10 Civic Center Plaza
Post Office Box 3368
Mankato, Minnesota 56002-3368

Phone: (507) 387-8600
Fax: (507) 388-7530
www.mankatomn.gov

July 1, 2026

Re: City of Mankato Commercial Rehabilitation Program

Dear Property Owner,

The City of Mankato has made Economic Development Authority loan funds available to assist commercial properties with exterior improvements. The property must be located within a designated targeted area, as identified on the enclosed map.

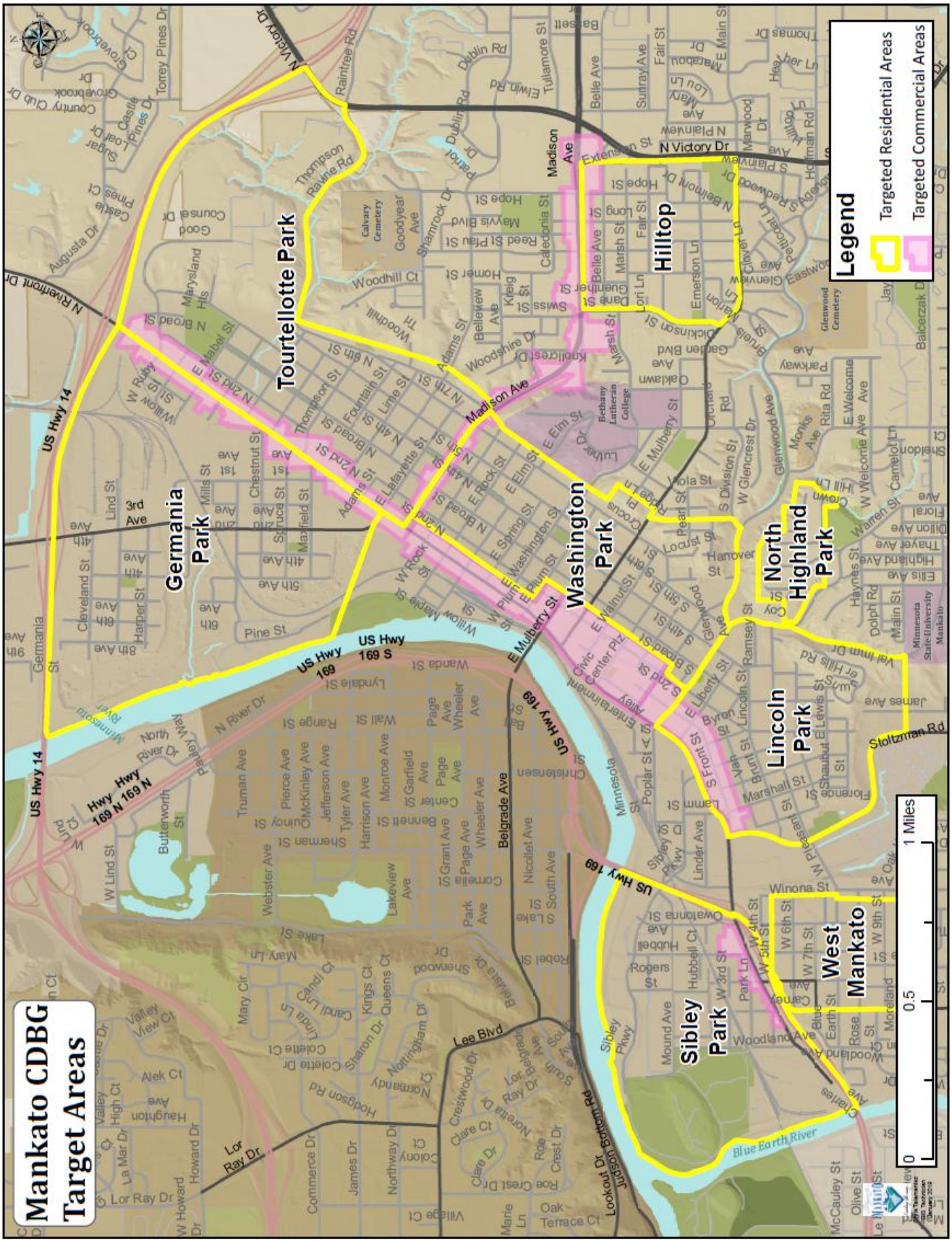
Eligible property owners may apply for a deferred loan of up to $50,000 per property. The loans will be provided at a 0.0% interest and will require no monthly payments. The loans are secured with a mortgage on the property to be improved and are forgiven after a 10-year period; provided the property ownership is not transferred. If property ownership is transferred a pro-rated portion of the loan must be repaid to the City of Mankato; a 1:1 match is required.

The City of Mankato has limited funding available for commercial rehabilitation and projects will be awarded on a first come first served basis. Only complete applications will be accepted and the applications should be submitted to Courtney Kramlinger, 10 Civic Center Plaza, P.O. Box 3368, Mankato, MN 56002-3368.

