment Financing District No. 2-2 (Hotel Redevelopment) within Development District No. 2, and the proposed adoption of a Tax Increment Financing Plan therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, inclusive, as amended; and a proposed business subsidy to be granted by the City to a private developer for the proposed redevelopment of a hotel property located in the City into an approximately 50-unit apartment building with approximately 18,000 square feet of commercial retail space (the "Project"), under Minnesota Statutes, Section 116J.993 to 116J.995 (the "Business Subsidy Act"). A copy of the proposed Tax Increment Financing Plan and a summary of the subsidy agreement are on file and available for public inspection at the office of the City Clerk at City Hall.

A person with residence in or the owner of taxable property in the granting jurisdiction may file a written complaint with the grantor if the grantor fails to comply with sections 116J.993 to 116J.995, and no action may be filed against the grantor for the failure to comply unless a written complaint is filed.

The property proposed to be included in Tax Increment Financing District No. 2-2 (Hotel Redevelopment) is described in the Tax Increment Financing Plan on file in the office of the City Clerk. Subject to certain limitations, tax increment from Tax Increment Financing District No. 2-2 (Hotel Redevelopment) may be spent on eligible uses within the boundaries of Tax Increment Financing District No. 2-2 (Hotel Redevelopment) and Development District No. 2.

A map of Development District No. 2 and Tax Increment Financing District No. 2-2 (Hotel Redevelopment) is set forth below:

A map of Development District No. 2 and Tax Increment Financing District 2-2 (Hotel Redevelopment) is set forth in Attachment A.

All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.

BY ORDER OF THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA

/s/ April Van Genderen City Clerk

Municipal Development District No. 2



## **AFFIDAVIT OF PUBLICATION**

# State of Minnesota, ss. County of Blue Earth

Steve Jameson, being duly sworn, on oath states as follows:
1. I am the publisher of The Free Press, or the publisher's
designated agent. I have personal knowledge of the facts
stated in this Affidavit, which is made pursuant to Minnesota
Statutes §331 Å.07.
2. The newspaper has complied with all of the require-
ments to constitute a qualified newspaper under Minnesota
law, including those requirements found in Minnesota
Statutes \$331A.02.
3. The dates of the month and the year and day of the
week upon which the public notice attached/copied below
was published in the newspaper are as follows:
The printed notice which is
attached was cut from the columns of said newspaper, and
was printed and published once each week, for suc-
cessive weeks; it was first published onSaturday,
the 1 day of July, 2023, and was thereaf-
was printed and published once each week, for1 successive weeks; it was first published on Saturday , the1 day of July , 2023, and was thereafter printed and published on every Saturday to and including Saturday, the1 day of July, 2023, and printed below is a copy of the lower ages also habet forms.
including <u>Saturday</u> , the <u>1</u> day of
July, 20 <u>23</u> ; and printed below is a copy
of the tower case alphabet from A to Z, both inclusive, which
is hereby acknowledged as being the size and kind of type
used in the composition and publication of the notice:
abcdefghijklmnopqrstuvwxyz
4. The Publisher's lowest classified rate paid by commer-
cial users for comparable space, as determined pursuant to
§ 331A.06, is as follows: \$241.88.
5. Pursuant to Minnesota Statutes §580.033 relating to
the publication of mortgage foreclosure notice: The newspa-
per's known office is located in Blue Earth County. The
newspaper complies with the conditions described in
\$580.033, subd. 1, clause (1) or (2). If the newspaper's known
office of issue is located in a county adjoining the county
where the mortgaged premises or some part of the mort-
gaged premises described in the notice are located, a sub-
stantial nortion of the navon angree since lating is in the late
stantial portion of the newspaper's circulation is in the lat-
ter county.
FURTHER YOUR AFFIANT SAITH NOT.
$\circ$
By: Joseph,
The state of the s
Steve Jameson, Publisher
Subscribed and amount to before me and this
Subscribed and sworn to before me on this1 day
of July , 20 <u>23</u> .
NI-4 D. I.I.
Notary Public
furnimment
CHADONI TOLAND

# **NOTICE OF PUBLIC HEARING**

July 1, 2023 CITY OF NORTH MANKATO COUNTIES OF NICOLLET AND BLUE EARTH

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of North Mankato, Nicollet and Blue Earth Counties, Minnesota, will hold a public hearing on July 17, 2023, at 7:00 p.m., at the City Hall, 1001 Belgrade Avenue in the City of North Mankato, Minnesota (the "City"), relating to the proposed establishment of Tax Increment Financing District No. 2-2 (Hotel Redevelopment) within Development District No. 2, and the proposed adoption of a Tax Increment Financing Plan therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, inclusive, as amended; and a proposed business subsidy to be granted by the City to a private developer for the proposed redevelopment of a hotel property located in the City into an approximately 50-unit apartment building with approximately 18,000 square feet of commercial retail space (the "Project"), under Minnesota Statutes, Section 116J.993 to 116J.995 (the "Business Subsidy Act"). A copy of the proposed Tax Increment Financing Plan and a summary of the subsidy agreement are on file and available for public inspection at the office of the City Clerk at City Hall. STATE OF MINNESOTA office of the City Clerk at City Hall.

office of the City Clerk at City Hall.

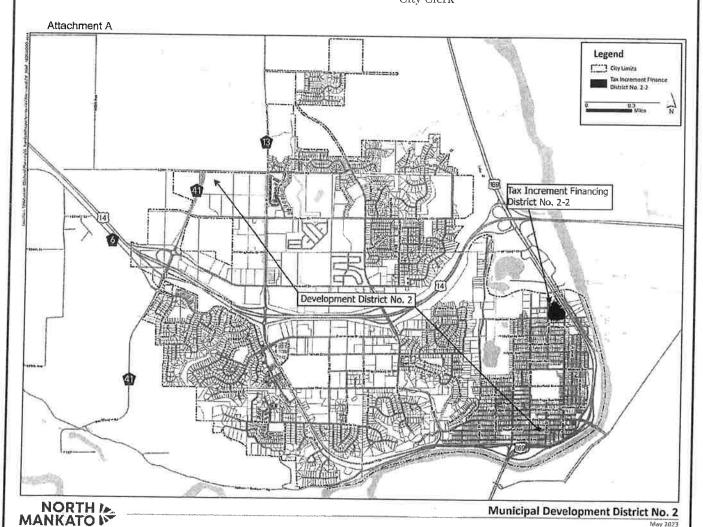
A person with residence in or the owner of taxable property in the granting jurisdiction may file a written complaint with the grantor if the grantor fails to comply with sections 116J.993 to 116J.995, and no action may be filed against the grantor for the failure to comply unless a written complaint is filed.

The property proposed to be included in Tax Increment Financing District No. 2-2 (Hotel Redevelopment) is described in the Tax Increment Financing Plan on file in the office of the City Clerk. Subject to certain limitations, tax increment from Tax Increment Financing District No. 2-2 (Hotel Redevelopment) may be spent on eligible uses within the boundaries of Tax Increment Financing District No. 2-2 (Hotel Redevelopment) and Development District No. 2.

A map of Development District No. 2 and Tax Increment Financing District 2-2 (Hotel Redevelopment) is set forth in Attachment A.

All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.

BY ORDER OF THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA /s/ April Van Genderen City Clerk



MINNESOTA

#### DRAFT

# CITY OF NORTH MANKATO, MINNESOTA TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 2-2 (HOTEL REDEVELOPMENT) WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 2

PROPOSED PUBLIC HEARING DATE: J	ULY 17, 2023
PLAN APPROVED DATE:	, 2023
PLAN CERTIFICATION REQUEST DATE:	, 2023
PLAN CERTIFIED DATE:	. 2023



Northland Securities, Inc. 150 South Fifth Street, Suite 3300 Minneapolis, MN 55402 (800) 851-2920 Member NASD and SIPC Registered with SEC and MSRB

#### **TABLE OF CONTENTS**

ARTICLE I – INT	roduction and definitions	. 1
Section 1.01	Introduction1	
Section 1.02	Definitions1	
Section 1.03	Plan Preparation2	
ARTICLE II - TA	X INCREMENT FINANCING PLAN	3
Section 2.01	Statutory Authority3	
Section 2.02	Planned Development3	
2.02.1	Development Description3	
2.02,2	City Plans and Development Program3	
2.02.3	Land Acquisition3	
2.02.4	Development Activities3	
2.02.5	Need for Tax Increment Financing3	
Section 2.03	Tax Increment Financing District4	
2.03.1	Designation4	
2.03.2	Boundaries of TIF District4	
2.03.3	Type of District4	
Section 2.04	Plan for Use of Tax Increment5	
2.04.1	Estimated Tax Increment5	
2.04.2	Public Development Costs6	
2.04.3	Estimated Sources and Uses of Funds6	
	Figure 2-16	
2.04.4	Administrative Costs6	
2.04.5	County Road Costs	
2.04.6	Bonded Indebtedness	
2.04.7	Election of First Year of Tax Increment and Duration of TIF District7	
2.04.8	Estimated Impact on Other Taxing Jurisdictions	
2.04.9	Prior Planned Improvements8	
ARTICLE III – AI	DMINISTERING THE TIF DISTRICT	8
Section 3.01	Filing and Certification8	_
Section 3.02	Modifications of the Tax Increment Financing Plan8	
Section 3.03	Correcting Redevelopment Conditions	
Section 3.04	Four-Year Knockdown Rule9	
Section 3.05	Pooling and Five-Year Rule9	
Section 3.06	Financial Reporting and Disclosure Requirements10	
Section 3.07		
Section 5.07	Business Subsidy Compliance10	
EXHIBITS		11
Exhibit I	Present Value Analysis11	
Exhibit II	Projected Tax Increment	
Exhibit III	Impact on Other Taxing Jurisdictions13	
Exhibit IV	Estimated Tax Increment Over Life of District	
Exhibit V	Map of TIF District and Development District	
Exhibit VI	Inspection Report of Property	

#### **ARTICLE I – INTRODUCTION AND DEFINITIONS**

#### **SECTION 1.01 INTRODUCTION**

The City of North Mankato proposes to provide tax increment financing assistance through the establishment of Tax Increment Financing (Redevelopment) District No. 2-2 (Hotel Redevelopment) (the "TIF District") within Municipal Development District No. 2 to assist with the redevelopment of an existing sub-standard building and construction of new space providing for 60 new apartments units, 30,000 SF of commercial space, including restaurant and retail space.

This document contains the plan for the TIF District which is consistent with the objectives of the Development Program for Municipal Development District No. 2, as most recently adopted pursuant to City Resolution No. 25-23 adopted March 20, 2023.

#### **SECTION 1.02 DEFINITIONS**

For the purposes of this document, the terms below have the meanings given in this section, unless the context in which they are used indicates a different meaning:

- 1. "Authority" means the Port Authority of the City of North Mankato, Minnesota.
- 2. "City" means the City of North Mankato, Minnesota.
- 3. "City Council" means the City Council of the City.
- 4. "County" means Nicollet County, Minnesota.
- 5. "County Auditor" means the County Auditor/Treasurer of the County.
- 6. "Developer" means the party undertaking construction of the Development in the TIF District, which is anticipated to be 1111 Holdings of Mankato, LLC, its successors or assigns.
- 7. "Development" means the redevelopment of an existing sub-standard building and construction of new space providing for 60 new apartments units, 30,000 SF of commercial space, including restaurant and retail space.
- 8. "Development District" means Municipal Development District No. 2 within the City, which was established pursuant to the Development District Act.
- 9. "Development District Act" means Minnesota Statutes, Sections 469.124 through 469.134, as amended and supplemented from time to time.
- 10. "Development Program" means the Development Program for the Development District, as amended and supplemented from time to time.
- 11. "Property" means the approximate 5.62 acre area within the TIF District as described in Section 2.03.2 of the TIF Plan.
- 12. "Project Area" means the geographic area of the Development District.
- 13. "Public Development Costs" means the cost of the development activities that will or are expected to occur within the Project Area or TIF District.
- 14. "School District" means Mankato Area Public Schools ISD 77.
- 15. "State" means the State of Minnesota.
- 16. "Tax Increment Bonds" means any tax increment bonds as defined in Section 469.174, Subd. 3 of the TIF Act, issued by the City to finance Public Development Costs, and any obligations issued to refund such bonds, pursuant to Section 469.178 of the TIF Act.

#### TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 2-2

- 17. "TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794 as amended, both inclusive.
- 18. "TIF District" means Tax Increment Financing (Redevelopment) District No. 2-2 (Hotel Redevelopment).
- 19. "TIF Plan" means the tax increment financing plan for the TIF District (this document).

#### **SECTION 1.03 PLAN PREPARATION**

This document was prepared for the City by Northland Securities, Inc.

#### **ARTICLE II - TAX INCREMENT FINANCING PLAN**

#### **SECTION 2.01 STATUTORY AUTHORITY**

The TIF District and this TIF Plan are established under the authority of the TIF Act.

#### SECTION 2.02 PLANNED DEVELOPMENT

#### 2.02.1 Development Description

The Developer proposes to undertake the redevelopment of an existing sub-standard building located on the Property and construction of new space providing for 60 new apartments units, 30,000 SF of commercial space, including restaurant and retail space.

#### 2.02.2 City Plans and Development Program

In addition to achieving the objectives of the Development Program, the Development is consistent with and works to achieve the development objectives of the City. The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole.

The City has adopted land use controls to guide the use of property. The development plans for the Development in the TIF District have been reviewed by the Planning Commission and the City Council, and conform to current land use controls.

#### 2.02.3 Land Acquisition

The Developer will acquire land within the TIF District.

#### 2.02.4 Development Activities

As of the date of approval of the TIF Plan, the City anticipates that activities proposed in the TIF Plan will be subject to contracts. The City anticipates entering into a contract with the Developer to provide tax increment financing assistance to the Developer to reimburse the Developer for Public Development Costs to be incurred by the Developer.

#### 2.02.5 Need for Tax Increment Financing

In the opinion of the City, the Development would not reasonably be expected to occur solely through private investment within the foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the Development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan.

The reasons and facts supporting this finding include the following:

- The Development requires public financial assistance to offset land and building acquisition and site improvement and preparation costs to allow for the Developer to proceed with construction of the Development.
- A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above and is shown in Exhibit I. This analysis indicates that the increase in estimated market value of the Development (less the present value of the projected tax increments for the maximum duration permitted by the TIF Plan) exceeds the estimated market value of the site prior to the establishment of the TIF District.

#### SECTION 2.03 TAX INCREMENT FINANCING DISTRICT

#### 2.03.1 Designation

This TIF District is designated as Tax Increment Financing (Redevelopment) District No. 2-2 (Hotel Redevelopment).

#### 2.03.2 Boundaries of TIF District

The boundaries of the TIF District are depicted in Exhibit V. The TIF District includes the following three parcels and the immediate adjacent roads and right-of-way to these parcels:

- 18.513.0010 (Block 1, Lot 1, Subdivision Cd, Nicollet County, Minnesota)
- 18.557.2980 (W HODAPP'S ADD. Beg at SE Cor. of Bl 36 N 150'; W 150'; S 30' W 60'; S 120' to S line of Bl 36; E 210' to point of beginning)
- 18.707.0050 (Lot 5, Polquin's Subdivision)
- 18.513.0020 (Block 1 Lot Wly 305.25' of Lot 2 SubdivisionCd 18513 Subdivision Name DDD SUBDIVISION)
- 18.513.0025 (Block 1 Lot 2 "Ex Wly 305.25" = 0.43 Ac +/- SubdivisionCd 18513 Subdivision Name DDD SUBDIVISION)

#### 2.03.3 Type of District

The TIF District is established as a "redevelopment district" pursuant to Section 469.174, Subd. 10 of the TIF Act. The City has determined that the property in the TIF District meets the statutory criteria for a redevelopment district.

Section 469.174, Subd. 10 (a) (1) of the TIF Act requires two tests for occupied parcels be met to qualify as a "redevelopment district": a conditions test and coverage test. For a "redevelopment district" more than 50% of the buildings, not including outbuildings, must be found to be structurally substandard to a degree requiring substantial renovation or clearance.

The conditions test for structurally substandard is defined under Section 469.174, Subd. 10(b) of the TIF Act. For purposes of this subdivision, "structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Section 469.174, Subd. 10(c) of the TIF Act. A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15% of the cost of constructing a new structure of the same square footage and type on the site.

The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence. Items of evidence that support such a conclusion that the building is not disqualified include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.

Furthermore, parcels consisting of 70% of the area of the district must be occupied by buildings, streets, utilities, or paved or gravel parking lots to meet the required coverage test. The coverage required by the parcel to be considered occupied is defined under Section 469.174, Subd. 10(e) of the TIF Act. For purposes of such subdivision, a parcel is not occupied by buildings, streets, utilities, or paved or gravel parking lots unless 15% of the area of the parcel contains building, streets, utilities, or paved or gravel parking lots.

As summarized in the table below, 100% of the area of the TIF District is occupied by improved parcels, and 100% of the buildings within the TIF District are found to be substandard. The substandard buildings are reasonably distributed.

The result of the building inspection and analysis performed by LHB, Inc. is contained in the report from LHB, Inc., dated June 28, 2023, and included in Exhibit VI of the TIF Plan. In summary the findings are as follows:

Number of Parcels	5
Site Area Included (square feet without roads)	333,907
Area of Improved Parcels (square feet)	263,726
Percent of Area Improved	100%
Number of Parcels with Buildings	3
Number of Buildings found Substandard	2
Percent of Buildings found Substandard	66.7%

#### **SECTION 2.04 PLAN FOR USE OF TAX INCREMENT**

#### 2.04.1 Estimated Tax Increment

The original net tax capacity of value of the TIF District will be set by the County upon request for certification. For the purposes of the TIF Plan, the estimated original net tax capacity is \$42,631. This amount is estimated based on the most recent published estimated market value for the parcels within the TIF District with tax capacity value calculated based on apartment and commercial property classification.

The total tax capacity value of the property after Development completion is estimated at \$201,967 for tax year 2026. This amount is based on a total estimated taxable market value of \$14,437,462 for tax year 2026, with property classified as apartment and commercial. The estimated difference between the total tax capacity value after Development completion and the original net tax capacity value is the captured tax capacity value in the amount of \$159,336 for the creation of tax increment.

The total local tax rate is estimated at 112.24% based on the tax rates for taxes payable in 2023. The TIF Plan uses this rate for purpose of estimating tax increment for the TIF District. At the time of certification of the original net tax capacity for the TIF District, the County Auditor shall certify the original local tax rate that applies to the TIF District, which will vary from the estimate used in the TIF Plan. The original local tax rate is the sum of all the local tax rates, excluding that portion of the school rate attributable to the general education levy under Minnesota Statutes Section 126C.13, that apply to a property in the TIF District. The local tax rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the TIF District's original tax capacity. The resulting tax capacity rate is the original local tax rate for the life of the TIF District.

Under these assumptions, the estimated annual tax increment will be \$178,192 after Development completion and after deducting for the State Auditor's fee (0.36% of the captured tax increments). The actual tax increment will vary according to the certified original tax capacity value and original tax rate, the actual property value produced by the Development and the changes in property value and State tax policy over the life of the TIF District.

It is the intent of the City to retain 100% of the captured tax capacity value for the duration of the TIF district. Exhibit II contains the projected tax increment over the life of the TIF District.

#### 2.04.2 Public Development Costs

The City will use tax increment to pay Public Development Costs. A contract between the City and the Developer will define the means for verifying Public Development Costs incurred by the Developer that will be eligible for reimbursement and the means of disbursing tax increments collected by the City.

The City will use tax increment to pay financing costs. The interest rate payable on bonds issued, will be set pursuant to approving resolutions. The definition of "bonds" includes interfund loans and tax increment financing revenue notes.

#### 2.04.3 Estimated Sources and Uses of Funds

The estimated sources of revenue, along with the estimated Public Development Costs of the TIF District, are itemized in Figure 2-1 that follows. Such costs are eligible for reimbursement from tax increments, and other listed sources of revenue from the TIF District.

The City reserves the right to administratively adjust the amount of any of the Public Development Cost items listed in Figure 2-1, so long as the total estimated tax increment project costs amount, not including financing costs, is not increased.

#### FIGURE 2-1 ESTIMATED SOURCES AND USES OF FUNDS

	Tota
Estimated Tax Increment Revenues (from tax increment generated by the district)	
Tax increment revenues distributed from the county	\$5,878,413
Interest and investment earnings	\$100,000
Total Estimated Tax Increment Revenues	\$5,978,41
Estimated Project/Financing Costs (to be paid or financed with tax increment)	
Project costs	
Land/building acquisition	\$1,851,70
Site improvements/preparation costs	\$899,81
Utilities	\$
Other qualifying improvements	\$0
Administrative costs	\$117,568
Estimated Tax Increment Project Costs	\$2,869,08
Estimated financing costs	
Interest expense	\$3,109,32
Total Estimated Project/Financing Costs to be Paid from Tax Increment	\$5,978,413
Interest expense	
ancing of bonds to be issued	\$5,978,413

#### 2.04.4 Administrative Costs

The City plans to use tax increment revenues to pay for administrative expenses for the TIF District. The use of tax increment revenues to pay administrative expenses will not exceed a maximum amount of 10% of tax increment revenues pursuant to the TIF Act. The City will use tax increments to pay for and reimburse itself for costs of administering the TIF District as allowed by the TIF Act. The estimated amount of tax increment revenue planned to pay administrative expense is shown in Figure 2-1. Anticipated administrative expenses of the TIF District include annual audit of the fund for the TIF District, preparation of annual reporting, legal publication of annual report, and administration of the development agreement.

#### 2.04.5 County Road Costs

The Development will not substantially increase the use of county roads and necessitate the need to use tax increments to pay for county road improvements.

#### 2.04.6 Bonded Indebtedness

The total amount of bonds estimated to be issued is shown in Figure 2-1. The City will not issue any general obligation bonded indebtedness as a result of the TIF Plan.

Pursuant to Section 469.178, Subd. 7 of the TIF Act, the City may advance or loan money to finance expenditures under Section 469.176, Subd. 4 of the TIF Act, from the general fund of the City or any other legally authorized fund under which it has legal authority to do so, subject to the following provisions:

- (a) Not later than 60 days after money is transferred, advanced, or spent, whichever is earliest, the loan or advance must be authorized by resolution of the City.
- (b) The resolution may generally grant to the City the power to make interfund loans under one or more tax increment financing plans or for one or more districts. The resolution may be adopted before or after the adoption of the tax increment financing plan or the creation of the tax increment financing district from which the advance or loan is to be repaid.
- (c) The terms and conditions for repayment of the loan must be provided in writing. The written terms and conditions may be in any form, but must include, at a minimum, the principal amount, the interest rate, and maximum term. Written terms may be modified or amended in writing by the City before the latest decertification of any tax increment financing district from which the interfund loan is to be repaid. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or 549.09 are from time to time adjusted. Loans or advances may be structured as drawdown or line-of-credit obligations of the lending fund.
- (d) The City shall report in the annual report submitted under Section 469.175, Subd. 6 of the TIF Act:
- (1) the amount of any interfund loan or advance made in a calendar year; and
- (2) any amendment of an interfund loan or advance made in a calendar year.

#### 2.04.7 Election of First Year of Tax Increment and Duration of TIF District

Pursuant to Section 469.175, Subd. 1 of the TIF Act, the City elects year 2026 to be the first year to receive increment. The duration to collect and spend tax increments on eligible purposes is set at the maximum duration of twenty-five (25) years after the date of receipt of the first tax increment or twenty-six (26) years of tax increment collection. Based on the elected year for first collection of tax increment, the decertification date is December 31, 2052.

#### 2.04.8 Estimated Impact on Other Taxing Jurisdictions

Exhibits III and IV show the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the Development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the Development therein becomes part of the general tax base.

The City anticipates minimal impact of the Development on City-provided services. There may be minimal borrowing costs to the City for the Development. A manageable increase in water and sewer usage is expected. It is anticipated that there may be a slight but manageable increase in police and fire protection duties due to the Development.

#### 2.04.9 Prior Planned Improvements

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District. The City will include this statement with the request for certification to the County Auditor.

#### ARTICLE III – ADMINISTERING THE TIF DISTRICT

#### **SECTION 3.01 FILING AND CERTIFICATION**

The filing and certification of the TIF Plan consists of the following steps:

- 1. The City shall request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements.
- 2. The City will file a copy of the TIF Plan and any amendments to the TIF Plan with the commissioner of revenue and the state auditor, along with other required documents pursuant to Section 469.175, Subd. 4a of the TIF Act.
- 3. The City shall send the County Assessor any assessment agreement establishing the minimum market value of land and improvements within the TIF District and shall request that the County Assessor review and certify the assessment agreement as reasonable. The City does not expect to enter into an assessment agreement in connection with the Development.

#### SECTION 3.02 MODIFICATIONS OF THE TAX INCREMENT FINANCING PLAN

The City reserves the right to modify the TIF District and the TIF Plan. Under current State law, the following actions can only be approved after satisfying all the necessary requirements for approval of the original TIF Plan (including notifications and public hearing):

- Reduction or enlargement in the geographic area of the Development District or the TIF District.
- Increase in the amount of bonded indebtedness to be incurred.
- Increase in the amount of capitalized interest.
- Increase in that portion of the captured net tax capacity to be retained by the City.
- Increase in the total estimated Public Development Costs, including administrative costs of the City.
- Designation of additional property to be acquired by the City.

Other modifications can be made by resolution of the City. In addition, the original approval process does not apply if (A) (1) the only modification is elimination of parcels from the TIF District and (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or (B) the City agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

#### SECTION 3.03 CORRECTING REDEVELOPMENT CONDITIONS

Section 469.176, Subd. 4j of the TIF Act requires that at least 90% of the revenues derived from tax increments from the TIF District be used to finance the cost of correcting conditions that allow designation of the TIF District as a redevelopment district. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for the development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

#### SECTION 3.04 FOUR-YEAR KNOCKDOWN RULE

The provision of the TIF Act referred to as the Four-Year Knockdown Rule requires development activity to take place on each parcel within a tax increment financing district within four years from the date of certification of the original net tax capacity of such tax increment financing district. If development activity on a parcel has not begun within the required time frame, no additional tax increment may be collected from that parcel and its value must be excluded from the district's original net tax capacity.

Development activity includes demolition, rehabilitation, renovation or site improvement, including a qualified improvement of an adjacent street, on a parcel located within the TIF District. If no development activity has occurred within four years from the date of certification then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City or owner of the parcel subsequently commences any of the above activities, the City shall recertify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

#### SECTION 3.05 POOLING AND FIVE-YEAR RULE

Section 469.176 of the TIF Act provides for certain limitations on the use of tax increments. This includes provision that an amount equal to at least 75% of the total revenue derived from tax increments paid by properties in the TIF District must be expended on activities in the TIF District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the TIF District or to pay, or secure payment of, debt service on credit enhanced bonds, among other limitations in the TIF Act.

Not more than 25% of the total revenue derived from tax increments paid by properties in the TIF District may be expended, through a development fund or otherwise, on activities outside of the TIF District but within the defined geographic area of the Project Area except to pay, or secure payment of, debt service on credit enhanced bonds.

Revenue derived from tax increments paid by properties in the TIF District are considered to have been "spent" within the TIF District if such amounts are:

- actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- used to pay bonds that were issued and sold to a third party, the proceeds of which are
  reasonably expected on the date of issuance to be spent within the later of the five-year
  period or a reasonable temporary period or are deposited in a reasonably required reserve
  or replacement fund.
- used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

It is anticipated that all revenue derived from tax increments paid by properties in the TIF District will be spent or obligated within the first five years after certification of the TIF District and all tax increments will be spent on Public Development Costs within the boundaries of the TIF District.

#### SECTION 3.06 FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS

The City will comply with the annual reporting requirements of the TIF Act pursuant to the guidelines of the Office of the State Auditor. Under current law, the City must prepare and submit a report on the TIF District on or before August 1 of each year. The City must also annually publish in a newspaper of general circulation in the City an annual statement for the TIF District, in the format as prescribed by the Office of the State Auditor.

The reporting and disclosure requirements outlined in this section begin with the year a tax increment financing district is certified, and shall end in the year in which both the district has been decertified and all tax increments have been spent or returned to the County for redistribution. Failure to meet these requirements, as determined by the State Auditors Office, may result in suspension of distribution of tax increments.

#### SECTION 3.07 BUSINESS SUBSIDY COMPLIANCE

The City will comply with the business subsidy requirements specified in Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

#### **Exhibit I**

# City of North Mankato Tax Increment Financing District No. 2-2

# Present Value Analysis As Required By Section 469.175(3)(2) of the TIF Act

1	Estimated Future Market Value w/ Tax Increment Financing	20,638,392 1	
2	Payable 2023 Market Value	3,144,000	
3	Market Value Increase (1-2)	17,494,392	
4	Present Value of Future Tax Increments	2,807,673	
5	Market Value Increase Less PV of Tax Increments	14,686,719	
6	Estimated Future Market Value w/o Tax Increment Financing	4,561,772 <sup>1</sup>	
7	Payable 2023 Market Value	3,144,000	
8	Market Value Increase (6-7)	1,417,772	
9	Increase in MV From TIF	13,268,946 2	

<sup>&</sup>lt;sup>1</sup> Assume 1.50% annual appreciation over 26 year life of district.

<sup>&</sup>lt;sup>2</sup> Statutory compliance achieved if increase in market value from TIF (Line 9) is greater than or equal to zero.

# Exhibit II City of North Mankato Tax Increment Financing District No. 2-2 (Redevelopment) Hotel Redevelopment Projected Tax Increment Financing (TIF) Cash Flow

TIF District Year	Taxes Payable Year	Taxable Market Value (TMV)	Tax Capacity	Original Base Tax Capacity	Captured Tax Capacity for TIF	Original Tax Rate	TIF from District	Present Value TIF from District (5% rate)
1	2026	14,437,462	201,967	42,631	159,336	112.24%	178,192	154,936
2	2027	14,654,023	204,996	42,631	162,365	112.24%	181,580	305,211
3	2028	14,873,834	208,071	42,631	165,440	112.24%	185,019	450,952
4	2029	15,096,941	211,192	42,631	168,561	112.24%	188,509	592,289
5	2030	15,323,395	214,360	42,631	171,729	112.24%	192,052	729,343
6	2031	15,553,246	217,576	42,631	174,945	112.24%	195,648	862,236
7	2032	15,786,545	220,839	42,631	178,208	112.24%	199,298	991,085
8	2033	16,023,343	224,152	42,631	181,521	112.24%	203,003	1,116,005
9	2034	16,263,693	227,514	42,631	184,883	112,24%	206,762	1,237,107
10	2035	16,507,649	230,927	42,631	188,296	112.24%	210,579	1,354,502
11	2036	16,755,263	234,391	42,631	191,760	112.24%	214,452	1,468,296
12	2037	17,006,592	237,906	42,631	195,276	112.24%	218,385	1,578,593
13	2038	17,261,691	241,475	42,631	198,844	112.24%	222,376	1,685,493
14	2039	17,520,617	245,097	42,631	202,466	112.24%	226,426	1,789,095
15	2040	17,783,426	248,774	42,631	206,143	112.24%	230,538	1,889,497
16	2041	18,050,177	252,505	42,631	209,875	112.24%	234,711	1,986,790
17	2042	18,320,930	256,293	42,631	213,662	112.24%	238,947	2,081,066
18	2043	18,595,744	260,137	42,631	217,507	112.24%	243,246	2,172,414
19	2044	18,874,680	264,039	42,631	221,409	112.24%	247,610	2,260,920
20	2045	19,157,800	268,000	42,631	225,369	112.24%	252,039	2,346,669
21	2046	19,445,167	272,020	42,631	229,389	112.24%	256,535	2,429,741
22	2047	19,736,845	276,100	42,631	233,469	112.24%	261,098	2,510,217
23	2048	20,032,897	280,242	42,631	237,611	112.24%	265,730	2,588,174
24	2049	20,333,391	284,445	42,631	241,815	112.24%	270,431	2,663,687
25	2050	20,638,392	288,712	42,631	246,081	112.24%	275,203	2,736,830
26	2051	20,947,968	293,043	42,631	250,412	112.24%	280,045	2,807,673
		Total				TOTAL =	5,878,413	2,807,673

#### **Key Assumptions:**

- 1 Taxable market value (TMV) annual growth assumption = 1.5%
- 2 Original Tax Capacity Rate estimated based on Taxes Payable Year 2023
- 3 Election for captured tax capacity is 100.00%
- 4 Base Tax Capacity is calculated based on a TMV = \$3,144,000
- 5 Present Value is based on semi-annual payments and dated date 1/1/2024.
- 6 Analysis is based on 60 apartment units at average taxable market value of \$190,000 per unit; and 30,000 SF of commercial space with average taxable market value of \$180 per SF.
- 7 TIF from District is after deduction of State Auditor fee of 0.36%
- 8 Elect year 2026 as first year of tax increment collection.

#### Exhibit III

#### **City of North Mankato**

#### Tax Increment Financing District No. 2-2 Impact on Other Taxing Jurisdictions (Taxes Payable 2023)

#### **Annual Tax Increment**

Estimated Annual Captured Tax Capacity (Full Development)	\$250,412
Payable 2023 Local Tax Rate	112.238%
Estimated Annual Tax Increment	\$281,057

#### **Percent of Tax Base**

	Net Tax Capacity (NTC)	Captured Tax Capacity	Percent of Total NTC
City of North Mankato	15,284,319	250,412	1.64%
Nicollet County	44,313,044	250,412	0.57%
ISD 77	81,819,738	250,412	0.31%

#### **Dollar Impact of Affected Taxing Jurisdictions**

	Net Tax Capacity (NTC)	% of Total	Tax Increment Share	Added Local Tax Rate
City of North Mankato	44.028%	39.227%	110,251	0.721%
Nicollet County	48.128%	42.880%	120,518	0.272%
ISD 77	19.714%	17.564%	49,366	0.060%
Other	0.368%	0.328%	922	
Totals	112.238%	100.000%	281,057	39

NOTE NO. 1: Assuming that ALL of the captured tax capacity would be available to all taxing jurisdictions even if the City does not create the Tax Increment District, the creation of the District will reduce tax capacities and increase the local tax rate as illustrated in the above tables.

