CITY OF MAPLE PLAIN

Economic Development Authority

ECONOMIC DEVELOPMENT AUTHORITY MEMORANDUM

Maple Plain Townhome Redevelopment – TIF District No. 2-2

Request to Extend District Term • 20 Years to 26 Years • 5370 Highway 12

To:	Maple Plain Economic Development Authority
From:	City Staff
Meeting Date:	Monday, August 10, 2026
Applicant:	Equinox Development Partners, LLC
Location:	5370 Highway 12, Maple Plain, MN
Re:	TIF District No. 2-2 – Request to Extend District Term from 20 to 26 Years

DISCUSSION

On April 13, 2026, staff presented a concept-level memorandum to the Authority regarding the proposed redevelopment of the property located adjacent to 5370 Highway 12 by Equinox Development Partners. The concept consisted of approximately 85 rental townhome units on the approximately 6.5-acre site, which is zoned Mixed-Use Budd Avenue (MU-B). At that meeting, the Authority provided favorable, policy-level feedback on the general land use concept and expressed preliminary willingness to explore the use of redevelopment tax increment financing (TIF) to support the project, with no specific TIF structure, term, or participation level established at that time.

Since the April 13 meeting, the developer has submitted formal applications requesting City approval and land use entitlement for the project. As part of preparing more detailed construction plans and completing additional due diligence, the developer has identified extraordinary site costs that were not fully known at the concept stage. These include the following:

- A sidewalk connection linking the development to the existing HAWK-controlled pedestrian signal intersection. The City's engineering consultant, Bolton & Menk, has prepared a preliminary construction cost estimate of $225,095 for this connection, dated July 20, 2026 (see Exhibit A and Exhibit B). This connection had been identified by the City during the concept review as a desired improvement to link the development to the downtown area.
- Soil correction and remediation costs associated with site conditions identified through geotechnical and environmental due diligence.
- Other site-related development costs identified during final engineering and design.

The City had previously found, on a preliminary basis, that the project could move forward with a 20-year term of TIF reimbursement (a standard term for a redevelopment TIF district under Minnesota law is up to 26 years).

In light of the additional costs summarized above, the developer has requested that the City consider extending the TIF district term to the full 26 years permitted for redevelopment districts, rather than the 20-year term previously discussed.

TIF Consultant Analysis

The City's TIF consultant, Northland Securities, has prepared a memorandum dated August 4, 2026, along with updated TIF cash flow projections, comparing the two scenarios (copy attached). A summary of the key differences is provided below.

Item (Estimated)	Scenario A (20 Years)	Scenario B (26 Years)	Difference
District Duration	2029–2048	2029–2054	+6 years
Total Net Available TIF to Developer	$6,277,683	$8,805,067	+$2,527,384
Present Value of Net TIF to Developer @ 6.0%	$3,500,000	$4,151,000	+$651,000

Both scenarios are structurally identical through 2048; Scenario B simply extends the district and the associated increment collection for an additional six years (2049–2054), with no change to the base tax capacity, tax rate, or growth assumptions. Because present value discounts more heavily for cash flows received further in the future, the additional six years increase total nominal assistance to the developer by approximately $2.53 million but increase the present value of that assistance by a more modest $651,000 (at a 6.0% discount rate).

Considerations for the Authority

- Site Improvement Costs: The developer has identified additional extraordinary site improvement costs in recent weeks, prompting the request for a 26-year term.
- Sidewalk Connection: The City has expressed interest in a sidewalk connection linking the development to downtown; construction of this connection by the developer, estimated at $225,095 (Exhibit A), is a contributing factor to the increased cost of the project.
- Project Feasibility: Whether the additional $651,000 in present-value assistance under Scenario B is necessary for the project to be financially viable, or whether the $3.5 million provided under Scenario A is sufficient.
- Duration and Flexibility: A 26-year district extends the City's TIF obligations and administrative responsibilities through 2054. The Authority should weigh whether the additional assistance justifies the longer commitment.
- Statutory Eligibility: A 26-year term is permissible under Minnesota TIF statutes for a redevelopment district.
- Community Benefit: Both scenarios support development of the same 85 rental townhome units. The Authority should consider whether the extended term meaningfully improves the likelihood of project completion and long-term community benefit.

