**AGENDA**
**ECONOMIC DEVELOPMENT AUTHORITY MEETING**
**MAPLE PLAIN CITY HALL**
**August 10, 2026**
**7:00 PM**

1. **CALL TO ORDER**
2. **ADOPT AGENDA**
3. **MINUTES**
    A. Meeting Minutes from 04-13-26
4. **OLD BUSINESS**
5. **NEW BUSINESS**
    A. TIF District 2-2 Term Extension
6. **OTHER BUSINESS**
    A. Staff Report - Business Visit - Monies, Bank of Maple Plain, Haven Homes, and The Daily Store
7. **ADJOURNMENT**

This meeting will be recorded and then posted to the City website within 3 to 5 business days.

MINUTES
ECONOMIC DEVELOPMENT AUTHORITY MEETING
MAPLE PLAIN CITY HALL
April 13, 2026
7:00 PM



## 1. CALL TO ORDER

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

PRESENT: Chair Julie Maas-Kusske, Commissioner Mike DeLuca, Commissioner Connie Francis, Commissioner Andrew Burak, Commissioner Rochelle Arvizo, Commissioner Jack Henrich, and Commissioner Adam Warden

## 2. ADOPT AGENDA

Commissioner Francis made a motion to approve the meeting agenda. Seconded by Commissioner Warden.

Voting Yea: Chair Maas-Kusske, Commissioner DeLuca, Commissioner Francis, Commissioner Burak, Commissioner Arvizo, Commissioner Jack Henrich, and Commissioner Adam Warden

Motion Passed 7-0

## 3. MINUTES

A. Meeting Minutes from 01/12/2026

Motion by Commissioner DeLuca to approve the minutes. Commissioner Francis seconded the motion.

Voting Yea: Chair Maas-Kusske, Commissioner DeLuca, Commissioner Francis, Commissioner Burak, Commissioner Arvizo, Commissioner Jack Henrich, and Commissioner Adam Warden

Motion Passed 7-0

## 4. OLD BUSINESS

## 5. NEW BUSINESS

A. MU-B Townhome Development

City Planner Mark Kaltsas presented the concept plan and development proposals for the Mixed-Unit B Townhome Development. Noting the use of the land and the need for more rooftops to support more commercial business. City Planner Kaltsas noted rental townhomes are not a current product in the area and creates an argument for continued development. Utilities need to be accounted for and the impact on the Cities water supply. An additional access onto highway 12 will run through Pioneer to Halgren.

EDA Direction: bring the concept to the planning commission for review.

## 6. OTHER BUSINESS

A. Staff Report - Business Visit

Assistant City Administrator Larson presented an overview of a business visit with Spikes & Houles.

## 7. ADJOURNMENT

Commissioner Henrich made a motion to adjourn. Seconded by Commissioner Francis.

Voting Yea: Chair Maas-Kusske, Commissioner Deluca, Commissioner Francis, Commissioner Burak, Commissioner Arvizo, Commissioner Henrich and Commissioner Warden

Motion Passed 7-0

The commission adjourned at 7:41

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

CITY OF MAPLE PLAIN

**Executive Summary**
Economic Development Authority

| | |
|---|---|
| **AGENDA ITEM:** | TIF District 2-2 Term Extension |
| **PREPARED BY:** | Mark Kaltsas, City Planner |
| **RECOMMENDED ACTION: Discussion** | |

Please review the documentation provided by City Planner Mark Kaltsas.

# 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**

H:\MAPLEPLA_CI_MN_Surface Water Management\MS4 Administration\MCM-5_Post-Construction Stormwater Management\2_Site Plan Reviews\ 7/20/2026