NOTE NO. 2: Assuming that NONE of the captured tax capacity would be available to the taxing jurisdiction if the City did not create the Tax Increment District, then the plan has virtually no initial effect on the tax capacities of the taxing jurisdictions. However, once the District is established, allowable costs paid from the increments, and the District is terminated, all taxing jurisdictions will experience an increase in their tax base.

# Exhibit IV City of North Mankato Tax Increment Financing (Redevelopment) District No. 2-2 Estimated Tax Increments Over Maximum Life of District

Based on Pay 2023 Tax Rate = 112.238% 44.028% 48.128% 19.714% 0.368%

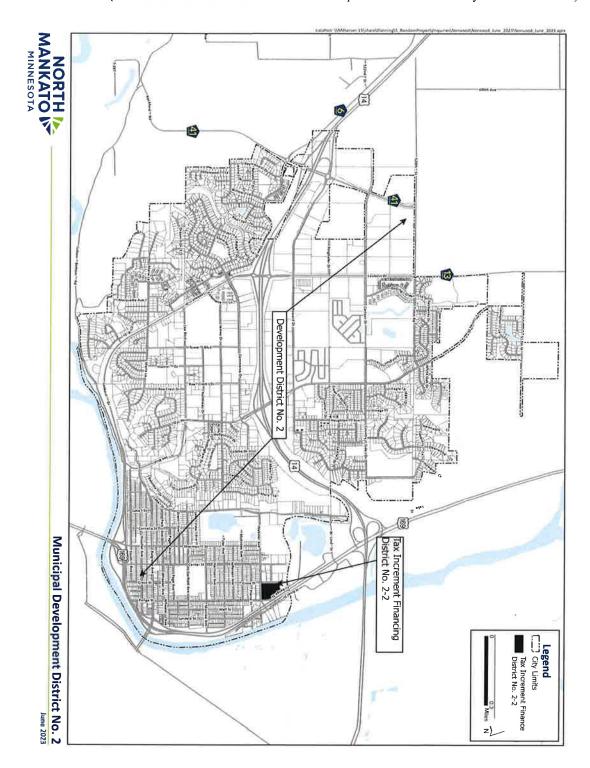
2         2027         14,654,023         204,996         42,631         162,365         182,236         71,486         78,143         32,009         598           3         2028         14,873,834         208,071         42,631         165,440         185,687         72,840         79,623         32,615         609           4         2029         15,096,941         211,192         42,631         168,561         189,190         74,214         81,125         33,230         621           5         2030         15,323,395         214,360         42,631         171,729         192,746         75,609         82,650         33,855         632           6         2031         15,753,246         217,576         42,631         174,945         196,355         77,025         84,197         34,489         644           7         2032         15,786,545         220,839         42,631         178,208         200,018         78,462         85,768         35,785         669           9         2034         16,263,693         227,514         42,631         184,883         207,509         81,400         88,981         36,448         680           10         2035         16,507,649			New				Estimated	City	County	School	Other
Year         Value         Capacity         Capacity         Capacity         Increments         Share         80         80         80         82         20         20         14,654,023         204,996         42,631         162,365         182,236         71,486         78,143         32,009         598         60         60         42,631         165,440         185,687         72,840         79,623         32,615         609         4         60         42,631         1165,440         185,687         72,840         79,623         32,615         609         4         60         33,855         632         60         33,855         632         620         15,553,246         217,576         42,631         177,025         91,770         77,025         84,197         34,489         644           7         2032         15,786,545         220,839	TIF	Taxes	Taxable	New	Base	Captured	Total	TIF	TIF	TIF	TIF
1         2026         14,437,462         201,967         42,631         159,336         178,836         70,152         76,685         31,411         588           2         2027         14,654,023         204,996         42,631         162,365         182,236         71,486         78,143         32,009         598           3         2028         14,873,834         208,071         42,631         165,440         185,687         72,840         79,623         32,615         609           4         2029         15,096,941         211,192         42,631         168,561         189,190         74,214         81,125         33,230         621           5         2030         15,323,395         214,360         42,631         171,729         192,746         75,609         82,650         33,855         632           6         2031         15,553,246         217,576         42,631         178,208         200,018         78,462         85,768         35,132         656           8         2033         16,023,343         224,152         42,631         181,521         203,736         79,920         87,362         35,785         669           9         2034         16,263,693	District	Payable	Market	Tax	Tax	Tax	Tax	Related	Related	Related	Related
2         2027         14,654,023         204,996         42,631         162,365         182,236         71,486         78,143         32,009         588           3         2028         14,873,834         208,071         42,631         165,440         185,687         72,840         79,623         32,615         609           4         2029         15,096,941         211,192         42,631         168,561         189,190         74,214         81,125         33,230         621           5         2030         15,323,395         214,360         42,631         171,729         192,746         75,609         82,650         33,855         632           6         2031         15,786,545         20,839         42,631         174,945         196,355         77,025         84,197         34,489         644           7         2032         15,786,545         220,839         42,631         178,208         200,018         78,462         85,768         35,785         669           9         2034         16,263,693         227,514         42,631         184,883         207,509         81,400         88,981         36,448         680           10         2035         16,507,649	Year	Year	Value	Capacity	Capacity	Capacity	Increments	Share	Share	Share	Share
3         2028         14,873,834         208,071         42,631         165,440         185,687         72,840         79,623         32,615         609           4         2029         15,096,941         211,192         42,631         168,561         189,190         74,214         81,125         33,230         621           5         2030         15,323,395         214,360         42,631         171,729         192,746         75,609         82,650         33,855         632           6         2031         15,553,246         217,576         42,631         174,945         196,355         77,025         84,197         34,489         644           7         2032         15,786,545         220,839         42,631         181,521         203,736         79,920         87,362         35,785         669           9         2034         16,263,693         227,514         42,631         184,883         207,509         81,400         88,981         36,448         680           10         2035         16,507,649         230,927         42,631         188,296         211,340         82,903         90,623         37,121         693           11         2036         16,755,263	1	2026	14,437,462	201,967	42,631	159,336	178,836	70,152	76,685	31,411	588
4         2029         15,096,941         211,192         42,631         168,561         189,190         74,214         81,125         33,230         621           5         2030         15,323,395         214,360         42,631         171,729         192,746         75,609         82,650         33,855         632           6         2031         15,553,246         217,576         42,631         174,945         196,355         77,025         84,197         34,489         644           7         2032         15,786,545         220,839         42,631         181,521         203,736         79,920         87,362         35,785         669           8         2033         16,023,343         224,152         42,631         181,521         203,736         79,920         87,362         35,785         669           9         2034         16,263,693         227,514         42,631         184,883         207,509         81,400         88,981         36,448         680           10         2035         16,507,649         230,927         42,631         188,296         211,340         82,903         90,623         37,121         693           11         2036         16,755,263	2	2027	14,654,023	204,996	42,631	162,365	182,236	71,486	78,143	32,009	598
5         2030         15,323,395         214,360         42,631         171,729         192,746         75,609         82,650         33,855         632           6         2031         15,553,246         217,576         42,631         174,945         196,355         77,025         84,197         34,489         644           7         2032         15,786,545         220,839         42,631         178,208         200,018         78,462         85,768         35,132         656           8         2033         16,023,343         224,152         42,631         181,521         203,736         79,920         87,362         35,785         669           9         2034         16,263,693         227,514         42,631         184,883         207,509         81,400         88,981         36,448         680           10         2035         16,507,649         230,927         42,631         188,296         211,340         82,903         90,623         37,121         693           11         2036         16,755,263         234,391         42,631         191,760         215,227         84,428         92,290         37,804         705           12         2037         17,261,691	3	2028	14,873,834	208,071	42,631	165,440	185,687	72,840	79,623	32,615	609
6         2031         15,553,246         217,576         42,631         174,945         196,355         77,025         84,197         34,489         644           7         2032         15,786,545         220,839         42,631         178,208         200,018         78,462         85,768         35,132         656           8         2033         16,023,343         224,152         42,631         181,521         203,736         79,920         87,362         35,785         669           9         2034         16,263,693         227,514         42,631         184,883         207,509         81,400         88,981         36,448         680           10         2035         16,507,649         230,927         42,631         188,296         211,340         82,903         90,623         37,121         693           11         2036         16,755,263         234,391         42,631         191,760         215,227         84,428         92,290         37,804         705           12         2037         17,006,592         237,906         42,631         195,276         219,174         85,976         93,982         38,497         719           13         2038         17,261,691	4	2029	15,096,941	211,192	42,631	168,561	189,190	74,214	81,125	33,230	621
7         2032         15,786,545         220,839         42,631         178,208         200,018         78,462         85,768         35,132         656           8         2033         16,023,343         224,152         42,631         181,521         203,736         79,920         87,362         35,785         669           9         2034         16,263,693         227,514         42,631         184,883         207,509         81,400         88,981         36,448         680           10         2035         16,507,649         230,927         42,631         188,296         211,340         82,903         90,623         37,121         693           11         2036         16,755,263         234,391         42,631         191,760         215,227         84,428         92,290         37,804         705           12         2037         17,006,592         237,906         42,631         195,276         219,174         85,976         93,982         38,497         719           13         2038         17,261,691         241,475         42,631         198,844         223,179         87,547         95,700         39,200         732           14         2039         17,520,617	5	2030	15,323,395	214,360	42,631	171,729	192,746	75,609	82,650	33,855	632
8 2033 16,023,343 224,152 42,631 181,521 203,736 79,920 87,362 35,785 669 9 2034 16,263,693 227,514 42,631 184,883 207,509 81,400 88,981 36,448 680 10 2035 16,507,649 230,927 42,631 188,296 211,340 82,903 90,623 37,121 693 11 2036 16,755,263 234,391 42,631 191,760 215,227 84,428 92,290 37,804 705 12 2037 17,006,592 237,906 42,631 195,276 219,174 85,976 93,982 38,497 719 13 2038 17,261,691 241,475 42,631 198,844 223,179 87,547 95,700 39,200 732 14 2039 17,520,617 245,097 42,631 202,466 227,244 89,142 97,443 39,914 745 15 2040 17,783,426 248,774 42,631 206,143 231,371 90,761 99,212 40,639 759 16 2041 18,050,177 252,505 42,631 209,875 235,559 92,404 101,008 41,375 772 17 2042 18,320,930 256,293 42,631 213,662 239,810 94,071 102,831 42,121 787 18 2043 18,595,744 260,137 42,631 217,507 244,125 95,764 104,682 42,879 800 19 2044 18,874,680 264,039 42,631 221,409 248,505 97,482 106,560 43,648 815 20 2045 19,157,800 268,000 42,631 225,369 252,950 99,226 108,466 44,429 829 21 2046 19,445,167 272,020 42,631 229,389 257,462 100,995 110,400 45,222 845 22 2047 19,736,845 276,100 42,631 233,469 262,041 102,792 112,364 46,026 859 23 2048 20,032,897 280,242 42,631 237,611 266,690 104,615 114,357 46,843 875 24 2049 20,333,391 284,445 42,631 241,815 271,408 106,466 116,381 47,671 890 25 2050 20,638,392 288,712 42,631 246,081 276,197 108,345 118,434 48,512 906 26 2051 20,947,968 293,043 42,631 250,412 281,057 110,251 120,518 49,366 922	6	2031	15,553,246	217,576	42,631	174,945	196,355	77,025	84,197	34,489	644
9 2034 16,263,693 227,514 42,631 184,883 207,509 81,400 88,981 36,448 680 10 2035 16,507,649 230,927 42,631 188,296 211,340 82,903 90,623 37,121 693 11 2036 16,755,263 234,391 42,631 191,760 215,227 84,428 92,290 37,804 705 12 2037 17,006,592 237,906 42,631 195,276 219,174 85,976 93,982 38,497 719 13 2038 17,261,691 241,475 42,631 198,844 223,179 87,547 95,700 39,200 732 14 2039 17,520,617 245,097 42,631 202,466 227,244 89,142 97,443 39,914 745 15 2040 17,783,426 248,774 42,631 206,143 231,371 90,761 99,212 40,639 759 16 2041 18,050,177 252,505 42,631 209,875 235,559 92,404 101,008 41,375 772 17 2042 18,320,930 256,293 42,631 213,662 239,810 94,071 102,831 42,121 787 18 2043 18,595,744 260,137 42,631 217,507 244,125 95,764 104,682 42,879 800 19 2044 18,874,680 264,039 42,631 221,409 248,505 97,482 106,560 43,648 815 20 2045 19,157,800 268,000 42,631 225,369 252,950 99,226 108,466 44,429 829 21 2046 19,445,167 272,020 42,631 233,469 262,041 102,792 112,364 46,026 859 22 2047 19,736,845 276,100 42,631 233,469 262,041 102,792 112,364 46,026 859 23 2048 20,032,897 280,242 42,631 237,611 266,690 104,615 114,357 46,843 875 24 2049 20,333,391 284,445 42,631 241,815 271,408 106,466 116,381 47,671 890 25 2050 20,638,392 288,712 42,631 246,081 276,197 108,345 118,434 48,512 906 26 2051 20,947,968 293,043 42,631 250,412 281,057 110,251 120,518 49,366 922	7	2032	15,786,545	220,839	42,631	178,208	200,018	78,462	85,768	35,132	656
10         2035         16,507,649         230,927         42,631         188,296         211,340         82,903         90,623         37,121         693           11         2036         16,755,263         234,391         42,631         191,760         215,227         84,428         92,290         37,804         705           12         2037         17,006,592         237,906         42,631         195,276         219,174         85,976         93,982         38,497         719           13         2038         17,261,691         241,475         42,631         198,844         223,179         87,547         95,700         39,200         732           14         2039         17,520,617         245,097         42,631         202,466         227,244         89,142         97,443         39,914         745           15         2040         17,783,426         248,774         42,631         209,875         235,559         92,404         101,008         41,375         772           16         2041         18,050,177         252,505         42,631         213,662         239,810         94,071         102,831         42,121         787           17         2042         18,320,930 </td <td>8</td> <td>2033</td> <td>16,023,343</td> <td>224,152</td> <td>42,631</td> <td>181,521</td> <td>203,736</td> <td>79,920</td> <td>87,362</td> <td>35,785</td> <td>669</td>	8	2033	16,023,343	224,152	42,631	181,521	203,736	79,920	87,362	35,785	669
11       2036       16,755,263       234,391       42,631       191,760       215,227       84,428       92,290       37,804       705         12       2037       17,006,592       237,906       42,631       195,276       219,174       85,976       93,982       38,497       719         13       2038       17,261,691       241,475       42,631       198,844       223,179       87,547       95,700       39,200       732         14       2039       17,520,617       245,097       42,631       202,466       227,244       89,142       97,443       39,914       745         15       2040       17,783,426       248,774       42,631       206,143       231,371       90,761       99,212       40,639       759         16       2041       18,050,177       252,505       42,631       209,875       235,559       92,404       101,008       41,375       772         17       2042       18,320,930       256,293       42,631       217,507       244,125       95,764       104,682       42,879       800         19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560	9	2034	16,263,693	227,514	42,631	184,883	207,509	81,400	88,981	36,448	680
12       2037       17,006,592       237,906       42,631       195,276       219,174       85,976       93,982       38,497       719         13       2038       17,261,691       241,475       42,631       198,844       223,179       87,547       95,700       39,200       732         14       2039       17,520,617       245,097       42,631       202,466       227,244       89,142       97,443       39,914       745         15       2040       17,783,426       248,774       42,631       206,143       231,371       90,761       99,212       40,639       759         16       2041       18,050,177       252,505       42,631       209,875       235,559       92,404       101,008       41,375       772         17       2042       18,320,930       256,293       42,631       213,662       239,810       94,071       102,831       42,121       787         18       2043       18,595,744       260,137       42,631       217,507       244,125       95,764       104,682       42,879       800         19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560 <td< td=""><td>10</td><td>2035</td><td>16,507,649</td><td>230,927</td><td>42,631</td><td>188,296</td><td>211,340</td><td>82,903</td><td>90,623</td><td>37,121</td><td>693</td></td<>	10	2035	16,507,649	230,927	42,631	188,296	211,340	82,903	90,623	37,121	693
13       2038       17,261,691       241,475       42,631       198,844       223,179       87,547       95,700       39,200       732         14       2039       17,520,617       245,097       42,631       202,466       227,244       89,142       97,443       39,914       745         15       2040       17,783,426       248,774       42,631       206,143       231,371       90,761       99,212       40,639       759         16       2041       18,050,177       252,505       42,631       209,875       235,559       92,404       101,008       41,375       772         17       2042       18,320,930       256,293       42,631       213,662       239,810       94,071       102,831       42,121       787         18       2043       18,595,744       260,137       42,631       217,507       244,125       95,764       104,682       42,879       800         19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560       43,648       815         20       2045       19,157,800       268,000       42,631       225,369       252,950       99,226       108,466 <t< td=""><td>11</td><td>2036</td><td>16,755,263</td><td>234,391</td><td>42,631</td><td>191,760</td><td>215,227</td><td>84,428</td><td>92,290</td><td>37,804</td><td>705</td></t<>	11	2036	16,755,263	234,391	42,631	191,760	215,227	84,428	92,290	37,804	705
14       2039       17,520,617       245,097       42,631       202,466       227,244       89,142       97,443       39,914       745         15       2040       17,783,426       248,774       42,631       206,143       231,371       90,761       99,212       40,639       759         16       2041       18,050,177       252,505       42,631       209,875       235,559       92,404       101,008       41,375       772         17       2042       18,320,930       256,293       42,631       213,662       239,810       94,071       102,831       42,121       787         18       2043       18,595,744       260,137       42,631       217,507       244,125       95,764       104,682       42,879       800         19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560       43,648       815         20       2045       19,157,800       268,000       42,631       225,369       252,950       99,226       108,466       44,429       829         21       2046       19,445,167       272,020       42,631       233,469       262,041       102,792       112,364	12	2037	17,006,592	237,906	42,631	195,276	219,174	85,976	93,982	38,497	719
15       2040       17,783,426       248,774       42,631       206,143       231,371       90,761       99,212       40,639       759         16       2041       18,050,177       252,505       42,631       209,875       235,559       92,404       101,008       41,375       772         17       2042       18,320,930       256,293       42,631       213,662       239,810       94,071       102,831       42,121       787         18       2043       18,595,744       260,137       42,631       217,507       244,125       95,764       104,682       42,879       800         19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560       43,648       815         20       2045       19,157,800       268,000       42,631       225,369       252,950       99,226       108,466       44,429       829         21       2046       19,445,167       272,020       42,631       229,389       257,462       100,995       110,400       45,222       845         22       2047       19,736,845       276,100       42,631       233,469       262,041       102,792       112,364	13	2038	17,261,691	241,475	42,631	198,844	223,179	87,547	95,700	39,200	732
16       2041       18,050,177       252,505       42,631       209,875       235,559       92,404       101,008       41,375       772         17       2042       18,320,930       256,293       42,631       213,662       239,810       94,071       102,831       42,121       787         18       2043       18,595,744       260,137       42,631       217,507       244,125       95,764       104,682       42,879       800         19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560       43,648       815         20       2045       19,157,800       268,000       42,631       225,369       252,950       99,226       108,466       44,429       829         21       2046       19,445,167       272,020       42,631       229,389       257,462       100,995       110,400       45,222       845         22       2047       19,736,845       276,100       42,631       233,469       262,041       102,792       112,364       46,026       859         23       2048       20,032,897       280,242       42,631       237,611       266,690       104,615       114,357	14	2039	17,520,617	245,097	42,631	202,466	227,244	89,142	97,443	39,914	745
17       2042       18,320,930       256,293       42,631       213,662       239,810       94,071       102,831       42,121       787         18       2043       18,595,744       260,137       42,631       217,507       244,125       95,764       104,682       42,879       800         19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560       43,648       815         20       2045       19,157,800       268,000       42,631       225,369       252,950       99,226       108,466       44,429       829         21       2046       19,445,167       272,020       42,631       229,389       257,462       100,995       110,400       45,222       845         22       2047       19,736,845       276,100       42,631       233,469       262,041       102,792       112,364       46,026       859         23       2048       20,032,897       280,242       42,631       237,611       266,690       104,615       114,357       46,843       875         24       2049       20,333,391       284,445       42,631       241,815       271,408       106,466       116,381	15	2040	17,783,426	248,774	42,631	206,143	231,371	90,761	99,212	40,639	759
18       2043       18,595,744       260,137       42,631       217,507       244,125       95,764       104,682       42,879       800         19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560       43,648       815         20       2045       19,157,800       268,000       42,631       225,369       252,950       99,226       108,466       44,429       829         21       2046       19,445,167       272,020       42,631       229,389       257,462       100,995       110,400       45,222       845         22       2047       19,736,845       276,100       42,631       233,469       262,041       102,792       112,364       46,026       859         23       2048       20,032,897       280,242       42,631       237,611       266,690       104,615       114,357       46,843       875         24       2049       20,333,391       284,445       42,631       241,815       271,408       106,466       116,381       47,671       890         25       2050       20,638,392       288,712       42,631       246,081       276,197       108,345       118,434	16	2041	18,050,177	252,505	42,631	209,875	235,559	92,404	101,008	41,375	772
19       2044       18,874,680       264,039       42,631       221,409       248,505       97,482       106,560       43,648       815         20       2045       19,157,800       268,000       42,631       225,369       252,950       99,226       108,466       44,429       829         21       2046       19,445,167       272,020       42,631       229,389       257,462       100,995       110,400       45,222       845         22       2047       19,736,845       276,100       42,631       233,469       262,041       102,792       112,364       46,026       859         23       2048       20,032,897       280,242       42,631       237,611       266,690       104,615       114,357       46,843       875         24       2049       20,333,391       284,445       42,631       241,815       271,408       106,466       116,381       47,671       890         25       2050       20,638,392       288,712       42,631       246,081       276,197       108,345       118,434       48,512       906         26       2051       20,947,968       293,043       42,631       250,412       281,057       110,251       120,518	17	2042	18,320,930	256,293	42,631	213,662	239,810	94,071	102,831	42,121	787
20       2045       19,157,800       268,000       42,631       225,369       252,950       99,226       108,466       44,429       829         21       2046       19,445,167       272,020       42,631       229,389       257,462       100,995       110,400       45,222       845         22       2047       19,736,845       276,100       42,631       233,469       262,041       102,792       112,364       46,026       859         23       2048       20,032,897       280,242       42,631       237,611       266,690       104,615       114,357       46,843       875         24       2049       20,333,391       284,445       42,631       241,815       271,408       106,466       116,381       47,671       890         25       2050       20,638,392       288,712       42,631       246,081       276,197       108,345       118,434       48,512       906         26       2051       20,947,968       293,043       42,631       250,412       281,057       110,251       120,518       49,366       922	18	2043	18,595,744	260,137	42,631	217,507	244,125	95,764	104,682	42,879	800
21     2046     19,445,167     272,020     42,631     229,389     257,462     100,995     110,400     45,222     845       22     2047     19,736,845     276,100     42,631     233,469     262,041     102,792     112,364     46,026     859       23     2048     20,032,897     280,242     42,631     237,611     266,690     104,615     114,357     46,843     875       24     2049     20,333,391     284,445     42,631     241,815     271,408     106,466     116,381     47,671     890       25     2050     20,638,392     288,712     42,631     246,081     276,197     108,345     118,434     48,512     906       26     2051     20,947,968     293,043     42,631     250,412     281,057     110,251     120,518     49,366     922	19	2044	18,874,680	264,039	42,631	221,409	248,505	97,482	106,560	43,648	815
22     2047     19,736,845     276,100     42,631     233,469     262,041     102,792     112,364     46,026     859       23     2048     20,032,897     280,242     42,631     237,611     266,690     104,615     114,357     46,843     875       24     2049     20,333,391     284,445     42,631     241,815     271,408     106,466     116,381     47,671     890       25     2050     20,638,392     288,712     42,631     246,081     276,197     108,345     118,434     48,512     906       26     2051     20,947,968     293,043     42,631     250,412     281,057     110,251     120,518     49,366     922	20	2045	19,157,800	268,000	42,631	225,369	252,950	99,226	108,466	44,429	829
23       2048       20,032,897       280,242       42,631       237,611       266,690       104,615       114,357       46,843       875         24       2049       20,333,391       284,445       42,631       241,815       271,408       106,466       116,381       47,671       890         25       2050       20,638,392       288,712       42,631       246,081       276,197       108,345       118,434       48,512       906         26       2051       20,947,968       293,043       42,631       250,412       281,057       110,251       120,518       49,366       922	21	2046	19,445,167	272,020	42,631	229,389	257,462	100,995	110,400	45,222	845
24     2049     20,333,391     284,445     42,631     241,815     271,408     106,466     116,381     47,671     890       25     2050     20,638,392     288,712     42,631     246,081     276,197     108,345     118,434     48,512     906       26     2051     20,947,968     293,043     42,631     250,412     281,057     110,251     120,518     49,366     922	22	2047	19,736,845	276,100	42,631	233,469	262,041	102,792	112,364	46,026	859
25     2050     20,638,392     288,712     42,631     246,081     276,197     108,345     118,434     48,512     906       26     2051     20,947,968     293,043     42,631     250,412     281,057     110,251     120,518     49,366     922	23	2048	20,032,897	280,242	42,631	237,611	266,690	104,615	114,357	46,843	875
26 2051 20,947,968 293,043 42,631 250,412 281,057 110,251 120,518 49,366 922	24	2049	20,333,391	284,445	42,631	241,815	271,408	106,466	116,381	47,671	890
	25	2050	20,638,392	288,712	42,631	246,081	276,197	108,345	118,434	48,512	906
Total 5.899.652 2.314.276 2.529.785 1.036.241 19.350	26	2051	20,947,968	293,043	42,631	250,412	281,057	110,251	120,518	49,366	922
5,055,052 E/5/F/E/ 05 1,050,EF 1 15,550	Total						5,899,652	2,314,276	2,529,785	1,036,241	19,350

Note: The Estimated Total Tax Increment shown above is before deducting the State Auditor's fee, which is payable at a rate of 0.36% of the Total Tax Increment collected. Exhibit II provides Estimated Total Tax Increment after deducting for the State Auditor's fee

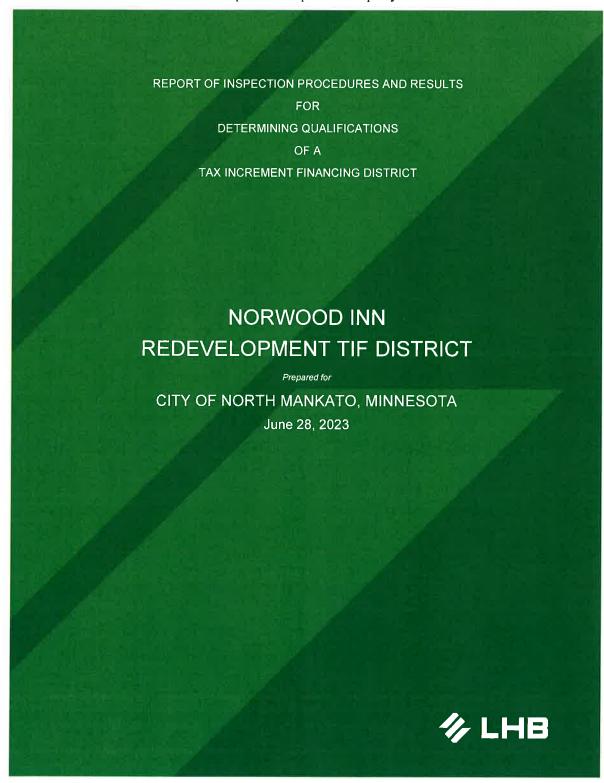
#### Exhibit V

# Map of Boundaries of Tax Increment Financing District No. 2-2 and Municipal Development District No. 2

(Boundaries of Municipal District No. 2 are coterminous with municipal boundaries of the City of North Mankato)



# Exhibit VI Inspection Report of Property



#### **Table of Contents**

Part 1: Executive Summary	
Purpose of the Evaluation	
Scope of Work	
Conclusion	
Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements	
Interior Inspection	
Exterior Inspection and Other Means	
Documentation	
Qualification Requirements	
1. Coverage Test	
2. Condition of Buildings Test	
3. Distribution of Substandard Buildings	
Part 3: Procedures Followed	
Part 4: Findings5	
1. Coverage Test5	
2. Condition of Building Test	
3. Distribution of Substandard Structures	
Part 5: Team Credentials9	
Appendices9	
	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code, Condition Deficiency and Context Analysis Reports
APPENDIX C	Building Replacement Cost Reports
	Code Deficiency Cost Reports
	Photographs

#### Part 1: Executive Summary

#### Purpose of the Evaluation

LHB was hired by the City of North Mankato to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located between Cross Street and Range Street, North of Webster Avenue, in North Mankato, MN (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether three (3) buildings on five (5) parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1: Proposed TIF District

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 2 of 9

#### Scope of Work

The proposed TIF District consists of five (5) parcels with three (3) buildings. The buildings were inspected on October 27, 2022, and February 13, 2023. Building Code and Condition Deficiency reports are in Appendix B.

#### Conclusion

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 79 percent which is above the 70 percent requirement.
- 66.7 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

# Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

#### Interior Inspection

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

#### **Exterior Inspection and Other Means**

"An interior inspection of the property is not required, if the municipality finds that

- (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
- (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

#### **Documentation**

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

#### **Qualification Requirements**

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

#### 1. COVERAGE TEST

a. Minnesota Statutes, Section 469.174, Subdivision 10(a)(1) states:

"parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes*, Section 469.174, Subdivision 10(e), which states:

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 3 of 9

"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

#### 2. CONDITION OF BUILDINGS TEST

- a. Minnesota Statutes, Section 469.174, Subdivision 10(a) states:
  - "...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"
- b. Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

- We do not count energy code deficiencies toward the thresholds required by Minnesota Statutes, Section 469.174, Subdivision 10(b) defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the Walser Auto Sales, Inc. vs. City of Richfield case filed November 13, 2001.
- c. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

"A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

- i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c)) for the following reasons:
  - 1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
  - 2) Chapter 13 of the 2015 Minnesota Building Code states, "Buildings shall be designed and constructed in accordance with the International Energy Conservation Code." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the International Energy Conservation Code in this code mean the Minnesota Energy Code..."
  - Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 Minnesota Energy Code.
  - 4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
  - 5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
  - 6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 4 of 9

of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

#### 3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

- a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions "reasonably distributed throughout the district.":
  - "(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;
  - (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;
  - (3) tank facilities, or property whose immediately previous use was for tank facilities..."
- b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the Walser Auto Sales, Inc. vs. City of Richfield case filed November 13, 2001.

#### Part 3: Procedures Followed

LHB inspected one building (Parcel A) on the interior and exterior during the day of October 27, 2022, and another building (Parcel B) on the interior and exterior during the day of February 13, 2023. The third building (Parcel C) was not inspected on the interior so was not determined to be substandard for purposes of this report.

For the purposes of our work, we are defining buildings as those structures inhabited by human beings. These structures would typically include water, sewer, and electricity. Barns and small storage facilities are considered "outbuildings" which are not typically considered in TIF analysis because they have very few code requirements and are not intended for human occupation. The cold storage facility on parcel D falls into this category.

#### Part 4: Findings

#### 1. Coverage Test

- The total square foot area of the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- c. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 5 of 9

#### **FINDING**

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174*, *Subdivision 10(e)*, which resulted in parcels consisting of 79 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under Minnesota Statutes, Section 469.174, Subdivision (a) (1).



Diagram 2 - Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 6 of 9

#### 2. Condition of Building Test

#### a. BUILDING INSPECTION

i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether a building "appears" to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

#### b. REPLACEMENT COST

- i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2022.
- ii. A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in North Mankato, Minnesota.
- Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural fees, legal fees or other "soft" costs not directly related to construction activities.
   Replacement cost for each building is tabulated in Appendix A.

#### c. CODE DEFICIENCIES

- The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.
- ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.
- iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2022; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

#### **FINDING**

Two (2) out of three (3) buildings (66.7 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

#### d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then for such building to be "structurally substandard" under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building's defects, or deficiencies should be of sufficient total significance to justify "substantial renovation or clearance." Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to determine if the total deficiencies warranted "substantial renovation or clearance" based on the criteria we outlined above.
- ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors, and doors.

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 7 of 9

- iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of "service life" used up for a particular component unless it was an obvious part of that component's deficiencies.
- iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify "substantial renovation or clearance."

#### **FINDING**

In our professional opinion, two (2) out of three (3) buildings (66.7 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

#### 3. Distribution of Substandard Structures

e. Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

#### **FINDING**

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.



Diagram 3 - Substandard Buildings

Shaded green area depicts parcels with buildings. Shaded orange area depicts substandard buildings.

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 8 of 9

#### Part 5: Team Credentials

#### Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 34 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including a term as a City Council President, Chair of a Metropolitan Planning Organization, and Chair of the Edina Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

#### Phil Fisher - Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

#### **Appendices**

APPENDIX A Property Condition Assessment Summary Sheet

APPENDIX B Building Code, Condition Deficiency and Context Analysis Report

APPENDIX C Building Replacement Cost Report

Code Deficiency Cost Report

**Photographs** 

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 9 of 9

### **APPENDIX A**

**Property Condition Assessment Summary Sheet** 

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	66.7%									aunt	d in the building c	Note 2: This structure is defined as an outbuilding, so is not included in the building count	structure is defined as a	Nate 2: This
						79.0%	Total Coverage Percent:	Total		Indard	determined substa	Note 1: This building was not inspected on the interior, so was not determined substandard	building was not inspec	Vote 1: This
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No. of buildings determined substandard	No. of Buildings Exceeding 15% Criteria	Building Code Deficiencies	15% of Replacement Cost	Building Replacement Cost	No. of Buildings	Coverage Quantity (S.F.)	Coverage Percent of Improvements	Coverage Area of Improvements (S.F.)	Site Area (S.F.)	Survey Method Used	Improved or Vacant	Property Address	PID#	TIF Map No
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LHB Project Number 221246

## **APPENDIX B**

Building Code, Condition Deficiency and Context Analysis Report

### Norwood Inn Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A

Hotel

Address:

1111 Range Street, North Mankato, Minnesota 56003

Parcel ID:

18.513.0010

Inspection Date(s) & Time(s):

October 27, 2022, 10:30 am

Inspection Type:

Interior and Exterior

Summary of Deficiencies:

It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:

\$11,218,066

Estimated Cost to Correct Building Code Deficiencies:

\$3,861,040

Percentage of Replacement Cost for Building Code Deficiencies:

34.4%

### **DEFECTS IN STRUCTURAL ELEMENTS**

None observed.