Public Hearing Timing

A public hearing on the establishment of TIF District No. 2-2 is currently scheduled before the City Council on August 12, 2026, based on the 20-year term (Scenario A). Should the Authority find that the requested extension to a 26-year term is justified, staff recommends that the City cancel the August 12 public hearing and reschedule it for a future date, so that the public hearing notice and TIF plan can be updated to reflect the revised term and supporting financial information.

Requested Action

Staff is seeking feedback and direction from the Authority regarding the developer's request to extend TIF District No. 2-2 from a 20-year to a 26-year term. No formal action is required at this meeting; staff will proceed based on the direction provided by the Authority, including, if warranted, rescheduling the City Council public hearing.

ATTACHMENTS

- Northland Securities Memorandum, “TIF District 2-2 – Comparing Terms for District,” dated August 4, 2026 (includes Scenario A and Scenario B cash flow projections).
- Exhibit A: Engineer's Preliminary Cost Estimate – Equinox Townhome Hwy 12 Sidewalk, Bolton & Menk, dated July 20, 2026.
- Exhibit B: Sidewalk Alignment Plan – Equinox Townhome Hwy 12 Sidewalk, Bolton & Menk, dated July 2026.

EXHIBIT A – ENGINEER'S PRELIMINARY COST ESTIMATE

BOLTON & MENK
Real People. Real Solutions.

ENGINEER'S PRELIMINARY COST ESTIMATE

Equinox Townhome HWY 12 Sidewalk

City of Maple Plain, MN

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Item No.	Item	Estimated Quantity	Unit	Unit Price	Amount
1	MOBILIZATION	1	LS	$10,000.00	$10,000.00
2	TRAFFIC CONTROL	1	LS	$5,000.00	$5,000.00
3	REMOVE CONCRETE CURB & GUTTER	60	LF	$6.00	$360.00
4	REMOVE CONCRETE DRIVE	710	SF	$5.00	$3,550.00
5	COMMON EXCAVATION	115	CY	$55.00	$6,325.00
6	AGGREGATE BASE, CL 5	115	CY	$35.00	$4,025.00
7	BITUMINOUS WEAR COURSE	25	TON	$105.00	$2,625.00
8	4" CONCRETE WALK	2950	SF	$8.00	$23,600.00
9	6" CONCRETE WALK/DRIVE	950	SF	$10.00	$9,500.00
10	TRUNCATED DOMES	30	SF	$75.00	$2,250.00
11	CONCRETE CURB & GUTTER	60	LF	$40.00	$2,400.00
12	RETAINING WALL	320	LF	$100.00	$32,000.00
13	DECORATIVE LIGHTING	1	LS	$100,000.00	$100,000.00
14	EROSION CONTROL	1	LS	$3,000.00	$3,000.00
				Subtotal	$204,635.00
				10% Contingency	$20,460.00
				Total Estimated Construction Cost	**$225,095.00**

Exhibit A – Equinox Townhome Hwy 12 Sidewalk, Engineer's Preliminary Cost Estimate (Bolton & Menk, dated July 20, 2026)

