City of Saint Paul

Meeting Agenda

Housing & Redevelopment Authority

City Hall and Court House
15 West Kellogg
Boulevard
Council Chambers - 3rd
Floor
651-266-8560

Chair Cheniqua Johnson
Commissioner Anika Bowie
Commissioner Molly Coleman
Commissioner Saura Jost
Commissioner HwaJeong Kim
Commissioner Rebecca Noecker
Commissioner Nelsie Yang

Wednesday, December 10, 2025 **2:00 PM** **Council Chambers, City Hall**

ROLL CALL

APPROVAL OF MINUTES

1 Min 25-50 Approval of the November 2025 HRA Meeting Minutes

Sponsors: Jost
Attachments: Nov. 5
Nov. 12
Nov. 19

DISCUSSION

2 RES 25-1908 Resolution Authorizing Short-term Extensions to Parking Operation and Management Agreements (collectively, “Ramp Agreements”) at: (i) Robert Street Municipal Ramp at 95 E. 7th Street; (ii) Lowertown Municipal Ramp at 316 Jackson Street; (iii) Lawson Municipal Ramp at 10 W. 6th Street; (iv) 7A Ramp at 13 West Exchange Street; (v) Block 19 Ramp at 145 East 7th Street; and (vi) WTC Ramp at 477 Cedar Street, all in District 17, Ward 2.

Sponsors: Noecker
Attachments: Board Report

PUBLIC HEARINGS

3 RES PH 25-280 Resolution Approving and Authorizing the Sale and Conveyance of a Vacant Lot at 77 Congress Street East, to Iglesia Ni Christo Church, in West Side, District 3, Ward 2

Sponsors: Noecker

Attachments: Board Report

Map

Purchase Agreement

4 RES PH 25-278 Resolution Approving and Authorizing the Conveyance of Three Parcels Located in Chestnut Plaza and Along the Riverfront to the City of Saint Paul, District 9, Ward 2

Sponsors: Noecker

Attachments: Board Report

Map

STAFF REPORT

5 SR 25-268 Introduction to Ames Lake Property RWMWD Flood Mitigation Project

Sponsors: Yang

Attachments: Presentation

6 SR 25-269 Introduction to Grand and Victoria Redevelopment TIF District

Sponsors: Noecker

Attachments: Presentation

Public Comment DEC. 8-9

845 Grand Avenue - Final 12 07 25

845 Grand Avenue - Message to HRA 11 25 25

845 Grand Avenue - One Page

Barbara Sibley Grand and Victoria Redevelopment

Bill M Email Op Ed Concerning the City's use of TIF

Bill Wallace Grand_Victoria Redevelopment and TIFf

Bob Muschewske Email Op Ed Concerning the City's use of TIF

Bob Muschewske TIF Op-Ed - 05 24 25 Revised 05 25 25

Carl Michaud Proposed TIF at Grand and Victoria

Cindy Warner Use of TIFs Victoria and Grand

Ellen T Brown Grand and Victoria Redevelopment TIF application

Ellie Garrett Proposed TIF for Grand_Victoria

ADJOURNMENT

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HRAHearing@ci.stpaul.mn.us or by voicemail at 651-266-6806. Live testimony will be taken in person in the Council Chambers, Third Floor City Hall.

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HRA Meeting Information
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Boulevard
Phone: 651-266-8560

Master

File Number: Min 25-50

File ID:	Min 25-50	**Type:**	Approval of Minutes	**Status:**	Agenda Ready
Version:	1	**Contact Number:**	266-6604	**In Control:**	Housing & Redevelopment Authority
				File Created:	12/02/2025
File Name:	November 2025 HRA Minutes			**Final Action:**	

Title:

Approval of the November 2025 HRA Meeting Minutes

Notes:

Sponsors:	Jost	**Enactment Date:**	
Attachments:	Nov. 5, Nov. 12, Nov. 19	**Financials Included?:**	
Contact Name:	Kelly Bauer	**Hearing Date:**	
Entered by:	kelly.bauer@ci.stpaul.mn.us	**Ord Effective Date:**	

History of Legislative File

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Min 25-50

Approval of the November 2025 HRA Meeting Minutes

City of Saint Paul

City Hall and Court House
15 West Kellogg Boulevard
Council Chambers - 3rd Floor
651-266-8560

Meeting Minutes - Final

Housing & Redevelopment Authority

Chair Cheniqua Johnson
Commissioner Anika Bowie
Commissioner Molly Coleman
Commissioner Saura Jost
Commissioner HwaJeong Kim
Commissioner Rebecca Noecker
Commissioner Nelsie Yang

Wednesday, November 5, 2025 | **2:00 PM** | **Council Chambers, City Hall**

Roll Call

Chair Johnson called the meeting to order at 2:01 PM

Present 7 - Commissioner Rebecca Noecker, Commissioner Nelsie Yang, Commissioner Anika Bowie, Commissioner Cheniqua Johnson, Commissioner Saura Jost, Commissioner HwaJeong Kim, and Commissioner Molly Coleman

Approval of Minutes

1 Min 25-45 — Approval of the October 2025 HRA Meeting Minutes

Sponsors: Johnson

Attachments: Oct. 1
Oct. 8
Oct. 15
Oct. 22

Moved by Commissioner Yang, The Minutes were Approved

Adopted

Discussion

2 RES 25-1706 — Resolution Endorsing Amendments to the Minneapolis/Saint Paul Housing Finance Board’s 2026-2027 Qualified Allocation Plan; Citywide.