### **COMBINATION OF DEFICIENCIES**

- 1. Essential Utilities and Facilities
  - There are no code compliant accessible sleeping accommodations.
  - b. There is no code compliant accessible route to all levels of the building.
  - c. The main transaction counter does not comply with accessibility code.
- 2. Light and Ventilation
  - a. The electrical wiring system does not comply with code.
  - b. The lighting system does not comply with code.
  - c. The HVAC system does not comply with code.
- 3. Fire Protection/Adequate Egress
  - a. Thresholds do not comply with code for maximum height.
  - b. Glass doors do not have code required 10-inch kick plates.
  - c. Door hardware is not fully code compliant.
  - d. Flooring is damaged creating an impediment to emergency egress which is contrary to code.
  - e. Sidewalks are damaged creating an impediment to emergency egress which is contrary to code.
  - f. Hallways do not comply with code for minimum floor to ceiling height.
  - The smoke detectors do not comply with code.

Norwood Inn Redevelopment TIF District

Page 1 of 3

**Building Report** 

LHB Project No. 221246

Parcel A - 1111 Range St, North Mankato, MN 56003

- h. Emergency lighting does not comply with code.
- i. Emergency exit signs do not comply with code.
- The emergency notification system does not comply with code.
- k. There is no code required building sprinkler system.
- I. There is no code required fire caulking in through wall, floor, or ceiling penetrations
- m. Walk-in cooler door handle does not comply with code.
- 4. Layout and Condition of Interior Partitions/Materials
  - a. Interior walls should be repaired/repainted.
  - b. Ceiling tile should be repaired/replaced.
  - Mold is present in most rooms.
  - d. Toilets do not comply with code for proximity to adjacent fixtures.
  - e. Ceiling tile is missing in the kitchen which is contrary to code.
  - f. Several interior wooden framed walls are not properly enclosed per code.

### 5. Exterior Construction

- a. Down spouts are damaged and should be repaired.
- b. Windows are failing allowing for water intrusion which is contrary to code.
- c. E.I.F.S. is damaged allowing for water intrusion which is contrary to code.
- d. Mortar joints are failing allowing for water intrusion which is contrary to code.
- e. Garage doors should be repainted.
- f. Parking lot is damaged and should be repaired.
- g. Fascia is missing and should be replaced to prevent water intrusion per code.
- h. Exposed wood trim should be repainted.
- i. Roofing material is failing allowing for water intrusion which is contrary to code.

### **DESCRIPTION OF CODE DEFICIENCIES**

- Code compliant accessible sleeping accommodations should be created.
- 2. A code required accessible route to all levels should be created.
- 3. The main transaction counter should be modified to comply with code.
- 4. A code compliant electrical system should be installed.
- 5. A code compliant lighting system should be installed.
- 6. A code compliant HVAC system should be installed.
- 7. Thresholds should be modified to comply with code.
- 8. Glass doors should have code required 10-inch kick plates installed.
- 9. Install code compliant door hardware.
- 10. Repair/replace damaged flooring to create an unimpeded means for emergency egress per code.
- 11. Repair/replace damaged sidewalks to create an unimpeded means for emergency egress per code.
- 12. Modify hallway floor to ceiling height to comply with code.
- 13. Install code compliant smoke detectors.
- 14. Install code compliant emergency lighting system.

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 2 of 3

Building Report
Parcel A – 1111 Range St, North Mankato, MN 56003

- 15. Install code compliant emergency exit signs.
- Install code required building sprinkler system.
- 17. The walk-in cooler door handle should be replaced to comply with code.
- 18. Toilets in guest rooms do not comply with code for distance to door.
- 19. Missing ceiling tile in kitchen should be replaced to comply with code.
- 20. Install code required fire caulking.
- 21. Enclose exposed wooden framed walls with code compliant materials.
- 22. Replace failing windows to prevent water intrusion per code.
- 23. Repair damaged EIFS to prevent water intrusion per code.
- 24. Repair/replace failed mortar joints to prevent water intrusion per code.
- 25. Replace missing metal fascia to prevent water intrusion per code.
- 26. Replace failed roofing material to prevent water intrusion per code.

### **OVERVIEW OF DEFICIENCIES**

This building is currently used to provide housing for workers at a local food processing plant. There is no code compliant accessible route to all levels of the building. There are no code compliant accessible sleeping rooms. The main transaction counter is not code compliant for accessibility. Doors are damaged and should be repaired/replaced. Walls should be repaired/repainted. Ceiling tile is water stained and should be replaced. Light fixtures are not fully lamped. Carpeting is stained and should be cleaned. Mold is present in most rooms. Parking lots are damaged and should be repaired/replaced. The electrical wiring and lighting systems are not code compliant. The HVAC system is not code compliant. Glass doors do not have code required 10-inch kick plates. Door hardware is not fully code compliant. The floor to ceiling height in the hallways does not comply with code. Indoor flooring and outdoor sidewalks are damaged creating an impediment to emergency egress which is contrary to code. Smoke detectors are not code compliant. The emergency lighting and exit signs are not code compliant. There is no code required building sprinkler system. The emergency notification system does not comply with code. The walk-in cooler door handle does not comply with code. Toilets in the guest rooms do not comply with code for proximity to the door. Ceiling tile in the kitchen is missing and should be replaced per code. Failing windows should be replaced to prevent water intrusion per code. Exterior surfaces are damaged and should be repaired/replaced to prevent water intrusion per code. Roofing material has failed allowing for water intrusion which is contrary to code.

### **ENERGY CODE DEFICIENCIES**

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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### Norwood Inn Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel B Liquor Store

Address: 1105 Range Street, North Mankato, Minnesota 56003

Parcel ID: 18.557.2980

Inspection Date(s) & Time(s): February 13, 2023, 10:00 am

Inspection Type: Interior and Exterior

Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost: \$356,032
Estimated Cost to Correct Building Code Deficiencies: \$92,161
Percentage of Replacement Cost for Building Code Deficiencies: 25.9%

### **DEFECTS IN STRUCTURAL ELEMENTS**

1. No Deficiencies Observed.

### **COMBINATION OF DEFICIENCIES**

- 1. Essential Utilities and Facilities
  - a. There is no code required designated accessible parking.
- Light and Ventilation
  - a. The electrical system does not comply with code.
  - b. The lighting system does not comply with code.
  - c. The HVAC system does not comply with code.
- 3. Fire Protection/Adequate Egress
  - a. A secondary means of egress is required per code.
  - b. Glass doors do not have code required 10-inch kick plates.
  - c. Flooring is damaged creating an impediment to emergency egress which is contrary to code.
  - d. Thresholds do not comply with code for maximum height.
  - e. Smoke detectors do not comply with code.
  - f. Emergency lighting does not comply with code.
  - g. There is no code required emergency notification system.
  - h. There is no code required building sprinkler system.

Norwood Inn Redevelopment TIF District LHB Project No. 221246.00

Page 1 of 2

Building Report

Parcel B- 1105 Range St, North Mankato, MN 56003

- 4. Layout and Condition of Interior Partitions/Materials
  - a. Walls should be repaired/repainted.
  - b. Ceilings should be repainted.
- 5. Exterior Construction
  - a. Sidewalks are damaged creating and impediment to emergency egress which is contrary to code.
  - b. Hollow metal door should be repainted.

### **DESCRIPTION OF CODE DEFICIENCIES**

- Code required accessible parking should be created.
- 2. A code compliant electrical wiring system should be installed.
- 3. A code compliant lighting system should be installed.
- 4. A code compliant HVAC system should be installed.
- 5. Damaged/missing flooring should be repaired/replaced to create a code compliant unimpeded means for emergency egress.
- 6. Thresholds should be modified to comply with code for maximum height.
- 7. Glass doors should have code required 10-inch kick plates installed.
- 8. Code compliant smoke detectors should be installed.
- 9. Code compliant emergency lighting should be installed.
- 10. A code required emergency notification system should be installed.
- 11. A code required building sprinkler system should be installed.
- 12. A secondary means of egress should be installed per code.
- 13. The sidewalk is damaged creating an impediment to emergency egress which is contrary to code.

### **OVERVIEW OF DEFICIENCIES**

This retail building is currently occupied. There is no code required accessible parking. The electrical wiring and lighting systems do not comply with code. The HVAC system does not comply with code. The flooring is damaged/missing creating an impediment to emergency egress which is contrary to code. Smoke detectors are not code compliant. The emergency lighting system is not code compliant. A code required emergency notification system should be installed. A code required building sprinkler system should be installed. The glass doors should have code required 10-inch kick plates installed. A code required secondary means of egress should be installed. The sidewalk is damaged creating an impediment to emergency egress which is contrary to code.

### **ENERGY CODE DEFICIENCIES**

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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Norwood Inn Redevelopment TIF District LHB Project No. 221246.00

Page 2 of 2

Building Report

Parcel B- 1105 Range St, North Mankato, MN 56003

### **APPENDIX C**

Building Replacement Cost Report

Code Deficiency Cost Report

Photographs

## Norwood Inn Redevelopment TIF District

### Replacement Cost Report

RSMeans data	Square Foot Cost Estimate Report	Date:	10/28/2022
Estimate Name:	1111 Range Street		
Building Type:	Motel, 2-3 Story with Brick Veneer / Wood Frame		
Location:	NORTH MANKATO, MN		
Story Count:	2		
Story Height (L.F.):	9.00		
Floor Area (S.F.):	68000		
Labor Type:	OPN		
Basement Included:	No		
Data Release:	Year 2022 Quarter 4	Costs are derived from a building model with basic components	
Cost Per Square Foot:	\$164.97	Scope differences and market conditions can cause costs to vary signific	antly
Building Cost:	\$11,218,066.55		

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		4.29%	\$6.15	\$418,422.20
A1010	Standard Foundations			\$2.92	\$198,309.94
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, "148 CY/LF, 7,2 PLF, 12" thick	1350		\$1,76	\$120,008:25
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	1687.5		\$1,15	\$78,301.69
A1030	Slab on Grade			\$3.07	\$208,742.66
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	34000		\$3.07	\$208,742,66
A2010	Basement Excavation			\$0.17	\$11,369.60
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	34000		\$0.17	\$11,369.60
В	Shell		23.85%	\$34.21	\$2,326,317.05
B1010	Floor Construction			\$2.52	\$171,530.68
B10102613750	Floor, wood joist, 2 x 12 @16" O.C., 1/2" CDX subfloor	34000		\$2,52	\$171,530.68
B1020	Roof Construction			\$5.19	\$352,693.90
B10201027200	Wood roof, truss, 4/12 slope, 24" O.C., 44' to 60' span	34000		\$5.19	\$352,693.90
B2010	Exterior Walls			\$4.65	\$316,021.50
B20101525170	E.I.F,S., plywood sheathing, 1x8 fascia, R16 insulation, stud wall, 2" x 6", 16" $O_xC$ , 4" EPS	20655		\$4.65	\$316,021.50
B2020	Exterior Windows			\$6.36	\$432,738.77
B20201066850	Windows, aluminum, sliding, insulated glass, 5' x 3'	243		\$6.36	\$432,738.77
B2030	Exterior Doors			\$12.65	\$859,976.87
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening	2.78		\$0.34	\$23,311,58
B20301107300	Door, aluminum & glass, with transom, bronze finish, hardware, 3'-0" x 10'-0" opening	11,1		\$0.70	\$47,471,61
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" $\times$ 7'-0" opening	210.94		\$11,61	\$789,193.68
B3010	Roof Coverings			\$2.84	\$193,355.33
B30101203300	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	35700		\$1.29	\$87,465.00
830103203090	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	35700		\$1.23	\$83,610,83
B30104300040	Flashing, aluminum, no backing sides, .019"	1350		\$0.22	\$14,753,10
B30106100050	Gutters, box, aluminum, "027" thick, 5", enameled finish	675		\$0.08	\$5,624.72
B30106200100	Downspout, aluminum, rectangular, 2" x 3", embossed mill finish, .020" thick	374.69		\$0.03	\$1,901.68
Š dana in in	Interiors		30.94%	\$44,39	\$3,018,534.00
C1010	Partitions			\$17.99	\$1,222,990.01
C10101045020	Concrete block (CMU) partition, light weight, hollow, 4" thick, gyp plaster, 2 sides	77714.29		\$16.52	\$1,123,281,51
C10107101001	$1/2^n$ fire rated gypsum board, taped & finished, painted on metal furring	20655		\$1.47	\$99,708.50
C1020	Interior Doors			\$9.43	\$641,215.71
C10201022510	Door, single leaf, wood frame, 3'-0" x 7'-0" x 1-3/8", birch, hollow core	971,43		\$9.43	\$641,215.71

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Replacement Cost Report of 3 Parcel A - 1111 Range St, North Mankato, MN 56003

### TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 2-2

C2010	Stair Construction		\$3.27	\$222,509.05
C20101100740	Stairs, steel, pan tread for conc in-fill, picket rail,16 risers w/ landing	16,65	\$3.27	\$222,509.05
C3010	Wall Finishes		\$2.93	\$199,382.53
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	139885,71	\$1.53	\$104,009.23
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	15542,86	\$1,40	\$95,373,30
C3020	Floor Finishes		\$6.28	\$427,252.70
C30204100160	Carpet, tufted, nylon, roll goods, 12' wide, 36 oz	57800	\$4.29	\$291,536.84
C30204100220	Carpet, padding, add to above, 2.7 density	57800	\$0.88	\$60,014.32
C30204101720	Tile, ceramic natural clay	10200	\$1.11	\$75,701.54
C3030	Ceiling Finishes		\$4.49	\$305,184.00
C30301104800	Gypsum board ceilings, 1/2" fire rated gypsum board, painted and textured finish,1" x 3" wood, 16" OC furring, wood support	68000	\$4.49	\$305,184.00
D	Services		40.75% \$58.45	\$3,974,667.10
D1010	Elevators and Lifts	- 1	\$5.05	\$343,477.16
D10101109150	Hydraulic passenger elevator, 4000 lb., 3 floor, 9' story height, 125 FPM	2,78	\$5.05	\$343,477.16
D2010	Plumbing Fixtures		\$29.89	\$2,032,504.25
D20101101880	Water closet, vitreous china, tank type, wall hung, close coupled 2 piece	240.5	\$10.92	\$742,741.87
D20102102000	Urinal, vitreous china, wall hung	2,53	\$0,05	\$3,369.49
D20103101560	Lavatory w/trim, vanity top, PE on Cl, 20" x 18"	240.5	\$6.14	\$417,708.88
D20104101800	Kitchen sink w/trim, countertop, PE on Cl, 32" x 21" double bowl	5.04	\$0.13	\$9,038.02
D20104404300	Service sink w/trim, PE on Cl, wall hung w/rim guard, 22" x 18"	6,87	\$0.54	\$36,822.84
D20105102080	Bathtub, recessed, PE on CI, mat bottom, 5' long	238,14	\$11,88	\$808,081,07
D20107101840	Shower, stall, fiberglass 1 piece, three walls, 36" square	2,53	\$0,07	\$4,595.69
D20108201880	Water cooler, electric, wall hung, dual height, 14,3 GPH	2,53	\$0.15	\$10,146.39
D2020	Domestic Water Distribution		\$1.10	\$74,567.55
D20202502140	Gas fired water heater, commercial, 100 < F rise, 300 MBH input, 278 GPH	3,63	\$1,10	\$74,567,55
D3050	Terminal & Package Units		\$6.81	\$463,011.81
D30502700220	3/4 ton, thru wall, heating, & cooling units	145,71	\$6.81	\$463,011,81
D4010	Sprinklers		\$2.84	\$193,036.08
D40104100620	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF	23120	\$1.18	\$80,233.34
D40104100740	Wet pipe sprinkler systems, steel, light hazard, each additional floor, 10,000 SF	44880	\$1.66	\$112,802.74
D4020	Standpipes		\$0.32	\$22,007.96
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4 $^{\circ}$ diam pipe, 1 floor	1.39	\$0.23	\$15,505.98
D40203101560	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors	2,5	\$0.10	\$6,501.98
D5010	Electrical Service/Distribution		\$1.52	\$103,650.80
D50101200400	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 800 A	1,25	\$0.37	\$25,256-94
D50102300400	Feeder installation 600 V, including RGS conduit and XHHW wire, 800 A	200	\$0.73	\$49,751.60
D50102400280	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 800 A	1.2	\$0.42	\$28,642.26
D5020	Lighting and Branch Wiring		\$8.53	\$580,211.27
D50201100560	Receptacles incl plate, box, conduit, wire, $10$ per $1000$ SF, $1.2$ W per SF, with transformer	68000	\$4.03	\$273,770.72
D50201300360	Wall switches, 5.0 per 1000 SF	68000	\$1.34	\$91,310.40
D50201350200	Miscellaneous power, to .5 watts	68000	\$0.16	\$10,918.76
D50201452080	Motor installation, three phase, 460 V, 15 HP motor size	2	\$0.08	\$5,307.31
D50202100200	Fluorescent fixtures recess mounted in ceiling, 1 watt per SF, 20 FC, 5 fixtures @40 watts per 1000 SF	68000	\$2,93	\$198,904.08
DS030	Communications and Security		\$2.24	\$152,413.82
D50309100456	Communication and alarm systems, fire detection, addressable, 100 detectors, includes outlets, boxes, conduit and wire	1.46	\$1.89	\$128,421.79
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	1.39	\$0,35	\$23,992.03

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 2 of 3

Replacement Cost Report Parcel A - 1111 Range St, North Mankato, MN 56003

### TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 2-2

D5090	Other Electrical Systems			\$0.14	\$9,786.40
D50902100200	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 7.5 kW	5.88		\$0.14	\$9,786.40
	Equipment & Furnishings	11 11 11	0.17%	\$0.25	\$16,900.13
E1010	Commercial Equipment			\$0.25	\$16,900.13
E10106100110	Architectural equipment, laundry equipment dryers, gas fired, com,	2.78		\$0.06	\$4,297.21
	30 lb capacity, single				
E10106100170	Architectural equipment, laundry equipment, washers, commercial,	2.78		\$0.19	\$12,602.92
	coin operated, deluxe				
E1090	Other Equipment			\$0.00	\$0.00
يد در قب والمراز	Special Construction		0.00%	\$0.00	\$0.00
G:	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$143.45	\$9,754,840.41
	ral Conditions,Overhead,Profit)		15.0%	\$21.52	
Architectural Fees	an continuous, overness, rions,				\$1,463,226.07
			0.0%	\$0.00	\$0.00
User Fees			0.0%	\$0.00	\$0.00
Total Building Cost				\$164.97	\$11,218,066.55

## **Norwood Inn Redevelopment TIF District**

Code Deficiency Cost Report

Parcel A - 1111 Range Street, North Mankato, Minnesota 56003

**Building Name or Type** 

Parcel ID 18.513.0010

Motel

Code Related Cost Items	U	nit Cost	Units	Unit Quantity	الم إ	Total
Accessibility Items						
Sleeping Accommodations						
Provide code required accessible sleeping accommodations	\$	44.39	SF	360	\$	15,980.40
Accessible Route						
Create a code required accessible route to all levels of the building	\$	5.05	SF	68,000	\$	343,400.00
Transaction Counter						
Modify transaction counter to comply with accessibility code	\$ :	2,500.00	Lump	1	\$	2,500.00
Structural Elements						
None Observed					\$	-
Exiting						
Thresholds						
Modify thresholds to comply with code for maximum height	\$	100.00	EA	20	\$	2,000.00
Glass Doors						
Install code required 10-inch kick plates on glass doors	\$	100.00	EA	10	\$	1,000.00
Door Hardware						
Install code compliant door hardware	\$	250.00	EA	35	\$	8,750.00
Flooring						
Repair/replace damaged flooring to create a code required unimpeded					_	
means for emergency egress	\$	6.28	SF	1,000	\$	6,280.00
Sidewalks						
Repair/replace damaged sidewalks to create a code required unimpeded means for emergency egress	\$	15.00	SF	500	\$	7,500.00
Hallway	Ψ	15.00	OI .	500	Ψ	7,000.00
Modify floor to ceiling height in hallways to comply with code	\$	40.00	SF	20,000	\$	800,000.00
Emergency Lighting System	*	10.00	O.	20,000	Ψ.	000,000.00
Install a code compliant emergency lighting system	\$	1.29	SF	68,000	\$	87,720.00
Exit Signage System	·			,	•	,,
Install a code compliant exit signage system	\$	0.75	SF	68,000	\$	51,000.00
Emergency Notification System						
Install a code compliant emergency notification system	\$	0.35	SF	68,000	\$	23,800.00
Walk-in Cooler						
Install a code compliant door handle on the walk-in cooler	\$	250.00	EA	1	\$	250.00

Norwood Inn Redevelopment TIF District LHB Project No. 221246

Page 1 of 2 Parcel A - 1111

Code Deficiency Cost Report Parcel A - 1111 Range St, North Mankato, MN 56003

### TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 2-2

Code Related Cost Items	U	nit Cost	Units	Unit Quantity		Total
Fire Protection						
Smoke Detectors						
Install code compliant smoke detectors	\$	1.89	SF	68,000	\$	128,520.00
Building Sprinkler System						
Install a code required building sprinkler system	\$	3.16	SF	68,000	\$	214,880.00
Kitchen Ceiling Tile						
Replace missing ceiling tile in kitchen to comply with code Fire Caulking	\$	200.00	Lump	1	\$	200.00
Install code required fire caulking	\$	0.05	SF	68,000	\$	3,400.00
Wooden Framed Walls	•	0.00	0.	00,000	۳	0, 100.00
Install code required fire rated materials on wooden framed walls	\$	2.00	SF	500	\$	1,000.00
Exterior Construction						
Windows						
Replace failed windows to prevent water intrusion per code	\$	6.36	SF	68,000	\$	432,480.00
E.I.F.S.	•	500.00	,	4	•	500.00
Repair damaged EIFS to prevent water intrusion per code Mortar	\$	500.00	Lump	1	\$	500.00
Repair/replace damaged/missing mortar to prevent water intrusion per						
code	\$ 3	3,500.00	Lump	1	\$	3,500.00
Metal Fascia						
Install missing Fascia to prevent water intrusion per code.	\$	100.00	Lump	1	\$	100.00
Roof Construction						
Roofing Material						
Replace failed roofing material to prevent water intrusion per code	\$	2.84	SF	68,000	\$	193,120.00
Mechanical - Electrical						
Mechanical						
Install a code compliant HVAC system	\$	6.81	SF	68,000	\$	463,080.00
Modify toilet locations to comply with code	\$ 3	3,088.00	EA	125	\$	386,000.00
Electrical						
Install a code compliant electrical wiring system	\$	7.13	SF	68,000	\$	484,840.00
Install a code compliant lighting system	\$	2.93	SF	68,000	\$	199,240.00
	1	Total Co	de Imp	rovements	\$	3,861,040

## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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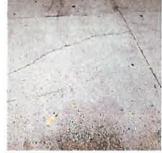
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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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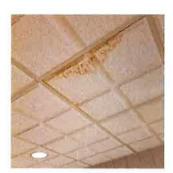
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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## Norwood Inn Redevelopment TIF District | Parcel A: 1111 Range Street



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## **Norwood Inn Redevelopment TIF District**

SMeans data	Square Foot Cost Estimate Report	Date: 2/16/2023
stimate Name:	1105 Range Street	
uilding Type:	Store, with Face Brick / Wood Frame	
	NORTH MANKATO, MN	sea tracks of Comment St.
itory Count:	1	
tory Height (L.F.):	12.00	STATE OF THE PARTY
loor Area (S.F.):	1653	A CORES ON
abor Type:	STD	AND TO SELECT TO
asement Included:	No	
ata Release:	Year 2023 Quarter 1	Costs are derived from a building model with basic components
Cost Per Square Foot:	\$215.39	Scope differences and market conditions can cause costs to vary significantly
Building Cost:	\$356,032.18	

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		13.07%	\$24.48	\$40,461.39
A1010	Standard Foundations			\$15.11	\$24,979.51
A10101051520	Foundation wall, CIP, 4' wall height, direct chute, .099 CY/LF, 4.8 PLF, 8" thick	190		\$10.89	\$17,996.71
A10101102100	Strip footing, concrete, unreinforced, load 2.6 KLF, soil bearing capacity 3 KSF, 8" deep x 16" wide	190		\$3.00	\$4,958.76
A10102107100	Spread footings, 3000 PSI concrete, load 25K, soil bearing capacity 3 KSF, 3' - 0" square x 12" deep	8		\$1.22	\$2,024.04
A1030	Slab on Grade			\$8.54	\$14,117.00
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	2000		\$8.54	\$14,117.00
A2010	Basement Excavation			\$0.83	\$1,364.88
A20101103380	Excavate and fill, 4000 SF, 4' deep, sand, gravel, or common earth, on	2000		\$0.83	\$1,364.88
	site storage				
В	Shell		42.21%	\$79.05	\$130,676.56
B1010	Floor Construction			\$0.53	\$869.56
B10102102700	Wood column, 6" x 6", 20' x 20' bay, 12' unsupported height, 90 BF/MSF, 50 PSF total allowable load	2000		\$0,53	\$869.56
B1020	Roof Construction			\$7.53	\$12,452.32
B10201023750	Wood roof, flat rafter, 2" x 10", 16" O.C.	2000		\$7.53	\$12,452.32
B2010	Exterior Walls			\$41.94	\$69,330.51
820101291400	Brick veneer wall, standard face, 2x6 studs @ 16" back-up, running bond	1824		\$41.94	\$69,330.51
B2020	Exterior Windows			\$17.90	\$29,584.34
B20202102000	Aluminum flush tube frame, thermo-break frame, 2,25" x 4.5", 5'x6' opening, no intermediate horizontals	456		\$10,62	\$17,562.20
B20202202000	Glazing panel, plate glass, 1/4" thick, clear	456		\$7.27	\$12,022,14
B2030	Exterior Doors			\$5.74	\$9,484.85
820301106450	Door, aluminum & glass, without transom, wide stile, double door, hardware, 6'-0" x 7'-0" opening	0.5		\$3.36	\$5,557.10
B20302102500	Door, birch, solid core, single door, hinged, 3'-0" x 7'-0" opening	1		\$2.38	\$3,927.75
B3010	Roof Coverings			\$5.42	\$8,954.98
B30101401200	Asphalt roofing, strip shingles, premium laminated, multi-layered, Class A, 4" slope, 260-300 lbs/SQ	2000		\$5.42	\$8,954.98
c	Interiors		9.26%	\$17.35	\$28,683.65
C1010	Partitions			\$4.41	\$7,288.21
C10101241200	Wood partition, 5/8"fire rated gypsum board face, none base,2 x 4,@ 16" OC framing,same opposite face, 0 insul	333.33		\$1,31	\$2,163.28
C10101244500	5/8" gypsum board, taped & finished, painted on 2 x 4 studs 16" $O_{\rm s}C_{\rm s}$	1824		\$3,10	\$5,124.93
C1020	Interior Doors			\$1.70	\$2,804.39
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, $3'$ - $0" \times 7'$ - $0" \times 1$ - $3/8"$	1.08		\$0.69	\$1,143.50

Total Building Cost			0.078	\$215.39	\$356,032.18
User Fees			0.0% 0.0%	\$0.00 \$0.00	\$0.00 \$0.00
Architectural Fees	al Conditions,Overhead,Profit)		15.0% 0.0%	\$28.09 \$0.00	\$46,438.98 \$0.00
SubTotal Contractor Fees / Ganas	ral Conditions Overhead Brofit		100%	\$187.29	\$309,593.20 \$46,438.98
617.1			40	440=	Anne
			STATE OF THE PARTY		
G	Building Sitework		0.00%	\$0.00	\$0.00
	Special Construction		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
23303100-00	conduit	3.50		72,77	24,021,30
D50309100460	Fire alarm command center, addressable without voice, excl. wire &	1		\$2.44	\$4,027.55
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.12		\$2.00	\$3,300.65
D5030 D50309100452	Communications and Security	0.12		\$4.43	\$7,328.20
DE030	15 fixtures @ 32 watt per 1000 SF			£4.43	ć7 220 CC
D50202100540	Fluorescent fixtures recess mounted in ceiling, 2,4 watt per SF, 60 FC,	2000		\$15,47	\$25,577.20
D50201400280	Central air conditioning power, 4 watts	2000		\$1.01	\$1,662.56
D50201350280	Miscellaneous power, 1 watt	2000		\$0.46	\$765.16
	per SF				
D50201100200	Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 watts	2000		\$3.00	\$4,964.16
D5020	Lighting and Branch Wiring			\$19.94	\$32,969.08
D30102400200	120/208 V, 3 phase, 400 A	0.3		24"23	\$4,285.10
D50102400200	A Switchgear installation, incl switchboard, panels & circuit breaker,	0.3		\$2,59	\$4,285.10
D50102300280	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A	25		\$1.07	\$1,776.25
DE01000	& wire, 3 phase, 4 wire, 120/208 V, 200 A			4	
D50101200280	Overhead service installation, includes breakers, metering, 20' conduit	0.5		\$1.23	\$2,040.78
D5010	Electrical Service/Distribution			\$4.90	\$8,102.13
	floor				,
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1	- 1		\$8.70	\$14,384.40
D4020	Standpipes	2000		\$8.70	\$14,384.40
D40104100600	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 5000 SF	2000		\$7.68	\$12,695,20
D4010	14.17 ton Sprinklers			\$7.68	\$12,695.20
D30501503360	Rooftop, single zone, air conditioner, food supermarkets, 5,000 SF,	2000		\$10.31	\$17,034.36
D3050	Terminal & Package Units			\$10.31	\$17,034.36
D20202202260	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH	0.85		\$2,67	\$4,405.55
D2020	Domestic Water Distribution			\$2.67	\$4,405.55
D20104404300	Service sink w/trim, PE on Cl, wall hung w/rim guard, 22" x 18"	0.85		\$3.40	\$5,627.30
D20103101640	Lavatory w/trim, vanity top, PE on Cl, 18" round	1.7		\$2.50	\$4,131.63
D2010 D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	1.7		\$1,87	\$3,093.75
D2010	Services Plumbing Fixtures		35.46%	\$7.78	\$109,771.60 \$12,852.68
Ď	suspended support	-	3E 469/	\$66.41	\$100 771 60
C30302105800	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid,	2000		\$7,65	\$12,643.98
C3030	Ceiling Finishes			\$7.65	\$12,643.98
C30204101600	Vinyl, composition tile, maximum	2000		\$3.02	\$4,987,14
C3020	Floor Finishes			\$3.02	\$4,987.14
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			*	*
C30102300080	Painting, interior on plaster and drywall, brushwork, primer & 2 coats	666,67		\$0.58	\$959,93
C3010	Wall Finishes			\$0.58	\$959.93
C10201023300	Door, double leaf, kd steel frame, hollow metal, commercial quality, B label, 2 - 3'-0" x 7'-0" x 1-3/8"	0.46		\$1,00	\$1,660,89
C10301033300	Dans double last hid should have a hallow market accommission within D	0.46		Č1 00	¢1.660.80

## **Norwood Inn Redevelopment TIF District**

Code Deficiency Cost Report

### Parcel B - 1105 Range Street, North Mankato, Minnesota 56003

Parcel ID 18.557.2980

Building Name or Type Retail Store

Code Related Cost Items	U	nit Cost	Units	Unit Quantity	ij.	Total
Accessibility Items						
Parking						
Create a code required accessible parking space	\$	100.00	EA	1	\$	100.00
Structural Elements						
*No Items Noted*					\$	120
Exiting						
Means of Egress						
Install a secondary means of egress per code	\$ 2	2,500.00	EA	1	\$	2,500.00
Glass Doors						
Install code required 10-inch kick plates on glass doors	\$	100.00	EΑ	4	\$	400.00
Flooring						
Repair/replace damaged flooring to create an unimpeded means of emergency egress per code	\$	5.00	SF	100	\$	500.00
Thresholds						
Modify thresholds do comply with code for maximum height	\$	100.00	EA	1	\$	100.00
Emergency Lighting						
Install code compliant emergency lighting	\$	1.75	SF	1,653	\$	2,892.75
Emergency Notification System						
Install a code required emergency notification system Sidewalks	\$	2.44	SF	1,653	\$	4,033.32
Repair damaged sidewalks to create an unimpeded means for						
emergency egress per code	\$	25.00	SF	50	\$	1,250.00
Fire Protection						
Smoke Detectors						
Install code compliant smoke detectors	\$	2.00	SF	1,653	\$	3,306.00
Building Sprinkler System						
Install a code required building sprinkler system	\$	16.38	SF	1,653	\$	27,076.14
Exterior Construction						
*No Items Noted*					\$	:-
Roof Construction						
Norwood Inn Redevelopment TIF District LHB Project No. 221246.00 Page 1 of 2		P	arcel B - 1			ciency Cost Report fankato, MN 56003

### TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 2-2

Code Related Cost Items	Ur	iit Cost	Units	Unit Quantity		Total
*No Items Noted*					\$	ï
Mechanical - Electrical						
Mechanical	•	40.04	.=	4.050	_	47.040.40
Install a code compliant HVAC system Electrical	\$	10.31	SF	1,653	\$	17,042.43
Install a code compliant electrical wiring system	\$	4.47	SF	1,653	\$	7,388.91
Install code compliant lighting	\$	15.47	SF	1,653	\$	25,571.91
	Total Code Improvements				\$	92,161

## Norwood Inn Redevelopment TIF District | Parcel B: 1105 Range Street



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### Norwood Inn Redevelopment TIF District | Parcel B: 1105 Range Street



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### Norwood Inn Redevelopment TIF District | Parcel B: 1105 Range Street



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### Norwood Inn Redevelopment TIF District | Parcel B: 1105 Range Street



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Prepared by:



701 Washington Avenue North, Suite 200, Minneapolis, MN 55401

LHBcorp.com

LHB Project No. 221246.00

### **NOTICE OF PUBLIC HEARING**

## COUNTY OF NICOLLET STATE OF MINNESOTA

**NOTICE IS HEREBY GIVEN** that the City Council of the City of North Mankato, Minnesota, will hold a public hearing on Monday, July 17, 2023, at a meeting of the Council beginning at approximately 7:00 p.m. at the North Mankato Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota, to consider an Ordinance Amending Chapter 73: Recreational Vehicles. The amendment would permit the use of motorized golf carts on designated roadways. To view the complete ordinance, please contact the City Clerk.

