



Frequently Asked Questions

Proposed TIF District No. 2-2 & Equinox Townhomes

Public hearing • September 28, 2026

The City of Maple Plain has received questions about the proposed Equinox Townhomes development and the use of Tax Increment Financing (TIF). The following information is intended to explain the proposal in clear terms before the City Council considers action.

What is being proposed?

Equinox Development Partners is proposing an **85-unit market-rate rental townhome development** at and near 5330 Highway 12. The project would redevelop a vacant former auto sales site and undeveloped property. The development would include 10 residential buildings, a community building, private streets, sidewalks, landscaping, and other site improvements.

What is TIF?

Tax Increment Financing, or **TIF**, is a development financing tool.

The property has a taxable value today. That becomes the starting, or **base**, value. If redevelopment increases the property's taxable value, the property taxes related to that **increase in value** are called the tax increment. For a period of time, that increment can be used for certain development costs instead of immediately becoming part of the regular tax base.

For this project, the TIF Plan estimates the property's tax capacity would increase from approximately **\$15,563 to \$305,841** following full development. Tax capacity is a statutory calculated value used to determine how much property tax a property owes — it is based on the property's taxable market value and its classification (such as residential or commercial).

Is the City giving the developer \$8.8 million?

No.

The proposed assistance is up to **\$4.151 million in eligible project costs**. This includes \$2 million for land and building acquisition and \$2.151 million for eligible site improvement and preparation costs.

The approximately **\$8.8 million** figure is the estimated total of payments that could be made over the life of the TIF note, including interest.

Is the City borrowing money to pay the developer?

No.

The proposed TIF is structured as pay-as-you-go financing.

The developer first incurs the eligible costs. The developer is then reimbursed over time from actual tax increments generated by the project.

The draft TIF Plan states that the City does not plan to issue general obligation debt to finance these development costs.

Are Maple Plain taxpayers guaranteeing the developer will receive \$8.8 million?

No.

The proposed TIF note is payable solely from available tax increment generated by the project rather than from a general obligation bond backed by the City's property tax levy.

If the project generates less tax increment than projected, less money would be available to make payments on the TIF note to the developer. Actual tax increment available will depend on factors such as the property's future value and tax rates, among other factors.

Does 90% of the development's property taxes go to the developer?

No.

TIF captures the taxes associated with the **increase in tax capacity above the property's established base**, not simply 90% of every property tax dollar paid by the development.

Under the current proposal, approximately **90% of the available tax increment** would be used for payments on the developer's TIF note. Approximately 10% would be retained by the City.

Based on current estimates, approximately **\$981,305** would be retained by the City over the life of the district.

Will this development increase my property taxes?

No.

TIF does not raise property taxes. It is a financing mechanism that puts future growth in tax value to work — before that growth would otherwise be available to taxing jurisdictions.

TIF does not divert any property tax revenue from other taxing jurisdictions that they are currently receiving or would receive without development. Here is why:

The taxing jurisdiction's (city, county, school district, others) tax revenue is calculated based on the base value of property in the TIF district — the value that existed before any new development. That base value continues to generate property taxes for the school district throughout the entire life of the TIF district, without interruption.

The tax increment — the additional taxes generated by the new development above the base value — is what the district captures. This is revenue that would not exist at all if the development had not occurred. The taxing jurisdictions will not lose revenue they currently have; they are simply not yet receiving revenue from growth that TIF made possible.

Think of it this way:

Without TIF: The property remains undeveloped or underutilized. The taxing jurisdictions receive taxes only on the low base value — and may receive that same low amount indefinitely.

With TIF: Development occurs. The taxing jurisdictions continue to receive taxes on the base value throughout the TIF period. When the district expires, all taxing jurisdictions begin receiving taxes on the full, much higher value — permanently.

What about the cost of providing services to 85 new homes?

This is an important consideration.

The draft TIF Plan considers the impact on City services. It anticipates a manageable increase in water and sewer use and a slight but manageable increase in police and fire protection duties. The plan describes the overall anticipated impact on City-provided services as minimal.

These are estimates based on the information currently available and should not be considered a guarantee of future City costs.

Will the development pay other City fees?

Yes.

The project is subject to a **\$318,750 park dedication fee**, based on the City's current rate of \$3,750 per residential unit.

The project's financial information also identifies approximately **\$1.008 million in municipal fees to the City** as part of the overall development budget.

Why isn't there a minimum assessment agreement?

The current proposal does **not** include a minimum assessment agreement.

A minimum assessment agreement and a pay-as-you-go TIF structure address different issues. The absence of a minimum assessment agreement does not mean that the City guarantees the developer's projected TIF payments.

Under the proposed pay-as-you-go structure, payments depend upon the tax increment actually generated by the project.

Why is TIF being considered?

The developer has stated that the project would not proceed as proposed without financial assistance.

Northland reviewed the project's financial information on behalf of the City. Northland concluded that the project, as proposed, is unlikely to occur without financial assistance.

Northland's analysis estimates average debt-service coverage during the first 10 years at approximately **1.40 with TIF compared with 1.04 without TIF**. Northland states that financing for this type of project would generally be expected to have approximately 1.30 coverage.

What is the tradeoff for the City?

TIF does involve a tradeoff.

The redevelopment is expected to create significantly more taxable value than exists on the property today. However, during the life of the TIF district, much of the taxes generated by that **new value** would be used for approved TIF purposes rather than immediately becoming available to the regular tax base.

The City Council must decide whether that temporary use of the new tax increment is appropriate to help make the redevelopment possible.

How long could the TIF district last?

The City proposes to begin receiving tax increment in **2029**.

The draft plan allows the district to operate for the maximum period permitted under the plan, with an estimated decertification date of **December 31, 2054**. The district must end when its outstanding TIF obligations have been satisfied as required by law.

What happens when the TIF district ends?

Once the TIF district is decertified, the increased tax capacity of the development would become part of the regular tax base.

The draft TIF Plan states that the taxing jurisdictions would then benefit from the development being included in the general tax base.

Has the development itself already been approved?

The development involves several separate City actions.

The Planning Commission held a public hearing on the land-use applications on September 3, 2026. No public comments were received at that hearing, and the Planning Commission unanimously recommended approval subject to conditions.

The City Council must consider the required land-use approvals, TIF actions, and related agreements through the City's public process.

How can residents provide comments?

The City Council will hold a public hearing regarding the proposed TIF District. Residents may attend the meeting and provide comments as part of the public hearing process.

Written comments submitted to the City regarding the proposed TIF can also be included as part of the public record.

Questions?**City of Maple Plain**

5050 Independence Street

Maple Plain, MN 55359

763-479-0515