Sponsors: Noecker

Attachments: Board Report
01-Amended and Restated2026-2027 QAP_Redline
02-Amended and Restated 2026-2027 HTC Procedural Manual_Redline
03-St. Paul 4% SelfScoringWorksheet_REDLINE
04-Map-Downtown LIHTC Exemption_rev
North Central States Regional Council of Carpenters Letter of Support
SPDA Letter of Support
SPAC Letter of Support
The Alliance Comments
HOME Line Opposition Ltr
Housing Justice Center Comments
HJC Comments 11.4.25
National Affordable Housing Organizations Ltr
Equity in Place Coalition Ltr
HJC Opposition Email

ChairJohnson made introductory comments. Interim Executive Director Melanie McMahon gave description of the changes and additional details.

Commissioners Noecker, Yang, Jost, Coleman, and Bowie made brief comments in support of RES 25-1706.

Moved by Commissioner Noecker, Resolution is Adopted.

Yea: 5 - Commissioner Noecker, Commissioner Yang, Commissioner Bowie, Commissioner Jost, and Commissioner Coleman

Nay: 2 - Commissioner Johnson, and Commissioner Kim

3 RES 25-1709 Authorization to Release the 4(d) Affordable Housing Incentive Program Covenant on 1048 Central Ave W, Saint Paul

Sponsors: Bowie

Attachments: Board Report Removal of Covenant

Interim Executive Director Melanie McMahon gave a report on the project and stated that staff recommends approval as outlined.

Moved by Commissioner Bowie, Resolution is Adopted.

Yea: 7 - Commissioner Noecker, Commissioner Yang, Commissioner Bowie, Commissioner Johnson, Commissioner Jost, Commissioner Kim, and Commissioner Coleman

Nay: 0

Staff Report

4 SR 25-222 Introduction to Ramsey Hill Apartments, District 8, Ward 1

Sponsors: Bowie

Attachments: Presentation Ramsey Hill CDBG Loan Extension 2025n

Interim Director McMahon introduced the project as well as new PED Senior Project Manager, Libby Logsdon.

Ms. Logsdon gave a presentation and answered question from the Board.

Melinda Studer from Trellis Co. explained who Trellis Co. is, details about the project and thanked the Board for their consideration.

Received and Filed

Adjournment

Chair Johnson adjourned the meeting at 2:39 PM

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Housing & Redevelopment Authority

Chair Cheniqua Johnson
Commissioner Anika Bowie
Commissioner Molly Coleman
Commissioner Saura Jost
Commissioner HwaJeong Kim
Commissioner Rebecca Noecker
Commissioner Nelsie Yang

Wednesday, November 12, 2025 | **2:00 PM** | **Council Chambers, City Hall**

Roll Call

Chair Johnson called the meeting to order at 2:05 PM
Commissioner Kim was Absent

Present 6 - Commissioner Rebecca Noecker, Commissioner Nelsie Yang, Commissioner Anika Bowie, Commissioner Cheniqua Johnson, Commissioner Saura Jost, and Commissioner Molly Coleman

Absent 1 - Commissioner HwaJeong Kim

Discussion

1 RES 25-1725 Resolution Approving an Administrative Amendment to the Budget for Tax Increment Financing Plan for the Osceola Park Tax Increment Financing District, a housing district, and Approving an HRA Budget Amendment, District 9, Ward 2

Sponsors: Noecker

Attachments: Board Report
Financial Analysis
Second Amendment TIF Plan

Chair Johnson made introductory comments. Interim Executive Director Melanie McMahon stated that the first items were introduced a week prior and are seeking approval.

Debt Administrator, Jenny Wolfe explained the actions today were technical changes to existing TIF Districts and answered questions from the Board.

Moved by Commissioner Noecker, Resolution is Adopted

Yea: 6 - Commissioner Noecker, Commissioner Yang, Commissioner Bowie, Commissioner Johnson, Commissioner Jost, and Commissioner Coleman

Nay: 0

Absent: 1 - Commissioner Kim

2 RES 25-1726 Resolution Approving an Administrative Amendment to the Budget for Tax Increment Financing Plan for the Housing Tax Increment Financing District No. 3 (Shepard Davern Senior Rental Housing District) and Approving an HRA Budget Amendment, District 15, Ward 3

Sponsors: Jost

Attachments: Board Report
Financial Analysis
Third Amendment TIF Plan

Ms. Wolfe explained the technical changes to this TIF District.

Moved by Commissioner Jost, Resolution is Adopted.

Yea: 6 - Commissioner Noecker, Commissioner Yang, Commissioner Bowie, Commissioner Johnson, Commissioner Jost, and Commissioner Coleman

Nay: 0

Absent: 1 - Commissioner Kim

3 RES 25-1749 Approving and Authorizing the CDBG Loan Extension for Ramsey Hill Apartments, District 8, Ward 1

Sponsors: Bowie

Attachments: Board Report
Public Purpose
D8 Neighborhood Profile

Interim Executive Director McMahon explained the financing extensions, and stated that staff was available to answer any questions.