All interested persons may appear at the public hearing and present their views orally or in writing.

Dated: This 3rd day of July 2023.

BY ORDER OF THE NORTH MANKATO CITY COUNCIL

/s/April Van Genderen April Van Genderen City Clerk

#### The Free Press THE LAND MEDIA

418 S Second Street, Mankato, MN 56001 www.mankatofreepress.com phone: (507) 344-6314

#### Affidavit of Publication STATE OF MINNESOTA, COUNTY OF BLUE EARTH, SS.

Steve Jameson, being duly sworn, on oath states as follows: 1. I am the publisher of The Free Press, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

The printed notice which is attached was cut from the columns of said newspaper, and was printed and published the following dates: 07/07/23, and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopgrstuvwxyz

4. The Publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to §331A.06, is as follows: 38 \$3

5. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notice: The newspaper's known office is located in Blue Earth County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

**Public Notice** 

PUBLIC NOTICE
July 7, 2023

NOTICE OF PUBLIC HEARING
CITY OF NORTH MANKATO
COUNTY OF NICOLLET
STATE OF MINNESOTA
NOTICE IS HEREBY GIVEN
that the City Council of the City
of North Mankato, Minnesota,
will hold a public hearing on
Monday, July 17, 2023, at a meeting of the Council beginning at
approximately 7:00 p.m. at the
North Mankato Municipal Building, 1001 Belgrade Avenue, North
Mankato, Minnesota, to consider Mankato, Minnesota, to consider an Ordinance Amending Chapter an Ordinance Amending Chapter 73: Recreational Vehicles. The amendment would permit the use of motorized golf carts on designated roadways. To view the complete ordinance, please contact the City Clerk.
All interested persons may appear at the public hearing and present their views orally or in writing.

present me...
writing.
Dated: This 3rd day of July 2023.
BY ORDER OF THE NORTH
MANKATO CITY COUNCIL
/s/April Van Genderen
April Van Genderen
City Clerk

FURTHER YOUR AFFIANT SAITH NOT.

Steve Jameson, Publisher

Sworn to and subscribed before me, this day 07/07/2023

Notary Public

SHARON L TOLAND NOTARY PUBLIC - MINNESOTA MY COMMISSION EXPIRES 01/31/26

#### **CHAPTER 73: RECREATIONAL VEHICLES**

#### Section

73.01 Purpose and intent

73.02 Definition

73.03 Operation requirements

73.04 Street crossings

73.05 Hours of operation

73.06 Minimum equipment requirements

73.07 Designation of public areas for use

73.08 Motorized golf carts

73.09 Specialized vehicles: utility-terrain vehicles and mini-

trucks

#### § 73.01 PURPOSE AND INTENT.

- (A) (1) The purpose of this chapter is to provide reasonable regulations for the use of recreational motor vehicles on public and private property in the city.
- (2) This chapter is not intended to allow what the Minnesota Statutes prohibit nor to prohibit what the Minnesota Statutes expressly allow.
- (B) It is intended to ensure the public safety and prevent a public nuisance. § 73.02 **DEFINITION.**

For the purpose of this chapter, the following definition shall apply unless the context clearly indicates or requires a different meaning.

**RECREATIONAL MOTOR VEHICLE.** Any self-propelled vehicle and any vehicle propelled or drawn by a self-propelled vehicle used for recreational purposes including, but not limited to trail bikes, off-highway motorcycles, as defined by M.S. § 84.787, Subd. 7, as it may be amended from time to time, or other all-terrain vehicles as defined by M.S. § 84.92, Subd. 8, as it may be amended from time to time, motorized golf carts, motorized go-carts, hovercraft or motor vehicles licensed for highway operation which is being used for recreational purposes. § 73.03 OPERATION REQUIREMENTS.

It is unlawful for any person to operate a recreational motor vehicle:

- (A) On private property of another without specific written permission of the owner of the property; (Written permission may be given by a posted notice of any kind or description, so long as it specifies the kind of vehicles allowed, that the owner, occupant or lessee prefers, such as by saying "Recreational Vehicles Allowed, "" Trail Bikes Allowed, "" All-Terrain Vehicles Allowed " or words substantially similar.)
- (B) On publicly-owned land, including school, park property, playgrounds, recreation areas and golf courses, except where permitted by this chapter;
- (C) In a manner so as to create a loud, unnecessary or unusual noise which disturbs, annoys or interferes with the peace and quiet of other persons;
  - (D) On a public sidewalk or walkway provided or used for pedestrian travel;
- (E) At a place while under the influence of intoxicating liquor or narcotics or habitforming drugs;
- (F) At a rate of speed greater than reasonable or proper under all the surrounding circumstances;
- (G) At any place in a careless, reckless or negligent manner so as to endanger or be likely to endanger any person or property or to cause injury or damage thereto;

- (H) On any public street, highway or right-of-way unless licensed pursuant to Minnesota law and this chapter of the City Code;
  - (I) To intentionally drive, chase, run over or kill any animal, wild or domestic;
- (J) By halting any recreational motor vehicle carelessly or heedlessly in disregard of the rights or the safety of others or in a manner so as to endanger or be likely to endanger any person or property or in excess of 25 miles per hour on publicly-owned lands; and/or
- (K) Within 150 yards of any public recreational area or gathering of people. This provision does not apply to the occasional use of recreational motor vehicles on private property for the purpose of loading or unloading it from a trailer or for mechanically checking it.

Penalty, see § 10.99

#### § 73.04 STREET CROSSINGS.

No person under 14 years of age operating the vehicles regulated herein shall make a direct crossing of any street, highway or public right-of-way. Penalty, see § 10.99

#### § 73.05 HOURS OF OPERATION.

Recreational motor vehicles can operate from 8:00 a.m. to 10:00 p.m., with the exception of motorized golf carts operating on designated roadways where operation can only be during daylight hours between sunrise and sunset.

Penalty, see § 10.99

#### § 73.06 MINIMUM EQUIPMENT REQUIREMENTS.

- (A) Standard mufflers shall be properly attached and in constant operation to reduce the noise of operation of the motor to the minimum necessary for operation. No person shall use a muffler cutout, by-pass, straight pipe or similar device on a recreational motor vehicle motor. The exhaust system shall not emit or produce a sharp popping or crackling sound.
- (B) Brakes shall be adequate to control the movement of and to stop and hold under any conditions of operation.
- (C) At least one clear lamp shall be attached to the front with sufficient intensity to reveal persons and vehicles at a distance of at least 100 feet ahead during the hours of darkness under normal atmospheric conditions. The head lamp shall be so that glaring rays are not projected into the eyes of an oncoming vehicle operator. It shall also be equipped with at least one red tail lamp having a minimum candlepower of sufficient intensity to exhibit a red light plainly visible from a distance of 500 feet to the rear during the hours of darkness under normal atmospheric conditions. This equipment shall be required and shall be in operating condition when the vehicle is operated between the hours of one-half hour after sunset and one-half hour before sunrise, or at times of reduced visibility.

Penalty, see § 10.99

#### § 73.07 DESIGNATION OF PUBLIC AREAS FOR USE.

(A) The Council may designate areas for use of recreational motor vehicles by approval of a majority of the members of the City Council. The areas designated may be changed from time to time by the City Council. Any area designated shall be published in the official newspaper of the city in a conspicuous place after the approval. If an area is changed, the change shall be published in like manner in the official newspaper of the

city. An up-to-date map of any designated park areas open for recreational motor vehicle use shall be kept on file in the office of the City Clerk, who shall provide on request a copy of the map together with the applicable rules, regulations and this chapter to each person requesting the information from the city.

(B) Unless designated by the City Council as an area for recreational motor vehicles, the use on city park property or designated off-street trail shall be unlawful. Further, the use of city parks designated by the City Council shall be in accordance with all of the applicable provisions of this chapter. Penalty, see § 10.99

#### § 73.08 MOTORIZED GOLF CARTS.

- A. Authorization. Pursuant to its authority under M.S. § 169.045, the City authorizes the operation of motorized golf carts on designated roadways as permitted under this Section.
- B. Definitions.

**MOTORIZED GOLF CART**. A self-propelled vehicle of the type and style designated for, and commonly used by, patrons of golf courses, but excluding vehicles commonly known as all-terrain vehicles or ATV's (including Class 1 and Class 2 ATVs as defined by the MN Department of Natural Resources), utility-terrain (*or* -utility-task) vehicles or UTV's, mini-trucks, and other specialized vehicles not considered a motorized golf cart.

**DESIGNATED ROADWAY.** Roadways within the City of North Mankato with a posted speed limit of thirty (30) miles-per-hour or less and/or identified on the "Permitted Roadways" figure accompanying this ordinance. The operator, under permit, of a motorized golf cart may cross any street or highway intersecting a designated roadway within City limits.

- C. Operation Requirements. It is unlawful for any person to operate a motorized golf cart on a roadway unless:
  - a. The operator possesses a valid driver's license.
  - b. The operation is on a designated roadway, except when crossing any non-designated street or highway intersecting a designated roadway.
  - c. The operation is during daylight hours between sunrise and sunset as stated in § 73.05.
  - d. The operation is only during the months of April through October of each year and not during inclement weather, or when visibility is impaired by weather, smoke, fog, or other conditions, or when there is insufficient light to clearly see persons or vehicles thereon at a distance of 500 feet.
  - e. The motorized golf cart displays a slow-moving vehicle emblem, as described by M.S. § 169.522, on the rear thereof.
  - f. The motorized golf cart is equipped with rear view mirrors as required by M.S. § 169.70.
  - g. The motorized golf cart is equipped with headlights and taillights as defined in § 73.06.
  - h. The operator provides a signal of intention when turning or stopping the motorized golf cart as defined in M.S. § 169.19. The signals herein required shall be given either by means of the hand and arm or by a signal

- lamp or signal device of a type approved by the commissioner of public safety.
- i. The operator has insurance coverage required by State statute (presently M.S. § 65B.48, subd. 5 where the term "Motorcycle" shall be understood to represent "Motorized Golf Cart").
- j. The operator observes all traffic laws, except such as cannot reasonably be applied to motorized golf carts.
- k. The number of persons occupying a motorized golf cart in motion does not exceed the manufacturer specifications.
- I. The operator has displayed a permit obtained from the City of North Mankato on the motorized golf cart as provided for herein, or as otherwise authorized by other provisions of this City code or State statute.
- D. Permits. Persons wishing to operate motorized golf carts on designated roadways must complete a permit application obtained from the City clerk. Permits shall be valid for one year from the date of issuance. Conditions for issuance of a permit are as follows:
  - a. Applicant must possess a valid driver's license.
  - b. If the applicant is physically disabled, the applicant must submit a certificate signed by a licensed physician that the applicant is able to operate a motorized golf cart on the designated roadways.
  - c. Applicant must have proof of insurance as required by M.S. § 65B.48, subd. 5.
  - d. Permit decals obtained from the City of North Mankato shall be affixed to the front panel of the driver's side of the golf cart to ensure visibility for law enforcement.
- E. Inspections. Owners/Operators of motorized golf carts attempting to obtain a permit from the City of North Mankato for operation on designated roadways shall have the motorized golf cart inspected by the City during the permit application process. To have inspection completed, owners/operators can drive the motorized golf cart to the North Mankato City Hall on designated roadways as defined herein. Where lack of available designated roadways does not permit an owner/operator of a motorized golf cart to drive to City Hall, the owner/operator can:
  - a. Have the motorized golf cart transported by trailer to City Hall.
  - b. Submit photos of the motorized golf cart to City staff for review. Submitted photos should include one (1) photo of the front, rear, and each side of the motorized golf cart and shall be clear enough so that a detailed inspection can be completed. City staff reserves the right to request additional photos if they feel the original submitted photos are inadequate for a detailed inspection of the motorized golf cart.
- F. Storage. The storage of motorized golf carts on residentially zoned properties will comply with § 92.19 and § 156.035 of the City Code.
- G. *Penalty*. see § 10.99

§ 73.09 SPECIALIZED VEHICLES: UTILITY-TERRAIN VEHICLES AND MINITRUCKS.

- (A) *Purpose and intent.* The purpose of this section is to provide reasonable regulations for the use of specialized vehicles on public property within the city. This section is not intended to allow what the Minnesota Statutes prohibit or to prohibit what the Minnesota Statues expressly allow. It is intended to ensure the public safety and prevent a public nuisance.
- (B) *Definitions.* For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**DRIVER.** The person driving and having physical control over the utility-terrain vehicle or mini-truck.

**MINI-TRUCK.** As defined in M.S. § 169.011, Subd. 40(a), as may be amended from time to time, a motor vehicle that has 4 wheels, is propelled by an electric motor with a rated power of 7,500 watts or less or an internal combustion engine with a piston displacement capacity of 660 cubic centimeters or less, has a total dry weight of 900 to 2,200 pounds, contains an enclosed cabin and a seat for the vehicle operator, commonly resembles a pickup truck or van, including a cargo area or bed located at the rear of the vehicle, and was not originally manufactured to meet federal motor vehicle safety standards required of motor vehicles in the 49 C.F.R. §§ 571.101 to 571.404, and successor requirements.

UTILITY-TERRAIN VEHICLE. A motorized flotation-tired vehicle with at least 3 but no more than 6 low pressure tires that has an engine displacement of less than 960 cubic centimeters and total dry weight of less than 1800 pounds and side-by-side seating.

- (C) Operation. Utility-terrain vehicles may only be used for business or commercial purposes.
  - (D) Conditions of operation.
    - (1) A driver shall be at least 18 years of age.
- (2) Utility terrain vehicles shall display the slow-moving vehicle emblem provided for in M.S. § 169.045, as it may be amended from time to time, when operated on designated roadways.
- (3) Utility-terrain vehicles and mini-trucks shall be equipped with a rearview mirror to provide the driver with adequate vision from behind as required by M.S. § 169.70, as it may be amended from time to time.
- (4) Every person operating a utility-terrain vehicle or a mini-truck on designated roadways has all the rights and duties applicable to the driver or any other vehicle under provisions of M.S. Chapter 169, as it may be amended from time to time, except when these provisions cannot reasonably be applied to utility-terrain vehicles or mini-trucks and except as otherwise specifically provided in M.S. § 169.045, Subd. 7, as it may be amended from time to time.
- (5) The number of occupants on the utility-terrain vehicle or mini-truck shall not exceed the design occupant load.
- (6) No operation of a utility-terrain vehicle and mini-truck shall be allowed on private property without the consent of the owner, or on any city sidewalk, trail or park.
- (7) A mini-truck may be operated on roadways within the city if it is equipped with all of the following:
  - (a) At least 2 headlamps;
  - (b) At least 2 tail lamps;

- (c) Front and rear turn signal lamps;
- (d) An exterior mirror mounted on the driver's side of the vehicle and either (a) an exterior mirror mounted on the passenger's side of the vehicle or (b) an interior rearview mirror;
  - (e) A windshield;
  - (f) A seat belt for the driver and front passenger; and
  - (g) A parking brake.
- (E) *Violation; penalty.* Any person who operates a utility-terrain vehicle or a minitruck within the city in violation of this section shall be guilty of a misdemeanor. (Ord. 48, 4th Series, passed 1-22-2013)







#### City of North Mankato, MN

#### Check Report By Vendor Name

Date Range: 7/17/23

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	Vendor Number	Vendor Name	Payment Date	Payment Tyne	Discount Amount	Payment Amount	Marinahar
	Bank Code: APBNK-AP		r dynnent date	rayment rype	Discount Amount	rayment Amount	Number
	00012	ABDO FINANCIAL SOLUTIONS	07/17/2023	Regular	0	17,265.00	97667
	00029	AG SPRAY EQUIPMENT	07/17/2023	Regular	o		97668
	03344	BIRCHWOOD COTTAGES	07/17/2023	Regular	0	19,480.17	97669
	02533	BLUE STAR POWER SYSTEMS, INC.	07/17/2023	Regular	0	200,241.81	
	00194	BRICK HOUSE GRAPHICS	07/17/2023	Regular	0	80.00	97671
,	00255	CITY OF MANKATO	07/17/2023	Regular	0	155,210.84	97672
	00268	CLIMB THEATRE, INC.	07/17/2023	Regular	o	600.00	97673
1	04001	CSN PRESS	07/17/2023	Regular	0	100.00	97674
	02294	D & K POWDER COATING	07/17/2023	Regular	0	44,863.17	97675
,	00364	DRUMMER'S GARDEN CENTER & FLORAL	07/17/2023	Regular	0	119.94	97676
,	00074	EARL F. ANDERSEN INC.	07/17/2023	Regular	0	193.85	97677
	00401	EXPRESS SERVICES, INC.	07/17/2023	Regular	0	1,847.48	97678
	03996	FAMILY FUN SHOWS	07/07/2023	Regular	0	4,760.00	97661
	00409	FERGUSON ENTERPRISES, INC	07/17/2023	Regular	0	16.63	97679
	00418	FIRST SYSTEMS TECHNOLOGY, INC.	07/17/2023	Regular	0	5,510.00	97680
	03997	FRIENDS OF THE MINNESOTA ORCHESTRA	07/10/2023	Regular	0	243.75	97664
	00479	GM CONTRACTING, INC.	07/17/2023	Regular	0	4,018.93	97681
	03989	GUARANTEED ELECTRIC SERVICE, INC.	07/17/2023	Regular	. 0	991.50	97682
	00519	HACH COMPANY	07/17/2023	Regular	0	2,007.73	97683
	00595	HY-VEE, INC.	07/17/2023	Regular	0	333.52	97684
	00627	JACKSON-HIRSH, INC	07/17/2023	Regular	o	71.24	97685
	00688	KENDELL DOORS & HARDWARE, INC	07/17/2023	Regular	0	3,900.72	97686
	04003	KLASEUS, JOSHUA	07/17/2023	Regular	0	149.96	97687
	03542	KURITA	07/17/2023	Regular	0		97688
	00759	LEEP SUMMER REC	07/10/2023	Regular	0	42,850.00	
	03879	LIBRARY IDEAS LLC	07/10/2023	Regular	0	1,500.00 745.94	97665 97689
	00805	MAGFA	07/11/2023	Regular	0		
	02110	MAKING FACES MANKATO	07/11/2023	Regular	0	1,137.00	97666
	00812	MANKATO BEARING COMPANY	07/17/2023	Regular	0	1,687.50 65.10	97690 97691
	00828	MANKATO BEARING COMPANY  MANKATO PEPPERS	07/17/2023	Regular	0		97692
	00875	METRO SALES, INC.	07/17/2023	Regular	0	1,000.00 120.00	97693
	03999	METZLER, VERNA	07/17/2023	Regular	0		97694
	00923	MINNESOTA DEPARTMENT OF LABOR & INDU:		Regular	0	101.03 210.00	97695
	00993	MRCI	07/17/2023	Regular	0		97696
	03781	NORTH MANKATO POLICE DEPARTMENT	07/17/2023	=	0	1,000.00	97663
	04004	PERFORMANCE FOODSERVICE - MARSHALL	07/10/2023	Regular Regular	o	150.00	
	01106	PETTY CASH	07/17/2023	Regular	0	760.32 117.97	97698
	03935		07/17/2023	-	0		
	01108	PINNACLE INDOOR SPORTS, LLC	07/17/2023	Regular	0	3,314.00	97699
	04005	PIONEER ATHLETICS		Regular	0	5,373.60	97700
	01133	POOLEQUIP, LLC	07/17/2023	Regular	0	985.15	97701
	03987	POWERPLAN/RDO EQUIPMENT	07/17/2023	Regular	0	170.00	97702 97703
	01308	RIVER VALLEY SPRINKLERS LLC	07/17/2023	Regular	0	807.00	
	01349	SOUTHERN MINNESOTA INSPECTION CO.	07/17/2023	Regular	0	1,900.50	97704
	03998	STONE & STEEL DESIGN, LLC	07/17/2023	Regular	0	311.04	97705
		STRYKER MEDICAL	07/17/2023	Regular		336.96	
	03738	SYLVA CORPORATION, INC.	07/17/2023	Regular	0	3,059.76	
		TOTAL LANDSCAPE SUPPLY LLC	07/17/2023	Regular	0	360.00	
	03035	TOW DISTRIBUTING CORPORATION	07/17/2023	Regular		1,105.60	97709
	03662	VAN METER INC	07/17/2023	Regular	0	278.17	97710
	03307	VINNIES MINN, SNO PENTICO ICE & MFG	07/17/2023	Regular	0	1,572.80	
	02282	WARD EINESS STRATEGIES	07/17/2023	Regular	0	3,000.00	97712
	01523	WENZEL AUTO ELECTRIC CO	07/17/2023	Regular	0	139.00	97713
	01525	WEST CENTRAL SANITATION, INC.	07/17/2023	Regular	0	31,471.53	97714
	03792	YOHNCO	07/17/2023	Regular	0	596.00	97715
	01562	ZAHL EQUIPMENT SERVICE, INC.	07/17/2023	Regular	0		97716
	00062	AMERICAN PAYMENT CENTERS	07/13/2023	Bank Draft	0	93.00	DFT0008264
	00137	BENCO ELECTRIC COOPERATIVE	07/06/2023	Bank Draft	0	39,323.31	DFT0008232

02058	CONSOLIDATED COMMUNICATIONS	07/01/2023	Bank Draft	0	1,594.38	DFT0008233
02058	CONSOLIDATED COMMUNICATIONS	07/01/2023	Bank Draft	0	42.94	DFT0008234
02058	CONSOLIDATED COMMUNICATIONS	07/01/2023	Bank Draft	0	51.65	DFT0008235
02058	CONSOLIDATED COMMUNICATIONS	07/01/2023	Bank Draft	0	260.70	DFT0008236
02058 00447	CONSOLIDATED COMMUNICATIONS	07/01/2023	Bank Draft	0	209.70	DFT0008237
00447	FREE PRESS	07/13/2023	Bank Draft	0	709.89	DFT0008265
00857	GOVERNMENT FINANCE OFFICERS ASSOCIATION MC GOWAN WATER CONDITIONING, INC.	06/30/2023	Bank Draft Bank Draft	0	460.00	DFT0008238
00923	MINNESOTA DEPARTMENT OF LABOR & INDU:		Bank Draft	0	96.00	DFT0008266
00910	MINNESOTA VALLEY TESTING LAB, INC.	06/30/2023	Bank Draft	0	6,008.49 70.95	DFT0008269 DFT0008239
00910	MINNESOTA VALLEY TESTING LAB, INC.	06/29/2023	Bank Draft	0	128.70	DFT0008239
00910	MINNESOTA VALLEY TESTING LAB, INC.	06/28/2023	Bank Draft	0	42.90	DFT0008243
00910	MINNESOTA VALLEY TESTING LAB, INC.	07/06/2023	Bank Draft	0	141.90	DFT0008270
00910	MINNESOTA VALLEY TESTING LAB, INC.	07/10/2023	Bank Draft	0	70.95	DFT0008272
00910	MINNESOTA VALLEY TESTING LAB, INC.	07/07/2023	Bank Draft	0	85.80	DFT0008273
01083	OVERDRIVE, INC.	06/27/2023	Bank Draft	0	150.00	DFT0008249
01335	STAPLES ADVANTAGE	06/30/2023	Bank Draft	0	224.59	DFT0008246
01335	STAPLES ADVANTAGE	07/06/2023	Bank Draft	0	114.95	DFT0008274
01470	VERIZON WIRELESS	07/13/2023	Bank Draft	0	1,198.59	DFT0008275
01525	WEST CENTRAL SANITATION, INC.	07/13/2023	Bank Draft	0	6,010.14	DFT0008276
03221 00551	ZIBSTER	06/27/2023	Bank Draft	0	32.00	DFT0008247
00028	A.H. HERMEL COMPANY	07/19/2023	EFT	0	7,464.80	6510
01090	AFFORDABLE TOWING OF MANKATO, INC.	07/19/2023	EFT EFT	0	220.00	6511
00123	AMERICAN SOLUTIONS FOR BUSINESS BATTERIES+BULBS	07/19/2023 07/19/2023	EFT	0	1,750.00 88.22	6512 6513
00172	BOHRER, TOM	07/19/2023	EFT	0	93.51	6514
00174	BOLTON & MENK, INC.	07/19/2023	EFT	0	52,076.00	6515
00216	C & S SUPPLY CO, INC.	07/19/2023	EFT	0	822.11	6516
02757	CINTAS	07/19/2023	EFT	0	317.40	6517
03675	COMPUTERSHARE	07/19/2023	EFT	0	13,057.50	6518
02706	CORE & MAIN LP	07/19/2023	EFT	0	3,724.83	6519
02275	DEM-CON MATERIALS & RECOVERY	07/19/2023	EFT	0	3,791.14	6520
03076	FREYBERG MANAGEMENT	07/19/2023	EFT	0	40.00	6521
03746	GAUKER, KYLE	07/19/2023	EFT	0	90.00	6522
01098	GILLETTE GROUP/PEPSI-COLA	07/19/2023	EFT	0	1,446.40	6523
00482	GMS INDUSTRIAL SUPPLIES, INC.	07/19/2023	EFT	0	50.08	6524
00494	GOPHER STATE ONE-CALL	07/19/2023	EFT	0	444.15	6525
03797	GPS INSIGHT, LLC	07/19/2023	EFT	0	18,512.40	6526
00503 00691	GREAT AMERICAN BUSINESS PRODUCTS	07/19/2023	EFT	0	932.39	6527
00776	KENNEDY & KENNEDY LAW OFFICE LLOYD LUMBER CO.	07/19/2023 07/19/2023	EFT EFT	0	9,171.23 209.88	6528 6529
02644	MACQUEEN EMERGENCY GROUP	07/19/2023	EFT	0	449.41	6530
00796	MACQUEEN EQUIPMENT, INC.	07/19/2023	EFT	0	162.63	6531
00874	MENARDS-MANKATO	07/19/2023	EFT	0	656,23	6532
00889	MIDWEST TAPE/HOOPLA	07/19/2023	EFT	0	1,350.76	6533
00902	MINNESOTA IRON & METAL CO	07/19/2023	EFT	0	49.80	6534
00956	MINNESOTA WASTE PROCESSING CO.	07/19/2023	EFT	0	34,400.75	6535
00997	MTI DISTRIBUTING CO	07/19/2023	EFT	0	1,612.88	6536
01052	NORTH CENTRAL INTERNATIONAL	07/19/2023	EFT	0	5,992.28	6537
03160	NOVEL SOLAR THREE LLC (DBA GREEN STREET		EFT	0	8,978.79	6538
02005	PANTHEON COMPUTERS	07/19/2023	EFT	0	27,535.34	
01402	POMPS TIRE	07/19/2023	EFT	0	3,713.42	
01211	RIVER BEND BUSINESS PRODUCTS	07/19/2023	EFT	0	538.14	6541
03971	RIVER BEND LEASING	07/19/2023	EFT	0	642.50	6542
02182 01263	RYAN, JESSICA	07/19/2023 07/19/2023	EFT	0	796.80	6543
01281	SCHWICKERT'S TECTA AMERICA LLC SIGN PRO	07/19/2023	EFT EFT	0	2,714.40 10.00	6544 6545
01479	VINE FAITH IN ACTION	07/19/2023	EFT	o	12,000.00	6546
01492	WACO SCAFFOLDING & SUPPLY CO.	07/19/2023	EFT	o	1,368.86	
03442	WASMUND, LARRY	07/19/2023	EFT	0	3,465.00	
01552	WW BLACKTOPPING, INC	07/19/2023	EFT	0	532.62	6549
03482	CARDCONNECT	07/03/2023	Bank Draft	0	5,193.58	
00219	CARDMEMBER SERVICE	07/06/2023	Bank Draft	0	18,724.63	
02003	MINNESOTA DEPT OF REVENUE	06/30/2023	Bank Draft	0	9,346.69	
02003	MINNESOTA DEPT OF REVENUE	07/03/2023	Bank Draft	0	10.03	DFT0008225
02003	MINNESOTA DEPT OF REVENUE	06/30/2023	Bank Draft	0	552,62	DFT0008229
02003	MINNESOTA DEPT OF REVENUE	06/30/2023	Bank Draft	0	26,370.00	DFT0008256
03029	OPEN EDGE	07/03/2023	Bank Draft	0	23.20	
02766	SPROUT SOCIAL	07/06/2023	Bank Draft	0	124.74	
03945	TYLER PAYMENTS	07/03/2023	Bank Draft	0	4,730.75	
01477	VIKING ELECTRIC SUPPLY, INC.	06/30/2023	Bank Draft	0	91.44	
01557 01557	XCEL ENERGY	07/06/2023 07/13/2023	Bank Draft Bank Draft	0	13,394.90 322.59	DFT0008231 DFT0008262
01337	XCEL ENERGY	01/13/2023	COIR DIGIL	·	925,592.47	130

#### **Authorization Signatures**

#### All Council

The above manual and regular claims lists for 7	/17/23 are approved by:
SCOTT CARLSON- MAYOR	
SCOTT CARESON- WATOR	
SANDRA OACHS- COUNCIL MEMBER	
JAMES WHITLOCK- COUNCIL MEMBER	
WILLIAM STEINER- COUNCIL MEMBER	
MATT PETERSON- COUNCIL MEMBER	

#### RESOLUTION APPROVING DONATIONS/CONTRIBUTIONS/GRANTS

WHEREAS, the Minnesota Statute 465.03 and 465.04 allow the governing body of any city, county, school district or town to accept gifts for the benefit of its citizens in accordance with terms prescribed by the donor;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following donations/contributions/grants are approved as follows:

Donor	Restriction	Amount
Jyneal McCrea	Book Donation	\$25.00
Walmart	Summer Reading Program	\$2,500.00
Keith and Jan Kramer	12x12 Paver	\$95.00
Total		\$2,620.00

Adopted by the City Council	this 17th day of July 2023.	
	Mayor	
City Clerk		



#### BLOCK PARTY PERMIT

1001 Belgrade Ave North Mankato, MN 56003 507-625-4141 www.northmankato.com

Permit #:	-2021	Start time;	1.00 am	-11.00am	
Date:	\$ 1201 2023	Stop time:	_and	-11:00am 5:00pm-10:	DURN
Location: 1	B South Lake of.			γ σομ γν. 1 σ	o op v
Event Name:	2mmy's	7th Bar	Inday	Party	
Name:	Annela W	affert			
Address:	UB South L	ake Stree	f NA	rankato, m	M50003
Phone:	7.340.0426		# of	f People:	
	s (or anything requiring stal	king) No 🗆	Yes * If Yes, PI 800-252-	ease contact <b>Gopher</b> 1166 one week prior t	State One Call o event.
Notes:	000				
	n.		MAD OF THE		
•	PL	EASE INCLUDE A	MAP OF THE	- AREA.	
<b>Audio</b> (requ	uires audio permit)	/Q No 🗆	* If Ye	s, Please fill out Audi	o Permit.
I, the un	dersigned, have received the Auminate the event and prevent fut	idio Permit Instructions ure ability to obtain an	and understand t audio permit,	that failure to comply wit	n the audio instructions
SIGNED:	Applicant	MHY	2	4/23/2 Date	n23
		, , , ,		Date	
□ APPROVED	D DENIED				
	City Clerk				Date
				/	
Receipt#	Book	Online	Park	Police N26	Staff Initials
				126	

NAME Shanda Walters 9:100 mm 11:00 and 6:00 mm - 15:00 pm When: Sunday, Angust 20, 2023 507. 340. W426 Emmy's I'm Dinhown Purts

Nicolet Are Mow Anis Edison only Courth Works struct 13



#### **MINNESOTA**

#### Application for Street Closure, Special Event and Festival Permit

Instructions: Request for community events to be held on City owned property, require City authorization and involvement from City Departments. Please complete the application below, and submit with required fees at least 30-days before the event. Once the application has been submitted, City staff will review the application and contact the organizers for a meeting.

	Applicant Information	
Name of Applicant:	Organization:	Phone Number:
Cindi Rodriguez	Blue Earth Nicollet County Humane Society	507-420-7436
Address:		
1250 N. River Drive Mankato MN 56001		
Event Contact:	Cell Phone Number:	
Cindi Rodriguez	507-420-7436	
Event Sponsor (if different than organization):	1.4	1
	9	
Is the organization or Event Sponsor a 501 (c) (3)?		
☑ Yes □ No		
If yes, please attach verification of 501 (c) (3) status		
	Event Information	
Event Name:		
Tails N Trails		
1 st Choice Location	Date (s):	
Spring Lake Park Warming House Shelter	Saturday, September 30, 2023	
2 nd Choice Location	Date (s):	
	Saturday, September 30, 2023	
Requesting the use of a Park Shelter for your event?	? A Park Shelter application will need to be completed. Ple park shelter reservation fee. Below are the shelters availab	ase contact Vicki at 507-625-4141
Spring Lake Park Shelter #1	pair sheller reservation lee. Delow are the shellers availab	ne for rental.
☐ Spring Lake Park Shelter #2 (includes Gazebo)		
☐ Wheeler Park Shelter.		
Event Start Time:	Event End Time:	
7am	1pm	
Setup Date (s) Time (s):	Tear Down Date (s)/Time(s):	
Saturday, September 30, 2023 7am	Saturday, September 30, 2023 1pm	
Expected Number of Attendees:		
100-150		

38					
Event Description: Please che	eck the type of event (check all that apply) and write a brief description of your event, in the space provided.				
	se include Parade Permit Application, fee, and Map)				
☐ Parade (Please include Parade Permit Application, fee, and map) ☐ Art Fair/Festival					
					Bike Ride
☐ Other event	Cultural Event				
Brief Description of Event:					
·	it hosted by Blue Earth Nicollet County Human Society (BENCHS). This is open to adults, children and leashed dogs of				
activity levels and will feature	either a 5K and a 1 mile FUN RUN/WALK through two of lower North Mankato area scenic park trails. Anticipating post as limited local vendors, light donated after race snacks and water provided for people and dogs, possibly music of				
dedicated to finding loving for the number of unwanted pets.	services for stray cats and dogs in North Mankato and Mankato along with serving the greater area. Our mission is rever homes for those homeless cats and dogs that are brought to our shelter, we use spay/neuter programs to reduce, and microchipping to help reunite lost/found animals with their owners. We are a 501(c)(3), non- profit animal shelter es on community support, generosity of donors, volunteers, grants and fundraising events to maintain quality care for				
	Event Features				
Alcohol (Select One)					
	e holding caterer's permit to provide food and liquor. Under caterer's permit, the caterer is band, security and ensuring there is no second party transfer. Please indicate caterer:				
☐ Temporary 3.2 Percent	Malt Liquor License, only issued to charitable, religious or nonprofit organizations for events not ecutive days. Application needs to be submitted with fee and requires City Council approval.				
least three (3) years for	liquor license, only issued to charitable, religious or nonprofit organizations in existence for at events not to exceed four (4) consecutive days. Application needs to be submitted with fee cil approval and Alcohol and Gambling Enforcement Division approval. Needs to be submitted or to the event.				
☑ No alcohol.					
Security					
	ity is being provided. If yes, who and how many?				
	f no security is provided, the city reserves the right to require safety based on the review of the				
event.	The decarty is provided, the dity reserves the right to require safety based on the review of the				
Natural Disaster Prepare	dness				
	weather conditions; how you plan to evacuate people in the event of dangerous conditions; and the name and son responsible for making the decision to halt the event because of the weather.				
BENCHS Board of Directors a	and Management will work together to monitor weather conditions and determine cancellation and evacuation.				
See attached Primary contact person: Cindi	Rodriguez				
Concessions and Vendor	rs				
Food & Beverages	All food vendors, regardless of their status must have a valid Mobile Food Unit License from the City of North				
∏ Yes	Mankato. You, as the applicant, are responsible for verifying that all vendors providing food or beverage during				
☑ No	your event have obtained the proper license.				

