



REQUEST FOR ACTION
CITY COUNCIL

Agenda Date: 4/7/2026
Agenda Section: Other Business

Department Origination: Finance

Agenda Item: Trident Development, LLC Timber Ridge of Baxter Senior Living Housing Tax Increment Financing (TIF) Request

- Financial Presentation of Proposed TIF Request
- Consider Resolution 2026-026, A Resolution for Proposed TIF District No. 16, Timber Ridge, Accepting the Recommended Terms of Tax Increment Financing Assistance, Authorizing Preparation of a Tax Increment Financing Plan and Directing Preparation of a Corresponding Development Agreement for City Council Consideration

Approval Required: Simple Majority Vote

BACKGROUND

As discussed at the December 2, 2025 council work session, Trident Development LLC, a developer, is interested in constructing and operating an 80-unit senior living community housing project in Baxter. The proposed project would be located near Quik Trip and the proposed VA clinic, northwest of the current terminus of Novotny Road. Trident has requested the city provide tax increment financing (TIF) in exchange for 20% of the units being available to households whose income is 50% or less of the area median income (AMI). According to Trident, the proposed development would consist of 64 assisted living (AL) units in a two-story building connected to 16 memory care (MC) apartment units in a one-story building.

The Council expressed interest in the project at the December 2nd meeting and instructed staff to further explore the financial assistance necessary for the project with Ehler's, the city's TIF consultant. Ehlers reviewed Trident's financial information for the project and has summarized its findings on the attached memo, dated 03/31/26.

Schane Rudlang with Ehlers will be at Tuesday's council meeting to present the findings and recommended terms of TIF financial assistance for the Council to consider. After conclusion of the presentation, should the Council wish to proceed with the TIF request based upon the outlined terms, the next steps would be to authorize preparation of a TIF plan and corresponding development agreement. The attached resolution, reviewed by the city's public finance counsel, was prepared to facilitate those next steps.

FINANCIAL IMPLICATIONS

As outlined in the attached Ehlers memo, the recommended terms of assistance include a TIF pay-as-you-go (PAYG) note proposed at \$1.1 million with a 6% interest rate over a 20-year term. The PAYG TIF note would be paid to the developer with 90% of the TIF generated by the project with no other obligations of the city. The terms include an important "lookback" provision that allows the city to adjust the level of assistance downward if the project is projected to exceed an internal rate of return of 16%. The outlined recommended terms are subject to final council approval after completion of the TIF plan, including the required public hearing.

Trident has submitted a deposit for third-party expenses incurred by the city in the development of the TIF district. Costs for Ehler's services to create the proposed TIF district and legal costs to be incurred with drafting the TIF development agreement will be paid from the escrow deposit.

STAFF RECOMMENDATIONS

Review the proposed TIF financial assistance terms and consider proceeding to the next steps of establishing the TIF plan and drafting a proposed TIF development agreement by adopting the attached resolution.

COUNCIL ACTION REQUESTED

Present the proposed TIF request and if the Council desires, adopt Resolution 2026-026 accepting the recommended terms of TIF assistance and authorize staff to proceed with preparation of the TIF Plan and draft development agreement for future consideration by the Council.