Moved by Commissioner Bowie, Resolution is Adopted

Staff Report

4 SR 25-244 Introduction to Amendment to Temporary TIF Spending Plan Authority

Sponsors: Johnson

Attachments: Presentation

Interim Executive Director Melanie McMahon introduced the item and stated that a resolution will be considered at the December 3, 2025 HRA meeting at 2:00 p.m. and a public hearing will be held on December 3, 2025 at the City Council meeting at 3:30 p.m.

Ms. Wolfe gave a presentation and answered questions from the Board.

Received and Filed

Adjournment

Chair Johnson adjourned the meeting at 2:40 PM

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Meeting Minutes - Final

Housing & Redevelopment Authority

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Commissioner Anika Bowie
Commissioner Molly Coleman
Commissioner Saura Jost
Commissioner HwaJeong Kim
Commissioner Rebecca Noecker
Commissioner Nelsie Yang

Wednesday, November 19, 2025 **2:00 PM** **Council Chambers, City Hall**

Roll Call

Chair Johnson called the meeting to order.
Commissioner Coleman was excused.

Present 6 - Commissioner Rebecca Noecker, Commissioner Nelsie Yang, Commissioner Anika Bowie, Commissioner Cheniqua Johnson, Commissioner Saura Jost, and Commissioner HwaJeong Kim

Absent 1 - Commissioner Molly Coleman

Staff Report

1 SR 25-258 Introduction to Tentative Developer Status Extension Request, Districts 2, 4, 5, 8, Wards 1, 6 and 7.

Sponsors: Johnson

Attachments: Presentation

Interim Executive Director Melanie McMahon introduced the item and welcomed PED Housing Supervisor, Sarah Zorn.

Ms. Zorn gave a presentation and answered questions from the Board.

Received and Filed

2 SR 25-248 2026 HRA Budget Proposal Introduction.

Sponsors: Johnson

Attachments: Attachment
Presentation

Interim Executive Director Melanie McMahon gave a presentation on the 2026 HRA/PED Budget and answered questions from the Board.

Received and Filed

Suspension Item

A motion was made by Commissioner Bowie to suspend the rules. All were in favor. The rules were suspended.

3 SR 25-257 Promise Act Grant Presentation from Neighborhood Development Center.

Sponsors: Johnson

Attachments: Presentation

A presentation was given by Shahir Ahmed, Vice President of Business Services at Neighborhood Development Center.

Received and Filed

Adjournment

The meeting was adjourned.

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Master

File Number: RES 25-1908

File ID:	RES 25-1908	**Type:**	Resolution	**Status:**	Agenda Ready
Version:	1	**Contact Number:**	266-6709	**In Control:**	Housing & Redevelopment Authority
				File Created:	11/26/2025
File Name:	Parking Operation Agreements Short-term Extension			**Final Action:**	

Title: Resolution Authorizing Short-term Extensions to Parking Operation and Management Agreements (collectively, “Ramp Agreements”) at: (i) Robert Street Municipal Ramp at 95 E. 7th Street; (ii) Lowertown Municipal Ramp at 316 Jackson Street; (iii) Lawson Municipal Ramp at 10 W. 6th Street; (iv) 7A Ramp at 13 West Exchange Street; (v) Block 19 Ramp at 145 East 7th Street; and (vi) WTC Ramp at 477 Cedar Street, all in District 17, Ward 2.

Notes:

Sponsors:	Noecker	**Enactment Date:**	
Attachments:	Board Report	**Financials Included?:**	
Contact Name:	Gary Grabko	**Hearing Date:**	
Entered by:	kelly.bauer@ci.stpaul.mn.us	**Ord Effective Date:**	

History of Legislative File

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File RES 25-1908

Resolution Authorizing Short-term Extensions to Parking Operation and Management Agreements (collectively, “Ramp Agreements”) at: (i) Robert Street Municipal Ramp at 95 E. 7th Street; (ii) Lowertown Municipal Ramp at 316 Jackson Street; (iii) Lawson Municipal Ramp at 10 W. 6th Street; (iv) 7A Ramp at 13 West Exchange Street; (v) Block 19 Ramp at 145 East 7th Street; and (vi) WTC Ramp at 477 Cedar Street, all in District 17, Ward 2.

HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS **DATE: DECEMBER 10, 2025**

REGARDING: **AUTHORIZING SHORT-TERM EXTENSIONS TO PARKING OPERATION AND MANAGEMENT AGREEMENTS (COLLECTIVELY, "RAMP AGREEMENTS") AT: (I) ROBERT STREET MUNICIPAL RAMP AT 95 E. 7TH STREET; (II) LOWERTOWN MUNICIPAL RAMP AT 316 JACKSON STREET; (III) LAWSON MUNICIPAL RAMP AT 10 W. 6TH STREET; (IV) 7a rAMP AT 13 WEST EXCHANGE STREET; (V) BLOCK 19 RAMP AT 145 EAST 7TH STREET; and (VI) WTC RAMP AT 477 CEDAR STREET, IN DISTRICT 17, WARD 2**

Requested Board Action

Approve and authorize staff to prepare and execute amendment agreements that extend the term of each of the below-listed Ramp Agreements through December 31, 2026, and thereafter authorizes that each may be subsequently extended by the Executive Director for additional one-year periods, as needed, without further Board action:

a. The Parking Operation and Management Agreement for the Lawson Municipal Ramp at 10 W. 6th Street, Saint Paul; and

b. The Parking Operation and Management Agreement for the Lowertown Municipal Ramp at 316 Jackson Street, Saint Paul; and

c. The Parking Operation and Management Agreement for the WTC Ramp at 477 Cedar Street, Saint Paul; and

d. The Parking Operation and Management Agreement for the Robert Street Municipal Ramp at 95 E. 7th Street, Saint Paul; and

e. The Parking Operation and Management Agreement for the 7A Ramp at 13 West Exchange Street, Saint Paul; and

f. The Parking Operation and Management Agreement for the Block 19 Ramp at 145 East 7th Street, Saint Paul.

In no event shall any such modifications eliminate any existing right of the HRA to terminate any of the Ramp Agreements upon 30 days' notice from the HRA to an operator.

Background

The HRA owns the above-described parking ramps, which are operated by certain operators named in the Ramp Agreements. The Ramp Agreements are all scheduled to expire on December 31, 2025. Staff recommends that the Executive Director of the HRA be authorized to enter into term extension modifications for each of the Ramp Agreements to extend the term of each to allow for more time for the HRA to prepare and issue requests for proposal for new operating agreements.

Budget Action N/A

Future Action N/A

Financing Structure N/A

PED Credit Committee Review N/A

Compliance N/A

Green/Sustainable Development N/A

Environmental Impact Disclosure N/A

Historic Preservation N/A

Public Purpose/Comprehensive Plan Conformance:

The ownership and operation of the six parking facilities under the Ramp Agreements improves the tax base, improves the financial stability of the community, and creates jobs for low- and moderate-income persons.

Statement of Chairman (for Public Hearing) N/A – No public hearing.

Recommendation:

The HRA Executive Director recommends approval of the attached resolution which approves the amendment extensions between the parking management companies and the HRA.

Sponsored by: Rebecca Noecker

Staff: Gary Grabko 651-266-6709

City of Saint Paul

City Hall and Court House
15 West Kellogg
Boulevard
Phone: 651-266-8560

Master

File Number: RES PH 25-280

File ID:	RES PH 25-280	**Type:**	Resolution-Public Hearing	**Status:**	Agenda Ready
Version:	1	**Contact Number:**	266-8498	**In Control:**	Housing & Redevelopment Authority
				File Created:	11/26/2025
File Name:	Conveyance & Transfer of 3 Chestnut Plaza Parcels			**Final Action:**	

Title:

Resolution Approving and Authorizing the Sale and Conveyance of a Vacant Lot at 77 Congress Street East, to Iglesia Ni Christo Church, in West Side, District 3, Ward 2

Notes:

Sponsors:	Noecker	**Enactment Date:**	
Attachments:	Board Report, Map, Purchase Agreement	**Financials Included?:**	
Contact Name:	Jenn Dull	**Hearing Date:**	
Entered by:	kelly.bauer@ci.stpaul.mn.us	**Ord Effective Date:**	

History of Legislative File

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File RES PH 25-280

Resolution Approving and Authorizing the Sale and Conveyance of a Vacant Lot at 77 Congress Street East, to Iglesia Ni Christo Church, in West Side, District 3, Ward 2

HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS **DATE: DECEMBER 10, 2025**

REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE AND CONVEYANCE OF A VACANT LOT AT 77 CONGRESS STREET EAST TO IGLESIA NI CHRISTO CHURCH, IN WEST SIDE, DISTRICT 3, WARD 2.

Requested Board Action

Approval to sell and convey the HRA-owned vacant lot at 77 Congress Street E to Iglesia Ni Christo church, who owns the adjacent property at 59 Congress Street E, for the purpose of combining 77 Congress Street E with its property, all pursuant to the Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value by the Saint Paul Housing and Redevelopment Authority (the "Vacant Lot Sale Policy") adopted by the HRA Board of Commissioners under RES 14-1331.

Background

In 2015, the HRA acquired the vacant lot at 77 Congress Street E ("HRA Property") through tax forfeiture at a cost of $18,000 plus fees, intending to transfer it to the developer for amenities supporting the project at 72 Congress Street (now 88 Cesar Chavez Street). The lot was used for construction staging in 2016, but after the project was completed, the developer no longer needed the HRA Property. Because the HRA Property was not a direct housing site, it did not qualify for an acquisition cost discount and carries no requirements for a specific development outcome.

The HRA Property is a 0.07 acre (3,049.2 sq. ft.) lot zoned T2. While T2 is a flexible zoning district, the location and size of the HRA Property has some difficulty. It has right of way/corner park to the east, street frontage to the south, church property to the west and north. The HRA Property has remained vacant and in the property portfolio since its acquisition and continues to incur maintenance and holding costs.