□ Yes	oncession or vendor permits may only be approved for non-profit group events. A separate permit application ust be completed and submitted along with a \$25.00 fee per day. A park cleanup deposit of \$100.00 is also quired.		
A list of all vendors and their contact information must be submitted before the event.			
Amplified Sound (if applicable			
☑ Loud Speakers, Public Addre	ss System, or Amplifying Equipment. Requires Audio Permit and a \$25.00 fee.		
Animals			
Will animals be included and if so, pr zoo, etc)	ovide specifics as to type of animals and how the animals will be accessible by the public (pony rides, petting		
✓ Yes			
□ No			
Please note the owners of the anim naming the City of North Mankato as	als will be required to provide a certificate of insurance in an amount not less than \$1.5 million per occurrence an additional insured prior to the event.		
Please provide the name and addres	s of animal owners.		
Leashed Dogs only, secured by their specific rules and guidelines in place			
and size/dimensions. The even	ble) or canopies? If yes, they must be clearly identified on the Site Map including the location ent organizer is liable for any damage caused to property/facility and must obtain approval one call must be made before the event.		
	Event Logistics		
If you are planning to erect, install, or quantities. The event organizer is lial NOTE: Items are provided by the eve	use any of these structures, please identify the location of all structures on your Site Map. Include size and ole for any damages caused to property/facility and must obtain approval prior to installation of items below. Interest, not the City.		
Stages and Platforms	How many stages? Please describe the stage/platform.		
☐ Yes			
☑ No			
Public Restrooms			
☑ Yes			
Will your event include the use of port	able toilets/sinks? If yes, how many?  It is the responsibility of the event		
No, use of park restrooms only	coordinator to contract with a provider for portable toilets/sinks.		
Temporary restrooms can be placed 2 be located on a hard surface, which n	4 hours prior to the event and need to be removed within 24 hours following the event. All portable toilets must ay include asphalt, concrete, or plywood.		

.

196

Picnic Tables
Do you want any additional picnic tables?
☐ Yes ☑ No
How many and location (s).
Refuse (Garbage and Recycling)
The event is responsible for cleaning up after an event. The applicant shall properly dispose of debris from the event. If the street or park department determines cleanup is inadequate, the cost for the public works to cleanup will be charged to the applicant. Cleanup shall be completed within three (3) hours of the end of the event.
The City will provide refuse containers for events. The number and placement will be determined by number of participants.
Road Closures or use of Public Right-of-Way
Are you requesting to close a :
☑ Street ☐ Parking Lane ☐ Sidewalk ☐ Alley ☐ Other
All requests must be submitted at least 30 days before the event. Some closures may require review by the Traffic and Safety Committee.
Applicants must contact affected property owners, 14 days prior to the closure. City staff will review the event and ensure proper barricades/cones are used to manage the event.
Applicant must maintain a 20 feet clear fire lane. At no point is the street to be blocked with vehicles inside the fire lane area.
Traffic Control
☑ Yes
□ No
Do you Require Cones or Barricades?
☐ Cones
✓ Barricades
Please indicate the number of cones and barricades and indicate on the map the location of all cones and barricades,
3-4 Barricades for safety and insurance crossing Webster. Small area on Lake Street oneither side of Webster cross walk, and at Webster before cross walk to Hiniker Pond path
Are you requesting assistance from City staff to set up or man the intersections? If you are requesting assistance, please indicate the number of Police Reserve or City staff and the location you would like to have the assistance. Please be aware that the City may not be able to provide assistance and reserves the right to deny assistance.
2-4 at Webster and Lake St Cross walks
No Parking Requesting no parking? Please indicate the streets/blocks.

#### **EVENT MAP**

#### Site Map (Required)

Please attach a site map clearly indicating the setup of the event. The site map should indicate the relative location of the following: all sources of amplified sound and direction of sound; tents/canopies with sizes, stages, promotional vehicles, inflatables, portable toilets, refuse containers, fencing, barricades, and other structures; location of alcohol (in a fenced off area), food and merchandise service/sale; and proposed street closures. All site maps are subject to approval.

#### HOLD HARMLESS AGREEMENT AND INSURANCE INFORMATION

The applicant covenants to save, defend, hold harmless, and indemnify the City of North Mankato and all its officers, departments, agencies, agents, and employees (collectively the "City") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, resulting from, arising out of, or in any way connected with the applicant's event herein described.

The City, in its discretion, may require the Applicant to obtain liability insurance for any special event. If liability insurance is required, the following requirements apply:

- 1. Minimum of \$1,000,000 in commercial general liability insurance.
- 2. Applicant's insurance shall be primary.
- 3. Insurance shall cover liability for injury death and property damage including coverage for alcohol related claims, if alcohol will be served.
- 4. The insurance policy must be issued by an insurance company licensed to do business in Minnesota acceptable to the City.
- 5. The City must be named as an additional insured on the policy.
- 6. At least ten (10) days prior to the event, the applicant must give to the City a Certificate of Insurance showing the required coverage.

#### **APPLICANT SIGNATURE**

I attest that the above information is true and accurate and I have signed this application on behalf of the applicant. I certify under penalties of perjury that I am authorized to execute contracts and other instruments and legally bind the Applicant.

SIGNATURE	
Guis Codrugues	
PRINTED NAME:	
Cindi Rodriguez	
Date Submitted to the City	
(0-20-2023	
Street Superintendent Signature and Approval	Date:
from flother	6/30/2023
Police Chief Signature and Approval	Date:
in pulle	6/23/23

#### **EMERGENCY/NATURAL DISASTER PREPAREDNESS**

#### Tornado/Severe Weather

Prior to and during the event - Lead/BOD/Managers:

Monitor the weather for potential strong winds, hail, lightning, or tornadoes

Weather Radio

Weather App

MN511

Notify race director if any of the following criteria are noted

Weather warning issued

Weather sirens activated

Dark clouds, lightning, and thunder

ACTION: Shut down event, initiate evacuation

To Evacuate: Your attention please; there is the potential for severe weather and/or tornados and everyone must take shelter immediately. Please collect all your belongings and walk calmly to the to your vehicles, drive directly home. If severe weather has started, stay in your car, buckle your seatbelts and duck down. If you do not have a vehicle, go into the restrooms.

**REPEAT ANNOUNCENMENT 2-3 times** 

#### FIRE

Small fire: call 911 - Evacuate the area, keep bystanders at least 1000 feet from burning structure Large fire: Call 911 - Evacuate the area, keep bystanders at least 1000 feet from burning structure

#### **MEDICAL EMERGENCIES**

Call 911

Remain at the scene, Do not move person

Perform basic First Aid or CPR or other life saving efforts while remaining safe until rescue team arrives.

#### **VIOLENCE**

Call 911 - Give details, description, location

If necessary, evacuate event

To Evacuate: Your attention please; --- 911 has been called. An "active shooter" is in the area. Law enforcement is en-route. Initiate lockdown procedures and wait for the all-clear notification. Community Room, Bathrooms, your vehicle – lock doors and duck down

. . . .

**REPEAT ANNOUNCENMENT 2-3 times** 

#### MISSING/LOST PERSON/CHILD

Call 911

Make an announcement with description When found, make an all-clear announcement



One Bala Plaza, Suite 100 Bala Cynwyd, Pennsylvania 19004 610.617.7900 Fax 610.617.7940 PHLY.com

#### PROPOSAL FOR INSURANCE

Proposal Number: 2006024

Named Insured and Mailing Address: Blue Earth Nicollett County Humane Society 1250 N River Dr Mankato, MN 56001

**Proposal Date:** 06/15/2023

Producer: Farmers Union Insurance Agency

305 Roselawn Avenue E, Suite 100

Saint Paul, MN 551172031

Contact:

Agency Number: 121256

Phone: 651-6391064

Insurer: Philadelphia Indemnity Insurance Company

Underwriter: Jayden Wieser

**Policy Period From:** 

09/30/2023

To: 10/01/2023

**Proposal Valid Until:** 

07/15/2023

at 12:01 A.M. Standard Time at your mailing address shown above

**Product:** Special Events

Submission Type: New Business

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO EXTEND INSURANCE AS STATED IN THIS PROPOSAL. THIS PROPOSAL CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

**PREMIUM** 

**Commercial General Liability Coverage Part** 

\$175.00

The Total Premium includes Federal Terrorism Risk Insurance Act Premium in the amount of:

\$1.00

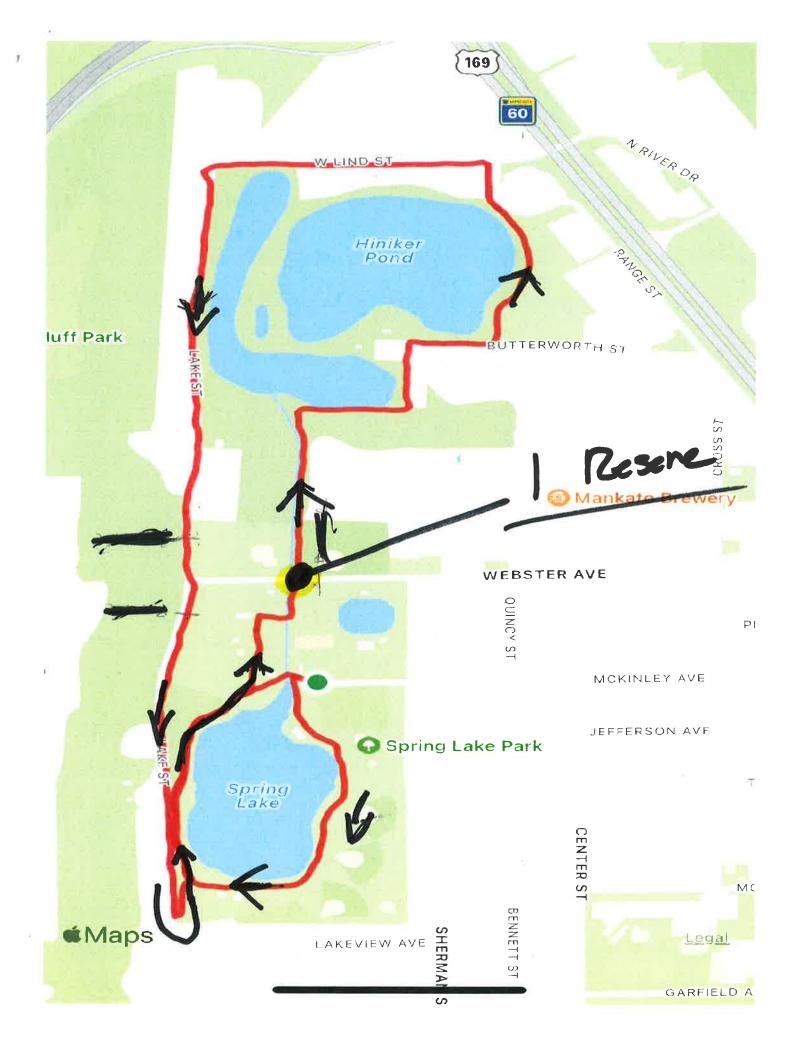
**TOTAL** \$176.00

#### Philadelphia Indemnity Insurance Company

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**

Proposal Number: 2006024

0 0 1 -						Ag	gent # 121256						
	mental Schedule INSURANCE	9											
\$	3,000,000	General Aggregate Limit	(Other Than Products Co	mploted One	rationa)								
\$		, 000, 000 General Aggregate Limit (Other Than Products – Completed Operations) , 000, 000 Products/Completed Operations Aggregate Limit (Any One Person Or Organization)											
\$	1,000,000	Personal and Advertising Injury Limit											
\$	1,000,000	•	ach Occurrence Limit										
\$	300,000		ented To You Limit										
\$	0		Rented To You Limit  Medical Expense Limit (Any One Person)										
FORM OF I	BUSINESS: Non	Profit Organization	,										
Busi	ness Description	n: Special Events											
Loca	ition of All Premi	ises You Own, Rent or Oc	ccupy: SEE SCHE	EDULE ATTA	CHED								
AUDIT PER	IOD, ANNUAL,	UNLESS OTHERWISE ST	ATED: This policy is not su	ubject to pren	nium audit.								
					ites	Advanced Premiu							
Classifications		Code No.	Premium Basis	Prem./Ops.	Prod./Comp. Ops.	Prem./Ops	Prod./Comp. Ops.						
SEE SCHE	DULE ATTACHE	D											
		TOTAL PREMIUM FOR 1	THIS COVERAGE PART:			\$175.00	\$						
This insurar	IVE DATE (CG of a ce does not applicate, if any, show	oly to "Bodily Injury", "Prop	erty Damage", or "Personal	and Advertis	ing Injury" wh	ich occurs be	fore the						
Tell Dactive C	iate, il ally, silow	in below.											
Retroactive	Date:												
FORM (S) A	ND ENDORSEM	MENT (S) APPLICABLE TO	O THIS COVERAGE PART	: <u>Refer To F</u>	orms Schedu	<u>ıle</u>							
			Countersignatu	ıre Date	Authorized	Representative							



#### **BUSINESS/CANNABINOID LICENSE**



**BUSINESS NAME:** 

BL Worldwide Investments Inc.

DBA PJ's Liquor Emporium

BUSINESS OWNER:

Brock Larsen

**BUSINESS LOCATION:** 

**407 BELGRADE AVENUE** 

NORTH MANKATO, MN 56003

BL WORLDWIDE INVESTMENTS, INC.

407 BELGRADE AVENUE

NORTH MANKATO, MN 56003

POST IN A CONSPICUOUS PLACE-NON-TRANSFERABLE

#### CITY OF NORTH MANKATO

1001 Belgrade Avenue North Mankato, MN 56003 Phone: (507-625-4141) FAX (507) 625-4151

License Type: CANNABINOID

Mayor

BUSINESS LICENSE NUMBER: CAN 000003-2023

Effective Date: JULY 18, 2023

**Expiration Date:** 

**DECEMBER 31, 2023** 

1001 Belgrade Ave., PO Box 2055
North Mankato, MN 56003
507-625-4141 Fax: 507-625-4252
www.northmankato.com

For Office Use Only									
APPROVED									
DENIED									
☐ PARK USE	☐ AUDIO USE								

#### Application For PARADE PERMIT

#### REQUIRED INFORMATION:

- Application for Parade Permit
- Map of Parade Route
- \$35 Application Fee

Thirty (30) days inadvance of the parade date.

Name of Applicant	Address	Phone	Phone			Email		
Alex Ogden	1141 N 43rd St - Milwaukee, WI 53	208 414.21	8 414.213.8930 alex@41					
Sponsoring Organization Name	Address		Phone					
Mankato Brewery	1119 Center St, North Mankato, MI	N 56003	6003 (507) 386-2337					
Contact during event		Phone	2					
Alex Ogden		414.21	3.8930					
Event Location		Date		From	Tin	ne To		
Mankato Brewery / surrounding streets		11/05/20	23	10:00	am	12:00pm		
Occasion for Parade 5k Run / Walk								
Parade Description / Composition								
Runners will start and finish outside of Mar	nkato Brewery on Center St and runthro	ough the surro	unding stre	ets / Sp	ring Lal	ke & Hiniker Parks		
As duly authorized representative for a permit to parade in the City of ledge, the above is an accurate and this permit and subject to the provent parade participants and the orderly	of North Mankato, Minnesota. I I true description of the parade isions and conditions which man	I hereby ce I agree to ay be neces	rtify that execute	, to the particular the particular to the partic	e best rade a	of my know- ecording to		
Applicant /		Date	Date					
	it shall be valid only under the	conditions		nende	d by th			
Chief of Police		Date						
Caswell Sports Director	Date				,			

# Mankato Beer Run 5k & .05k - Course Map

## Map Key

- Start/Finish Line
- Course Route and Direction
- Barricade Locations(7 )
- Intersection CourseMarshal (5 Total)
- Standard Course Marshal (3 Total)
- Water Station

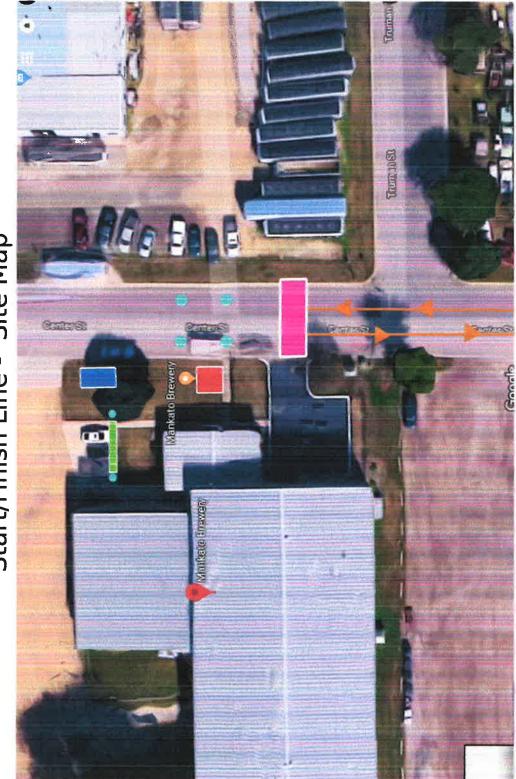


## Map Key

- Start/Finish Line with Inflatable Arch using sandbag weights
- Course Path and Direction
- MC Booth PA

  System facing
  East twoards
  industrial park
  (with 10x10 pop
  up tent)
- Registration (with 10x20 pop up tent)
- Portable Restrooms (if need in addition of Mankato Brewery Restrooms)
- Paired Recyling and Trash Receptacles

# 414 Events - Mankato Beer Run 5k & .05k Site Map Start/Finish Line -





1001 Belgrade Avenue North Mankato, MN 56003 507-625-4141 Fax: 507-625-4151

R-444 (1975) 1976 (1976) 1976 (1976)

#### **Audio Permit**

#### About:

An audio permit is required for anyone operating outdoor amplified sound (i.e., a loudspeaker, public address system, or sound amplifying equipment). All Audio Permits must be approved by the Council. The sound system cannot be operated before 7:00 am or after 10:00 pm. There is a \$25 fee.

#### **Audio Permit Responsibilities:**

- An onsite event coordinator must be available by mobile during the event.
- An applicant will provide a schedule of any music or entertainment proposed to occur during the event.
- A beginning and end time must be supplied on the application, and the event coordinator must ensure compliance.
- Applicants must comply with City Code Ordinance 90.045 and Minnesota Rules Chapter 7030 which limits noise.
- Noise levels cannot exceed 60 dBA more than 50 percent of the time.

#### What happens if there is a noise complaint?

- A North Mankato Patrol Officer will meet with the complainant and evaluate and measure the noise using a
  decibel reader at the location of the complainant.
- If the noise is found out of compliance, the Patrol Officer will contact the onsite event coordinator, and the amplified sound must be turned down.
- If the onsite event coordinator does not comply, the event will be immediately terminated, and the group will be disbursed.
- Failure to comply will affect future ability to obtain an audio permit.

A service Min of February and 1990 a						
AMPLIFIED SOUND:	LIVE MUSIC/BAND DI/KARAOKE MACHINE OTHER:	BEGIN TIME: 9:00am 12:00pm				
LOCATION / SHELTER: Center Street in	front of Mankato Bressery:					
EVENT NAME: The Mankato I	Beer Run - 5k & .05k					
ONSITE COORDINATOR:	PRINT NAME Alex Ogden					
	MORIE WALEER 414.213.8	3930				
		T AND UNDERSTAND THAT FAILURE TO COMPLY PREVENT FUTURE ABILITY TO OSTAIN AN AUDIO				
PRINT NAME: Alex Ogden	SIGNATUR	E: ASD				
DATE-2/23/2023	EMAR_ale	x@414events.com				
emperature of contracting and						
POLICE CHIEF: CITY CLERK:		☐ DENIED ☐ APPROVED				
	ONLINE S25.00 FEE					
BOOK IN POLICE LIC	JINEINE 1 525.00 FEE	STAFF INTIALS				

#### The Mankato Beer Run 5k & .05k

#### Schedule of Music & Announcements

Noise production for the purpose of race announcements and light music provided by FourOneFour Events

9:00am - Light music

9:30am - Light announcements and sponsor thank you

9:50am - Announcements for .05k runners to line up

10:00am - .05k race start announcement

10:05am - Announcements for 5k runners to line up

10:15am - 5k race start announcement

10:20am until last finisher or 12:00pm - light music and finisher congratulations

#### **CITY OF NORTH MANKATO**





Agenda Item # 11A	Dept: Administration	Council Mee	ting Date: 7/17/	/23
TITLE OF ISSUE: Consider Resolution	Establishing Tax Increm	ent Financing Dist	rict No. 2-2 Wi	thin
Development District No. 2 and Adoptin				
Interfund Loan.		8	,	8 ****
BACKGROUND AND SUPPLEMENTA Finance will be present to review the propo		ancial Advisor Tamm	y Omdal from	Northland Public
REQUESTED COUNCIL ACTION: Add Within Development District No. 2 and A Interfund Loan.		ng Tax Increment F		rict No. 2-2
For Clerk's Use:	SUP	PORTING DOCUM	IENTS ATTA	CHED
Motion By: Second By:  Vote Record: Aye Nay	Resolution (	Ordinance Contract	Minutes	Мар
Steiner	Other (spe	eify)		
Peterson				
Oachs				
Whitlock				
Carlson				
Workshop		Refer to:		
X Regular Meeting		Table until:		
Special Meeting		Other:		

#### EXTRACT OF MINUTES OF A MEETING OF THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA

HELD: July 17, 2023

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of North Mankato, Nicollet and Blue Earth Counties, Minnesota, was duly called and held on July 17, 2023 at 7:00 p.m.

The following m	The following members of the Council were present:										
and the following were absent:											
Member	introduced the following resolution and moved its adoption:										
	RESOLUTION NO. 48-23										

### RESOLUTION ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 2-2 WITHIN DEVELOPMENT DISTRICT NO. 2 AND ADOPTING THE TAX INCREMENT FINANCING PLAN THEREFOR; AND AUTHORIZING AN INTERFUND LOAN

- A. WHEREAS, it has been proposed that the City of North Mankato, Minnesota (the "City") (1) establish Tax Increment Financing District No. 2-2 (the "TIF District") within Municipal Development District No. 2 (the "Development District"); (2) approve and adopt the proposed Tax Increment Financing Plan therefor under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Act"); and (3) authorize an Interfund Loan (hereinafter defined); and
- B. WHEREAS, the City Council has investigated the facts and has caused to be prepared a proposed tax increment financing plan for the TIF District therein (the "TIF Plan"); and
- C. C. WHEREAS, the City has performed all actions required by law to be performed prior to the establishment of the TIF District, and the adoption of the TIF Plan therefor, including, but not limited to, notification of Nicollet County and Independent School District No. 77 having taxing jurisdiction over the property to be included in the TIF District, and the holding of a public hearing upon published and mailed notice as required by law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of North Mankato as follows:

1. <u>Tax Increment Financing District No. 2-2</u>. There is hereby established in the City within the Development District, Tax Increment Financing District No. 2-2, an redevelopment tax increment financing district, the initial boundaries of which are fixed and determined as described in the TIF Plan.

- 2. <u>Tax Increment Financing Plan</u>. The TIF Plan is adopted as the tax increment financing plan for the TIF District, and the City Council makes the following findings:
  - (a) The TIF District is an redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10, the specific basis for such determination is set forth in Section 2.03.3 of the TIF Plan.
  - (b) The proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The reasons for such determination are set forth in Section 2.05.5 of the TIF Plan.
  - (c) In the opinion of the City Council, the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan. The reasons supporting this finding are set forth in Section 2.05.5 and Exhibit I of the TIF Plan.
  - (d) The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are set forth in Section 2.02.2 of the TIF Plan.
  - (e) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise. The reasons supporting this finding are set forth in Section 2.05.5 of the TIF Plan.
- 3. <u>Public Purpose</u>. The adoption of the TIF Plan for the TIF District within the Development District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.
- 4. <u>Certification</u>. The Auditor of Nicollet County is requested to certify the original net tax capacity of the TIF District as described in the TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Clerk is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.
- 5. <u>Filing</u>. The City Clerk is further authorized and directed to file a copy of the TIF Plan for the TIF District with the Commissioner of Revenue and the Office of the State Auditor.
- 6. <u>Interfund Loan</u>. The City has determined to pay for certain costs (the "Qualified Costs") identified in the TIF Plan consisting of certain administrative expenses, which costs may be financed on a temporary basis from the City's general fund or any other fund from which such

advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

- (a) The City shall repay to the Fund from which the Qualified Costs are initially paid, the principal amount of \$463,049 (or, if less, the amount actually paid from such fund) together with interest at 5.00% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.
  - (b) Principal and interest on the Interfund Loan ("Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.
  - (c) Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the City by Nicollet County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.
  - (d) The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.
  - (e) The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

(f)	-	The	City	may	amend	the	term	s of	the	Inter	func	l Loan	at	any	time	by
resolution	of t	he (	City (	Counc	il, incl	udin	gao	leterr	nina	ation	to 1	forgive	the	out	stand	ing
principal amount and accrued interest to the extent permissible under law.																

The motion for the adoption of the foregoing resolution was duly seconded by member and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTIES OF NICOLLET AND BLUE EARTH

CITY OF NORTH MANKATO

I, the undersigned, being the duly qualified and acting Clerk of the City of North

Mankato, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing

extract of minutes with the original thereof on file in my office, and that the same is a full, true

and complete transcript of the minutes of a meeting of the City Council of said City, duly called

and held on the date therein indicated, insofar as such minutes relate to the establishment of Tax

Increment Financing District No. 2-2 and approving the Tax Increment Financing Plan therefor,

and the authorization of an interfund loan.

WITNESS my hand July 17, 2023.

City Clerk

5



#### MEMORANDUM

To:

City of North Mankato

From:

Tammy Omdal, Managing Director

Date:

July 11, 2023

Re:

Tax Increment Financing Assistance for Hotel Redevelopment Project

#### **Background**

At the request of the City of North Mankato (the "City") Northland has completed a review of the application from 1111 Holdings of Mankato, LLC (the "Developer") requesting tax increment financing assistance for redevelopment of property located at 1111 Range Street in North Mankato. In preparing this review, Northland relied on information included in the application and other information provided by the City.

The Developer is proposing redevelopment of an existing sub-standard building and construction of new space providing for approximately 60 new apartments units and approximately 30,000 SF of commercial space, including restaurant and retail space (the "Project"). The estimated cost for the Project is \$14,700,000 is included in Exhibit A. The proposed development site is on property owned by the North Mankato Port Authority (the "Authority") and is identified as parcel 185130010 (the "Property"). The Property is currently occupied by a hotel formerly known as the Norwood Inn.

The City contracted with a private inspection firm, LHB, to inspect the property and prepare the findings for establishment of a tax increment financing (TIF) redevelopment district. LHB concludes in the report dated June 28, 2023, that the five parcels the City proposes to include within Tax Increment Financing District No. 2-2, which includes the Property for the Project, meet the requirements for establishment of a redevelopment TIF district. The maximum duration for collection of tax increment for a redevelopment TIF district is 26 years.

The application from the Developer includes a request from the Developer for public financial assistance for the Project in the form of tax increment financing (TIF) revenue note in the amount of \$3,250,000 plus simple interest of 5.0% per annum.

Northland reviewed the information submitted by the Developer based on general industry standards for land acquisition, construction costs, fees, operating expenses, and rental rates and occupancy, among other items. We find the information provided to be within general industry standards.

#### Observations

It is Northland's observation that the Project, as proposed, is feasible only through assistance, in part from TIF. This observation may change if information about the Project changes. Financing redevelopment takes multiple sources to achieve sufficient returns and debt service coverage for a project to be financially feasible.

Based on the pro forma developed by Northland, using information from the Developer and information independently prepared by Northland, we find the request for TIF is reasonable and necessary.

Northland estimates the Project is feasible with TIF assistance to the Developer in an amount not to exceed \$2,616,000, with a maximum term of 26 years and simple interest of 5.0%. The future value of the payments, with interest, is estimated at approximately \$5,415,000. This is based on the City providing a percent of the TIF collected to payment on a note issued to the Developer. The percent of TIF to the Developer is as follows:

- Years 1 through 5 the developer will receive 98% of the tax increment
- Years 6 through 10 the developer will receive 95% of the tax increment
- Years 11 through 26 the developer will receive 90% of the tax increment

The TIF assistance to the Developer will be on a "pay-go" basis, meaning the payments to the Developer will be payable solely from tax increment from the Project. The City will retain tax increments not payable to the Developer to pay administrative costs of the district.

Exhibit B provides estimated tax increment (TIF) cash flow, increased property taxes from the Project, that will be captured to assist the Project. For purposes of the TIF Plan, the property classification for estimating property taxes is assumed at the "4a" classification (Rental Housing 4 or more units) for the apartment units and commercial classification for the restaurant and commercial-retail spaces.

Exhibit C shows the estimated return on cash, net operating income divided by total equity, and estimated debt service coverage for the Project with and without TIF assistance.

#### **Use of Tax Increment Financing (TIF)**

Tax increment financing is a public finance tool that upon approval and establishment of a TIF district will allow the City to capture the increase in property taxes from the Project, with certain exceptions to the taxes that may be captured, to assist the Project.

A decision to deny the request for TIF assistance does not necessarily mean that there will be no future improvements on the Property. A decision to approve may be made based on a finding that the Project, as proposed, would not be reasonably expected to occur solely through private investment within the reasonably near future. It does not mean a finding that "no" development, housing or commercial, will occur on the site ever.

The analysis shows that an induced development will yield a net increase in taxable market value of approximately \$17.5 million (future value) for the site compared to the likely taxable market value of \$3.9 million (future value) without TIF based on the duration of the TIF district and assumed 1.5% annual appreciation of taxable market value.

#### North Mankato Port Authority Debt Obligation for Property

The Authority issued Taxable General Obligation Bonds, Series 2021B (the "Bonds"), in the par amount of \$4,500,000, dated December 9, 2021, to finance the acquisition of the Property, among other related purposes. The Property is located within the Webster Avenue Industrial Development District. The Bonds are general obligation of the City.

The City pledged ad valorem taxes for payment of the Bonds. The current outstanding balance on the Bonds is \$4,500,000 as of June 9, 2023. The first principal payment on the Bonds is due February 1, 2024. The Bonds have an optional redemption call date of February 1, 2030.

The City and Authority may determine to use land sale proceeds from sale of the Property, in addition to other funds to defease the Bonds. Defeasance of the Bonds will require an estimated deposit of cash to an escrow fund in the approximate amount of \$4,162,852. Figure 1 below includes the estimated source and use of funds for the defeasance of the Bonds, estimated as of June 9, 2023.

## Figure 1.

Port Authority of the City of North Mankato, MN
Taxable General Obligation Bonds, Series 2021B
Preliminary Estimated Source and Use of Funds for Defeasance

Estimated as of June 9, 2023, Subject to Change

## Sources & Uses

Dated 09/01/2023   Delivered 09/01/2023	
Sources Of Funds	
Proceeds From Building Sale	3,250,000.00
Unspent Bond Proceeds	850,000.00
Additional Issuer Equity Contribution	\$85,852.06
Total Sources	\$4,185,852.06
Uses Of Funds	
Deposit to Net Cash Escrow Fund	4,162,852.06
Costs of Issuance	23,000.00
Total Uses	\$4,185,852.06

### Summary

This memorandum was prepared to assist with evaluation of the request for assistance submitted by the Developer. The assumptions and estimated amounts provided in this memorandum and exhibits are subject to change. The key items to note for the Project are as follows:

- All of the approximately 60 apartment units and approximately 30,000 SF of commercialretail space will be leased at market rates.
- The Developer may request the City to approve assignment of the TIF revenue note to be issued by the City to the Developer to a third party. The assignment by the City would allow the Developer to mortgage or leverage the TIF revenue note to provide cash for the Project.
- Northland's review suggests the Project, as proposed, is feasible only through assistance, in part from TIF. The TIF assistance is not to exceed \$2,616,000, with a maximum term of 26 years and simple interest 5.0%. Unpaid principal amount will bear interest from the date of the TIF revenue note at the simple non-compounded rate of 5.0% per annum. The first payment date is to be August 1, 2026, and on each February 1 and August 1 thereafter to and including February 1, 2052. The TIF note shall be payable from a declining percent of the tax increment, ranging from an initial 98% declining to 90% by year 11.

- Property shall not be subject to a minimum assessment agreement for taxable market value.
- Upon sale of the Property, the Authority and City shall act to defease (full net defeasance) the North Mankato Port Authority Taxable General Obligation Bonds, Series 2021B.

