

Rebecca Noecker, City Council President
Cheniqua Johnson, HRA Chairwoman
Nelsie Yang, Budget Committee Chairwoman
Hwajeong Kim, City Council Vice-president
Anika Bowie, Councilwoman
Molly Coleman, Councilwoman
Saura Jost, Councilwoman

November 18, 2025

Respected Councilwomen,

As you are the policy makers for the City of St. Paul, **In\$ight St. Paul** is recommending that you consider **Early Decertification** of up to 8 existing H.R.A. Tax Increment Financing Districts before the end of 2026. It may be possible to **Early Decertify** 3 districts before year-end 2025, and 5 more districts by year-end 2026.

Successful **Early Decertification** could provide property tax relief in two ways when a TIF District is closed:

- 1) The captured taxbase inside a TIF district can now be used to help pay for the services provided by the 10 units of government that tax St. Paul. Property taxes generated inside a TIF District are no longer needed to pay for the Public Subsidy that was used to create the district. This means the property taxes from inside a TIF district will now be used to pay for all governmental services provided to the TIF property. Correspondingly, **this lowers the tax burden on all properties located outside the TIF District, as they will no longer be paying for governmental services provided free to properties located inside a TIF district.**
- 2) Any accumulated excess tax increments available after a TIF District is decertified, are distributed in 1/3 shares to Ramsey County, I.S.D. 625 and the City of St. Paul. The distributed money is deposited in each government's General Fund. The money can be budgeted for operations and maintenance, capital improvements, development projects, and debt service. And, the money can also be used as one-time revenue source to help lower certified property tax levies. **In\$ight St. Paul** recommends any excess tax increments deposited into the City's General Fund **be used to lower the certified property tax levy for the next budget year.**

Property tax relief is extremely important for St. Paul property owners living outside a TIF District. For Pay 2025 taxes, 8% of their tax bill was to pay for all governmental services provided to the property owners inside St. Paul's 48 TIF Districts. For Payable 2025 property taxes, St. Paul's median value residential homestead had an estimated market value of \$275,300., with a property tax bill of \$4,158. Of that total bill, the 8% for subsidizing TIF property owners was \$332. For more info on homeowner impacts see linked file:

[#1 Pay 2025 TIF Tax Burden On Residential Homesteads.](#)

To determine if an existing TIF District can be Early Decertified (closed sooner than the planned decertification date when the district was originally established), there needs to be a thorough

analysis of the available cash in the dedicated account for the district, while making sure all debt obligations and project costs have been fully paid, and all pending revenues have been recognized.

In\$ight St. Paul prepared a Cash Flow Estimate for each of the 8 H.R.A. TIF Districts we think could possibly be Early Decertified by 12-31-26. For each district, we started with an educated guess as to the amount of Cash Available at 12-31-23. Then we projected REVENUES (tax increments and interest earnings), SPENDING (project costs, capital improvements, debt service, pay-as-you-go, administrative fees), and TRANSFERS-OUT (Affordable Housing Pooling, Public Improvement Pooling, Debt Service Pooling) for the years 2024, 2025 and 2026.

The H.R.A.'s Budgets, TIF Disclosure Reports and Annual Comprehensive Financial Reports provide **almost none** of the above data for Actual 2023, Actual 2024, Anticipated 2025 and Projected 2026.

So please know **In\$ight St. Paul** considers its 8 Cashflow Estimates be rough/weak, as access to accurate information is not available to the public. Many of the dollar amounts we used are just educated guesses. Nevertheless, we believe our estimates "To-Be-In-The-Ballpark", inviting a more accurate staff projection to see which districts can be **Decertified Early**. The City Council needs accurate info for their decision making.

We St. Paul taxpayers ask our City Council members to have H.R.A. staff do accurate Cashflow Estimates for the 8 H.R.A. TIF Districts we are identifying in this report. A good cash flow projection will determine if all outstanding debt can be paid off, and if there will be excess increments available to help the 2026 and 2027 budgets for Ramsey County, ISD 625 and the City.

Please know **In\$ight St. Paul** appreciates the fact that the St. Paul Port Authority just acted to **Early Decertify the Westminster TIF District #249**. Their responsible action is releasing \$900,000 to the City's General Fund which can be used for property tax relief for the 2026 City Budget. (Ramsey County and I.S.D. 625 also each get \$900,000 for their budgets). And \$1,179,879 in Capture TIF Net Tax Capacity was released and added to the City's Total Taxable Taxbase. Good Property Tax Relief. Thank You Port Authority.

In\$ight St. Paul is hoping that the St. Paul Housing and Redevelopment Authority can act to **Early Decertify** these 8 TIF districts:

Early Decertify before 12-31-25, capturing no TIF Property Taxes in 2026

- 1) Districts 228, 266, & 267 Emerald Park & Garden
- 2) District 244 Shepard-Davern Rental Housing
- 3) District 278 Highland River Pointe Lofts

Early Decertify before 12-31-26, capturing no TIF Property Taxes in 2027

- 4) Districts 234 & 269 Phalen Village – Cub Foods
- 5) District 236 J.J. Hill Great Northern Lofts
- 6) District 302 Pioneer -Endicott Redevelopment
- 7) District 305 West Side Flats
- 8) District 317 Custom House – Post Office

The following information attached to this report forms the basis for **In\$ight St. Paul's** recommendations to possibly Early Decertify 8 H.R.A. TIF Districts:

#2 Table 1 – Tax Increments and Debt Outstanding.

#3 Table 2 – Tax Capacity and Costs To Median Value Homesteads.

#4 Table 3 – Summary and Cashflow Estimates for 8 TIF Districts.

If **In\$ight St. Paul's** "In-The-Ball-Park Guesses" of available excess increments when the 8 TIF Districts are **Early Decertified** by 12-31-26 are fairly accurate, there could potentially be a total of \$ 3,267,000 available for distribution to lower property tax levies for 2026 and 2027. Ramsey County, I.S.D. 625 and City of St. Paul would **each** get \$632,000 for their 2026 budget and each get \$457,000 for their 2027 budget.

Also with Early Decertification of 8 HRA TIF Districts, Captured TIF Net Tax Capacity Valuation of \$5,090,000 would be released to St. Paul's taxbase, resulting in a 1.5% growth of the taxable taxbase. This would provide a \$51 reduction in property taxes for a Residential Homestead valued at \$275,300.

In closing, please know **In\$ight St. Paul** supports having TIF Policy Goals and staff direction for future TIF projects inserted into the City's Administrative Code. We understand that the policy development process will begin in January after the adoption of 2026 budgets, and that the process of amending the Administrative Code includes a Public Hearing before the City Council where interested citizens can voice their concerns and suggestions regarding TIF. Also, know that **In\$ight St. Paul** would appreciate having an opportunity to have a "Working Session With H.R.A. Staff" to learn more about St. Paul's TIF and to clearly explain **In\$ight's** positions on TIF Policies being drafted for City Council consideration.

Thank you for your consideration of **In\$ight St. Paul's** Recommendations and Requests.

Respectfully, **In\$ight St. Paul**

Jane Prince, Co-Chair, Gary Todd, Co-Chair, John Mannillo, TIF Working Com. Chair

Cc: Mayor Melvin Carter, Mayor-Elect Kaohly Her, Todd Hurley,

Jay Wilms, Kumud Verma, Tim Greenfield, Melanie McMahon, Jenny Wolfe