In early September 2023, Iglesia Ni Christo church ("the Buyer" or "the Church") contacted staff inquiring about acquisition of the HRA Property to combine with its adjacent property at 59 Congress Street (the "Adjacent Property"). The Church is a nonprofit corporation that has owned the Adjacent Property and operated as the Church since 1984. The Church intends to use the HRA Property as yard space for church activities. Staff analysis indicates that the Buyer is in good standing as a business registered with the Minnesota Secretary of State's Office and has no outstanding or delinquent taxes, assessments, or code violation.

Sale of the HRA Property may be made by either the HRA Vacant Land Sale Policy or the HRA Disposition Policy. The Vacant Land Sale Policy allows the HRA to sell lots for their market value as long as the parcel is smaller the 20,000 square feet, vacant, and eligible for sale without restrictions or encumbrances by funding programs used to acquire or hold the site. The HRA Property meets these requirements. The proposed use of the site is also evaluated based upon the priorities delineated within the policy. As the Church intends to use the HRA Property for additional yard space, it meets the third priority of "sale as a vacant lot to adjacent property owners". The Disposition Policy also allows for proposals from entities as an alternative to the RFP process. Staff has evaluated the proposed reuse of the property, the amount to be paid to the HRA for the real estate, achievement of the objectives of the HRA Disposition Policy and achievement of other public purpose goals. It is staff's opinion that the sale of the HRA Property to the Church meets the overall goals and objectives of the HRA Disposition Policy. In either disposition policy mentioned, there is a requirement of posting the intended sale via ENS to allow other interested parties the opportunity to bid. Staff is requesting that the HRA Board waive the ENS posting requirement for the sale of the HRA Property. The request is being made due to having worked with the Church for two years on the terms of the purchase agreement which includes, but is not limited to, the Church agrees to purchase the property at its full market value of $24,500, grant HRA reversionary rights, allow a restrictive covenant, and provide the HRA a right of first refusal if the Church were to ever sell. Additionally, there are no other known or located applications, interest, inquiries, or proposed developments for the HRA Property since the temporary use in 2016 even though it has been available to the public via the website since then. Also, maintenance costs incurred to date are over $40,000 and continue to accumulate and it is unlikely staff will receive any other offers comparable to that of the Church in the next thirty days.

As this is a sale of HRA owned property, staff published a notice of public hearing relating to the proposed conveyance of certain real property in the Saint Paul Pioneer Press on November 30, 2025, and a public hearing will need to be conducted.

Budget Action - N/A

Future Action

There will be no further Board action. Upon approval, HRA staff will proceed with the execution of the purchase agreement and the conveyance documents and schedule a closing for the sale of the HRA Property.

Financing Structure

There is no financing or write down involved. The HRA Property will be sold for its fair market value of $24,500, as determined by appraisal, plus closing costs.

PED Credit Committee Review - N/A

Compliance - N/A

Green/Sustainable Development - N/A

Environmental Impact Disclosure - N/A

Historic Preservation - N/A

Public Purpose/Comprehensive Plan Conformance

Conveyance of this Property is consistent with existing and future plans for the area. Specifically, pursuant to the Land Use Chapter, Policy LU-4 prioritizes investments in measures that minimize displacement in neighborhoods where the proximity to high-frequency transit has increased redevelopment pressure and/or housing costs. Policy LU-6 provides to foster equitable and sustainable economic growth by: 1) facilitating business retention and expansion; 2) proactively directing new opportunities to high-priority geographies, such as Neighborhood Nodes and ACP50 Areas; and 3) building and expanding neighborhood economic and cultural assets through the development of the local micro-economies of our Neighborhood Nodes. As the HRA Property is in the District del Sol Neighborhood Node, churches are an amenity and neighborhood anchor aligning with the intent of establishing the Neighborhood Node. In addition, Policy LU-32 is aimed at establishing or enhancing open space close to Neighborhood Nodes, such as publicly-accessible private open spaces, and Policy LU-31 suggests investment in Neighborhood Nodes will enable people to meet their daily needs within walking distance and improve equitable access to these types of amenities. Furthermore, conveyance to the Church is aligned with the 2040 Comprehensive Plan core value of being a “people-centered” city by putting people first through recognizing and celebrating our complex and interrelated histories and treasuring our young and older residents as integral members of our community.

Statement of Chair (for Public Hearing)

Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of conveyance of certain real estate located in West Side, District 3 by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA). Notice of time, place, and purpose of this hearing was published in the Saint Paul Pioneer Press on November 29, 2025. The Affidavit of Publication of the Notice of Public Hearing will be made a part of these proceedings. The HRA proposes to convey the following property: in West Side, District 3:

Property Description	Buyer	Purchase Price
77 Congress Street	Iglesia Ni Christo	$24,500.00

The above property will be sold by the HRA by a quit claim deed. Is there anyone who wishes to be heard on this sale? If not, the Chair will declare this Public Hearing closed.

Recommendation:

The Executive Director recommends approval of the sale in accordance with the resolution.