## **EXHIBIT A** North Mankato, MN Hotel Redevelopment

## 60 Unit Residential Apartment Building with Commercial Development **Developer Sources and Uses of Funds for Construction**

	Total	% of Total	Per Hotel Unit
Sources of Funds (Permanent)			
First mortgage	\$11,025,000	75.0%	\$183,750
Equity	\$3,675,000	25.0%	\$61,250
TIF revenue note mortgage (assignment)*	\$0	0.0%	\$0
Total Sources of Funds	\$14,700,000	100.0%	\$245,000
Uses of Funds			
Acquisition	\$3,250,000	22.11%	\$54,167
Site development	\$1,550,000	10.54%	\$25,833
Construction	\$9,275,000	63.10%	\$154,583
All other costs	\$625,000	4.25%	\$10,417
Total Uses of Funds	\$14,700,000	100.00%	\$245,000
Estimated Number of Hotel Units Estimated Commercial SF		60 30.000	

Estimated Commercial SF 30,000

<sup>\*</sup> Developer may request assignment of the TIF revenue note from the city.

# EXHIBIT B City of North Mankato Tax Increment Financing District No. 2-2 (Redevelopment) Hotel Redevelopment Projected Tax Increment Financing (TIF) Cash Flow

TIF District Year	Taxes Payable Year	Taxable Market Value (TMV)	TIF from District	TIF to City for Admin	TIF to Developer	Present Value of TIF to Developer
1	2026	14,437,462	178,192	3,564	174,628	151,838
2	2027	14,654,023	181,580	3,632	177,948	299,106
3	2028	14,873,834	185,019	3,700	181,318	441,933
4	2029	15,096,941	188,509	3,770	184,739	580,443
5	2030	15,323,395	192,052	3,841	188,211	714,756
6	2031	15,553,246	195,648	9,782	185,866	841,004
7	2032	15,786,545	199,298	9,965	189,333	963,411
8	2033	16,023,343	203,003	10,150	192,852	1,082,085
9	2034	16,263,693	206,762	10,338	196,424	1,197,132
10	2035	16,507,649	210,579	10,529	200,050	1,308,658
11	2036	16,755,263	214,452	21,445	193,007	1,411,072
12	2037	17,006,592	218,385	21,838	196,546	1,510,339
13	2038	17,261,691	222,376	22,238	200,138	1,606,549
14	2039	17,520,617	226,426	22,643	203,783	1,699,791
15	2040	17,783,426	230,538	23,054	207,484	1,790,152
16	2041	18,050,177	234,711	23,471	211,240	1,877,716
17	2042	18,320,930	238,947	23,895	215,052	1,962,565
18	2043	18,595,744	243,246	24,325	218,922	2,044,778
19	2044	18,874,680	247,610	24,761	222,849	2,124,434
20	2045	19,157,800	252,039	25,204	226,835	2,201,607
21	2046	19,445,167	256,535	25,654	230,882	2,276,372
22	2047	19,736,845	261,098	26,110	234,988	2,348,801
23	2048	20,032,897	265,730	26,573	239,157	2,418,962
24	2049	20,333,391	270,431	27,043	243,388	2,486,924
25	2050	20,638,392	275,203	27,520	247,682	2,552,752
26	2051	20,947,968	280,045	28,005	252,041	2,616,511
		Total	5,878,413	463,049	5,415,365	2,616,511

## **Key Assumptions:**

- 1 Taxable market value (TMV) annual growth assumption = 1.5%
- 2 Original Tax Capacity Rate estimated based on Taxes Payable Year 2023
- 3 Election for captured tax capacity is 100.00%
- 4 Base Tax Capacity is calculated based on a TMV = \$3,144,000
- 5 Present Value is based on semi-annual payments and dated date 1/1/2024.
- 6 Analysis is based on 60 apartment units at average taxable market value of \$190,000 per unit; and 30,000 SF of commercial space with average taxable market value of \$180 per SF.
- 7 TIF from District is after deduction of State Auditor fee of 0.36%
- 8 Elect year 2026 as first year of tax increment collection.

EXHIBIT C
North Mankato, MN

Hotel Redevelopment 60 Unit Residential Apartment Building with Commercial Development

Summary of Pro Forma

	1 First Stabilized	ľ	10	15	20	25
	Year	Year 5	Year 10	Year 15	Year 20	Year 25
Income before TIF	1,483,140	1,574,151	1,695,807	1,826,866	1,968,054	2,120,153
TIF to Developer	174,628	188,211	200,050	207,484	226,835	247,682
Income after TIF	1,657,768	1,762,362	1,895,858	2,034,350	2,194,889	2,367,835
Less operating expense	538,836	571,947	616,206	663,887	715,252	770,587
Net operating income	1,118,932	1,190,415	1,279,651	1,370,464	1,479,638	1,597,249
Less debt service	690'586	935,069	935,069	932,069	935,069	935,069
Net cash flow	183,863	255,346	344,582	435,395	544,569	662,180
Cash on cash with TIF (NOI / Equity)	2.0%	%6.9	9.4%	11.8%	14.8%	18.0%
Cash on cash without TIF	0.3%	1.8%	3.9%	6.2%	8.6%	11.3%
Debt service coverage with TIF	1.20	1.27	1.37	1.47	1.58	1.71
Debt service coverage without TIF	1.01	1.07	1.15	1.24	1.34	1.44

# CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 11B	Dept: Community Dev.	Cou	ncil Meeting Date:	7/17/23
TITLE OF ISSUE: Consider Ordinance		Replacing S	ections of City Cod	le Title VII: Traffic
Code, Chapter 73: Recreational Vehicle	S.			
BACKGROUND AND SUPPLEMENTA		nmunity De	velopment Director	Fischer and City
Planner Lassonde will be present to review	the proposed ordinance.			
		If addi	itional space is required, a	ttach a separate sheet
REQUESTED COUNCIL ACTION: Ad	opt Ordinance No. 159, R			
Title VII: Traffic Code, Chapter 73: Red				
	1			
For Clerk's Use:	SUP	PORTING	DOCUMENTS AT	CTACHED
Motion By:	Resolution (	Ordinance	Contract Minutes	Map
Second By:				
Vote Record: Aye Nay	X			
Steiner	Other (spec	cify)		
Peterson			1 <del>0</del>	
Oachs				
Whitlock	V-			
Carlson	:			
Workshop		Refer to:		
X Regular Meeting		Table until		
		Table until:	8	
Special Meeting		Other:		

## ORDINANCE NO. 159 FOURTH SERIES ITY OF NORTH MANKATO

## CITY OF NORTH MANKATO NICOLLET COUNTY, MINNESOTA

## AN ORDINANCE REPEALING AND REPLACING SECTIONS OF CITY CODE SECTION TITLE VII: TRAFFIC CODE, CHAPTER 73: RECREATIONAL VEHICLES

WHEREAS, the City Council of the City of North Mankato is the official governing body of the City of North Mankato, Minnesota ("The City"); and

WHEREAS, the City Council has reviewed the proposed changes to Section Title VII: Traffic Code, Chapter 73: Recreational Vehicles and recommended adoption of the changes; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH MANKATO does hereby ordain as follows:

## SECTION 1. REPEAL AND REPLACE. The Code of the City of North Mankato, County of Nicollet, State of Minnesota section:

TITLE VII: TRAFFIC CODE, CHAPTER 73: RECREATIONAL VEHICLES Shall be repealed and replaced in its entirety.

## § 73.01 PURPOSE AND INTENT.

- (A) (1) The purpose of this chapter is to provide reasonable regulations for the use of recreational motor vehicles on public and private property in the city.
- (2) This chapter is not intended to allow what the Minnesota Statutes prohibit nor to prohibit what the Minnesota Statutes expressly allow.
- (B) It is intended to ensure the public safety and prevent a public nuisance.

## § 73.02 DEFINITION.

For the purpose of this chapter, the following definition shall apply unless the context clearly indicates or requires a different meaning.

**RECREATIONAL MOTOR VEHICLE.** Any self-propelled vehicle and any vehicle propelled or drawn by a self-propelled vehicle used for recreational purposes including, but not limited to trail bikes, off-highway motorcycles, as defined by M.S. § 84.787, Subd. 7, as it may be amended from time to time, or other all-terrain vehicles as defined by M.S. § 84.92, Subd. 8, as it may be amended from time to time, motorized golf carts, motorized go-carts, hovercraft or motor vehicles licensed for highway operation which is being used for recreational purposes.

## § 73.03 OPERATION REQUIREMENTS.

It is unlawful for any person to operate a recreational motor vehicle:

- (A) On private property of another without specific written permission of the owner of the property; (Written permission may be given by a posted notice of any kind or description, so long as it specifies the kind of vehicles allowed, that the owner, occupant or lessee prefers, such as by saying "Recreational Vehicles Allowed, ""Trail Bikes Allowed, ""All-Terrain Vehicles Allowed or words substantially similar.)
- (B) On publicly-owned land, including school, park property, playgrounds, recreation areas and golf courses, except where permitted by this chapter;
- (C) In a manner so as to create a loud, unnecessary or unusual noise which disturbs, annoys or interferes with the peace and quiet of other persons;
  - (D) On a public sidewalk or walkway provided or used for pedestrian travel;
  - (E) At a place while under the influence of intoxicating liquor or narcotics or habit-

forming drugs;

- (F) At a rate of speed greater than reasonable or proper under all the surrounding circumstances:
- (G) At any place in a careless, reckless or negligent manner so as to endanger or be likely to endanger any person or property or to cause injury or damage thereto;
- (H) On any public street, highway or right-of-way unless licensed pursuant to Minnesota law and this chapter of the City Code;
  - (I) To intentionally drive, chase, run over or kill any animal, wild or domestic;
- (J) By halting any recreational motor vehicle carelessly or heedlessly in disregard of the rights or the safety of others or in a manner so as to endanger or be likely to endanger any person or property or in excess of 25 miles per hour on publicly-owned lands; and/or
- (K) Within 150 yards of any public recreational area or gathering of people. This provision does not apply to the occasional use of recreational motor vehicles on private property for the purpose of loading or unloading it from a trailer or for mechanically checking it.

Penalty, see § 10.99

## § 73.04 STREET CROSSINGS.

No person under 14 years of age operating the vehicles regulated herein shall make a direct crossing of any street, highway or public right-of-way.

Penalty, see § 10.99

## § 73.05 HOURS OF OPERATION.

Recreational motor vehicles can operate from 8:00 a.m. to 10:00 p.m., with the exception of motorized golf carts operating on designated roadways where operation can only be during daylight hours between sunrise and sunset.

Penalty, see § 10.99

## § 73.06 MINIMUM EQUIPMENT REQUIREMENTS.

- (A) Standard mufflers shall be properly attached and in constant operation to reduce the noise of operation of the motor to the minimum necessary for operation. No person shall use a muffler cutout, by-pass, straight pipe or similar device on a recreational motor vehicle motor. The exhaust system shall not emit or produce a sharp popping or crackling sound.
- (B) Brakes shall be adequate to control the movement of and to stop and hold under any conditions of operation.
- (C) At least one clear lamp shall be attached to the front with sufficient intensity to reveal persons and vehicles at a distance of at least 100 feet ahead during the hours of darkness under normal atmospheric conditions. The head lamp shall be so that glaring rays are not projected into the eyes of an oncoming vehicle operator. It shall also be equipped with at least one red tail lamp having a minimum candlepower of sufficient intensity to exhibit a red light plainly visible from a distance of 500 feet to the rear during the hours of darkness under normal atmospheric conditions. This equipment shall be required and shall be in operating condition when the vehicle is operated between the hours of one-half hour after sunset and one-half hour before sunrise, or at times of reduced visibility.

Penalty, see § 10.99

## § 73.07 DESIGNATION OF PUBLIC AREAS FOR USE.

(A) The Council may designate areas for use of recreational motor vehicles by approval of a majority of the members of the City Council. The areas designated may be changed from time to time by the City Council. Any area designated shall be published in the official newspaper of the city in a conspicuous place after the approval. If an area is changed, the change shall be published in like manner in the official newspaper of the

city. An up-to-date map of any designated park areas open for recreational motor vehicle use shall be kept on file in the office of the City Clerk, who shall provide on request a copy of the map together with the applicable rules, regulations and this chapter to each person requesting the information from the city.

(B) Unless designated by the City Council as an area for recreational motor vehicles, the use on city park property or designated off-street trail shall be unlawful. Further, the use of city parks designated by the City Council shall be in accordance with all of the applicable provisions of this chapter. Penalty, see § 10.99

## § 73.08 MOTORIZED GOLF CARTS.

- A. Authorization. Pursuant to its authority under M.S. § 169.045, the City authorizes the operation of motorized golf carts on designated roadways as permitted under this Section.
- B. Definitions.

**MOTORIZED GOLF CART**. A self-propelled vehicle of the type and style designated for, and commonly used by, patrons of golf courses, but excluding vehicles commonly known as all-terrain vehicles or ATV's (including Class 1 and Class 2 ATVs as defined by the MN Department of Natural Resources), utility-terrain (*or*-utility-task) vehicles or UTV's, mini-trucks, and other specialized vehicles not considered a motorized golf cart.

**DESIGNATED ROADWAY.** Roadways within the City of North Mankato with a posted speed limit of thirty (30) miles-per-hour or less and/or identified on the "Permitted Roadways" figure accompanying this ordinance. The operator, under permit, of a motorized golf cart may cross any street or highway intersecting a designated roadway within City limits.

- C. Operation Requirements. It is unlawful for any person to operate a motorized golf cart on a roadway unless:
  - a. The operator possesses a valid driver's license.
  - b. The operation is on a designated roadway, except when crossing any non-designated street or highway intersecting a designated roadway.
  - c. The operation is during daylight hours between sunrise and sunset as stated in § 73.05.
  - d. The operation is only during the months of April through October of each year and not during inclement weather, or when visibility is impaired by weather, smoke, fog, or other conditions, or when there is insufficient light to clearly see persons or vehicles thereon at a distance of 500 feet.
  - e. The motorized golf cart displays a slow-moving vehicle emblem, as described by M.S. § 169.522, on the rear thereof.
  - f. The motorized golf cart is equipped with rear view mirrors as required by M.S. § 169.70.
  - g. The motorized golf cart is equipped with headlights and taillights as defined in § 73.06.
  - h. The operator provides a signal of intention when turning or stopping the motorized golf cart as defined in M.S. § 169.19. The signals herein required shall be given either by means of the hand and arm or by a signal

- lamp or signal device of a type approved by the commissioner of public safety.
- i. The operator has insurance coverage required by State statute (presently M.S. § 65B.48, subd. 5 where the term "Motorcycle" shall be understood to represent "Motorized Golf Cart").
- j. The operator observes all traffic laws, except such as cannot reasonably be applied to motorized golf carts.
- k. The number of persons occupying a motorized golf cart in motion does not exceed the manufacturer specifications.
- I. The operator has displayed a permit obtained from the City of North Mankato on the motorized golf cart as provided for herein, or as otherwise authorized by other provisions of this City code or State statute.
- D. *Permits*. Persons wishing to operate motorized golf carts on designated roadways must complete a permit application obtained from the City clerk. Permits shall be valid for one year from the date of issuance. Conditions for issuance of a permit are as follows:
  - a. Applicant must possess a valid driver's license.
  - b. If the applicant is physically disabled, the applicant must submit a certificate signed by a licensed physician that the applicant is able to operate a motorized golf cart on the designated roadways.
  - c. Applicant must have proof of insurance as required by M.S. § 65B.48, subd. 5.
  - d. Permit decals obtained from the City of North Mankato shall be affixed to the front panel of the driver's side of the golf cart to ensure visibility for law enforcement.
- E. *Inspections*. Owners/Operators of motorized golf carts attempting to obtain a permit from the City of North Mankato for operation on designated roadways shall have the motorized golf cart inspected by the City during the permit application process. To have inspection completed, owners/operators can drive the motorized golf cart to the North Mankato City Hall on designated roadways as defined herein. Where lack of available designated roadways does not permit an owner/operator of a motorized golf cart to drive to City Hall, the owner/operator can:
  - a. Have the motorized golf cart transported by trailer to City Hall.
  - b. Submit photos of the motorized golf cart to City staff for review. Submitted photos should include one (1) photo of the front, rear, and each side of the motorized golf cart and shall be clear enough so that a detailed inspection can be completed. City staff reserves the right to request additional photos if they feel the original submitted photos are inadequate for a detailed inspection of the motorized golf cart.
- F. Storage. The storage of motorized golf carts on residentially zoned properties will comply with § 92.19 and § 156.035 of the City Code.
- G. *Penalty*. see § 10.99

## § 73.09 SPECIALIZED VEHICLES: UTILITY-TERRAIN VEHICLES AND MINITRUCKS.

- (A) *Purpose and intent.* The purpose of this section is to provide reasonable regulations for the use of specialized vehicles on public property within the city. This section is not intended to allow what the Minnesota Statutes prohibit or to prohibit what the Minnesota Statues expressly allow. It is intended to ensure the public safety and prevent a public nuisance.
- (B) *Definitions*. For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**DRIVER.** The person driving and having physical control over the utility-terrain vehicle or mini-truck.

**MINI-TRUCK.** As defined in M.S. § 169.011, Subd. 40(a), as may be amended from time to time, a motor vehicle that has 4 wheels, is propelled by an electric motor with a rated power of 7,500 watts or less or an internal combustion engine with a piston displacement capacity of 660 cubic centimeters or less, has a total dry weight of 900 to 2,200 pounds, contains an enclosed cabin and a seat for the vehicle operator, commonly resembles a pickup truck or van, including a cargo area or bed located at the rear of the vehicle, and was not originally manufactured to meet federal motor vehicle safety standards required of motor vehicles in the 49 C.F.R. §§ 571.101 to 571.404, and successor requirements.

**UTILITY-TERRAIN VEHICLE.** A motorized flotation-tired vehicle with at least 3 but no more than 6 low pressure tires that has an engine displacement of less than 960 cubic centimeters and total dry weight of less than 1800 pounds and side-by-side seating.

- (C) Operation. Utility-terrain vehicles may only be used for business or commercial purposes.
  - (D) Conditions of operation.
    - (1) A driver shall be at least 18 years of age.
- (2) Utility terrain vehicles shall display the slow-moving vehicle emblem provided for in M.S. § 169.045, as it may be amended from time to time, when operated on designated roadways.
- (3) Utility-terrain vehicles and mini-trucks shall be equipped with a rearview mirror to provide the driver with adequate vision from behind as required by M.S. § 169.70, as it may be amended from time to time.
- (4) Every person operating a utility-terrain vehicle or a mini-truck on designated roadways has all the rights and duties applicable to the driver or any other vehicle under provisions of M.S. Chapter 169, as it may be amended from time to time, except when these provisions cannot reasonably be applied to utility-terrain vehicles or mini-trucks and except as otherwise specifically provided in M.S. § 169.045, Subd. 7, as it may be amended from time to time.
- (5) The number of occupants on the utility-terrain vehicle or mini-truck shall not exceed the design occupant load.
- (6) No operation of a utility-terrain vehicle and mini-truck shall be allowed on private property without the consent of the owner, or on any city sidewalk, trail or park.
- (7) A mini-truck may be operated on roadways within the city if it is equipped with all of the following:
  - (a) At least 2 headlamps;
  - (b) At least 2 tail lamps;

- (c) Front and rear turn signal lamps;
- (d) An exterior mirror mounted on the driver's side of the vehicle and either (a) an exterior mirror mounted on the passenger's side of the vehicle or (b) an interior rearview mirror;
  - (e) A windshield;

City Clerk

- (f) A seat belt for the driver and front passenger; and
- (g) A parking brake.
- (E) Violation; penalty. Any person who operates a utility-terrain vehicle or a minitruck within the city in violation of this section shall be guilty of a misdemeanor. (Ord. 48, 4th Series, passed 1-22-2013)

Effective Date. This section becomes effective on the date of its publication or upon the publication of Ordinance No. 159 Fourth Series.
Passed and Adopted by the City Council of the City of North Mankato, thisday of July, 2023.
Mayor ATTEST:

Source: MnDOT, Nicollet County, Clty of

# CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 11C	Dept: Finance		ouncil Meet	ing Date: 7/	17/23
TITLE OF ISSUE: Consider Approvin	g the 2022 Comprehensi	ve Financia	al Audit.		
BACKGROUND AND SUPPLEMENTA 2022 Comprehensive Financial Audit.	AL INFORMATION: Re	presentativ	es from Ab	do will be p	resent to review the
2022 Comprehensive i manetai Addit.					
					ach a separate sheet
REQUESTED COUNCIL ACTION: Ap	oprove the 2022 Compre	hensive Fir	nancial Aud	lit.	
For Clerk's Use:	SII	PPORTIN	G DOCUM	ENTS AT	TACHED
		Ordinance	Contract	Minutes	
Motion By:Second By:	Resolution	Ordinance	Contract	Minutes	Map
Vote Record: Aye Nay					
Steiner	Other (sp	ecify)			
Peterson Oachs					
Whitlock Carlson					
Carison					
Workshop		Refer to:			
X Regular Meeting		Table un	til:		
Special Meeting		Other:			
1			-		



City of North Mankato

2022 Financial Statement Audit

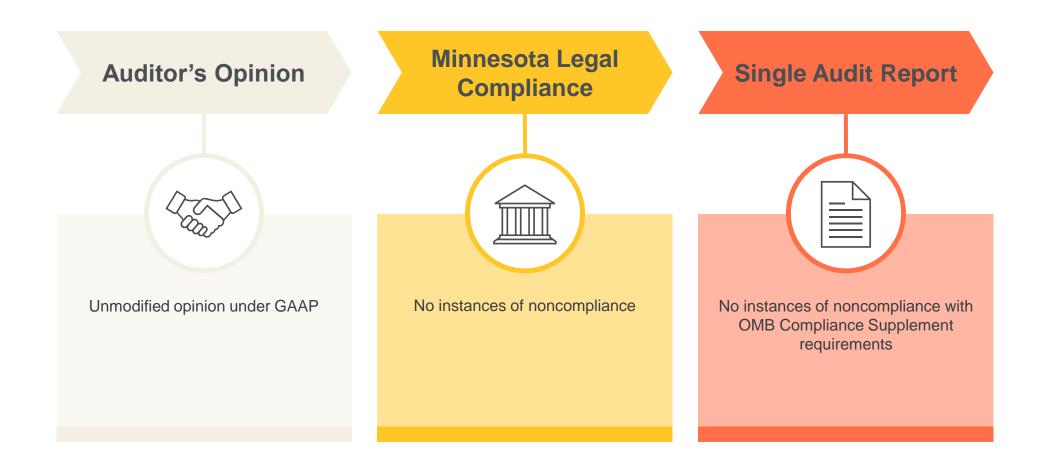


## Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators

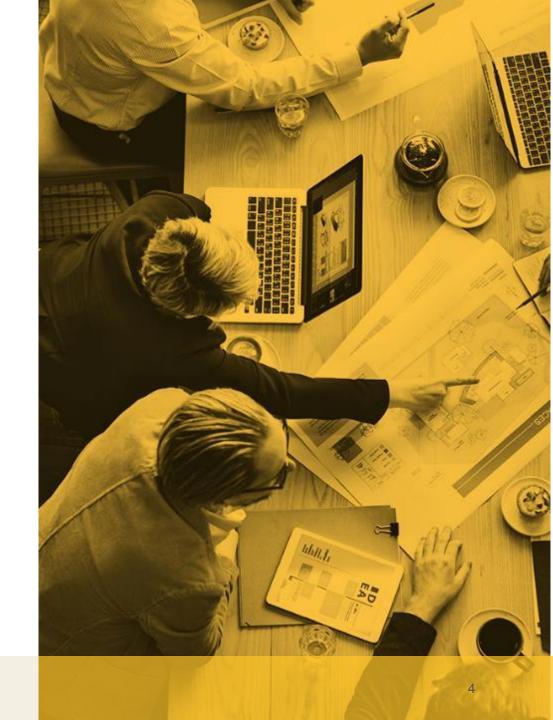


## **Audit Results**



# Audit Results 2022 Audit Findings

- Preparation of Financial Statements
  - Internal Control Finding
- Material Audit Adjustments
  - Internal Control Finding

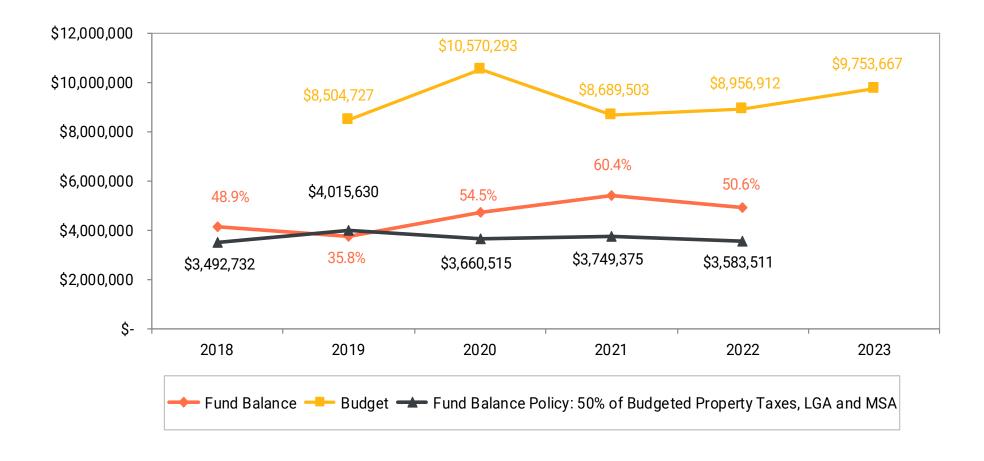


# Results from Prior Year 2021 Audit Findings

- Preparation of Financial Statements
  - Internal Control Finding
- Material Audit Adjustments
  - Internal Control Finding



## General Fund Fund Balances



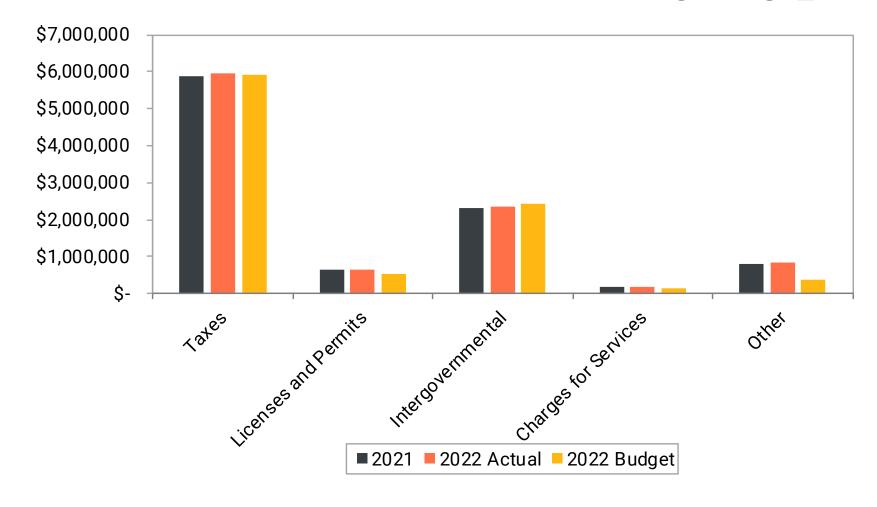


# General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues Expenditures	\$ 9,127,331 8,956,912	\$ 9,353,442 9,661,542	\$ 226,111 (704,630)
Excess (Deficiency) of Revenues Over (Under) Expenditures	170,419	(308,100)	(478,519)
Other Financing Sources (Uses) Sale of capital assets Transfers in Transfers out Total Other Financing Sources (Uses)	500 293,750 (457,000) (162,750)	589,157 (497,391) 91,766	(500) 295,407 (40,391) 254,516
Net Change in Fund Balances	\$ 7,669	(216,334)	\$ (224,003)
Fund Balances, January 1		5,152,553	
Fund Balances, December 31		\$ 4,936,219	

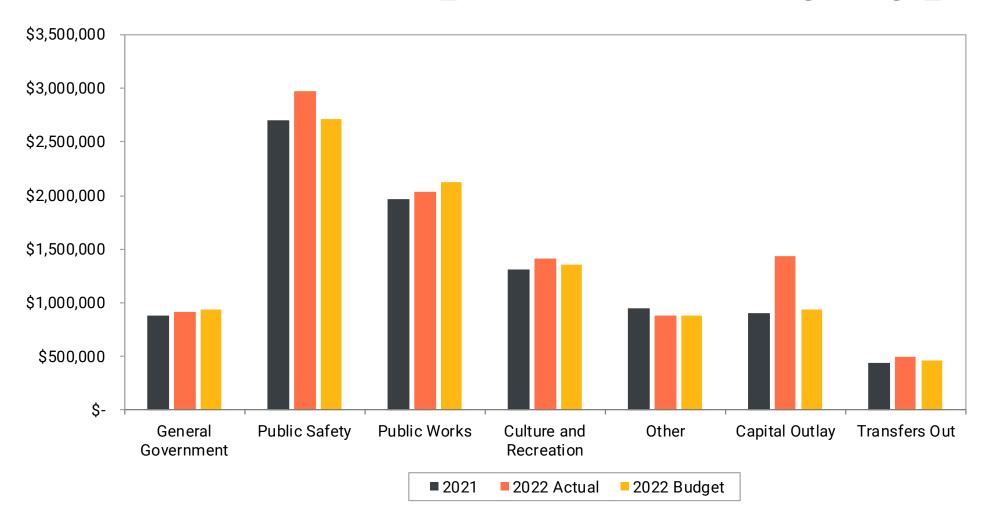


# General Fund Revenues by Type





# General Fund Expenditures by Type

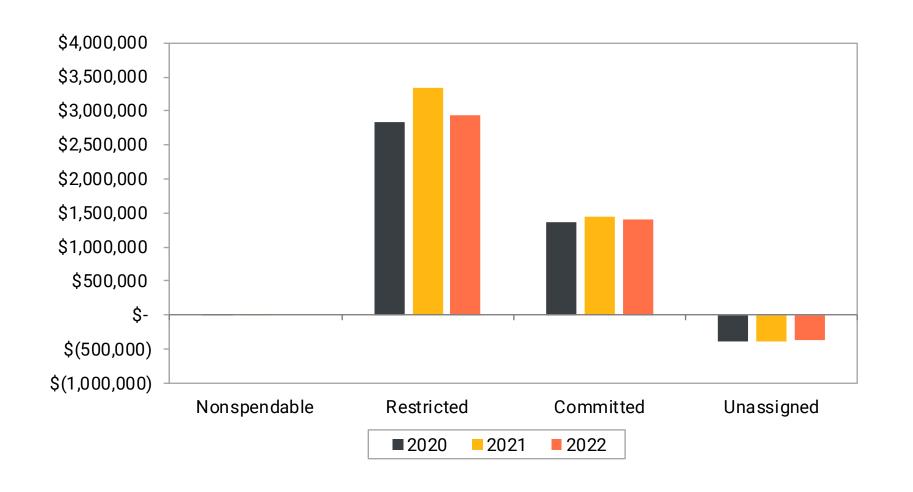




	Fund Ba	alance	es .			Cash Balances	
	Decen	nber 3	1	 Increase (Decrease)		December 31 2022	
Fund	2022		2021				
Nonmajor					<u> </u>		
Caswell Sports	\$ 41,306	\$	102,787	\$	(61,481)	\$	53,117
Youth Football	48,427		71,963		(23,536)		56,502
Swim Facility	-		-		-		-
Caswell North	-		-		-		197
Culture and Recreation	-		-		-		909
Library Endowment	38,582		59,077		(20,495)		43,679
Community Development Block Grant	15,296		15,296		-		15,296
Local Option Sales Tax	478,893		898,633		(419,740)		360,293
Park Development	5,866		5,866		-		5,866
Port Authority	170,282		143,143		27,139		170,282
Federal Revolving Loan	1,928,409		1,886,960		41,449		1,452,519
Local Revolving Loan	238,414		236,209		2,205		132,275
Joint Economic Development	1,146,981		1,155,677		(8,696)		-
Marigold TIF #8	(373,874)		(380,657)		6,783		136,264
Webster Redevelopment TIF #14	101,647		86,407		15,240		101,647
Webster Avenue TIF #2	2,485		2,485		-		2,485
Ziegler Caterpillar TIF #20	-		-		-		83,848
422 Belgrade TIF #19	24,185		19,504		4,681		24,185
Lindsay TIF #22	-		-		-		21,498
D & K Powder Coating TIF #23	-		-		-		-
Brichwood Cottages TIF #24	-		-		-		-
Blue Star Power Systems TIF #25	-		-		-		-
Belgrade Development TIF #26	-		-		-		-
10% Gambling	 109,382		102,949		6,433		109,382
Total	\$ 3,976,281	\$	4,406,299	\$	(430,018)	\$	2,770,244

# Special Revenue Fund Balances





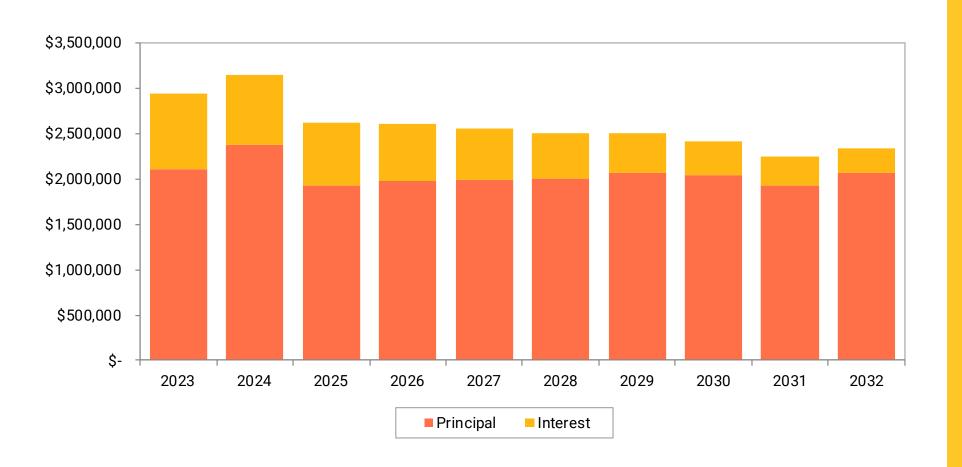
# Special Revenue Fund Balances



		otal Cash			
		d Temporary	Total	Outstanding	Maturity
Debt Description	<u>In</u>	vestments	 Assets	Debt	Date
General Obligation Bonds					
Bond Reserve	\$	1,456,560	\$ 2,828,723	\$ -	N/A
General Refunding Obligations - 2021C		38,883	42,489	420,000	12/01/29
General Obligations - 2015A		-	-	335,000	12/01/30
General Obligations - 2016A		-	-	220,000	02/01/26
General Obligations - 2018A		-	54,723	3,520,000	02/01/34
General Obligations - 2019A		-	225,882	210,000	02/01/29
General Obligations - 2020A			 	2,095,000	02/01/34
Total G.O. Bonds		1,495,443	 3,151,817	6,800,000	
Tax Increment Bonds					
Taxable G.O. Tax Increment Bonds of 2010D		-	-	210,000	02/01/37
Taxable G.O. Tax Increment Revenue Bonds of 2011B		29,784	29,784	340,000	02/01/35
Taxable G.O. Tax Increment Revenue Bonds of 2021A		247,379	 414,188	425,000	02/01/37
Total Tax Increment Bonds		277,163	 443,972	975,000	
G.O. Special Assessment Bonds					
2015A G.O. Improvement Bonds		-	348,286	1,045,000	12/01/30
2015B G.O. Crossover Refunding Bonds		296,582	801,582	505,000	12/01/28
2016A G.O. Improvement Bonds		1,173	61,006	640,000	02/01/32
2018A G.O. Improvement Bonds		-	-	400,000	02/01/34
2019A G.O. Improvement Bonds		-	-	1,240,000	02/01/34
2020B G.O. Improvement Bonds		-	229,448	3,200,000	02/01/36
2021A G.O. Improvement Bonds		-	-	1,780,000	02/01/37
2021C G.O. Refunding Bonds		-	-	830,000	12/01/27
2022A G.O. Improvement Bonds		152,949	877,514	3,925,000	02/01/38
Total G.O. Special Assessment Bonds	_	450,704	2,317,836	13,565,000	
G.O. Revenue Bonds					
2009C G.O. Sales Tax Revenue Bonds		-	-	440,000	12/01/24
2010B G.O. Sales Tax Revenue Bonds		-	-	180,000	12/01/25
2021A G.O. Sales Tax Revenue Bonds		-	-	9,150,000	02/01/39
Total G.O. Revenue Bonds			-	9,770,000	
Total All Debt Service Funds	\$	2,223,310	\$ 5,913,625	\$ 31,110,000	
Future Interest on Debt				\$ 6,314,497	