Please contact me at 507-387-8711 or ckramlinger@mankatomn.gov with any questions or if additional information is required.

Sincerely,

Courtney Kramlinger
Economic Development Coordinator


Mankato CDBG Target Areas
Legend
Targeted Residential Areas
Targeted Commercial Areas
Tourtellotte Park
Germania Park
Washington Park
Hilltop
North Highland Park
Lincoln Park
Sibley Park
West Mankato
Madison Ave
US Hwy 14
US Hwy 169
US Hwy 169 S
Hwy 169 N
N Victory Dr
Stoltzman Rd
Lee Blvd
Belgrade Ave
Judson Bottom Rd
Blue Earth River
0
0.5
1 Miles

City of Mankato
Commercial Rehabilitation Program

This commercial rehabilitation program has been designed to provide financial assistance for the storefront and building rehabilitation of commercial buildings in the targeted area.

Economic Development Authority (EDA) Deferred Loan

- Covers 50% of the rehab expenses up to a maximum loan amount of $50,000 per building. This will be 0% interest loan with deferred payments for a period of 10-years. The loan is secured with a mortgage on the property and carries a due-on-sale or transfer clause, which means a pro-rated portion of the principal shall become due and payable prior to any sale or transfer of ownership of the premises or prior to any refinance of the premises unless written consent is provided by the City of Mankato.

  If the property ownership does not change during the 10-year commitment period, the loan is forgiven.

Remaining Project Costs

- All remaining project costs are to be financed through sources other than the City of Mankato, such as owner cash contributions or conventional financing.

Why Should I Apply for a Commercial Rehabilitation Loan?

- No loan payments are required unless your property is sold;
- The loan will protect your property for the long-term;
- Improvements to the energy efficiency of your property will lead to lower utility bills; and
- Rehabilitation work will improve the quality and appearance of not only your property, but your neighboring properties and community.

Example of Commercial Rehabilitation Work:



Before

Barkhadle International Grocery - 725 S. Front Street, Mankato, MN



After

City of Mankato
Economic Development Authority (EDA)
Commercial Rehabilitation Program

EDA Commercial Rehabilitation Facts Property Owners Should Know

- Only improvements identified by the Rehabilitation Advisor as eligible and/or necessary will be eligible project costs.
- The most EDA funding you may receive is $50,000 per property. The minimum EDA funding amount is $5,000.
- You will be required to pay the matching fund requirement before construction begins.
- If you sell your property within 10-years, a pro-rated portion of the principal loan amount must be repaid to the City of Mankato. If you do not sell your property within 10-years, the deferred loan is forgiven by the City of Mankato.
- Program participation is based on first come, first served.
- The rehab work must be completed within 90 days from the date the loan agreements are signed.
- Inspectors from the City of Mankato will conduct the initial inspection, provide a scope of work and bid packet.
- Your property taxes, mortgage payments, property insurance, and city utilities must be current at the time of application.
- The EDA applicant must own the property to be improved.
- The EDA loan will be secured with a mortgage on the property to be improved. The assessed market value of the property must be of a sufficient amount to provide the City of Mankato with adequate loan security.
- Rehabilitation activities must comply with the City of Mankato Commercial Rehabilitation Program Guidelines and Policies.

Eligible Commercial Rehabilitation Improvements

Each commercial rehabilitation improvements must be physically attached to the property and must be a permanent exterior improvement. Such improvements shall include alteration, renovation, or repairs which correct defects and deficiencies which directly affect the safety, habitability, energy consumption, or aesthetics of the property. For the purposes of commercial rehabilitation assistance utilizing Community Development Block Grant (CDBG) program funds, the following types of improvement addressing the definition of slum and blight are eligible: windows, doors, roof, siding, and tuckpointing.

Ineligible Commercial Rehabilitation Improvements

The following improvements are not eligible for financing with EDA nor CDBG funds:

- Repairs which do not constitute exterior improvements.
- New construction or additions to buildings.
- Improvements which are limited solely to roof repairs.
- The payment, in whole or in part, of assessments for public improvements.
- Driveways and sidewalks.
- Unnecessary or ineligible improvements as identified by the Rehabilitation Advisor in his/her sole discretion.

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Your property mortgage, property insurance, property tax payments, and city utility bills must be current to qualify for the Economic Development Authority (EDA) commercial rehabilitation program; the City of Mankato must verify these payments are current.

Please complete the top section of the attached Mortgage Verification Form including:

- the address of your lender
- your name
- social security number
- date of birth
- mortgage number (you may need to contact your lender for the mortgage no.)
- sign and date

Please return to mortgage verification form to the City of Mankato with your completed application. The City of Mankato will then submit the form to your lender for verification.

If your mortgage payment does not include an escrow for property insurance, you will be required to submit verification from your insurance provider that your property insurance policy is current.