Sponsored by: Rebecca Noecker

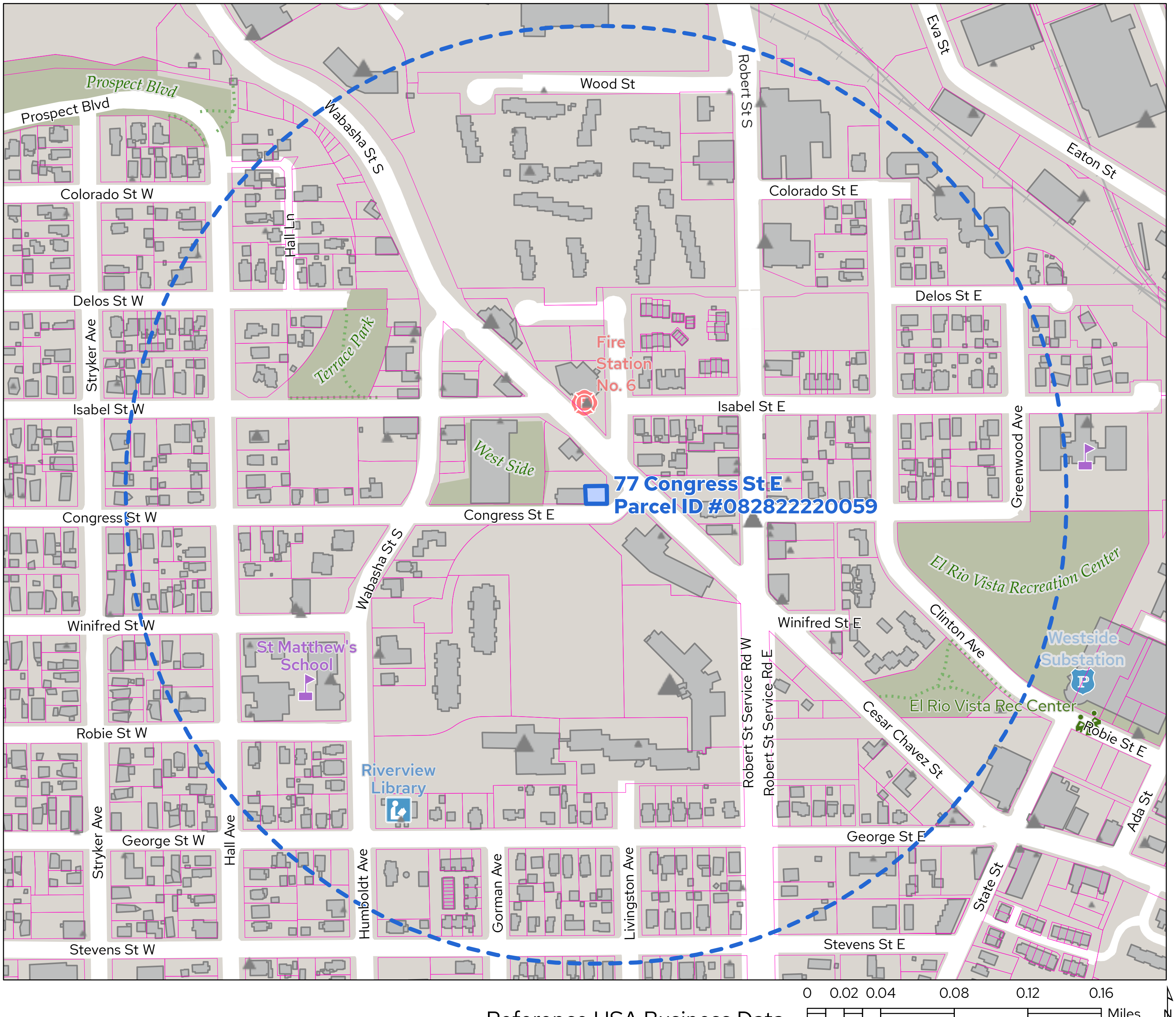
Staff: Jenn Dull, 651-266-8498

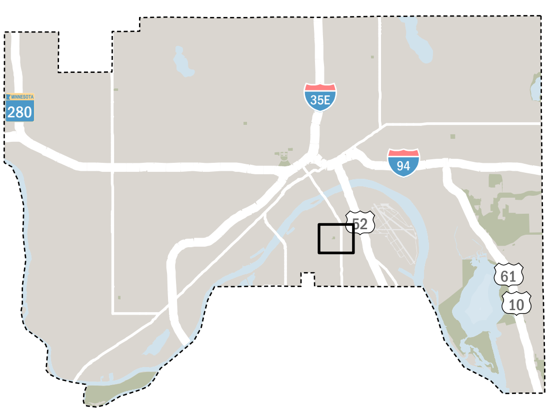
Attachments

- **Map**
- **Draft Purchase Agreement**

77 Congress Street

HRA Board Report Map • Tuesday, November 25, 2025





Reference USA Business Data
Employee Size Number

- 0 - 7
- 8 - 27
- 28 - 67
- 68 - 136
- 137 - 265
- 266 - 700
- 701 - 1600
- 1601 - 3500
- 3501 - 12000

- Fire Stations
- Library Locations
- Police Stations
- Recreation Facilities
- Schools
- Trails
- Subject Property
- Quarter Mile Distance

