Executive Summary

City Council Business Meeting

AGENDA ITEM-NEW BUSINESS:	Resolution 2026-0223-02 Authorizing Interfund Loan for Advance of Certain Costs in Connection with a Proposed TIF District
PREPARED BY:	Mark Kaltsas, City Planner
RECOMMENDED ACTION: 1 Motion	
1. Motion to approve Resolution 2026-0223-02 Authorizing Interfund Loan for Advance of Certain Costs in Connection with a Proposed TIF District	

Summary

Resolution No. 2026-0223-02 authorizes an interfund loan to advance certain eligible costs associated with the proposed Tax Increment Financing (TIF) District No. 2-1, which is intended to support a multifamily residential development in the City of Maple Plain. Prior to the receipt of tax increment revenues, the City expects to incur administrative and other qualified costs necessary to establish and manage the TIF district.

Under this resolution, the City Council authorizes the advance of up to $50,000 from the City's General Fund, or another fund designated by the City Administrator, to temporarily finance these qualified costs. The interfund loan will accrue interest at a fixed rate of 5.0 percent, beginning on the date each advance is made. Repayment of principal and interest will occur semiannually, on February 1 and August 1, and will be made solely from available tax increment generated by the TIF district after other required obligations are satisfied.

The resolution clarifies that this interfund loan is a limited obligation of the City and does not constitute a general obligation or pledge of the City's full faith and credit. The City may prepay the loan at any time without penalty, subordinate the loan to other TIF-related obligations, amend its terms as permitted by law, or forgive the outstanding balance if legally allowed. City officials are authorized to take all actions necessary to implement the resolution.

Recommendation

Staff recommends approval of Resolution 2026-0223-02 Authorizing Interfund Loan for Advance of Certain Costs in Connection with a Proposed TIF District