# Debt Service Funds





## Debt Service Funds Continued

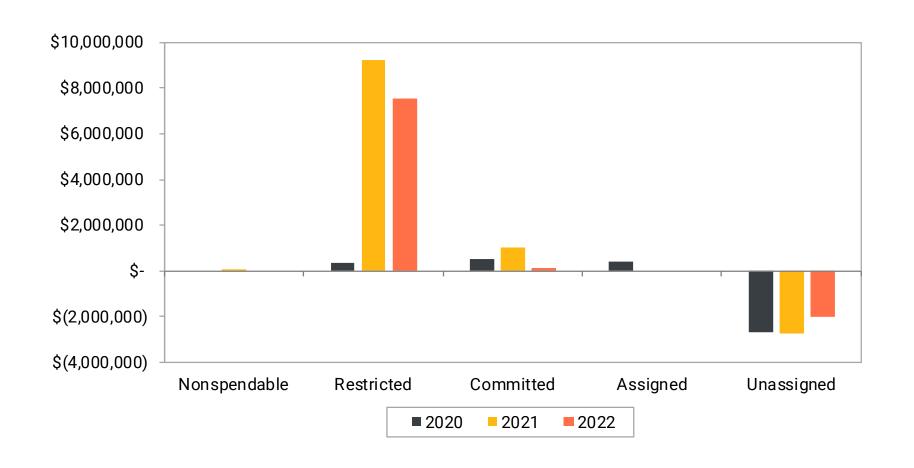


	Decem	nber 3	Increase		
Fund	 2022	2021		(Decrease)	
Major	 _			<u> </u>	
Revolving MSA	\$ (1,753,392)	\$	(2,325,122)	\$	571,730
2020 Construction	-		47,360		(47,360)
2022 Construction	81,863		(107,685)		189,548
Caswell Indoor Rec	6,363,666		6,807,078		(443,412)
Caswell Softball Complex	(34,369)		1,589,881		(1,624,250)
Nonmajor					
Capital Facilities and Equipment Replacement - General	133,174		478,708		(345,534)
Caswell North	(221,405)		(272,090)		50,685
2017 Construction	-		-		-
2019 Construction	-		247,675		(247,675)
2021 Construction	1,099,060		1,131,007		(31,947)
2023 Construction	-		(18,835)		18,835
2024 Construction	(2,915)		-		(2,915)
2025 Construction	 (11,189)		(11,069)		(120)
Total	\$ 5,654,493	\$	7,566,908	\$	(1,912,415)

**Fund Balances** 

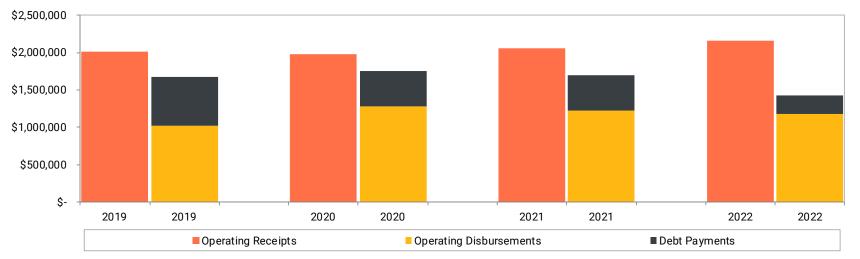
# Capital Projects Fund Balances

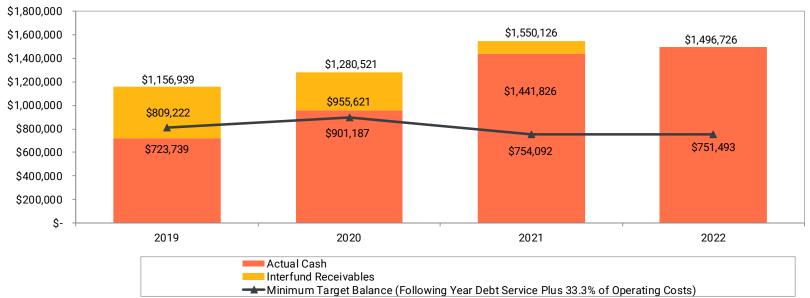




# Capital Projects Fund Balances Continued

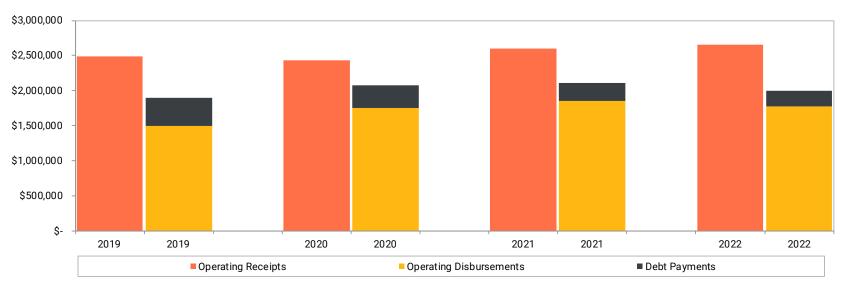


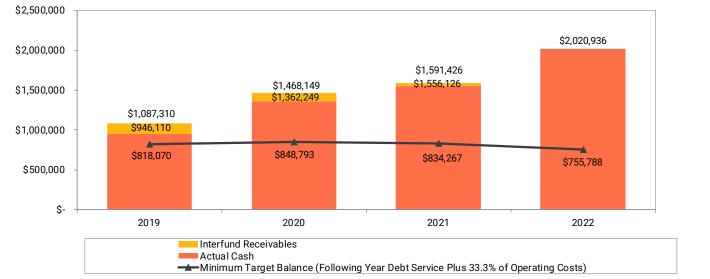




# Water Fund

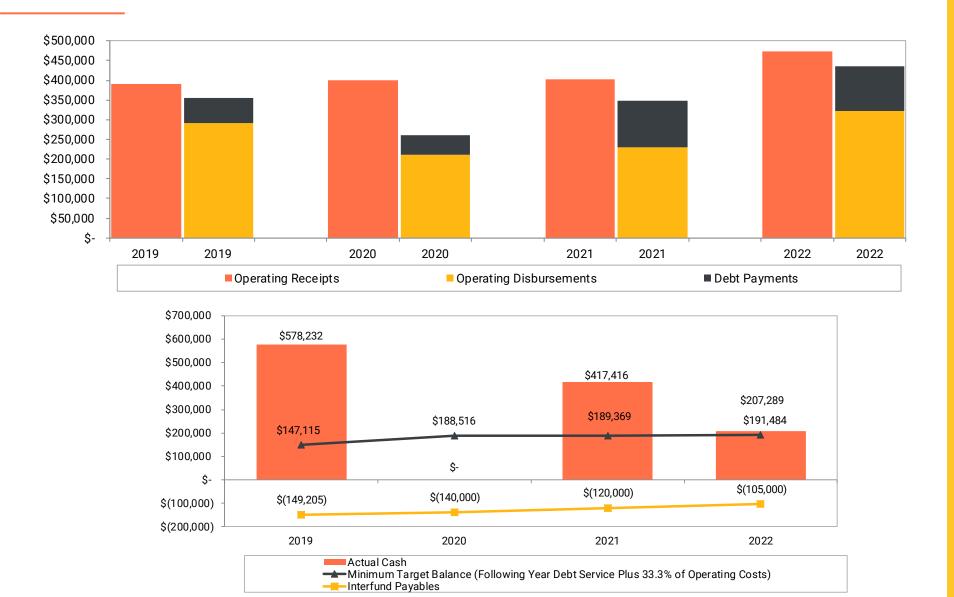






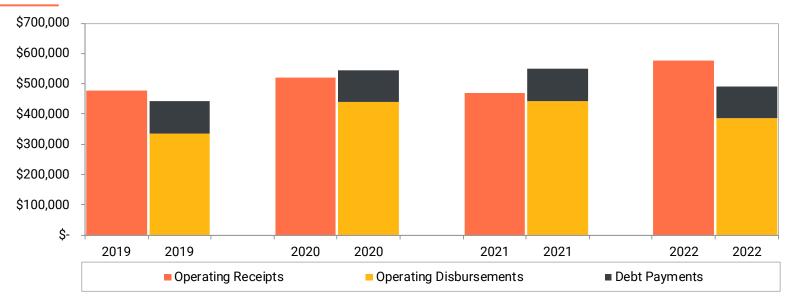
# Sewer Fund

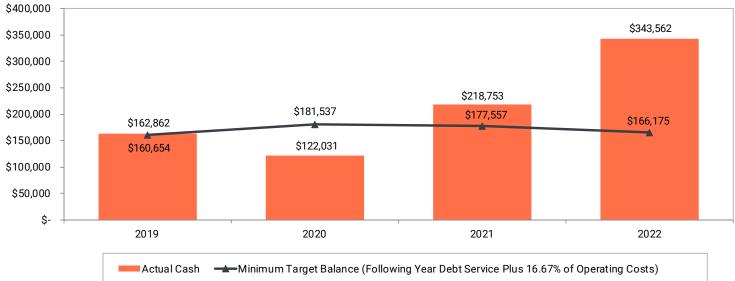




# Storm Water Fund







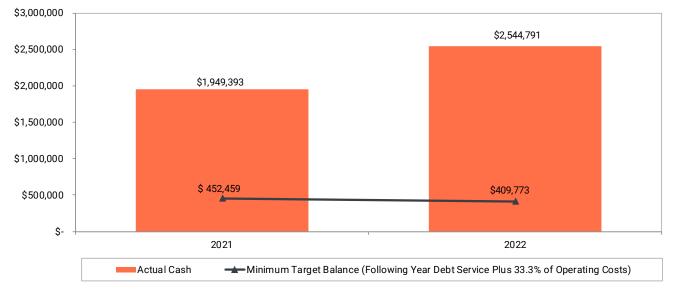
# Recycling Fund

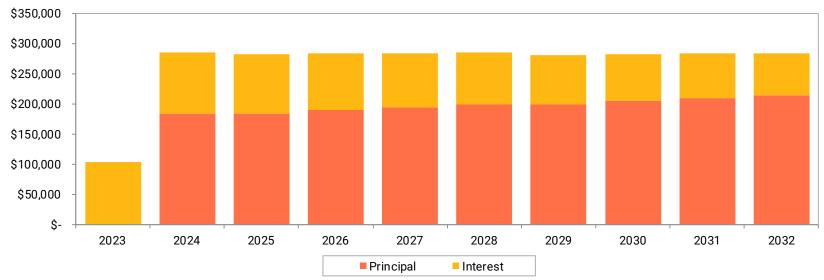




# Solid Waste Fund





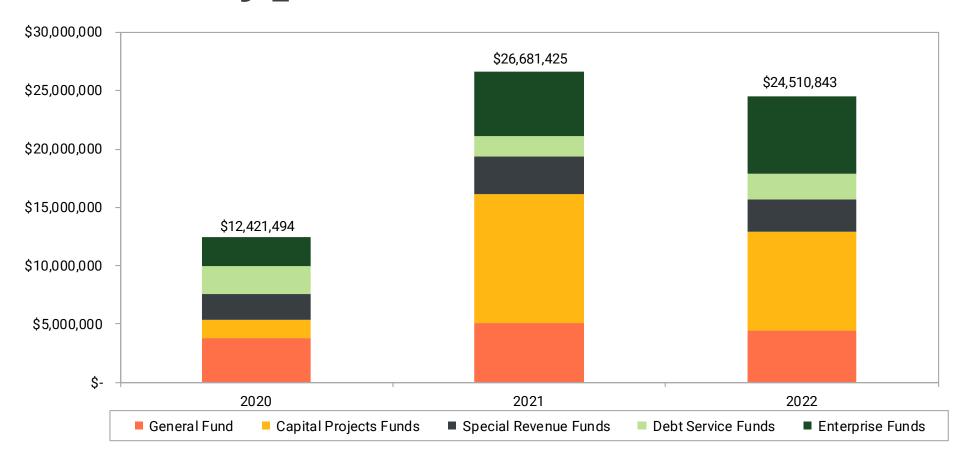


# **Hotel Fund**

Cash Balances and Debt Service

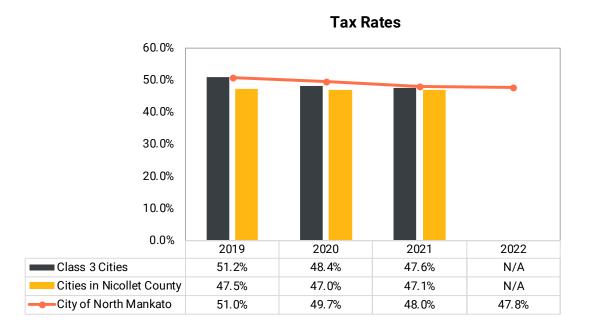


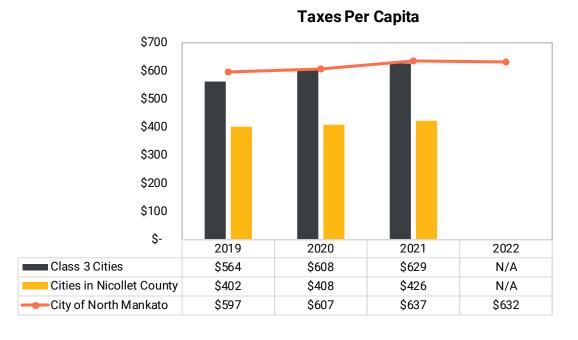
# Cash and Investments Balances by Fund Type





# **Taxes**Key Performance Indicators

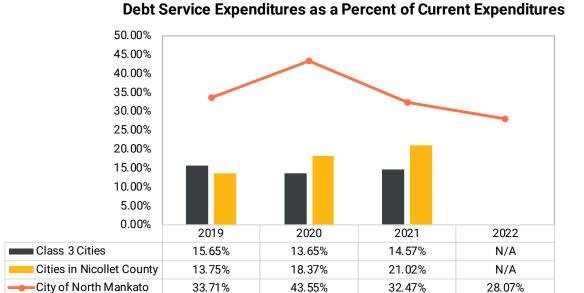






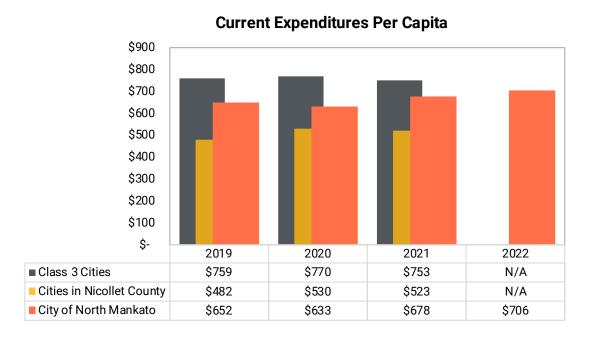
# Debt Key Performance Indicators

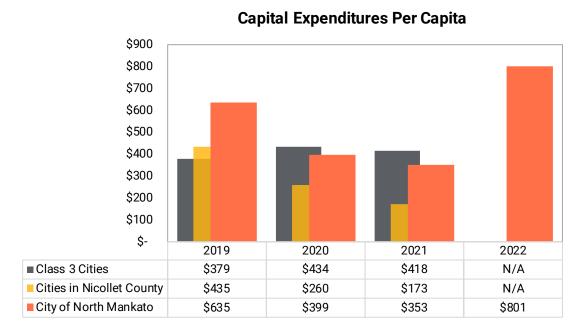
#### **Long term Debt Per Capita** \$3,500 \$3,000 \$2,500 \$2,000 \$1,500 \$1,000 \$500 \$-2019 2021 2022 2020 Class 3 Cities \$1,939 \$1,905 \$1,918 N/A Cities in Nicollet County \$1,829 \$1,971 \$2,052 N/A City of North Mankato \$1,892 \$1,917 \$2,861 \$2,906





# **Expenditures**Key Performance Indicators







# Your Abdo Team



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# Executive Governance Summary

### City of North Mankato

North Mankato, Minnesota

For the year ended December 31, 2022



#### Edina Office

5201 Eden Avenue, Ste 250 Edina, MN 55436 P 952,835,9090

#### Mankato Office

100 Warren Street, Ste 600 Mankato, MN 56001 P 507.625.2727

#### Scottsdale Office

14500 N Northsight Blvd, Ste 233 Scottsdale, AZ 85260 P 480.864.5579



June 30, 2023

Management, Honorable Mayor and City Council City of North Mankato, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of North Mankato (the City) for the year ended December 31, 2022 and have issued our report thereon dated June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 22, 2022. Professional standards also require that we communicate to you the following information related to our audit.

#### **Significant Audit Findings**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified However, as described in the accompanying Schedule of Findings, Responses and Questioned Costs, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the following pages as item 2022-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the following pages as item 2022-001 to be a significant deficiency.

#### 2022-001 Preparation of Financial Statements

Condition: As in prior years, we were requested to draft the audited financial statements and related

footnote disclosures as part of our regular audit services. Auditing standards require auditors to communicate this situation to the Council as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. However, based on auditing standards, it is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your

internal control process.

Criteria: Internal controls should be in place to ensure adequate internal control over the reliability of

financial records and reporting.

Cause: From a practical standpoint, we prepare the statements and determine the fairness of the

presentation at the same time in connection with our audit. This is not unusual for us to do with

organizations of your size.

Effect: The effectiveness of the internal control system relies on enforcement by management. The

effect of deficiencies in internal controls can result in undetected errors. As in prior years, we have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosures in your statements. We are satisfied that the appropriate steps have

been taken to provide you with the completed financial statements.

Recommendation: Under these circumstances, the most effective controls lie in management's knowledge of the

Organization's financial operations. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations. Regarding the specific situations listed above, we would offer the following specific recommendation: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your

accounting information from your accounting software to the amounts reported in the financial

statements.

#### Management Response:

For now, the City's management accepts the degree of risk associated with this condition and thoroughly reviews a draft of the financial statements.



2022-002 Material Audit Adjustments

Condition: During our audit, material audit adjustments were needed to record a prior period adjustment

related to capital asset activity.

Criteria: The financial statements are the responsibility of the City's management.

Cause: City staff has not prepared a year-end trial balance reflecting all necessary accounting entries.

Effect: This indicates that it would be likely that a misstatement may occur and not be detected by the

City's system of internal control. The audit firm cannot serve as a compensating control over this

deficiency.

Recommendation: We recommend that management review each journal entry, obtain an understanding of why the

entry was necessary and modify current procedures to ensure that future corrections are not

needed.

#### Management Response:

Management will continue to review and gain an understanding of the audit adjustments in order to reduce the number of entries necessary for future audits.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Compliance Supplement" applicable to each of its major Federal programs for the purpose of expressing an opinion on the City's compliance with those requirements and for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with the Uniform Guidance, Government Auditing Standards or Minnesota statues.

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City changed accounting policies during the year ended December 31, 2022 related to the accounting and financial reporting for lease activities (GASB 87). We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period with the exception of those referenced in Note 11.



Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are included below:

- Capital asset basis is based on estimated historical cost of the capital assets.
- Depreciation is based on the estimated useful lives of capital assets.
- Management's estimate of the allowance is based on past uncollectible accounts.
- OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rate.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of its lease receivable is based on the present value of lease payments expected to be received during the lease term.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During our audit material adjustments were needed to record a prior period adjustment related to capital asset activity. Management has corrected all such misstatements. We also assisted in preparing a number of year end accounting entries. These were necessary to adjust the City's records at year end to correct ending balances. The City should establish more detailed processes and procedures to reduce the total number of entries in each category. The City will receive better and timelier information if the preparation of year-end entries is completed internally.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.



#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated June 30, 2023.

#### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, and the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios), Schedule of changes in the City's OPEB Liability and related ratios, which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules and schedule of expenditures of federal awards) which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical sections, which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.



#### **Future Accounting Standard Changes**

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: (1)

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements

#### Summary

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

#### **Effective Date and Transition**

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

#### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.



GASB Statement No. 96 - Subscription-Based Information Technology Arrangements

#### Summary

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Under this Statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, - which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

#### **Effective Date and Transition**

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

#### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.



GASB Statement No. 98 - The Annual Comprehensive Financial Report

#### Summary

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

#### **Effective Date and Transition**

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 99 - Omnibus 2022

#### Summary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and
  Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative
  instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability*Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related
  to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a shortterm SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- · Pledges of future revenues when resources are not received by the pledging government



- Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

#### **Effective Date and Transition**

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of
  nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions
  in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective
  upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

#### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62

#### Summary

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.



This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

#### **Effective Date and Transition**

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

#### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

#### GASB Statement No. 101 - Compensated Absences

#### Summary

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.



This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

#### **Effective Date and Transition**

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

#### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences

(1) Note. From GASB Pronouncements Summaries. Copyright 2022 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

\* \* \* \* \*

#### Restriction on Use

This communication is intended solely for the information and use of the City Council, management and the Minnesota Office of the State Auditor and is not intended and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

**Abdo** Mankato, Minnesota June 30, 2023



# CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 11D	Dept: Finance	Council Meeting Date: 7/17/23		
TITLE OF ISSUE: Consider Approving Greater Mankato Regional Marketplace	· ·	ent Services Agreement Regarding the		
BACKGROUND AND SUPPLEMENTA Greater Mankato Growth, Ryan Vesey, wil		nent and provide insight into the organization.		
REQUESTED COUNCIL ACTION: Ap the Greater Mankato Regional Marketp	-	If additional space is required, attach a separate sheet relopment Services Agreement Regarding		
For Clerk's Use:	SUPPOR	TING DOCUMENTS ATTACHED		
Motion By: Second By:  Vote Record:  Aye  Nay  Steiner  Peterson	Resolution Ordina Other (specify)	Agreement Minutes Map		
Oachs Whitlock Carlson				
Workshop		er to:		
X Regular Meeting  Special Meeting	Tab Othe	le until:		



# Greater Mankato Growth, Inc. (GMG)

## City of North Mankato Council Meeting Presentation









July 17, 2023











### Business Growth & Development

Talent Growth, Retention & Attraction

Regional Livability

Advocacy of the Marketplace

# **About Our Organization**

Greater Mankato Growth, Inc. exists to support and promote the economic growth and vitality of our members and the regional marketplace.



### **REDA Partnership**

"It is broadly accepted, embraced and understood that economic prosperity and activities do not stop at jurisdictional boundaries. Rather our economic and community prosperity lies in the success of our collective marketplace."

- Business Retention & Expansion
- New Enterprise and Emerging Business Development
- New Business Development
- Marketplace Enhancements



### **Alliance Partners**

- Eagle Lake
- Lake Crystal
- Mankato
- North Mankato
- St. Peter
- Blue Earth County
- Nicollet County



## **REDA Activity Highlights**

- Site Selection Request for Proposal Support
  - GMG and City jointly work on new business RFPs including data collection, partner communication, and proposal presentations.
  - Example in 2021 GMG assisted with the submission of the former MetCon Building and then facilitated a half day site visit from the proposed users including discussions with local business leaders
- Gordini
  - Greater Mankato Growth worked with a local realtor to provide Gordini with the information needed to make the decision to establish their initial 55,000 sf site in Mankato and the connections needed to staff that site.
  - Gordini then added additional leased space in North Mankato
  - Gordini is now establishing a \$12.9 million distribution center in North Mankato following work with City Staff
- Main Street Economic Revitalization Program
  - DEED has approved \$206,000 in awards to North Mankato businesses (Individual award recipients have yet to be announced publicly.)



# Resident Recruitment Highlights

- Billboard Campaigns
  - 3.3 Million Impressions as a result of 3 campaigns
- Facebook Campaign
  - Small test campaign reached 12,000 people with 81,000 impressions
    - 22 times as effective as our last LinkedIn Resident Recruitment Campaign
    - 74 Times as effective as our last LinkedIn Video Campaign
- KEYC Digital Ad Campaign
  - 96,173 impressions with 3 weeks left in the campaign.
  - YouTube Ad View Completion Rate of 61.4% (67% in South Metro)



Welcome to a pace of life where you can enjoy watching your kids grow.



greatermankato.com
Opportunity Lives Here



X

Like

Comment

⇔ Share



# **New Comprehensive Website**















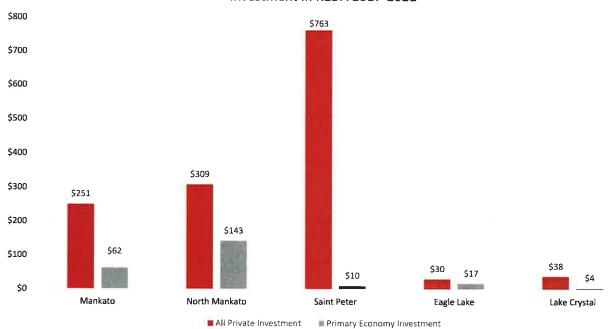




### **Return on Investment**



## Dollars of Private Capital Investment in Construction Projects per Dollar of Public Investment in REDA 2017-2021





### Language Adjustments in the 2023 JSA



- Guiding Principals adjusted to include workforce development
  - Further adjustments to be made following Greater Mankato 2040 planning
- Language clarifications regarding business expansion process
  - Clarify communication process for businesses expanding within the regional marketplace
  - Clarified the sections as applying to industrial/major service businesses
- Advisory committee limited to one seat on GMG board
  - City of North Mankato and City of Mankato both have one seat outside of the REDA JSA
- Financial adjustments
  - Rates adjusted to achieve a shared per capita rate between all cities and counties by 2029
  - County rates to be based on cities with a population of 1,000 or fewer
  - Mapleton, Madison Lake, and Nicollet invited to join REDA partnership



### Per Capita Rate Adjustments in the 2023 JSA



			2025				
Per Capita Rate	\$2.19	\$2.46	\$2.74	\$3.03	\$3.32	\$3.62	\$3.86

Historic contribution as a percentage of tax levy under current \$2.19/capita rate

	2015	2016	2017	2018	2019	2020	2021	2022
Contribution	\$30,145	\$30,028	\$30,343	\$30,616	\$30,891	\$30,789	\$30,909	\$31,262
Levy %	0.54%	0.52%	0.51%	0.49%	0.46%	0.45%	0.44%	0.44%

Projected contribution as a percentage of tax levy based on historic levy growth rate

	2023	2024	2025	2026	2027	2028	2029
Contribution	\$31,670	\$35,542	\$39,588	\$43,777	\$47,967	\$52,302	\$55,769
<b>Projected Levy %</b>	0.43%	0.46%	0.50%	0.53%	0.56%	0.59%	0.61%



# **THANK YOU**













### A JOINT ECONOMIC DEVELOPMENT SERVICES AGREEMENT REGARDING THE GREATER MANKATO REGIONAL MARKETPLACE

WHAT WE AGREE TO	
Inc. and the governmental entities listed her	2023, by and among Greater Mankato Growth, rein under the heading "Definition of Greater Mankato s Agreement (collectively "cities and counties" or in the
	TO REGIONAL MARKETPLACE (this "Agreement")
THIS JOINT ECONOMIC DEVEL	OPMENT SERVICES AGREEMENT

#### Purpose

It is broadly accepted, embraced and understood that economic prosperity and activities do not stop at jurisdictional boundaries. Rather our economic and community prosperity lies in the success of our collective marketplace.

For this reason, the parties wish to facilitate economic development of the communities that make up the Greater Mankato Regional Marketplace. This endeavor will offer a forum to facilitate individual and regional assets and opportunities for the purpose of business development and will enable us to enhance our future economic prosperity.

#### **Guiding Principles**

- **economic prosperity** economic prosperity and continued strategic development and redevelopment are goals common to the interest of our individual entities, with regional economic prosperity strengthening all communities
- atmosphere of cooperation we will promote an atmosphere of cooperation in pursuit of economic development in the Greater Mankato area, while seeking to ensure a cooperative and equitable approach to development of the cities and counties
- unique strengths and characteristics we must foster relationships which allow contribution of our individual expertise toward the common goal and promote the individual strengths and unique characteristics of each entity to best match potential development prospects with sites and services to fit their needs
- **direct technical assistance** cities and counties will provide the direct development assistance necessary in potential facility siting, improvements and public financing, and will work to provide a smooth transition from the development and marketing effort to the ultimate acquisition of a site/facility for a development prospect
- **efficient and effective delivery** successful economic development processes and marketing can best be achieved through cooperative efforts focused on increasing the tax base, growing the economy, and providing employment in the Greater Mankato Regional Marketplace
- **supportive** our work is both passive and active, providing general market expertise, analytics and information consistently and constantly; and when a specific development opportunity arises will actively focus and customize such business and community intelligence.

• workforce development – access to a skilled and capable workforce is critical for successful business attraction efforts and for the prosperity and growth of existing businesses and we will work to ensure that businesses can hire the talent necessary for their success

Upon completion of ongoing regional planning efforts as part of Greater Mankato 2040 — Transforming Tomorrow Together, the REDA Advisory Committee will meet to review the Guiding Principles of this agreement and will make adjustments as necessary to ensure that the work of the Alliance meets the objectives defined through that process.

#### **Definition of Greater Mankato Regional Marketplace**

In December, 2008 the Federal Government designated Mankato – North Mankato as a Metropolitan Statistical Area (MSA), including all of Blue Earth and Nicollet counties. The Greater Mankato Regional Marketplace has included the MSA as well as those communities immediately adjacent or having a historical relationship.

Consistent with this designation, the parties as communities within that geography wish to participate in this Agreement, and further acknowledges there may be additional communities outside of and adjacent to this geography that we collectively agree are integral to the marketplace.

The cities, counties and government entities participating in this revised Agreement (original agreement dated September 2009) are as follows:

- Blue Earth County
- Nicollet County
- City of Eagle Lake
- City of Lake Crystal
- City of Mankato
- City of North Mankato
- City of Saint Peter
- Region Nine Development Commission (advisory only, unless fiscal participation)

#### General Context and Parameters of the Parties Obligations

Greater Mankato Growth, Inc.'s (GMG) principal responsibility under this Agreement is to provide marketing efforts (as described herein) relating to economic development of the overall regional marketplace, cities, and counties. This includes the development and implementation of programs that identify and support expansions and new business in the community and region, whether from firms currently operating locally or through recruitment of new enterprises. In carrying out its responsibility, GMG agrees to serve as the primary contact for new to market private sector firms. GMG will serve as a primary contact for existing firms when contacted directly, or when the existing community cannot fulfill the needs of the existing business. GMG will always prioritize the existing host community during this process until the business client has exhausted the options within their current community. This includes all prospects whether or not they are derived directly from the development and marketing programs established by GMG and this Agreement. Participants of this Agreement acknowledge economic development is a collaborative endeavor and understand GMG does not itself have all the necessary resources (i.e., sites, buildings or financial resources) available for projects, but rather will serve as a facilitator, working with the parties and/or providers of these resources to best serve the need of new, expanding or locating companies.

The cities and counties are responsible for the execution of their municipal regulatory duties and provision of public services in support of local economic development. The cities and counties agree to administer their individual economic development programs and initiatives, and their business permit/licensing functions in a manner that encourages business expansion and new business starts consistent with their responsibility to protect the health and safety of local residents. Further, the cities and counties agree to the extent practical, to coordinate their infrastructure development and redevelopment programs with the needs of expanding and locating businesses.

#### STRATEGIC FOCUS OF THE PARTIES

#### Objective & Strategic Areas

To retain and grow the economic base of the Greater Mankato Regional Marketplace.

1) Business Retention

To retain and expand the existing business base and includes such activities as conducting regular business visits in partnership with the host community (i.e., Grow Minnesota! Visits), and facilitating resources and services for expansion or other business development assistance.

2) New Enterprise & Emerging Business Development

To nurture the development of entrepreneurial and new enterprise activity by assisting and serving as a resource for connecting such to the extensive business development resources and tools available in or connected to the regional marketplace (e.g., Small Business Development Center).

3) New Business Development

To attract non-local businesses to the marketplace through proactive marketing and recruiting strategies, as well as supporting and facilitating responses to development opportunities from businesses that approach/contact the cities, counties or GMG.

4) Marketplace Enhancements

As prioritized by the Advisory Committee, GMG will assist in facilitating strategy development and programming on topical issues impacting economic development such as and not limited to workforce retention & expansion, population growth, housing, transportation, childcare, strategic reuse of vacant buildings, and main street work. These efforts may be regional in nature or specific to a jurisdiction.

#### The Business Development Process

Expansion of existing businesses - industrial and major service businesses:

- 1) Substantive expansion requests from an existing business may happen directly between the business and its current city or county or between the business and GMG.
  - a. If the city or county is contacted directly by the business, GMG will be involved if determined necessary by the city and county, but at minimum will be kept informed by the applicable city or county.