EXHIBIT B – SIDEWALK ALIGNMENT PLAN

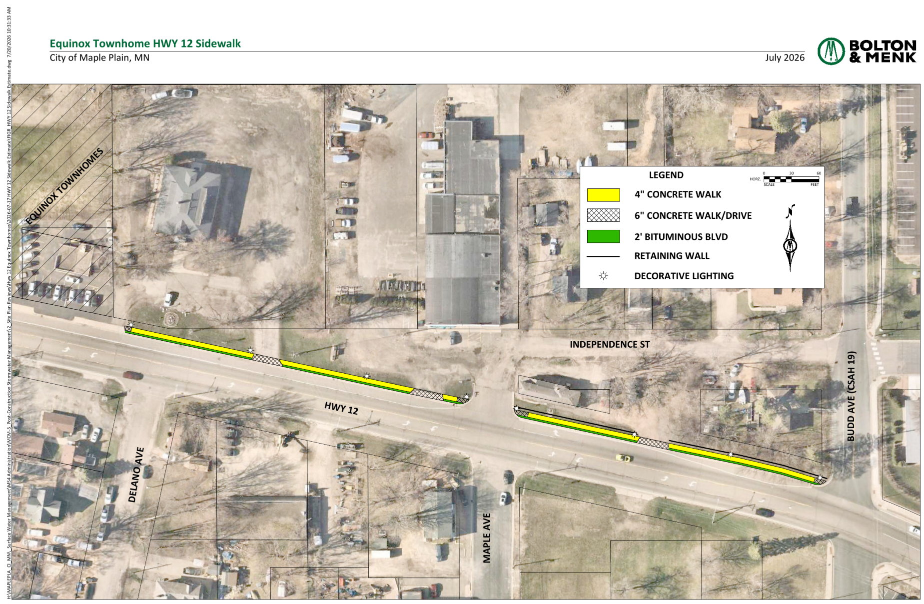

Exhibit B – Equinox Townhome Hwy 12 Sidewalk, Conceptual Alignment (Bolton & Menk, dated July 2026)

MEMORANDUM

To:	City of Maple Plain
From:	Tammy Omdal
Date:	August 4, 2026
Re:	Tax Increment Financing (TIF) District 2-2

Purpose

This memorandum summarizes and compares two financing scenarios for TIF District No. 2-2 located at 5370 Hwy 12. The City of Maple Plain (the "City") is to consider whether to establish a 20-year district (Scenario A) or a 26-year district (Scenario B) to determine the appropriate level of financial assistance to the developer of an approximately 85-unit rental townhome project.

Background

The proposed TIF District No. 2-2 is a Redevelopment district. The first year of tax increment collection is anticipated to be 2029, with the project assumed to be 25% complete in 2027 (for taxes payable 2029) and 100% complete in 2027 (for taxes payable 2030). Both scenarios share identical assumptions regarding property valuation, tax rates, and growth:

- Estimated Taxable Market Value (TMV): ~$24.5M at full build-out (85 units × ~$285,000/unit)
- Annual TMV Growth Rate: 1.0%
- Original Tax Capacity Rate: 118.21% (based on Taxes Payable 2026)
- Captured Tax Capacity Election: 100%
- Original Base Tax Capacity: $15,563

Scenario Comparison

Items (All Items are Estimated)	Scenario A (20 Years)	Scenario B (26 Years)	Difference
District Duration	2029–2048	2029–2054	+6 years
Total Net Available TIF to Developer	$6,277,683	$8,805,067	$2,527,384
Present Value of Net TIF to Developer @ 6.0%	**$3,500,000**	**$4,151,000**	**$651,000**

Key Observations

1. Additional developer assistance extending the district by six years increases the present value of assistance to the developer by $651,000 (from $3.5M to $4.151M at a 6.0% discount rate). On a nominal basis, the developer would receive approximately $2.53M more in total increment over the life of the district.
2. Incremental value diminishes over time because the present value calculation discounts future cash flows, the six additional years (2049–2054) contribute meaningfully in nominal dollars (~$2.5M in increment) but a more modest $651,00 in present value terms at a 6.0% rate. This reflects the time-value effect of receiving those dollars 20+ years from now.
3. The two scenarios are structurally identical through 2048. Scenario B extends the district for six additional years under the same assumptions. There is no change to the base tax capacity, tax rate, or growth assumptions in the extended period.

