



March 26, 2024

The Honorable Ann Rest
Chair, Minnesota Senate Taxes Committee
Minnesota State Senate - 328 Capitol
St. Paul, MN 55155

Dear Senator Rest and members of the Minnesota Senate Taxes Committee:

On behalf of the North Metro Mayors Association (NMMA), we offer our support for the City of Maple Grove's request for gravel mining area (GMA) TIF district amendments. NMMA supports the use of tax increment financing (TIF) as an option for cities to promote economic development.

For decades, the GMA in Maple Grove has served as a source for efficient and cost-effective access to construction materials for roadways as well as residential and commercial development in the north metro region as well as the metro area.

While Maple Grove is known for its large retail and hospitality footprint in the GMA, when city leaders considered the next phase of development, they knew a transition away from retail to job creating industry was needed. Readying the land for industry requires an economic development toolbox that addresses soil corrections post mining. Success depends on the continuing partnership between the city and the state, which we value.

In 2014, the city received special legislation for the creation of a soils deficiency tax increment financing district in the gravel mining area. Amendments to the 2014 special legislation were subsequently received in 2017, allowing Maple Grove to establish two soil deficiency districts in the GMA.

There are nearly 600 acres in the gravel mining area TIF district:

- **Undeveloped:** 332.44 acres, including parcels currently being mined and supporting gravel, asphalt, and construction material operations.
- **Developed or in-development:** 257.16 acres, including:
 - Minnesota Science and Technology Center (up to 150 new jobs and retains 1,000 jobs in the State of Minnesota)
 - Project Libre (500 new jobs)
 - Arbor Lakes Business Park Buildings 1 through 9 (1,000 new jobs)

To date, the creation of the TIF districts has supported the development of more than 1.5 million square feet of industrial space and created hundreds of employment opportunities. To continue development, amendments are needed to extend the life of the soils deficiency districts. Included in the requested amendments are:

- Extensions to the term of the district allowing increment to be collected for an additional five years and to extend the 5-year rule to 13, which was previously extended to 8 years in 2017.
- A change in the definition of the larger project area that allows funds from the district to be used in funding infrastructure costs within the city (if they are undertaken) primarily to serve the development and specifically allows increments to pay for improvements to the U.S. Highway 169/County Road 130 interchange -- a primary point of access for the district.

The impact of the needed GMA TIF district amendments is crucial to sustain and continue the development momentum in the overall 2,000-acre gravel mining area. Additionally, the amendments will support the needed safety and operational improvements proposed for the interchange at U.S. Highway 169 and County Road 130 – a primary access point for the district with significant regional benefit.

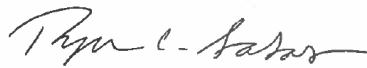
The North Metro Mayors Association appreciates your consideration and support of the Maple Grove gravel mining area TIF district amendments.

Representing cities with a combined population of more than 450,000 Minnesota residents, NMMA is a collaboration of 15 north metro cities plus community partners working together to encourage private and public investments in the northern suburbs. NMMA member cities include Andover, Anoka, Brooklyn Center, Brooklyn Park, Champlin, Circle Pines, Coon Rapids, Dayton, Fridley, Maple Grove, Mounds View, New Brighton, New Hope, Ramsey, and Spring Lake Park.

Sincerely,



Mayor Dave Bartholomay
City of Circle Pines
NMMA President



Mayor Ryan Sabas
City of Champlin
NMMA Vice-President