_____
(*Lender*)

_____
(Address)

_____
(City, State, Zip)

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Date:

MORTGAGE VERIFICATION
City of Mankato – Commercial Rehabilitation Program

For: SSN: DOB:

Mortgage Number: _____

To the Lender named above, I hereby grant the release of information regarding my income and assets to City of Mankato. I understand that this information will be treated as private data. This verification request is required to establish my program eligibility and I would appreciate your prompt completion of the form.

Applicant Signature: _____ Date: _____

PLEASE PROVIDE THE FOLLOWING INFORMATION:

1. Original Date of Mortgage: _____
2. Type of Loan and Loan #: _____
3. Original Amount: $_____
4. Current Mortgage Balance: $_____
5. Monthly Mortgage Payment: $_____ Interest Rate Paid: _____
6. Does this Payment include an Escrow for Taxes? Yes No
7. Does this Payment include an escrow for Insurance? Yes No
8. Is this mortgage current? Yes No
9. How many times has this borrower paid more than 30 days late within the last 12 months?

Comments: _____

_____

Date: _____ Title _____ Phone: _____

Signature: _____

Please return completed form to the address above, attention: Courtney Kramlinger

Warning! Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

CITY OF MANKATO
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
COMMERCIAL REHABILITATION APPLICATION

I. APPLICANT INFORMATION

Name of Applicant: _____

Name of Co-Applicant: _____

Home Address: _____
Street City/State/Zip

Telephone No: Home (____) _____ Work/Cell (____) _____

Email: _____

II. PROPERTY INFORMATION

Address of building to be rehabilitated: _____

Estimated age of building: _____ Estimated Market Value: $_____

Existing building use: _____

Proposed building use: _____

Legal Description: _____

III. CREDIT HISTORY

Please answer all questions; if the answer to any of the questions is "yes" please attach a written explanation.

1	Are there any outstanding or pending financial judgments or liens against you or the building to be rehabilitated?	☐	Yes	☐	No
2	Have you declared Bankruptcy within the last 36 months?	☐	Yes	☐	No
3	Have you lost any property through foreclosure or given title or deed to anyone to avoid foreclosure?	☐	Yes	☐	No
4	Are you a co-signer on any note or loan?	☐	Yes	☐	No
5	Have you ever received any form of assistance through the programs of the Mankato Economic Development Authority?	☐	Yes	☐	No

IV. OWNERSHIP INFORMATION

Ownership interest in the property to be improved:
___ Contract for Deed
___ Free and Clear
___ Mortgage
___ Lease: Specify terms of Lease: _____
___ Other: Specify: _____

Name(s) on Title: Specify ownership interest of each name on the title:

_____

_____

Amount of Outstanding Principal owed on property to be improved: $_____

V. ESTIMATED REHABILITATION COSTS AND REQUESTED LOAN INFORMATION

Describe proposed Improvements (EDA funds can only be used for renovations as indicated in the City of Mankato Commercial Rehabilitation Program Guidelines and Policies).

Exterior: _____

_____

Interior: _____

_____

Mechanical Systems: _____

_____

Other: _____

_____

Estimated total cost of proposed rehabilitation work: $_____

VI. CERTIFICATION

City of Mankato rehabilitation staff, or an authorized representative shall have the right to inspect the property to be improved and meet with tenant/owner at any time from the date of application upon giving due notice.

I/We, the undersigned understand and agree that all approved renovation work will be in compliance with the City of Mankato Commercial Rehabilitation Program Guidelines and Policies.

I/We certify that all statements on this application are true and correct to the best of my/our knowledge. I/We understand that any intentional misstatements will be grounds for disqualification.

I/We authorize program representatives with the right to access the property to be improved for the purpose of the deferred loan program and to take photographs of the structure before and after rehabilitation.

I/We understand the building owner and general contractor will enter into a contract for the improvements to be made, which will be solely between the contractor and the property owner; the administering agency (City of Mankato) will not be liable for inadequate performance of a contractor.

Applicant: _____ Date: _____

Co-Applicant: _____ Date: _____

IMPORTANT PRIVACY NOTICE
****Read Before Completing the Application Form****

We are asking that you provide the information on the Rehabilitation Program application form to determine if you are eligible to participate in the program.

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the rehabilitation program about you and your household is considered private data.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the U.S. Department of Housing and Urban Development or other local, state and federal agencies providing oversight for the purpose of addressing/resolving applicant complaints (as addressed in the projects policy and procedural manual).
- Those persons who you authorize to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

We cannot release private data to anyone else or use the private data in any other way unless you give us permission by completing a consent form that we will provide. Please keep in mind, however, that data must be released if required by court order, and, in addition, your private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.

_____ _____
Signature of Applicant Date

_____ _____
Signature of Co-Applicant Date

Minnesota law gives you important rights in regards to information maintained about you. These include:

- The right to see and obtain copies of the data maintained on you;
- Be told the contents and meaning of the data; and
- Challenge the accuracy and completeness of the data.

To learn more about these rights, contact Courtney Kramlinger at (507) 387-8711