Considerations for the City

When evaluating the two scenarios, the City may wish to consider the following:

- Site Improvement Costs: Developer has identified additional extraordinary site improvement costs in recent weeks causing the developer to request the City consider a 26-year term for assistance.
- Sidewalk Connection: City desires for a sidewalk connection to be constructed, preferably by the developer to connect the housing to the City's downtown area.
- Project Feasibility: Does the developer require the additional $651,000 in present-value assistance (Scenario B) to make the project financially viable or is the $3.5M provided under Scenario A sufficient?
- Duration and Flexibility: A 26-year district extends the City's TIF obligations and administrative responsibilities through 2054. The Council should weigh whether the additional assistance justifies the longer commitment.
- Statutory Eligibility: A 26-year term is permissible under Minnesota TIF statutes for a Redevelopment district.
- Community Benefit: Both scenarios support the development of 85 rental townhome units. The Council should assess whether the extended district duration meaningfully improves the likelihood of project completion and provides long-term community benefit.

This memorandum is intended for informational and deliberative purposes. All projections are based on the assumptions noted above. Final TIF district estimates and terms may vary based on updated assumptions and plans.

Scenario A: 20-Year Duration

City of Maple Plain

Tax Increment Financing District No. 2-2 (Redevelopment)

5370 Hwy 12

Projected Tax Increment Financing (TIF) Cash Flow

TIF District Year	Taxes Payable Year	Taxable Market Value (TMV)	Captured Tax Capacity for TIF	Original Tax Rate	Available TIF from District	PV Available TIF (5.0%)	TIF to City	Net Available TIF to Developer	PV Net Available TIF to Developer (6.0% rate)
1	2029	6,056,250	60,141	118.21%	70,834	67,983	7,083	63,751	60,693
2	2030	24,467,250	290,278	118.21%	341,891	380,303	34,189	307,702	336,819
3	2031	24,711,923	293,337	118.21%	345,493	680,706	34,549	310,943	599,836
4	2032	24,959,042	296,426	118.21%	349,132	969,644	34,913	314,218	850,367
5	2033	25,208,632	299,545	118.21%	352,806	1,247,555	35,281	317,526	1,089,001
6	2034	25,460,718	302,696	118.21%	356,517	1,514,857	35,652	320,865	1,316,303
7	2035	25,715,326	305,879	118.21%	360,265	1,771,953	36,027	324,239	1,532,809
8	2036	25,972,479	309,093	118.21%	364,052	2,019,233	36,405	327,647	1,739,032
9	2037	26,232,204	312,340	118.21%	367,876	2,257,070	36,788	331,088	1,935,458
10	2038	26,494,526	315,619	118.21%	371,738	2,485,823	37,174	334,564	2,122,553
11	2039	26,759,471	318,931	118.21%	375,638	2,705,838	37,564	338,074	2,300,758
12	2040	27,027,066	322,276	118.21%	379,578	2,917,448	37,958	341,620	2,470,494
13	2041	27,297,336	325,654	118.21%	383,557	3,120,973	38,356	345,201	2,632,165
14	2042	27,570,310	329,066	118.21%	387,576	3,316,720	38,758	348,818	2,786,152
15	2043	27,846,013	332,513	118.21%	391,635	3,504,987	39,164	352,472	2,932,819
16	2044	28,124,473	335,993	118.21%	395,734	3,686,057	39,573	356,161	3,072,515
17	2045	28,405,718	339,509	118.21%	399,875	3,860,206	39,988	359,888	3,205,569
18	2046	28,689,775	343,060	118.21%	404,057	4,027,697	40,406	363,651	3,332,296
19	2047	28,976,673	346,646	118.21%	408,281	4,188,784	40,828	367,453	3,452,998
20	2048	29,266,439	350,268	118.21%	412,547	4,343,711	260,745	151,802	3,500,000
				TOTAL =	7,219,081	4,343,711	941,398	6,277,683	3,500,000

Key Assumptions:

