Front Street Place

602 S. Front Street, Mankato, Minnesota

MIXED-USE DEVELOPMENT / INVESTMENT SUMMARY



Concept rendering by ISG

165
market-rate apartments

235,286
total rentable square feet

17.6%
project-level IRR, projected

Project & Location

- Downtown housing with restaurant, retail and office space, with market & affordable housing needs.
- Full city block complementary to Mankato's city-center plan, MSU Future State and regional priorities.
- Intentional focus on walkability, experience and density aligned with regional hub economics.

Market Evidence

- 2025 market: about 5,000 market-rate rental units,
- 2.6% vacancy and $1,546/month average rent for new products,
- 21,442 daily inbound commuters; 311 rental units planned or under construction.

Schedule & Delivery

- Est. start: Demo Fall 2026 / Construction April 2027,
- Construction term: 20 months. Occupancy July 2028,
- APX Construction Group: construction manager, co-development: Front Street Plaza & Kilbourne Group.

Projected Capital & Returns

• Total development cost	$77.178M
• Equity	$19.884M
• Financing	$57.294M

- ○ 3.48x projected equity multiple.
- ○ 10-year underwriting uses a 5.50% exit cap rate.
- ○ Office at 90% LOIs / Leases on minimum 10-yr terms

Principal Investment Terms

- Minimum commitment: $500,000, cap of $10,000,000. Targeted return: 15–18%; 7 to 10-year term;
- Class A: nonrecourse, receives upside on return;
- 8.5% accrued simple interest return at contribution;
- Class B: debt guarantor; 20% carried interest after the preferred returns and Class A capital fully paid;
- Quarterly reporting. Board of Governors managed;
- Rural Opportunity Zone 2.0 with 30% step-up and cost-segregation benefits are individual and not included in the Targeted return.

Sources: Market data: City of Mankato Housing Study, April 2025. Returns are project-level and are not guarantees.
Budget follows 10-year Project Summary; cost/equity basis differs from cash-flow underwriting. Reconcile before investment.

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