DATA CREDITS: St. Paul Enterprise GIS; Parcel Polygons: current Ramsey County data via Minnesota Geospatial Commons; Road and Building Polygons: 2017 impervious surface dataset, Ramsey County; Water bodies via Minnesota DNR. • LIMITATIONS ON USE: This document was prepared by the Saint Paul Planning and Economic Development Department and is intended to be used for reference and illustrative purposes only. This drawing is not a legally recorded plan, survey, official tax map or engineering schematic and is not intended to be used as such. • DATE: 11/25/2025 1:33 PM • DOCUMENT PATH: C:\Users\e51131\City of Saint Paul\PED - Data, Research & Mapping - Documents\Projects\HRA Board Reports\2025\2025-11-25 - Chestnut Plaza and 77 Congress Street for Jenn Dull\4 - GIS\Chestnut and Congress.aprx

SAINT PAUL
PLANNING & ECONOMIC DEVELOPMENT

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is dated as of ___________, 2025 by and between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("HRA" and "Seller"), and Iglesia Ni Cristo, a Hawaii religious non-profit corporation ("Buyer"), each individually a Party and collectively the Parties.

Seller and Buyer agree as follows:

1. Sale of Property. Subject to and upon the terms and conditions contained in this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the real property located at 77 Congress Street East, Saint Paul, in Ramsey County, Minnesota, legally described on attached Exhibit A ("Land"), together with all easements and rights related to the Land and all improvements, if any, on the Land (collectively, the "Property").

2. Purchase Price and Manner of Payment. The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property will be Twenty-four thousand, five-hundred dollars ($24,500). The Purchase Price will be payable as follows:

A. Earnest Money. $500 shall be payable by Buyer to the Seller upon execution of this Agreement ("Earnest Money"), which Earnest Money shall be held by the Seller and shall be non-refundable; and

B. Closing Payment. All additional costs, prorations, and other adjustments required under this Agreement shall be paid on the Closing Date by the Buyer to the Seller in cash, by wire transfer of funds or by cashier's check.

3. As Is Conveyance.

A. THE BUYER REPRESENTS AND AGREES THAT BUYER IS ACCEPTING TITLE AND POSSESSION OF THE PROPERTY ON THE CLOSING DATE IN ITS EXISTING CONDITION **AS IS, WHERE IS, WITH ALL FAULTS AND DEFECTS**. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, ZONING, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL CONDITIONS, UTILITIES, ACCESS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF ANY PROPERTY DATA OR OTHER INFORMATION PERTAINING TO THE PROPERTY DELIVERED TO BUYER BY SELLER, OR ANY OTHER MATTER OR

THING REGARDING THE PROPERTY. BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESSED OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, PROPERTY INFORMATION PACKAGES DISTRIBUTED WITH RESPECT TO THE PREMISES) MADE OR FURNISHED BY SELLER, THE MANAGER OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT.

B. THE BUYER WAIVES ANY AND ALL CLAIMS AGAINST THE SELLER AND ITS RESPECTIVE OFFICIALS, OFFICERS, REPRESENTATIVES, EMPLOYEES, AGENTS, ATTORNEYS, CONSULTANTS AND CONTRACTORS FOR INDEMNIFICATION, CONTRIBUTION, REIMBURSEMENT OR OTHER PAYMENTS ARISING UNDER FEDERAL, STATE OR LOCAL LAW RELATING TO ENVIRONMENTAL OR ANY OTHER CONDITION OF THE PROPERTY. THE SELLER HAS NO OBLIGATION TO PRODUCE ANY EVIDENCE OF TITLE. IF DESIRED, THE BUYER WILL OBTAIN ITS OWN TITLE EVIDENCE FROM THE TITLE COMPANY.

C. The Buyer shall defend, indemnify and hold harmless the Seller and its officials, officers, representatives, employees, agents, attorneys, consultants and contractors from and against any and all of the following whatsoever: claims (including any claims in any way arising from successor grantees of the Buyer), orders, liens, actions, judgments, demands, damages, losses, costs, liabilities, and attorneys' fees, (including reasonable attorney's fees to enforce this indemnity) resulting from, or in any way connected with the Property with respect to matters occurring on or after the Closing, but also including matters arising out of the acts of the Buyer or its agents during the period from the date of this Agreement to the Closing Date, and including without limitation the Buyer's inspection, ownership or use of the Property and the Buyer's breach of its covenants and obligations in this Agreement.

D. Notwithstanding the foregoing terms in this Paragraph 3, Buyer shall be entitled to conduct due diligence inspections and a title examination as provided in paragraphs 4 and 5 below. The Buyer shall have 60 days to conduct due diligence, with the right to terminate the Agreement upon written notice to Seller.

E. Risk of Loss. The risk of loss by damage or destruction to the Property by fire or otherwise, prior to the Closing, is that of seller. If all of or a substantial portion of the Property is destroyed or damaged prior to the Closing, or the Property is taken by condemnation, Buyer shall have the option to terminate this Agreement. Seller shall not be obligated to repair the Property. Buyer, in its sole discretion, may accept the Property as damaged or destroyed, together with the proceeds of the condemnation award or any insurance payable as a result of the destruction or damage which gross proceeds Seller agrees to assign to Buyer and deliver to Buyer at Closing. In the event the Buyer elects to terminate this Agreement, the Deposit shall be promptly refunded to Buyer.