| 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

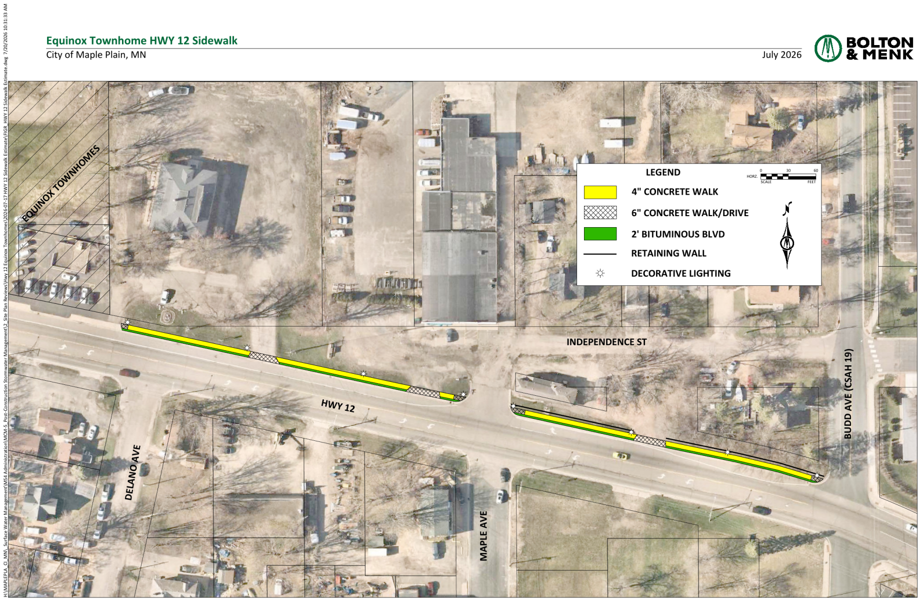


*Exhibit B – Equinox Townhome Hwy 12 Sidewalk, Conceptual Alignment (Bolton & Menk, dated July 2026)*

## 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 |
| 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 | 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.

# Executive Summary

Economic Development Authority

| | |
|---|---|
| **AGENDA ITEM:** | Staff Report - Business Visit |
| **PREPARED BY:** | Kevin Larson, Assistant City Administrator |
| **RECOMMENDED ACTION: No action needed** | |

Assistant City Administrator Larson conducted three onsite 30-minute business visits with Monies, Bank of Maple Plain, Haven Homes, and The Daily Store. The intent was to better understand current operations, challenges, and future needs. We walked throughout the store speaking about the current business environment/operations, facility needs, economic trends and the future.

**Business:** Monies / TJA Pub LLC / Jason Admonius

1. **Business Health & Operations:** Monies is a long-established Maple Plain business that has been owned and operated by Jason Admonius since 2010. The business maintains a stable workforce, with long-term employees and minimal turnover, indicating consistent operational health. Its customer base is primarily composed of residents from Maple Plain, Medina, and Independence, demonstrating a strong local and regional market presence.

   During the discussion, Mr. Admonius identified the evolving regulatory environment as the most significant challenge affecting business operations. Specifically, he cited increasing State of Minnesota and Hennepin County labor requirements, including changes to minimum wage and workers' compensation regulations, as contributing to rising operating costs. He noted that continued increases in these regulatory expenses may ultimately require the business to pass additional costs on to customers through higher prices. Overall, the business remains operationally stable, but future profitability will continue to be influenced by external regulatory and labor cost pressures.
2. **Space, Location & Facility Needs:** The current facility adequately supports the business's day-to-day operations; however, Mr. Admonius indicated that additional capacity may be needed to accommodate future growth. Expansion opportunities are constrained by MnDOT setback requirements, which limit the ability to expand the building footprint. While horizontal expansion is not feasible under the current site constraints, vertical expansion remains a potential option. Mr. Admonius also identified parking improvements as a long-term facility need, with plans to eventually pave the existing parking lot to enhance customer access and site functionality. At this time, the business has no plans to relocate or undertake significant building renovations.
3. **Regulations & Business Climate:** Mr. Admonius expressed a positive working relationship with the City of Maple Plain and indicated that City processes have been responsive and effective in supporting his business. He did not identify any significant concerns with local regulations or administrative procedures. As a potential service enhancement, he suggested that the City provide an annual reminder to licensed businesses in September regarding the upcoming liquor license renewal process, noting that the renewal timeline can be easy to overlook. Overall, Mr. Admonius indicated that his primary regulatory challenges stem from County and State requirements rather than City policies or procedures.
4. **Economic Environment & Trends:** Mr. Admonius reported that Monies has experienced an increase in sales since the opening of the Kwik Trip location in Maple Plain, suggesting that the additional commercial activity has generated increased customer traffic within the community. He indicated that he does not view neighboring businesses as direct competitors, noting that patrons frequently visit multiple local establishments, creating a mutually beneficial business environment. No significant concerns were identified regarding supply chain disruptions, technology needs, or other external operational factors affecting the business at this time.
5. **Future Vision:** Looking toward the future, Mr. Admonius emphasized that continued residential growth will be essential to the long-term success of Maple Plain's business community. He encouraged the City to support additional housing development, noting that increasing the number of residential "rooftops" will strengthen the local customer base and support sustained economic growth. Mr. Admonius identified County and State regulatory requirements as the primary long-term challenges facing businesses, while indicating that local regulations have not created significant barriers. Overall, he expressed confidence in the business climate in Maple Plain and conveyed his appreciation for the City's ongoing support of the local business community.

