



In\$ight Urges St. Paul Council To Reject Galtier/Cray Plaza Unnecessary TIF Request

SAINT PAUL, MN — Nonpartisan fiscal watchdog group In\$ight St. Paul today issued an urgent directive to city leaders, strongly advising a “NO” vote on the pending Galtier/Cray Plaza Tax Increment Financing (TIF) request. The watchdog coalition of local business owners, civic leaders, and concerned residents warns that Saint Paul’s current trajectory with TIF usage is unsustainable, opaque, and deeply harmful to everyday taxpayers.

According to data compiled by the group, Saint Paul has become the largest user of TIF in Minnesota, with over 7% of its total taxable property captured inside TIF districts. Consequently, approximately 7% of current property taxes paid by individual taxpayers are being diverted away from essential public services to subsidize the back-end costs of private development. While supporters are quick to point out that adding to an existing TIF district won't divert *more* city tax dollars, they are equally quick to omit that it locks up these public funds for a much longer period of time.

"Saint Paul’s taxpayers are carrying a crushing load, with a net property tax burden rate of 17.1%—nearly double the state average of 9.2%," said an In\$ight release. "For decades, TIF has quietly stripped vital revenue away from our schools, public safety, libraries, and parks, shifting the rising costs of city services onto non-TIF property owners. It is time to halt these corporate handouts and protect our neighborhoods."

The watchdog group highlighted three critical failures in the city's current approach to development financing:

Exploding Debt Service: Saint Paul's tax levies to service TIF-related debt skyrocketed by 40.1% (approximately \$13 million) between 2015 and 2024. Shockingly, in 2025, TIF debt service reached approximately \$41,000,000—a massive financial liability that did not appear on the proposed city budget, raising severe transparency alarms.

Vanishing Accountability and Oversight: Weak statutory oversight has allowed TIF districts to remain active long past their expiration. Residents and elected officials alike are left completely in the dark by complex financial structures and limited transparency regarding how increments are calculated, spent, or justified.

Market Distortion and Economic Risk: TIF routinely subsidizes speculative private projects that would have occurred organically without taxpayer intervention. By favoring subsidized developers over unsubsidized competitors, the city has actively distorted the local real estate market—contributing to high-profile failures like Madison Equities—while failing to grow the city's overall tax base.

In\$ight St. Paul concludes that converting commercial properties to residential units under current TIF models does not make economic sense, proving that city leaders are prioritizing the demands of wealthy developers over local businesses and families.

Recommendations for Immediate Reform:

More Scrutiny On All New TIF Districts: City leaders must immediately give all new TIF projects in the pipeline a real thorough vetting and work to pivot toward healthier, non-distortionary fiscal alternatives, such as standard loan structures, whenever possible.

Encourage Organic Market Growth: Focus on market-driven strategies that increase organic occupancy rates, particularly in the Downtown sector, rather than chasing artificial, subsidized development.

Enforce Strict Decertification: Immediately decertify all TIF Districts whose legal expiration dates have passed, returning those properties to the general tax rolls.

In\$ight St. Paul calls upon the Saint Paul City Council to reject the Galtier/Cray Plaza request as a definitive sign that they recognize the strain these projects place on hard-working residents. The council must send a clear message to the people of Saint Paul: they can be trusted as transparent stewards of the city's financial future, its neighborhoods, and its critical infrastructure needs.

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About In\$ight St. Paul: In\$ight St. Paul is a nonpartisan fiscal watchdog group made up of Saint Paul residents and businesses dedicated to advocating for stronger fiscal management, transparency, and true economic accountability within the City of Saint Paul.