

**In\$ight St. Paul Releases Its Final Report on  
Tax Increment Financing (TIF) in Saint Paul:  
A Guide for Using It Responsibly**

***In\$ight St. Paul Releases TIF Policy Guidelines***

***To minimize public risk new TIF proposals should be frozen until the public is able to access and analyze the details of past and existing TIF.***

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

Numerous properties in the downtown area are prime candidates for redevelopment and there will be pressure on city leaders to use a public subsidy tool - tax increment financing - to accomplish development objectives.

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, does not fully achieve its goals, and places an undue burden on City taxpayers.

To ensure that the City can accomplish its development objectives without placing an undue burden on City taxpayers, In\$ight St. Paul has developed a comprehensive set of policies designed to support the responsible use of TIF.

Key policy recommendations include the following:

- New TIF proposals should be frozen until the public is able to access and analyze the details of past and existing TIF Districts.
- A rigorous **But-For** test using standard economic and risk assessment techniques must be applied to each TIF proposal.
- TIF proposals should include agreements that the developer will cover the added costs of ongoing public services (i.e., police, fire and public works) and other total costs that are not covered by the original base tax capacity.
- TIF districts that are successful should be decertified with taxes reverting to the general fund rather than being pooled to cover expenses of unsuccessful districts.
- Residential conversions from commercial that reduce tax base by half have to be accounted for.

These and other recommendations are detailed in a comprehensive report developed by In\$ight St. Paul.

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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