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Mankato Central Business District – Opp Zone Small Area Plan –

Reinventing A Regional Destination

June 2026

MSA Overview

The purpose of the Small Area Plan (SAP) is to provide an updated and cohesive planning approach that builds upon the foundation of the 2007 City Center Renaissance Plan and the efforts of many community leaders. Its primary objective is to guide and coordinate future private development and public infrastructure improvements through a unified analysis of the Mankato Central Business District (CBD).

The Mankato-North Mankato Metropolitan Statistical Area, as defined by the United States Census Bureau, is an area consisting of two counties in south central Minnesota anchored by the cities of Mankato and North Mankato. It was upgraded from a Micropolitan Statistical Area to a Metropolitan Statistical Area (MSA) by the office of Management and Budget on November 20, 2008. As of 2021, this MSA had a population of 106,598. This was an increase of 10.2 percent from 2010 with a population of 96,740. According to Greater Mankato Growth, the MSA is estimated to grow to the population of 111,443 by 2026, which would be 4.5 percent (outpacing the State of MN average of 3.8%).

The MSA is considered economically diversified, positioning it to withstand macro-economic volatility better than others. The most recent employment data from 2023 reflects the largest employment sector in Health Care at 20.6%, followed by Manufacturing with the largest employer Taylor Corp at about 2,200 jobs. Within the diversity of employment, the Mankato MSA reflects the largest percent of wage growth in the two highest categories over $150,000 and over $200,000 trending toward 21.2% of households. This compares favorably with St. Paul at 17.8% and Minneapolis at an estimated 23%. This trend is from consistent and large investments in medical, education and other core business sectors with higher paying wages. (Sources: Civilian Labor Force Profile, Census Reporter and U.S. Census Bureau)

Industry	Employed	Percent	US Percent	Location Quotient
Total	39,725	100.0%	100.0%	-
Agriculture/Forestry/Fishing	554	1.4%	1.1%	1.27
Mining/Quarrying/Oil & Gas	54	0.1%	0.4%	0.25
Construction	1,781	4.5%	7.0%	0.64
Manufacturing	5,577	14.0%	10.0%	1.40
Wholesale Trade	720	1.8%	1.9%	0.95
Retail Trade	5,086	12.8%	10.4%	1.23
Transportation/Warehousing	1,395	3.5%	5.5%	0.64
Utilities	188	0.5%	0.8%	0.62
Information	676	1.7%	1.9%	0.89
Finance/Insurance	1,147	2.9%	5.0%	0.58
Real Estate/Rental/Leasing	580	1.5%	1.8%	0.83
Professional/Scientific/Tech	1,747	4.4%	8.6%	0.51
Management of Companies	30	0.1%	0.1%	1.00
Admin/Support/Waste Management	1,013	2.6%	4.4%	0.59
Educational Services	4,546	11.4%	9.2%	1.24
Health Care/Social Assistance	8,196	20.6%	13.6%	1.51
Arts/Entertainment/Recreation	869	2.2%	2.2%	1.00
Accommodation/Food Services	2,574	6.5%	6.7%	0.97
Other Services (Excluding Public)	1,855	4.7%	4.7%	1.00
Public Administration	1,138	2.9%	4.8%	0.62

Households by Income	2025		2030	
	Number	Percent	Number	Percent
Less than $15,000	3,418	8.3%	3,211	7.6%
$15,000-$24,999	2,984	7.2%	2,592	6.1%
$25,000-$34,999	2,364	5.7%	2,066	4.9%
$35,000-$49,999	4,565	11.0%	4,193	9.9%
$50,000-$74,999	8,111	19.6%	8,048	19.0%
$75,000-$99,999	5,756	13.9%	5,976	14.1%
$100,000-$149,999	6,803	16.5%	7,198	17.0%
$150,000-$199,999	3,672	8.9%	4,363	10.3%
$200,000 or greater	3,662	8.9%	4,626	10.9%

Small Area Plan - CBD Overview

Since 1991, when the River Hills Mall opened and resulted in retail vacating the downtown CBD, Mankato has lacked a clear vision to replace this sense of community. Up to that moment, the prior 100+ years of rich retail, hospitality and social history in the downtown resulted in a thriving regional hub. Over the 35 years since the hustle and bustle of downtown was vacated, it became clear that a sense of community and a place for the region to gather is core to attracting and retaining future generations of talent, new business investment, sustained economic growth and future oriented planning.

