



**MINUTES
PUBLIC HEARING FOR TIF DISTRICT
MAPLE PLAIN CITY HALL
February 09, 2026
7:00 PM**

1. WELCOME

PRESENT: Mayor Julie Maas-Kusske, Councilmember Mike DeLuca, Councilmember Connie Francis, Councilmember Andrew Burak & Councilmember Rochelle Arvizo

ABSENT: Councilmember Mike DeLuca

STAFF PRESENT: City Administrator Jacob Schillander and City Planner Mark Kaltsas

2. CALL TO ORDER

Mayor Maas-Kusske called the meeting to order at 7:00 PM

3. PLEDGE OF ALLEGIANCE

4. ADOPT AGENDA

Councilmember Burak made a motion to approve the agenda. Seconded by Councilmember Francis.

Voting Yea: Mayor Maas-Kusske, Councilmember Francis, Councilmember Burak & Councilmember Arvizo.

Motion Passed 4-0

5. NEW BUSINESS

A. Development Program for Development District 2 and TIF for District 2-1

Mayor Maas-Kusske introduced the sole business item of the evening: consideration of a Development Program for Development District No. 2 and the establishment of Tax Increment Financing (TIF) District No. 2 1. The item was referred to City Planner Kaltsas for presentation.

Staff Presentation

City Planner Kaltsas explained that the purpose of the meeting was to conduct a public hearing related to the creation of Development District No. 2 and Redevelopment TIF District No. 2 1 for a proposed 95 unit market rate apartment development on City owned property in the downtown area. The developer had requested TIF assistance

after financial analysis demonstrated that the project could not proceed with private investment alone.

City Planner Kaltsas outlined that the proposed TIF district would include most properties within what is commonly referred to as the “City Hall block,” excluding one corner parcel. The district would be established as a redevelopment district with a maximum term of 26 years, using a pay as you go TIF structure.

The estimated total project cost was approximately \$21.7 million. Independent TIF consultants reviewed the developer’s pro forma and concluded that the use of TIF was reasonable and necessary for the project to proceed. The proposed TIF assistance totaled approximately \$2.889 million in present value, to be reimbursed only from actual tax increments generated by the project.

City Planner Kaltsas further explained that total projected tax increments over the life of the district were estimated at approximately \$8.7 million, with roughly \$2.889 million reimbursed to the developer and approximately \$1.7 million retained by the City for eligible redevelopment related costs such as infrastructure improvements. The remaining increments would continue to flow to the City, County, School District, and other taxing jurisdictions after the district is closed.

City Planner Kaltsas noted that the estimated market value assumptions were based on an average of approximately \$280,000 per unit and emphasized that no City debt would be issued as part of the TIF structure.

Council Questions and Discussion

Councilmembers asked questions regarding potential impacts on residents, taxpayers, and City budgets. City Planner Kaltsas explained that TIF does not divert existing tax revenue and that base taxes continue to flow to all taxing jurisdictions. Only the incremental increase in value created by the development is captured.

City Planner Kaltsas clarified that under the pay as you go structure, the City only reimburses the developer from taxes actually generated by the project. If the project underperforms, reimbursements are reduced accordingly, and the City bears no additional financial risk.

Further discussion addressed the City’s ability to access retained TIF revenues prior to district closure. City Planner Kaltsas explained that the City would retain 30% of the tax increment annually, allowing access to revenue early in the district’s life for eligible public improvements or to support debt service if needed.

Councilmembers also discussed potential impacts on surrounding property values, infrastructure, traffic, and long term tax base growth. City Planner Kaltsas noted that higher density development on a compact footprint generally provides positive tax base impacts relative to the level of services required.

6. PUBLIC HEARING DEVELOPMENT DISTRICT 2 AND TAX INCREMENT FINANCING (TIF) DISTRICT 2-1 FOR REDEVELOPMENT OF THE DOWNTOWN AREA

A motion was made by Councilmember Francis and seconded by Councilmember Burak to open the public hearing.

Voting Yea: Mayor Maas-Kusske, Councilmember Francis, Councilmember Burak & Councilmember Arvizo.

Motion Passed 4-0 and the public hearing opened at 7:20 PM

Public Comment

Deb Moore, 5665 Main Street West, expressed concerns about existing traffic congestion and the ability to cross Highway 12, particularly given increased traffic from Delano and surrounding areas. She also expressed a preference for green space near the library rather than additional multi story development.

City Planner Kaltsas responded by outlining traffic safety considerations associated with the project, including the potential closure of Budd Avenue south of Highway 12 to reduce conflict points. City Planner Kaltsas also discussed ongoing conversations with the County Library regarding potential relocation or redevelopment opportunities that could improve sight lines and intersection safety at Main Street and Highway 12.

City Administrator Schillander encouraged residents to engage with state legislators regarding Highway 12 improvements and noted the City's participation in the Highway 12 Coalition.

No additional public comments were made.

A motion was made by Councilmember Francis to close the public hearing. Seconded by Councilmember Burak.

Voting Yea: Mayor Maas-Kusske, Councilmember Francis, Councilmember Burak & Councilmember Arvizo.

Motion Passed 4-0 and the public hearing closed at 7:24 PM

7. ADJOURNMENT

Councilmember Francis made a motion to adjourn. Seconded by Councilmember Burak.

Voting Yea: Mayor Maas-Kusske, Councilmember Francis, Councilmember Burak & Councilmember Arvizo.

Motion passed 4-0

The meeting adjourned at 7:24 PM

I, Jacob W. Schillander, being duly sworn, depose and say:

That I am the City Administrator of the City of Maple Plain, and that the foregoing minutes are a true and correct record of the meeting held on the date indicated above at Maple Plain City Hall. I certify that the minutes accurately reflect all actions taken, including votes, motions, resolutions, and ordinances, and that they are in compliance with all applicable legal requirements.

Signed:



Jacob W. Schillander
City Administrator