City of Maple Lake
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VIA EMAIL

October 28, 2026

Mike Rowe
Superintendent ISD 881
Maple Lake District Office
200 Highway 55 E
Maple Lake, MN 55358

RE: The City of Maple Lake and the Maple Lake Economic Development Authority ("City" and "MLEDA") proposed establishment of Tax Increment Financing District No. 5-2 within Municipal Development District No. 5, and the adoption of the Tax Increment Financing Plan.

The City of Maple Lake is considering the adoption of the Tax Increment Financing Plan (the "Plan") for Tax Increment Financing District 5-2, a housing district (the "District"), located within Municipal Development District No. 5, at a public hearing to be held at City Hall, City of Maple Lake, on Tuesday, December 15, 2026, at approximately 6:00 pm. A housing district has a maximum life of 25 years of tax increment (or a shorter period as determined by the City Council).

Enclosed please find one draft copy of the proposed Plan for the District. The proposed District consists of one parcel of land, adjacent and internal rights-of-way and the external road system immediately serving the development site. Tax Increment District No. 5-2 will provide gap financing an affordable 58-unit apartment building where the outstanding assessment bond payment and the removal of soils add extraordinary costs to the project over what it would incur on a typical greenfield site. The anticipated private investment is over $14 million. The project will fill a need in Maple Lake which currently has a 0% vacancy rate for multifamily rentals.

Minnesota Tax Increment Financing Act, *Minnesota Statutes, Section 469.175 Subdivision 2 and 4*, requires that prior to the holding of a public hearing on the adoption or modification of a tax increment financing plan, the City must provide an opportunity to the members of the

affected county and school boards to review the fiscal and economic implications of the proposed modified or new tax increment financing district.

The fiscal and economic implications of the District are found in Subsection 2.15 "Estimated Impact on Other Taxing Jurisdictions" in the Plan.

We invite you to attend the public hearing to be held by the City Council on Tuesday, December 15, 2026, at approximately 6:00 pm, or direct comments or questions that you may have to 320-963-3611.

Thank you for your consideration in reviewing the enclosed proposal.

Sincerely,

Cathy Reynolds
City Administrator
City of Maple Lake

Enclosures:
Tax Increment Financing District No. 5-2 Proposed Plan