1. Taxable market value (TMV) annual growth assumption = 1.0%.
2. Original Tax Capacity Rate for calculation of Available TIF from District is estimated based on Taxes Payable Year 2026
3. Election for captured tax capacity is 100.00%.
4. Base Tax Capacity is calculated based on estiamted TMV value of the Property within the TIF District. Base value will be established based on final plat of the Property and TMV at time of request for certification of the TIF District.
5. Present Value (PV) Net Available TIF calculated on semi-annual payments and stated rates above and dated date 1/1/2029.
6. TMV is estimated based on an approximately 85 rental townhome residential units with estimated average value of approximately $285,000/unit (today's dollars).
7. Available TIF from District is after deduction of State Auditor Fee (0.36%).
8. City to elect 2029 as first year of tax increment collection. Analysis assumes project is 25% completed in 2027 for valuation for tax payable in 2029; and 100% completed in 2027 for tax payable in 2030.

Scenario B: 26-Year Duration

City of Maple Plain
Tax Increment Financing District No. 2-2 (Redevelopment)
5370 Hwy 12
Projected Tax Increment Financing (TIF) Cash Flow

TIF District Year	Taxes Payable Year	Taxable Market Value (TMV)	Captured Tax Capacity for TIF	Original Tax Rate	Available TIF from District	PV Available TIF (5.0%)	TIF to City	Net Available TIF to Developer	PV Net Available TIF to Developer (6.0% rate)
1	2029	6,056,250	60,141	118.21%	70,834	67,983	7,083	63,751	60,693
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3	2031	24,711,923	293,337	118.21%	345,493	680,706	34,549	310,943	599,836
4	2032	24,959,042	296,426	118.21%	349,132	969,644	34,913	314,218	850,367
5	2033	25,208,632	299,545	118.21%	352,806	1,247,555	35,281	317,526	1,089,001
6	2034	25,460,718	302,696	118.21%	356,517	1,514,857	35,652	320,865	1,316,303
7	2035	25,715,326	305,879	118.21%	360,265	1,771,953	36,027	324,239	1,532,809
8	2036	25,972,479	309,093	118.21%	364,052	2,019,233	36,405	327,647	1,739,032
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19	2047	28,976,673	346,646	118.21%	408,281	4,188,784	40,828	367,453	3,452,998
20	2048	29,266,439	350,268	118.21%	412,547	4,343,711	41,255	371,293	3,567,960
21	2049	29,559,104	353,926	118.21%	416,856	4,492,713	41,686	375,170	3,677,454
22	2050	29,854,695	357,621	118.21%	421,208	4,636,015	42,121	379,087	3,781,741
23	2051	30,153,242	361,353	118.21%	425,603	4,773,836	42,560	383,043	3,881,066
24	2052	30,454,774	365,122	118.21%	430,042	4,906,384	43,004	387,038	3,975,667
25	2053	30,759,322	368,929	118.21%	434,526	5,033,861	43,453	391,073	4,065,767
26	2054	31,066,915	372,774	118.21%	439,055	5,156,459	46,573	392,481	4,151,000
				TOTAL =	9,786,372	5,156,459	981,305	8,805,067	4,151,000

Key Assumptions:

1 Taxable market value (TMV) annual growth assumption = 1.0%.
2 Original Tax Capacity Rate for calculation of Available TIF from District is estimated based on Taxes Payable Year 2026
3 Election for captured tax capacity is 100.00%.
4 Base Tax Capacity is calculated based on estiamted TMV value of the Property within the TIF District. Base value will be established based on final plat of the Property and TMV at time of request for certification of the TIF District.
5 Present Value (PV) Net Available TIF calculated on semi-annual payments and stated rates above and dated date 1/1/2029.
6 TMV is estimated based on an approximately 85 rental townhome residential units with estimated average value of approximately $285,000/unit (today's dollars).
7 Available TIF from District is after deduction of State Auditor Fee (0.36%).
8 City to elect 2029 as first year of tax increment collection. Analysis assumes project is 25% completed in 2027 for valuation for tax payable in 2029; and 100% completed in 2027 for tax payable in 2030.