Business: Bank of Maple Plain / Loan Officer Fred Humphrey

1. **Business Health & Operations:** The Bank of Maple Plain, established in 1905, continues to maintain a strong presence in the community through its relationship-based approach to banking. Mr. Humphrey reported that staffing remains stable, with a long-tenured employee base and minimal turnover. The bank's customer base is characterized by long-term relationships, with current lending activity reflecting a greater emphasis on home renovations and home improvements rather than new home purchases. Looking ahead, the bank's primary business objective is to thoughtfully expand its loan portfolio by offering a broader range of lending products while continuing to strengthen its deposit base. One operational challenge identified is the bank's relatively low loan-to-deposit ratio, as the institution currently relies heavily on deposits. Additionally, the bank faces significant competition in the auto lending market, where large financial institutions and dealership financing programs often offer more competitive rates. Mr. Humphrey emphasized that the bank differentiates itself through personalized customer service, focusing on understanding the reasons behind customers' financial decisions and identifying flexible lending solutions that meet individual needs.
2. **Space, Location & Facility Needs:** Mr. Humphrey indicated that the bank's current facility adequately meets its operational needs and that there are no plans for expansion, renovation, or relocation. The business is not experiencing any concerns related to zoning, parking, or accessibility that would affect day-to-day operations. One potential long-term infrastructure improvement identified is the entrance to the bank's parking lot. Mr. Humphrey noted that widening the driveway entrance, potentially through a variance process, could improve vehicle access and circulation for customers.
3. **Regulations & Business Climate:** Mr. Humphrey did not identify any concerns regarding City regulations, permitting processes, or administrative procedures. Likewise, no significant regulatory or procedural challenges were noted that are affecting the bank's operations at the local level. Overall, the discussion reflected a positive business climate within Maple Plain, with no recommendations for changes to City processes at this time.
4. **Economic Environment & Trends:** Current economic conditions continue to influence both the bank and its customers. Mr. Humphrey noted that inflation, tariffs, and tighter household and business cash flows have affected customers' borrowing capacity, repayment ability, and overall profitability. While the bank is not highly competitive in the auto lending market due to aggressive financing offered by dealerships and larger financial institutions, it remains highly competitive in residential mortgage and home equity lending, where local decision-making and lending flexibility provide a competitive advantage. These strengths position the bank to continue serving homeowners and businesses seeking personalized financial solutions despite broader economic pressures.
5. **Future Vision:** The Bank of Maple Plain's long-term strategy is centered on measured and sustainable growth by increasing both its deposit base and loan portfolio while maintaining its relationship-focused approach to community banking. Mr. Humphrey did not identify any significant barriers to the bank's long-term success in Maple Plain and expressed confidence in the local business environment. Aside from the potential parking lot entrance improvement, no additional infrastructure, workforce, or facility needs were identified. Overall, the discussion reflected optimism about the bank's future and its continued commitment to serving the Maple Plain community through personalized financial services.

