

845 Grand Avenue

Should the project receive a public subsidy (TIF) of \$2.95 million?

What is 845 Grand Avenue?

- A proposed six-story, mixed-use building at the northeast corner of Grand and Victoria.

Primary Reasons for Awarding a Public Subsidy (TIF)

- A project is deemed to have a clear and compelling public purpose.
- A project passes the “but for” test, i.e., this or any other developer would not undertake the project “but for” the award of a public subsidy (TIF).
- A project removes “blight.”

Recommendation - The proposed project at 845 Grand Avenue DOES NOT meet the standards required for the award of a public subsidy – TIF

- A clear and compelling public purpose has not been identified.
- There is no publicly available evidence it has passed the “but for” test.
- A definition of the site as “blighted” is questionable and it has already received \$350,000 of DEED for abatement, demolition, and public infrastructure improvements.

Additional Considerations

- The site is one of the most attractive development sites in Saint Paul.
- Awarding a public subsidy to this project will set a precedent and send a message to developers that public subsidies are readily available.
- If this project at an attractive development site receives a public subsidy (TIF), there will be no valid reasons for other developments to be refused a public subsidy (TIF).
- Awarding a public subsidy (TIF) removes the opportunity for the City to increase tax base revenue from one of its most attractive development sites for up to 25 or more years.

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