

**CITY OF MAPLE PLAIN**

**RESOLUTION NO. 2026-0223-02**

**RESOLUTION AUTHORIZING INTERFUND LOAN FOR  
ADVANCE OF CERTAIN COSTS IN CONNECTION WITH  
A PROPOSED TAX INCREMENT FINANCING DISTRICT**

BE IT RESOLVED by the city council of the City of Maple Plain, Minnesota (the “City”) as follows:

Section 1. Background.

1.01. The City intends to establish Tax Increment Financing District No. 2-1 (the “TIF District”), pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended, (the “TIF Act”) to assist a multifamily residential project.

1.02. The City will incur and has determined to pay for certain administrative and other eligible costs related to the TIF District (the “Qualified Costs”), which costs may be financed on a temporary basis from City funds prior to the availability of tax increment from the TIF District.

1.03. Under Section 469.178, subdivision 7 of the TIF Act, the City is authorized to advance or loan money from the City’s general fund or any other fund from which such advances may be legally authorized to finance the Qualified Costs.

1.04. The City will loan funds from its general fund (the “General Fund”), or any other fund designated by the City Administrator, to finance the Qualified Costs (the “Interfund Loan”) in accordance with the terms of this resolution.

Section 2. Interfund Loan Authorized.

2.01. The City hereby authorizes the advance of up to \$50,000 from the General Fund or other funds or so much thereof as may be paid as Qualified Costs. The City will reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 and Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 5.0% and will not fluctuate.

2.02. Principal and interest (the “Payments”) on the Interfund Loan shall be paid semiannually on each February 1 and August 1 (each a “Payment Date”), commencing on the first Payment Date on which the City has Available Tax Increment (defined below), or on any other dates determined by the City Administrator through the date of last receipt of tax increment from the TIF District.

2.03. Payments on this Interfund Loan are payable solely from “Available Tax Increment,” which shall mean, on each Payment Date, tax increment available after other obligations of the TIF District have been paid, or as determined by the City Administrator, generated in the preceding six months with respect to the property within the TIF District and remitted to the City by Hennepin County, all in accordance with the TIF Act. Payments shall be applied first to accrued interest, and then to unpaid principal. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds or notes issued by the City and secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this Interfund Loan are prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

2.05. This Interfund Loan is evidence of an internal borrowing by the City in accordance with Section 469.178, subdivision 7 of the TIF Act, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may at any time make a determination to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.

2.07. The City may from time to time amend the terms of this resolution to the extent permitted by law, including without limitation amendment to the payment schedule and the interest rate; provided, however, that the interest rate may not be increased above the maximum specified in Section 469.178, subdivision 7 of the TIF Act.

2.08. City officials and consultants are hereby authorized and directed to execute any documents or take any actions necessary or convenient to carry out the intent of this resolution.

Adopted this 23<sup>rd</sup> day of February, 2026.

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Julie Maas-Kusske, Mayor

Attest:

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Jacob Schillander, City Administrator