**Business:** Haven Homes / Campus Administrator Josh Brown & Director of Senior Housing Chris Orr

1. **Business Health & Operations:** Haven Homes continues to prove strong operational performance and sustained demand for its senior living services. The facility is currently operating at full capacity and maintains an approximately 18-month waiting list for both senior living and assisted living accommodations, reflecting continued demand within the region. Staffing remains relatively stable compared to industry averages, with lower-than-average employee turnover attributed to the organization's family-first culture. While workforce retention has been a strength, recruiting skilled nursing staff is still an ongoing challenge. Leadership named expanding services as a key opportunity, including plans to introduce medical transportation through a dedicated appointment van supported by part-time staff beginning in January. However, expansion into adult day care services has been delayed by the Minnesota Department of Health, which is currently not processing new applications, creating an estimated two-year delay. Operationally, resident safety remains a top priority, with overnight falls and resident wandering identified as the most significant day-to-day concerns.
2. **Space, Location & Facility Needs:** Mr. Orr indicated that the existing facility adequately meets current operational needs, and no building expansions or relocation plans are being considered at this time. One identified facility need is additional employee parking, particularly in the rear parking lot, to better accommodate staff as operations continue. Overall, the site functions well for current service levels, with parking capacity representing the primary physical improvement under consideration.
3. **Regulations & Business Climate:** Haven Homes did not identify any concerns with City permitting or administrative processes. However, staff discussed challenges associated with lift assist billing, noting that the current fee structure and quarterly invoicing process can create confusion for both facility staff and first responders. Representatives described the situation as a regulatory "gray area" and suggested that additional clarity regarding billing procedures and responsibilities would improve operational coordination. Aside from this issue, no significant local regulatory barriers were identified.
4. **Economic Environment & Trends:** While no significant competitive or market pressures were identified during the discussion, Haven Homes continues to benefit from strong demand for senior housing and assisted living services, as demonstrated by its full occupancy and extended waiting list. Rather than market demand, operational challenges are primarily driven by workforce availability and regulatory delays affecting service expansion. Specifically, the inability to obtain timely approval from the Minnesota Department of Health for an adult day care program limits the organization's ability to respond to community needs and diversify its service offerings.
5. **Future Vision:** Looking ahead, Haven Homes is focused on strategic, long-term growth while continuing to meet the evolving needs of the community's aging population. Leadership showed interest in acquiring the property located between Haven Homes and Gateway Boulevard should it become available, providing opportunities for future expansion. Representatives also named several infrastructure improvements that could enhance accessibility and safety, including the installation of a stop sign near Kwik Trip, improved crosswalk markings, and moving the accessible on-street parking spaces on Gateway Boulevard to the larger off-street parking lot. Overall, Haven Homes expressed confidence in its long-term future in Maple Plain and did not identify any barriers to success within the community.

**Business:** The Daily Store / Kyle Wauters

1. **Business Health & Operations:** The Daily Store is a new retail business that has been operating in Maple Plain for approximately three months. The business is family-owned, with the Wauters family also operating two retail stores in the Atlanta area under the name "The Store." To establish a unique local identity, the Maple Plain location was named "The Daily Store." The business currently operates with a staff of five employees and remains in its early growth phase. Customer acquisition efforts are focused primarily on Facebook advertising, word-of-mouth referrals, and drive-by traffic. Mr. Wauters identified increasing community awareness as the business's greatest near-term opportunity and challenge. He also noted that managing inventory levels, particularly in preparation for the holiday shopping season, and limited backroom storage capacity are ongoing operational considerations.
2. **Space, Location & Facility Needs:** Mr. Wauters indicated that the current retail space adequately meets the business's operational needs and supports its existing discount retail model. While there are no immediate plans for expansion or relocation, he noted that future growth could include the addition of refrigerated coolers to expand into dairy or frozen products. The primary site-related concern identified is limited rear of building parking, which becomes particularly constrained during evenings and weekends when customer activity increases. Although the current facility is sufficient, additional parking capacity would improve convenience for both customers and employees as the business continues to grow.
3. **Regulations & Business Climate:** Mr. Wauters expressed a positive experience working with the City during the establishment of the business and did not identify any concerns related to regulations, permitting processes, or administrative procedures. At this stage of the business's development, no regulatory or procedural barriers have affected operations. Overall, the local business climate was viewed favorably, with no recommendations for changes to City processes.
4. **Economic Environment & Trends:** As a newly established retailer, The Daily Store continues to build its customer base and market presence within the community. The business currently relies on traditional retail traffic, supplemented by Facebook advertising and online sales through eBay and Facebook Marketplace. No significant industry trends, supply chain disruptions, or competitive pressures were identified during the discussion. Instead, the business's primary focus remains increasing visibility and attracting new customers through continued marketing and community awareness.
5. **Future Vision:** Looking ahead, Mr. Wauters intends to continue establishing The Daily Store as a destination retail business within Maple Plain before pursuing future expansion opportunities. While no formal growth timeline has been established, potential future enhancements include expanding product offerings through a dairy section as customer demand warrants. To support the success of local businesses, Mr. Wauters suggested that the City consider enhanced wayfinding and promotional signage directing visitors to commercial areas, such as advance signs identifying shopping opportunities within the community. He also encouraged the City to continue hosting community events that attract visitors and increase exposure for local businesses. Overall, Mr. Wauters expressed optimism about the business's future and its opportunity to grow alongside the Maple Plain community.