

- Press Release August 12, 2025 -

## **In\$ight St. Paul Releases Initial Report on Tax Increment Financing (TIF)**

### **Is TIF the right public financing source to help strengthen St. Paul's tax base?**

The City of St. Paul has a critical need to increase its property tax base.

In\$ight St. Paul has concluded after an exhaustive study that TIF - the public subsidy tool sought by developers, city leaders and trade unions to increase the tax base - has been overused and places an undue burden on City's taxpayers.

The report can be found at In\$ight St. Paul's new website which recently went live at [www.insightstpaul.org](http://www.insightstpaul.org).

Most citizens are unaware that use of this complex and difficult to understand financing tool can have the following negative consequences:

- Taxes are paid by owners in TIF-financed projects for a period often exceeding 25 years. These taxes do not go into the general fund but instead are used to retire the debt incurred by the City to fund the public subsidy gifted to developers as incentives.
- Public services (police, fire, public works, etc.) are not paid for by taxes generated by the project. They are paid for by taxpayers outside of the project.
- Seven Percent of the current property taxes paid by each taxpayer, in Saint Paul goes to support the costs associated with the use of TIF financing.
- TIF Districts often compete with and devalue other existing taxpaying properties.

The Report notes that relevant data concerning the City's use of TIF is not readily available on its websites.

In the interest of providing full disclosure to City taxpayers, In\$ight requests that such data be made accessible on the City's website.

The In\$ight St. Paul Report recognizes that there may be occasions when the use of TIF financing is justified as in, for example, the removal of a blighted area or structure. The Report, however, identifies the critical issues that must be addressed before agreeing that TIF is a proper mechanism on any project designed to increase the City's tax base.

In\$ight St. Paul is an independent group of citizens who are taking a non-partisan approach to understanding the financial challenges facing St. Paul and developing solutions designed to address those challenges.

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