- b. If GMG is contacted by the business, GMG will first be an advocate and facilitator for expansion within the existing city or county and will coordinate with the city or county to assist if needed.
- c. If a business directly contacts a city or county in which it is not currently located, the contacted city or county will immediately inform the existing host city or county as well as GMG.
- 2) If the city or county in which the business currently exists is not able to meet the business' facility or expansion needs, then GMG will facilitate exploration of alternative considerations with other member entities first upon concurrence of the host city. (Cities and counties will not engage in relocating a business from one city or county to another but rather provide proposals when GMG invites such).

#### Locating industrial and major service businesses into the area from outside of the regional marketplace:

- 1) GMG will act as an advocate for the cities and counties in the marketing and recruitment of new businesses and will coordinate closely with the staff of each entity to reflect the opportunities of each as desired.
- 2) GMG will receive prospects resulting from its business development and marketing efforts and programs, as well as the Minnesota Department of Employment and Economic Development (DEED) or other development entities, and will inform the cities and counties of the specified development criteria of the potential new business. Those cities and counties will then have the opportunity to assemble a competitive proposal through a standardized and coordinated process to attract the business.
  - GMG and its staff shall serve as the primary point of contact in facilitating DEED, site selector, and other business location specialists. Staff will gather as much information and clarity as possible related to the development inquiry and its viability, in order to allow development response to be as thorough as possible.
  - GMG will provide the REDA partners updates on prospects until the prospect has made a decision on locating either in the region or other area.
- 3) At the time a city or county is selected by a business, the city or county and business will discuss details of locating the business and development process.

#### Economic Development Marketing, Communication and Program Services

GMG's economic development marketing and communications strategy and responsibilities will be as follows:

- Marketing and Communications: (A component of Strategic Area 3: New Business Development)
  - GMG will develop a comprehensive marketing and communications plan, updated as needed with input from the cities and counties. The plan will market the collective strengths of the regional marketplace as a site for growing or expanding an existing business or locating potential businesses, organizations and site selectors from outside and within the regional marketplace. The plan will include goals, objectives and a comprehensive strategy for communicating to key audiences with consistent messaging and the most effective tactics that make the best use of our collective marketing resources. Tactics that may be considered in this plan include, but are not limited to: advertising, digital, social media, news releases, relationship marketing, special events

- and direct mail. GMG will provide periodic reports on the achievement of the objectives outlined in this plan.
- GMG will continually redesign and retool its online presence to remain business development centric and as such will continue to be positioned as a one stop, comprehensive location that site selectors and organizations can visit to learn about the collective assets of the marketplace and individual strengths of the cities and counties.
- GMG will maintain online interface and tools designed to provide efficient means for each of the cities and counties, as well as other property owners and agents, to update their information on available properties on-line, thereby creating a comprehensive area-wide inventory. This information will be available on the Greater Mankato Growth internet platforms and others providing greater visibility to site selectors and organizations who might consider building or expanding their business anywhere in our regional marketplace.
- GMG will work with the member cities and counties, as well as other entities a part of or related to this agreement to establish links to GMG tools and resources.
- (A component of all Strategic Areas) GMG will maintain copies of closed or pending project files or
  other mechanisms, enabling the cities and counties to be advised of the ongoing business
  development opportunities resulting from its economic development marketing and communications
  efforts.

#### • Program Services:

- (A component of Strategic Area 1: Business Retention) GMG will facilitate initiatives targeted at retaining and growing existing businesses, including an annual program of company visits for the purpose of assessing individual and area business needs as well as identifying potential development and expansion opportunities. These visits will be coordinated with the primary city or county in which the business is located.
- (A component of Strategic Area 2: New Enterprise & Emerging Business Development) GMG will coordinate with other resource providers to develop programming that addresses Advisory Committee priorities, compliments existing resources and provides unique to value to existing and new business partners. (A component of Strategic Area 4: Marketplace Enhancements) GMG, in support of business development and with respect to the balance of membership offerings versus general economic development offerings, will continue to bring to the regional economic development strategy initiatives and programming that have a direct impact on the development of business. Such initiatives may include: assist with site readiness programs and/or initiatives; talent fulfillment work; improving connections to development resources (e.g., Higher Education); interaction and relationship with the GreenSeam; while not leading, being cognizant of and facilitating sharing on common community development elements (e.g. housing); and a REDA annual meeting.
- (A component of Strategic Area 3: New business Development) This Agreement and the development process apply to economic development and marketing services related to the primary economy including job creating service sector businesses. Agricultural businesses development efforts are included in the primary economic focus of REDA. These efforts involve more than just agricultural production, including the economic development initiatives of GreenSeam. Consumer brick and mortar retail development are not encompassed as the chief focus in this Agreement; however, GMG can provide a platform for supporting and showcasing the communities' opportunities and assets. GMG will assist as able with the development and redevelopment of the central place functions of each of the cities (e.g. housing, main street businesses). Each of the cities

- and counties will continue to be the primary entity responsible for guiding commercial and professional service sector development or overall redevelopment in their respective city or county.
- (A component of all Strategic Areas) GMG will provide the cities and counties with an annual report, providing outcomes and impact from the previous year.

#### FINANCIAL OBLIGATIONS AND ADVISORY COMMITTEE

#### **Financial**

The cities and counties agree to share in funding and payment of the economic development services described in this Agreement with Greater Mankato Growth, Inc. Accordingly, each City and County agrees to pay Greater Mankato Growth, Inc. on an annual basis, which shall be invoiced by Greater Mankato Growth, Inc. Greater Mankato Growth, Inc. will, on an annual basis, provide a breakdown of the use of funds.

The billed amount will be based annually on the per capita rate described below multiplied by the July 1 population reported in the US Census Bureau Population & Housing Unit Estimates for the date 1.5 years prior to the funding year (i.e. 2024 data will be based on the July 2022 population estimate). These estimates can be found at www.census.gov/popest. Base rate changes would need to be unanimously approved by REDA partners.

The per capita rate structure will be set as follows:

	2024	2025	2026	2027	2028	2029
Mankato	\$4.29	\$4.20	\$4.11	\$4.01	\$3.91	\$3.86
All other	\$2.46	\$2.74	\$3.03	\$3.32	\$3.62	\$3.86
partners*						

<sup>\*</sup> The county per capita contribution is calculated by subtracting the populations of all cities with more than 1,000 residents from the total county population. All participants in this Agreement acknowledge there may be specific instances identified where REDA services will be helpful to one of the cities in Blue Earth or Nicollet County that are not participants to this agreement, on an ad hoc basis when requested, and thereby the regional marketplace. As a result, partner investments will allow for such interaction and service (services will be coordinated with and as appropriate done in collaboration with Region Nine Development Commission). Additionally, all cities within a participating County will be (a) invited to participate in REDA's annual summit, and (b) will be met with individually or a countywide meeting of communities.

The cities of Mapleton, Madison Lake, and Nicollet are invited to participate as full members of the alliance at the rates outlined above and upon signing a document agreeing to be bound by the terms of this agreement.

#### Governance

Greater Mankato Growth, Inc. Board of Directors

• A representative of the cities and counties (selected as provided below) will be an ex officio Director with full voting rights and privileges.

#### **Advisory Committee**

- The cities and counties will establish an Advisory Committee. The Advisory Committee will be comprised of a GMG board member and one governmental member from each of the cities and counties along with the appropriate staff participant for each.
- The Advisory Committee will select a Chair and Vice-Chair for meeting administration on an annual basis. The REDA Chair is also appointed to the GMG Board and will represent the Alliance. The Chair will be ex officio, so either the designated REDA elected official or the REDA partner's lead administrative official can fulfill the role. The Chair and Vice Chair position cannot be filled by representatives from the same REDA partner. This Advisory Committee will meet on an as needed basis to discuss issues related, but not limited to, inviting additional entities beyond the initial cities and counties to join the Advisory Committee and/or become parties to this Agreement, funding and amendments to this Agreement.

#### "Staff" Operating Interaction

In addition to regular interaction between the cities and counties and Greater Mankato Growth staff, GMG will facilitate in-person meetings, at a frequency determined by the advisory committee (media conferencing will be available upon request), of the "economic development staff" of the cities and counties to discuss business prospects, share information on pending economic development projects, highlight economic development activities, and provide updates.

Meeting summaries will be distributed to the Advisory Committee. Additionally, as programs are developed and a desire for prioritization and input on Marketplace Enhancements is identified, GMG will convene the Advisory Committee.

#### Term, Termination and Prior Agreements

The term of this Agreement shall commence on the 1<sup>st</sup> day of January 2024 and continue until the 31<sup>st</sup> day of December 2029. Notwithstanding the forgoing, any party may terminate this Agreement annually before the end of the calendar year by providing ninety (90) days advance written notice to the other parties. Additional government entities outside of the Blue Earth & Nicollet County area may be added, at any time, as parties to this Agreement with the written consent of the all the cities, counties and entities then parties to this Agreement and upon execution of a document pursuant to which such additional person agrees to be bound by the terms of this Agreement.

Unless terminated sooner, this Agreement will automatically renew for an additional one-year term. Any per capita fee increases will be unanimously agreed upon by all parties.

When executed by the parties this Agreement will supersede and replace the existing Joint Economic Development Services Agreement dated September 10, 2019 in its entirety.

### Miscellaneous

This Agreement shall constitute the entire agreement between the parties and supersede all prior agreements. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Minnesota. This Agreement may be executed in several counterparts, including facsimile counterparts, and signatures, each of which shall be deemed to be an original copy, all of which together shall constitute one Agreement binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterparts.

IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth opposite a parties signature.

Blue Earth County			
Vance Stuehrenberg	Date	Robert W. Meyer	Date
Chair – Board of Commissioners		County Administrator	
Nicollet County			
Jack Kolars	Date	Mandy Landkamer	Date
Chair – Board of Commissioners		County Administrator	
City of Eagle Lake			
Lisa Norton	Date	Jennifer Bromeland	Date
Mayor		City Administrator	
City of Lake Crystal			
Todd Wiens	Date	Angela M. Grafstrom	Date
Mayor		City Administrator	

City of Mankato			
Najwa Massad	Date	Susan MH Arntz	Date
Mayor		City Manager	
City of North Mankato			
Scott Carlson	Date	Kevin McCann	Date
Mayor		City Administrator	
City of Saint Peter			
Shanon A. Nowell	Date	Todd Prafke	Date
Mayor		City Administrator	
Greater Mankato Growth, Inc.			
David Krause	Date	Jessica Beyer	Date

President & CEO

Chair - Board of Directors

# A JOINT ECONOMIC DEVELOPMENT SERVICES AGREEMENT REGARDING THE GREATER MANKATO REGIONAL MARKETPLACE

THIS JOINT ECONOMIC DEVELOPMENT SERVICES AGREEMENT
REGARDING THE GREATER MANKATO REGIONAL MARKETPLACE (this "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_\_20192023, by and among Greater Mankato Growth, Inc. and the governmental entities listed herein under the heading "Definition of Greater Mankato Regional Marketplace" and who execute this Agreement (collectively "cities and counties" or in the singular a "city or county")

WHAT WE AGREE TO

### Purpose

It is broadly accepted, embraced and understood that economic prosperity and activities do not stop at jurisdictional boundaries. Rather our economic and community prosperity lies in the success of our collective marketplace,

For this reason, the parties wish to facilitate economic development of the communities that make up the Greater Mankato Regional Marketplace. This endeavor will offer a forum to facilitate individual and regional assets and opportunities for the purpose of business development and will enable us to enhance our future economic prosperity.

### **Guiding Principles**

- economic prosperity economic prosperity and continued strategic development and redevelopment are
  goals common to the interest of our individual entities, with regional economic prosperity strengthening
  all communities
- atmosphere of cooperation we will promote an atmosphere of cooperation in pursuit of economic
  development in the Greater Mankato area, while seeking to ensure a cooperative and equitable approach
  to development of the cities and counties
- unique strengths and characteristics we must foster relationships which allow contribution of our
  individual expertise toward the common goal and promote the individual strengths and unique
  characteristics of each entity to best match potential development prospects with sites and services to fit
  their needs
- direct technical assistance cities and counties will provide the direct development assistance
  necessary in potential facility siting, improvements and public financing, and will work to provide a
  smooth transition from the development and marketing effort to the ultimate acquisition of a site/facility
  for a development prospect
- efficient and effective delivery successful economic development processes and marketing can best be achieved through cooperative efforts focused on increasing the tax base, growing the economy, and providing employment in the Greater Mankato Regional Marketplace.
- supportive our work is both passive and active, providing general market expertise, analytics and
  information consistently and constantly, and when a specific development opportunity arises will
  actively focus and customize such business and community intelligence-

- workforce development access to a skilled and capable workforce is critical for successful business
  attraction efforts and for the prosperity and growth of existing businesses and we will work to ensure that
  businesses can hire the talent necessary for their success
  - Upon completion of ongoing regional planning efforts as part of Greater Mankato 2040 —
    Transforming Tomorrow Together, the REDA Advisory Committee will meet to review the Guiding
    Principles of this agreement and will make adjustments as necessary to ensure that the work of the
    Alliance meets the objectives defined through that process. "

Definition of Greater Mankato Regional Marketplace

In December, 2008 the Federal Government designated Mankato – North Mankato as a Metropolitan Statistical Area (MSA), including all of Blue Earth and Nicollet counties. The Greater Mankato Regional Marketplace has included the MSA as well as those communities immediately adjacent or having a historical relationship.

Consistent with this designation, the parties as communities within that geography wish to participate in this Agreement, and further acknowledges there may be additional communities outside of and adjacent to this geography that we collectively agree are integral to the marketplace.

The cities, counties and government entities participating in this revised Agreement (original agreement dated September 2009) are as follows:

- Blue Earth County
- Nicollet County
- · City of Eagle Lake
- City of Lake Crystal
- City of Mankato
- · City of North Mankato
- City of Saint Peter
- Region Nine Development Commission (advisory only, unless fiscal participation)

### General Context and Parameters of the Parties Obligations

Greater Mankato Growth, Inc.'s (GMG) principal responsibility under this Agreement is to provide marketing efforts (as described herein) relating to economic development of the overall regional marketplace, cities, and counties. This includes the development and implementation of programs that identify and support expansions and new business in the community and region, whether from firms currently operating locally or through recruitment of new enterprises. In carrying out its responsibility, GMG agrees to serve as the primary contact for new to market private sector firms. GMG will serve as a primary contact for existing firms when contacted directly, or when the existing community cannot fulfill the needs of the existing business. GMG will always prioritize the existing host community during this process until the business client has exhausted the options within their current community. This includes all prospects whether or not they are derived directly from the development and marketing programs established by GMG and this Agreement. Participants of this Agreement acknowledge economic development is a collaborative endeavor and understand GMG does not itself have all the necessary resources (i.e., sites, buildings or financial resources) available for projects, but rather will serve as a facilitator, working with the parties and/or providers of these resources to best serve the need of new, expanding or locating companies.

Economic Development Services Agreement Serving the greater Mankato Regional Marketplace page 2 of 9 Formatted: Font: Italic

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The cities and counties are responsible for the execution of their municipal regulatory duties and provision of public services in support of local economic development. The cities and counties agree to administer their individual economic development programs and initiatives, and their business permit/licensing functions in a manner that encourages business expansion and new business starts consistent with their responsibility to protect the health and safety of local residents. Further, the cities and counties agree to the extent practical, to coordinate their infrastructure development and redevelopment programs with the needs of expanding and locating businesses.

### STRATEGIC FOCUS OF THE PARTIES

### Objective & Strategic Areas

To retain and grow the economic base of the Greater Mankato Regional Marketplace.

- 1) Business Retention
  - To retain and expand the existing business base, and base and includes such activities as conducting regular business visits in partnership with the host community (i.e., Grow Minnesota! Visits), and facilitating resources and services for expansion or other business development assistance.
- 2) New Enterprise & Emerging Business Development
  - To nurture the development of entrepreneurial and new enterprise activity by assisting and serving as a resource for connecting such to the extensive business development resources and tools available in or connected to the regional marketplace (e.g., Small Business Development Center).
- 3) New Business Development
  - To attract non-local businesses to the marketplace through proactive marketing and recruiting strategies, as well as supporting and facilitating responses to development opportunities from businesses that approach/contact the cities, counties or GMG.
- 4) Marketplace Enhancements
  - As prioritized by the Advisory Committee, GMG will assist in facilitating strategy development and programming on topical issues impacting economic development such as and not limited to workforce retention & expansion, population growth, housing, transportation, childcare, strategic reuse of vacant buildings, and main street work. These efforts may be regional in nature or specific to a jurisdiction.

### The Business Development Process

### Expansion of existing businesses - industrial and major service businesses:

 Substantive expansion requests from an existing business may happen directly between the business and its current city or county or between the business and GMG.

- a. If the city or county is contacted directly by the business, GMG will be involved if determined necessary by the partiescity and county, but at minimum will be kept informed by the applicable city or county.
- b. If GMG is contacted by the business, GMG will first be an advocate and facilitator for expansion within the existing city or county and will coordinate with the city or county to assist with suchif needed.
- c. If a business directly contacts a city or county in which it is not currently located, the contacted city or county will immediately inform either the existing host city or county of the business as well as GMG.
- 2) If the city or county in which the business currently exists is not able to meet the business' facility or expansion needs, then GMG will facilitate exploration of alternative considerations with other member entities first upon concurrence of the host city. (Note: consistent with the guiding principles of the parties contained in this Agreement, cities Cities and counties will not engage in relocating a business from one city or county to another but rather provide proposals when GMG invites such).

### Locating industrial and major service businesses into the area from outside of the regional marketplace:

- GMG will act as an advocate for the cities and counties in the marketing and recruitment of new businesses and will coordinate closely with the staff of each entity to reflect the opportunities of each as desired.
- 2) GMG will receive prospects resulting from its business development and marketing efforts and programs, as well as the Minnesota Department of Employment and Economic Development (DEED) or other development entities, and will inform the cities and counties of the specified development criteria of the potential new business. Those cities and counties will then have the opportunity to assemble a competitive proposal through a standardized and coordinated process to attract the business.
  - GMG and its staff shall serve as the primary point of contact in facilitating DEED, site selector, and other business location specialists. Staff will gather as much information and clarity as possible related to the development inquiry and its viability, in order to allow development response to be as thorough as possible.
  - GMG will provide the REDA partners updates on prospects until the prospect has made a decision on locating either in the region or other area.
- At the time a city or county is selected by a business, the entity city or county and business will
  discuss and finalize incentives and the locating of the business details of locating the business and
  development process.

### Economic Development Marketing, Communication and Program Services

GMG's economic development marketing and communications strategy and responsibilities will be as follows:

- Marketing and Communications: (A component of Strategic Area 3: New Business Development)
  - GMG will develop a comprehensive marketing and communications plan, updated as needed with input from the cities and counties. The plan will market the collective strengths of the regional marketplace as a site for growing or expanding an existing business or locating potential businesses, organizations and site selectors from outside and within the regional marketplace.

Economic Development Services Agreement Serving the greater Mankato Regional Marketplace page 4 of 9 The plan will include goals, objectives and a comprehensive strategy for communicating to key audiences with consistent messaging and the most effective tactics that make the best use of our collective marketing resources, Tactics that may be considered in this plan include, but are not limited to: advertising, digital, social media, news releases, relationship marketing, special events and direct mail, GMG will provide periodic reports on the achievement of the objectives outlined in this plan.

- GMG will continually redesign and retool its online presence to remain business development centric and as such will continue to be positioned as a one stop, comprehensive location that site selectors and organizations can visit to learn about the collective assets of the marketplace and individual strengths of the cities and counties.
- GMG will maintain online interface and tools designed to provide efficient means for each of the cities and counties, as well as other property owners and agents, to update their information on available properties on-line, thereby creating a comprehensive area-wide inventory. This information will be available on the Greater Mankato Growth internet platforms and others providing greater visibility to site selectors and organizations who might consider building or expanding their business anywhere in our regional marketplace.
- GMG will work with the member cities and counties, as well as other entities a part of or related to this agreement to establish links to GMG tools and resources.
- (A component of all Strategic Areas) GMG will maintain copies of closed or pending project files or
  other mechanisms, enabling the cities and counties to be advised of the ongoing business
  development opportunities resulting from its economic development marketing and communications
  efforts

### · Program Services:

- (A component of Strategic Area 1: Business Retention) GMG will facilitate initiatives targeted
  at retaining and growing existing businesses, including an annual program of company visits for
  the purpose of assessing individual and area business needs as well as identifying potential
  development and expansion opportunities. These visits will be coordinated with the primary city
  or county in which the business is located.
- (A component of Strategic Area 2: New Enterprise & Emerging Business Development) GMG will coordinate with other resource providers to develop programming that addresses Advisory Committee priorities, compliments existing resources and provides unique to value to existing and new business partners. (A component of Strategic Area 4: Marketplace Enhancements) GMG, in support of business development and with respect to the balance of membership offerings versus general economic development offerings, will continue to bring to the regional economic development strategy initiatives and programming that have a direct impact on the development of business. Such initiatives may include: assist with site readiness programs and/or initiatives; talent fulfillment work; improving connections to development resources (e.g., Higher Education); interaction and relationship with the GreenSeam; while not leading, being cognizant of and facilitating sharing on common community development elements (e.g. housing); and a REDA annual meeting.
- (A component of Strategic Area 3: -New business Development) This Agreement and the
  development process apply to economic development and marketing services related to the primary
  economy including job creating service sector businesses. Agricultural businesses development
  efforts are included in the primary economic focus of REDA. These efforts involve more than just
  agricultural production, including the economic development initiatives of GreenSeam. Consumer
  brick and mortar retail development are not encompassed as the chief focus in this Agreement;

Economic Development Services Agreement Serving the greater Mankato Regional Marketplace page 5 of 9 however, GMG can provide a platform for supporting and showcasing the communities' opportunities and assets. GMG will assist as able with the development and redevelopment of the central place functions of each of the cities (e.g. housing, main street businesses). Each of the cities and counties will continue to be the primary entity responsible for guiding commercial and professional service sector development or overall redevelopment in their respective city or county.

 (A component of all Strategic Areas) GMG will provide the cities and counties with an annual report, providing outcomes and impact from the previous year.

### FINANCIAL OBLIGATIONS AND ADVISORY COMMITTEE

### Financial

The cities and counties agree to share in funding and payment of the economic development services described in this Agreement with Greater Mankato Growth, Inc. Accordingly, each City and County agrees to pay Greater Mankato Growth, Inc. on an annual basis, which shall be invoiced by Greater Mankato Growth, Inc. will, on an annual basis, provide a breakdown of the use of funds.

The billed amount will be based annually in Addendum 1 accompanying this document (which describes the funding calculation/amounts) on the per capita rate described below multiplied by the July 1 population reported in the US Census Burcau Population & Housing Unit Estimates for the date 1.5 years prior to the funding year (i.e. 2024 data will be based on the July 2022 population estimate). These estimates can be found at www.census.gov/popest\_-Base rate changes would need to be unanimously approved by REDA partners.

The per capita rate structure will be set as follows:

	2024	2025	2026	2027	2028	2029
Mankato	\$4.29	\$4.20	\$4.11	\$4.01	\$3.91	\$3.86
All other partners*	\$2.46	\$2.74	\$3.03	\$3.32	\$3.62	\$3.86

Given the variance of services and activity relative to a municipalities size and role (city compared to county), a diversified per capita rate structure has evolved over time and shall be as follows going forward:

- \$4.38 / capita City of Mankato
- . \$2.19 / capita all cities with a population greater than 2,000
- . \$0.54 / capita County (on total population) \*

Economic Development Services Agreement Serving the greater Mankato Regional Marketplace page 6 of 9

<sup>\*</sup> The county per capita contribution is calculated by subtracting the populations of all cities with more than 1,000 residents from the total county population. Cities with a population of less than 2,000 are not apt to derive similar value or participate in the same fashion as those with a population exceeding 2,000 and having a direct investment of time and dollars. However, a All participants in this Agreement acknowledge there may be specific instances identified where REDA services will be helpful to one of these cities the cities in Blue Earth or Nicollet County that are not participants to this agreement, on an ad hoc basis when requested, and thereby the regional marketplace. As a result, County partner

investments are calculated on total population towill allow for such interaction and service (services will be coordinated with and as appropriate done in collaboration with Region Nine Development Commission). Additionally, all cities within a participating County will be (a) invited to participate in REDA's annual summit, and (b) will be met with individually or a countywide meeting of communities.

The cities of Mapleton, Madison Lake, and Nicollet are invited to participate as full members of the alliance at the rates outlined above and upon signing a document agreeing to be bound by the terms of this agreement.

### Governance

Greater Mankato Growth, Inc. Board of Directors

A representative of the cities and counties (selected as provided below) will be an ex officio Director(s) with full voting rights and privileges. One (1) such ex-officio Director will be added for the first six (6) eities and counties, and two (2) ex-officio Directors added if there are seven (7) or more cities and counties.



### Advisory Committee

- The cities and counties will establish an Advisory Committee. The Advisory Committee will be comprised of a GMG board member and one governmental member from each of the cities and counties along with the appropriate staff participant for each.
- The Advisory Committee will select a Chair and Vice-Chair for meeting administration on an annual basis. The REDA Chair and Vice Chair areis also appointed to the GMG Board and will represent the Alliance. The Chair and Vice Chair will be ex officio, so either the designated REDA elected official or the REDA partner's lead administrative official can fulfill the role. The City of Mankato will not serve as Chair or Vice Chair. The Chair and Vice Chair position cannot be filled by representatives from the same REDA partner. Note: the City of Mankato has an ex officio seat on the GMG Board. This Advisory Committee will meet on an as needed basis to discuss issues related, but not limited to, inviting additional entities beyond the initial cities and counties to join the Advisory Committee and/or become parties to this Agreement, funding and amendments to this Agreement.

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In addition to regular interaction between the cities and counties and Greater Mankato Growth staff, GMG will facilitate in-person monthly-meetings, at a frequency determined by the advisory committee (media conferencing will be available upon request), of the "economic development staff" of the cities and counties to discuss business prospects, share information on pending economic development projects, highlight economic development activities, and provide updates.

Meeting summaries will be distributed to the Advisory Committee. Additionally, as programs are developed and a desire for prioritization and input on Marketplace Enhancements is identified, GMG will convene the Advisory Committee.

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IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth opposite a parties signature.

Will Purvis Vance Stuehrenberg	Date	Robert W. Meyer	Date
Chair – Board of Commissioners		County Administrator	
Nicollet County			
Denny KempJack Kolars	Date	Ryan KrosehMandy Landkamer	Date
Chair – Board of Commissioners		County Administrator	
City of Eagle Lake			

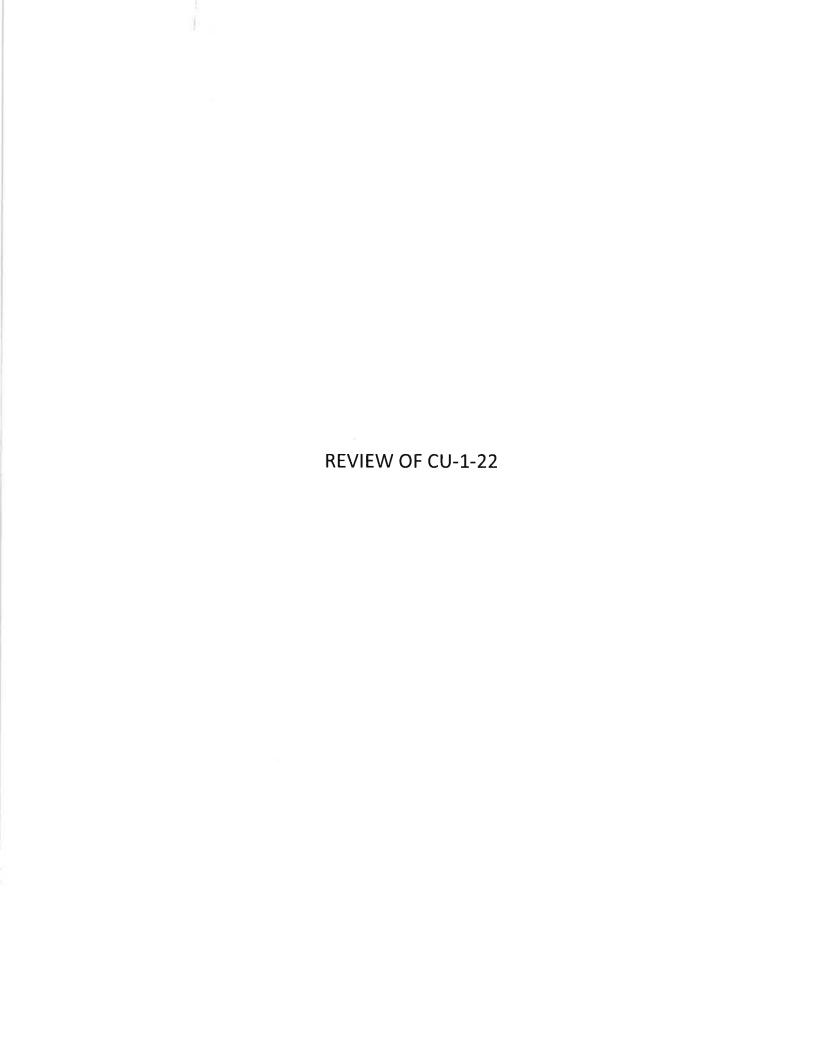
**Blue Earth County** 

I.	Tim AuringerLisa Norton	Date	Jennifer Bromeland	Date
	Mayor		City Administrator	
	City of Lake Crystal			
ţ	Brad AhrenstorffTodd Wiens	Date	Taylor GronauAngela M. Grafstrom	Date
	Mayor		City Administrator	
	City of Mankato			
1	Najwa Massad	Date	Patrick HentgesSusan MH Arntz	Date
	Mayor		City Manager	
	City of North Mankato			
1	Mark DehonScott Carlson	Date	John Harrenstein Kevin McCann	Date
	Mayor		City Administrator	
	City of Saint Peter			
j	Chuck ZiemanShanon A. Nowell	Date	Todd Prafke	Date
	Mayor		City Administrator	
	Greater Mankato Growth, Inc.			
1	Charlie Whitaker David Krause	Date	TBD <u>Jessica Beyer</u>	Date
1	Chair - Board of Directors		Representative President & CEO	

# CITY OF NORTH MANKATO REQUEST FOR COUNCIL ACTION



Agenda Item # 11E	Dept: Community Dev.	Council Meeting Date: 7/17/23
TITLE OF ISSUE: Consider Review of	CU-1-22.	
BACKGROUND AND SUPPLEMENTA present to review the CU-1-22 and provide		
REQUESTED COUNCIL ACTION: Ap	pprove the Planning Commissi	If additional space is required, attach a separate sheet ons Recommendations of CU-1-22.
For Clerk's Use:	SUPPOR	TING DOCUMENTS ATTACHED
Motion By:Second By:	Resolution Ordin	ance Contract Minutes Map
Vote Record:  Aye  Steiner  Peterson  Oachs  Whitlock  Carlson	Other (specify)	Report
Workshop  X Regular Meeting  Special Meeting		Per to:  Ple until:  er:



### THE CITY OF NORTH MANKATO

SUBJECT:

Review of CU-1-22

APPLICANT:

LOCATION:

1901 Lee Boulevard

**EXISTING ZONING:** 

B-3, General Commercial

DATE OF HEARING:

July 13, 2023

DATE OF REPORT:

July 5, 2023

REPORTED BY:

Mike Fischer, Community Development Director

### APPLICATION SUBMITTED

Review of Conditional Use Permit 1-22

### COMMENT

In June of 2023, the Planning Commission reviewed a Conditional Use Permit (CU-1-22) that was granted in January of 2022 to operate an automobile repair business at 1901 Lee Boulevard known as Northtown Auto. The purpose of the review was in response to ongoing complaints regarding the business operations and failure to comply with the conditions imposed in 2022. Upon review by the Planning Commission, it was moved to table the review of the permit to allow the business owner and City staff the opportunity to discuss the parking of vehicles on the property moving forward.

For reference, attached as Exhibit A are the conditions imposed by the City in 2022. Additionally, photographs of the property are attached.

As part of the discussions by the Planning Commission in June, there were questions regarding the striping of the parking lot. Specifically, the lack of striping in Area B. According to the existing conditions (Exhibit A), the parking lot was to be striped to identify parking spaces and driving lanes. According to the business owner, he was understanding that Area B did not need to be striped due to the fact it was surrounded by a privacy fence and it was important that a driving lane be provided to access in Area B to a part of the building used for warehousing. Additionally, the Planning Commission discussed if there should be a limit to the number of vehicles in Area B

As requested by the Planning Commission, staff did meet with the business owner to discuss future parking of vehicles on the property. As a result, Exhibit B shows a parking plan for Area A and a 24 foot wide access through Area B with

no striping. As shown on Exhibit C, an alternative striping plan is shown which would allow the double stacking of vehicles and accommodates the parking of 58 vehicles in this area. In discussion with the owner on this issue, he prefers that no striping be required in Area B as shown on Exhibit C. Staff questions the appearance of Area B if no organized plan for the parking of vehicles is considered.

To summarize, the existing conditions state that the parking lot be striped to identify parking spaces and driving lanes with no exception for Area B. Additionally, the conditions state that no stacked or double parking of vehicles is permitted. Therefore, any allowance for unstriped areas within the parking lot or double parking of vehicles, would require amendments to the existing conditions.

### RECOMMENDATION

It is recommended that the Planning Commission review the original conditions and determine if any amendments related to vehicle parking on the property would be acceptable.

## **EXHIBIT A**

1. The parking lot be striped to identify parking spaces and driving lanes

2. No stacked or double parking of vehicles is permitted

3. All parts, equipment and materials shall be stored indoors or within an entirely screened in area outside the building.

4. All automobile repair work shall be performed within an enclosed building

5. In area A, no vehicle shall be stored for a period longer than 72 hours. In area B, no vehicle shall be parked for a period of longer than four (4) consecutive weeks.

6. There shall be no storage of boats, campers, trailers, recreational vehicles or similar items on the property.

7. The existing chain link fence be modified to provide continuous screening for the contents within including ongoing maintenance of the fence.

8. Install privacy fence in designated location in Area A.

# Dean's Automotive