The collection of past plans reflects decades of collaborative work by residents and leaders in the City of Mankato and Blue Earth County, united in shaping a shared vision for a thriving future. The plans are organized from a broad, regional perspective and gradually narrow to a more localized focus, addressing key infrastructure elements such as lighting, parking, and wayfinding. The Downtown Mankato City Center Small Area Plan builds on this foundation, carrying forward relevant, unfinished recommendations and aligning its vision with the goals established through the Transforming Tomorrow Together community-driven planning process.

To address this next phase, a collective and unified development effort to intentionally reinvent the downtown to be a thriving regional destination again is now underway with the Small Area Plan. It is aligned with the 2024 regional plan, Transforming Tomorrow Together and represents business stakeholders and community leaders with over 1,000 participants. The creation of the SAP in 2025 has resulted in an aspiring and phased vision to reinvent the CBD as a regional destination.

The CBD is the geographic and cultural heart of Mankato, functioning as a hub for commerce, community, entertainment, and activity. The SAP represents Phase 2 of reinventing the CBD as a regional destination. The primary themes for this phase that will bring sense of community to the downtown are:

- **Livability & Walkability** – adding multi-family density with 1200-1500 residents to address long-term, safe and convenient walkability. The first 250 residents are under development with city council approval on the Front Street Place site at the corner of Warren and Riverfront Drive.
- **Hospitality** – adding 400+ hotel rooms with extended stay options to complement Civic Center conventions, entertainment, University regional events and Mayo Clinic medical accommodations. A 280-room Marriott hotel project with extended stay rooms is connected to the Mayo Clinic Civic Center and anticipated to begin construction in the Fall of 2026.
- **Grocery & Retail** – adding walkable, complementary, and core retail business to the CBD as part of the regional amenity experience, including complementary destination businesses in Grocery, restaurants, clothing and health services. A new Minneapolis-based regional restaurant (Crave) with integrated event space and health services is in pre-development at the former U.S. Post Office building.

- **Entertainment. Learning & Discovery** – continue investment themes with regional draws such as The Southern MN Children's Museum strategy to add an $18 to $20M expansion by 2028. At completion an estimated annual draw of 200,000 visitors to the downtown CBD is part of a win/win strategy. Children's Museum of Southern Minnesota receives $4M donation to fund expansion - Bring Me The News. MN State University Future State - $140 million two-phase project - helps build future-ready infrastructure in Greater Mankato, connected to the downtown CBD plan to boost student success, retaining talent and generating an estimated $100 million in long-term regional impact. https://thefuturestate-mankato.com/the-impact/

Grounded in past community planning efforts and shaped by ongoing public-private collaboration, the SAP is an "intentional reinvention" focusing on phase two of downtown development to reinvent the CBD as a modern regional amenity. The plan centers on key principles of differentiation to achieve the desired intent for the downtown to be a livable, walkable, vital and safe regional destination. To achieve the destination goal, the plan focuses on the "how", including:

- Inviting a community, regional and national investment approach that enhances capital efficiency for both near-term and long-term development sustainability (a shift from the local, siloed development approach of years gone by).
- Utilizing economic and capital planning tools such as Opportunity Zone Funds to enhance capital efficiency and long-term probability of achieving economic returns.
- Serves as a strategic tool to coordinate open-development efforts and support phased, long-term implementation and absorption aligned with vibrant and thriving downtowns.
- A regional destination asset that results in better outcomes derived from increased participation, ideation, entrepreneurship and forward thinking as core tenants.

