HOTEL MANKATO

Unlocking Potential With A $109 Million Gateway Project

Why This Project Matters

- Leads a long-overdue transformation in downtown density, creating a walkable, safe, vibrant, and livable district where people want to spend time day and night.
- Establishes downtown as a regional destination for entertainment, dining, retail, and hospitality to attract talent and residents while creating and sustaining new experiences.
- Acts as a catalyst for downtown growth by positioning multiple projects to advance as part of a $500 million downtown master plan.

Benefits + Milestones

- An independent HVS study confirms feasibility, projecting a 17% to 30% increase on the approximately $40 million generated annually by the Civic Center.
- Generates over $600,000 per year in new sales tax, combined with 3% lodging tax revenue for the City.
- Most risk was addressed through prior milestones:
  - TIF Development Agreement signed with the City for approximately $10 million.
  - Strong City support with all required approvals secured.
  - Senior financing approved with Peachtree Financial Group, along with a GMP contract in place with the general contractor.
  - Backed by over 25 community investors, including seven subcontractors involved in constructing the project.
  - Located in an Opportunity Zone with tax benefits and a cost segregation strategy with accelerated depreciation provides substantial tax advantages when utilized.



Two Premium Downtown Mankato Hotels

A 10-story, 151-room AC by Marriott and a 4-story, 129-room, Element by Marriott with a shared lobby, pool, fitness center, rooftop restaurant, and skyway to the Mayo Clinic Health Systems Event Center.

Investment Opportunities

Approximately $35 million of equity contributed with the following available for up to $5 million (or as approved):

- Minimum investment of $2,000,000
- Naming rights for two lounges and one boardroom, each available with a $2 million or more investment
- IRR 15% to 16% before Cost Seg & OZ beneifts

Contact

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"Join us in transforming Downtown Mankato and creating lasting community impact."

