

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF BAXTER, MINNESOTA

HELD: June 2, 2026

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Baxter, Crow Wing County, Minnesota, was duly held at the City Hall on June 2, 2026, at 7:00 P.M.

The following members were present: _____

and the following were absent: _____.

Member _____ introduced the following resolution, and moved its adoption:

RESOLUTION NO. 2026-043

RESOLUTION APPROVING THE MODIFICATION OF THE DEVELOPMENT PROGRAM FOR A DEVELOPMENT DISTRICT NO. 1, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 16: TRIDENT, APPROVING A TAX INCREMENT FINANCING PLAN THEREFOR, AND AUTHORIZING THE EXECUTION OF A TIF ASSISTANCE AGREEMENT RELATED THERETO

BE IT RESOLVED by the City Council (the “Council”) of the City of Baxter, Minnesota (the “City”), as follows:

Section 1. Recitals.

1.01. It has been proposed that the City modify the Development Program (the “Program Modification”) for Development District No. 1 (the “Development District”), establish Tax Increment Financing District No. 16: Trident within the Development District (the “TIF District”) and adopt the related Tax Increment Financing Plan therefor (the “TIF Plan”) all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, as amended (the “TIF Act”), all as reflected in that certain document entitled “Modification to the Development Program for Development District No. 1 and the Tax Increment Financing Plan for Tax Increment Financing District No. 16: Trident (a housing district)”, and presented for the Council’s consideration.

1.02. The City has performed all actions required by law to be performed prior to the modification and approval of the Program Modification and the TIF Plan, including without limitation, delivery of the Program Modification and the TIF Plan to the Board of Crow Wing County (the “County”) and the Board of Independent School District No. 181 (the “School District”), and the holding of a public hearing by the City thereon on date hereof following notice thereof published in the City’s official newspaper at least 10 but not more than 30 days prior to the public hearing.

1.03. Certain information and material (collectively, the “Materials”) relating to the TIF Plan and to the activities contemplated therein have heretofore been prepared and submitted to the Council and/or made a part of the City files and proceedings on the TIF Plan. The Materials include the tax increment application made and other information supplied by Trident Development, LLC (the “Developer”) as to the activities contemplated therein, the items listed in Appendix D to the TIF Plan, and information constituting or relating to (1) why the assistance satisfies the so-called “but for” test and (2) the bases for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Materials, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.04. The TIF District is being established to facilitate the facilitate construction of an approximately 80-unit mixed income senior rental housing facility to be known as the Timber Ridge Apartments, consisting of approximately 64 assisted-living units in a two-story building and approximately 16 memory care units in an adjacent one-story building t be located in the City (the “Development”).

1.05. There has been prepared and presented to the City Council for its consideration a certain Development Assistance Agreement, between the City and the Developer stating the Developer’s responsibilities related to the Development and the terms and conditions for the City’s assistance with financing certain costs of the Development (the “TIF Agreement”).

Section 2. Findings for the Adoption and Approval of the Program Modification and TIF Plan.

2.01. The Council hereby finds that: (a) the land within the Development District would not be available for redevelopment without the financial aid to be sought under the Program Modification; (b) the Program Modification will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Development District by private enterprise; and (c) the Program Modification conforms to the general plan for the development of the City as a whole, and otherwise promotes certain public purposes and accomplishes certain objectives as specified in the Development Program. The Development District is not being expanded and the only modification of the Program relates to the incorporation by reference of the proposed TIF District and the terms of the TIF Plan therefor.

2.02. The Council hereby finds that the TIF District is in the public interest and is a “housing district”, as defined in Minnesota Statutes, Section 469.174, Subdivision 11 for the following reasons:

The TIF District consists of a project or portions of a project intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, and any other similar present or future federal, state or municipal legislation, or the regulations promulgated under any of those acts. The Developer has represented that at least 20% of the units in the Development will be reserved for rental to persons whose annual income does not exceed 50% of applicable area median income and that no more

than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

2.03. The Council hereby makes the following additional findings:

(a) The Council further finds that the proposed Development, in the opinion of the Council, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary. The specific basis for such finding being:

The Development will result in the construction of low and moderate income housing units which would not otherwise be constructed in the reasonably foreseeable future. The rents for affordable housing projects do not provide a sufficient return on investment to stimulate new development. The Developer has represented that it could not proceed with the Development without tax increment assistance.

(b) The Council further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

The TIF Plan will generally complement and serve to implement policies adopted in the City's comprehensive plan. The housing Development contemplated on the property is in accordance with the existing zoning or approved zoning variances for the property.

(c) The Council further finds that the TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the TIF District by private enterprise. The specific basis for such finding being:

The Development proposed to occur within the TIF District is the construction by private enterprise of primarily low and moderate income senior multi-family rental housing. The development will increase the taxable market valuation of the City. The available multi-family housing in the City will increase by approximately 80 rental units with the completion of the Development and help fulfill the need for such housing in the City.

2.04. The City elects to retain all of the captured tax capacity to finance the costs of the TIF District and the Development District. In accordance with Minnesota Statutes, Section 469.175, Subd. 1(b), the City elects to delay the receipt of the first increment until tax payable year 2028.

2.05. The provisions of this Section 2 are hereby incorporated by reference into and made a part of the TIF Plan and the findings in the TIF Plan are incorporated herein by reference and made a part hereof.

2.06. The Council further finds that the Program Modification and TIF Plan are intended and in the judgment of the Council its effect will be to promote the public purposes and accomplish the objectives specified therein.

2.07. The TIF District is hereby established and the Program Modification and TIF Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the Finance Director. City staff shall, in writing, request the Crow Wing County Auditor to certify the new TIF District and file the Program Modification and TIF Plan with the Commissioner of Revenue and the Office of the State Auditor.

Section 3. Approval of TIF Agreement.

3.01. The City Council hereby approves the TIF Agreement in substantially the form presented to the City Council, together with any related documents necessary in connection therewith, including but not limited to any documents, exhibits, certifications or consents referenced in or attached to the TIF Agreement including without limitation the TIF Note (as defined in the TIF Agreement) and consents to collateral assignments necessary to secure financing for the Project (collectively, the “Development Documents”), and hereby authorizes the City’s Finance Director to negotiate the final terms thereof and authorizes the Mayor and Assistant City Administrator/Clerk, in their discretion and at such time, if any, as they may deem appropriate, to execute the same on behalf of the City, and to carry out, on behalf of the City, the City’s obligations thereunder.

3.02. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the City and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein.

3.03. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the City Council by any duly designated acting official, or by such other officer or officers of the City Council as, in the opinion of the City Attorney, may act in their behalf. Upon execution and delivery of the Development Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Development Documents, including without limitation the issuance of the TIF Note thereunder, when all conditions precedent thereto have been satisfied.

3.04. The City Council hereby determines that the execution and performance of the Development Documents will help realize the public purposes of the Act.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon a vote being taken thereon, the following voted in favor thereof: _____;

the following voted against the same: _____;

and the following abstained: _____.

Whereupon said resolution was declared to have been duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF CROW WING
CITY OF BAXTER

I, the undersigned, being the duly qualified and acting City Clerk of the City of Baxter, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the Council duly called and held on the date therein indicated, insofar as such minutes relate to the adoption of a modification to the Development Program for Development District No. 1 and the establishment of Tax Increment Financing District No. 16: Trident and the adoption of the tax increment financing plan.

WITNESS my hand on this 2nd day of June, 2026.

Kelly Steele
Assistant City Administrator/City Clerk