Development Strategy

Current development is underway in the central business district, with four projects in pre-development and development phases. The proposed Plan is estimated to include $500 million + in new developments over the next 6 to 8 years, with continued growth surpassing $1 Billion over the next 10 to 12 years. Initial sites include Hotel Mankato (Marriott AC & Element 280-room hotel), Front Street Place development, historic Post Office and Midtown Bank sites. The first four sites represent approximately $275 million with Hotel Mankato and the former Walgreen's site in development phase at a combined $185 million anticipated to be under construction simultaneously, grounding the Plan and generating momentum.

The local development groups in combination with various national accounting, legal and asset management advisors have recognized the importance of utilizing financial tools that can help attract private capital. This fits well with the SAP strategy. The permanent legislation for Opportunity Zones in the recent One Big Beautiful Bill is a key example. A majority of the Mankato CBD is an Opportunity Zone with over a dozen private Opportunity Zone Funds actively invested to date. The recent designation of the Mankato Opportunity Zones as "rural" further enhances this tool as it increases the step-up basis from 10% to now 30% on capital gains invested. The result of this change improves the capital efficiency strategy to include national funds, enhanced development continuity and a higher probability of achieving forecasted economic returns long-term.

This coordinated Small Area Plan partners with local governments, businesses, stakeholders, individuals and community organizations to advance high-priority projects; is a priority in our regional planning efforts; and has a catalytic impact to strengthen communities and improve quality of life. As progress continues with local and regional partnerships, the strategy will expand nationally through professional advisor and business relationships.

Greater Mankato Business, Infrastructure & Plan Projects - $1.08 Billion

Completed and In-process Expansions - $558+ Million

2024- 2027

- Mayo Clinic $155 Million: Grand Opening Celebration of Mayo Clinic Health System's Expanded and Modernized Hospital in Mankato | Welcome
- Walmart Distribution Center ~$200+ million: Massive Expansion Coming at Walmart Distribution Center - Greater Mankato
- Rolls Royce Power $24 Million: Rolls-Royce cuts ribbon on new $24m expansion in Mankato, Minnesota | Rolls-Royce
- NIDEC Power $19 Million: Nidec Power | Nidec Power Breaks Ground on Major Expansion in North Mankato, Minnesota
- CHS $60 Million Soy Processing Plant Expansion Completes in July 2026:
- Blue Star Power – Deutz Acquisition - $100 Million+ Annual Revenue Increase: DEUTZ completes its acquisition of Blue Star Power Systems, becoming a system provider for decentralized electricity generation : News, DEUTZ AG

New and In-process Development - $519+ Million

2026 - 2029

- MN State University, Mankato – $140 Million Future State Project: The Vision - The Future State
- Southern MN Children's Museum - $18 Million Nature expansion: Children's Museum of Southern Minnesota receives $4M donation to fund expansion - Bring Me The News
- Downtown Master Plan - Marriott AC and Element Hotels connected to Mayo Clinic Civic Center - $109 Million: Hotel Mankato | ISG Inc
- Downtown Master Plan – Front Street Plaza $77 Million Mixed-Use Development: Mankato City Council Approves Major Downtown Redevelopment Project – Mankato Local News | LocalNewsin Mankato, MN
- Downtown Master Plan – Historic Post Office $46 Million Development: Commercial Development | 401 S 2nd Street
- Main Street Veteran's Memorial Bridge $21 Million Renovation: Riverfront Drive closure in Mankato begins Sept. 8 for Veterans Memorial Bridge project - News Releases - MnDOT
- Primary Traffic Artery - Highway 169 Revitalization Project $56 Million: Riverfront Drive closure in Mankato begins Sept. 8 for Veterans Memorial Bridge project - News Releases - MnDOT
- Mankato Regional Airport - $25 Million Control Tower Project: Mankato unveils $25M airport control tower project - Government Market News mankato airport control tower
- North Mankato Public Works Facility - $27 Million: North Mankato Moving Forward With Public Works Facility Project After City Council Approves Funding - Radio Mankato