4. Contingencies.

A. Seller's and Buyer's Contingencies. Subject to the requirements under B of this Section, the Seller's obligation to sell the Property under this Agreement is expressly conditioned upon each of the following contingencies being satisfied or waived by the respective dates indicated:

i. *Representations and Warranties*. As of the Closing Date, the representations and warranties of Buyer set forth below in the Section entitled "Representations and Warranties, By Buyer" will be true in all material respects now and on the Closing Date as if made on the Closing Date; and

ii. *Performance of Buyer's Obligations*. On or before ten (10) days prior to the Closing Date, Buyer shall have performed all of the obligations required to be performed by Buyer by the Closing Date under this Agreement; and

iii. *Disclosures and Reports*. On or before ten (10) days prior to the Closing Date, Buyer has acknowledged, executed, and delivered, if applicable, the Seller's Disclosure Alternatives Statement attached as Exhibit C and any and all Code Compliance Reports (CCR) and/or Truth In Sale of Housing (TISH) or other such requirements; and

iv. *Financing*. On or before ten (10) days prior to the Closing Date, Buyer will provide a proof of funds letter from its bank, to the Seller (Buyer will not be obtaining financing for this transaction nor for its intended use of the Property); and

v. *Board Approval*. On or before ten (10) days prior to the Closing Date, Seller's Board of Commissioners, after a public hearing, approves of this Agreement and the sale of the Property to Buyer; and

vi. *Inspections*. Buyer may perform inspections at its own expense. Buyer shall have sixty (60) days from the Effective Date to investigate the title, zoning use, and condition of the Property, and to request corrections and/or repairs of the Same. Closing shall be contingent on the satisfactory completion of all inspections. If inspection results are unsatisfactory, Buyer may, in its sole discretion, terminate the contract upon notice to Seller.

B. Seller's and Buyer's Contingency Options. If any contingency set forth in the foregoing A of this Section has not been satisfied or waived by the Buyer or the Seller (as the case may be) before the expiration of the time period specified therein, then the Buyer or the Seller (as the case may be) may, at its sole option, exercise its respective contingency right by selecting one of the following options:

i. Terminate this Agreement by written notice to the other Party by the sooner of: (a) three (3) business days after the stated date for the relevant contingency item; or (b) the Closing Date. Following such written notice, the Buyer and Seller shall sign a cancellation of agreement confirming the cancellation of this Agreement and neither Party will have any further rights or obligations regarding this Agreement except for the rights and obligations of indemnification; or

ii. Waive such failure in writing and proceed to close; or

iii. Buyer and Seller may mutually agree in writing to extend the Closing Date with other terms to be negotiated and mutually agreed upon by the Buyer and Seller.

5. Title Examination. Title Examination will be conducted as follows:

A. Title Evidence. As soon hereafter as reasonably possible and at Buyer's sole cost, Buyer shall request and diligently seek to obtain, to the extent Buyer deems it necessary, Title Evidence as follows:

i. *Title Commitment*. Buyer will, upon receipt, deliver a copy of the Title Commitment, including copies of all recorded documents referred to in "Schedule B" of such Title Commitment, to the Seller.

ii. *ALTA Survey*. Buyer will, upon receipt, deliver a copy of the survey to the Seller.

B. Buyer's Objections.

i. Within ten (10) days (excluding Saturdays, Sundays and federal holidays) after receiving the last of the Title Evidence the Buyer may make objections to any matters revealed in the Title Evidence that render title as being unmarketable.

ii. If the Buyer does not make any objections within the stated time period, then Buyer shall have waived its right to make any objections and the Buyer shall be deemed to have approved the title as shown in the Title Evidence. Any such exceptions or matters not timely objected to during the stated time period shall be deemed Permitted Encumbrances under the terms of this Agreement in addition to all Permitted Encumbrances set forth in Exhibit B. The Buyer agrees to take title to the Property subject to all of the Permitted Encumbrances, whether set forth in Exhibit B or not.

iii. If the Buyer provides written notice of objections to the Title Evidence during the stated period, the Seller shall have no obligation to make any efforts to cure the objections. If, however the Seller affirmatively makes efforts to cure the objections, then it will have sixty (60) days after receipt of any objections to attempt to cure the objections, during which period the Closing Date will be postponed as necessary.

iv. If the Buyer has timely and properly delivered objections to matters in the Title Evidence that render title unmarketable and if any of the objections are not cured at least five (5) days before the Closing Date, then the Buyer may proceed in any manner set forth above in the Subsection entitled "Seller's and Buyer's Contingency Options".

6. Closing. Subject to the terms and conditions of this Agreement, the closing of the purchase and sale contemplated by this Agreement ("Closing") will occur within thirty (30) days after all conditions set forth in paragraph 4.A have been met., as may be extended as set forth in this Agreement, or such other date to which Seller and Buyer may agree ("Closing Date"). The Closing will take place at such place and/or by such method to which Seller and Buyer may agree. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

A. Seller's Closing Documents. On the Closing Date, Seller will execute and deliver to Buyer the following:

i. A quit claim deed in form and substance as set forth in attached Exhibit D executed on behalf of the Seller conveying the Property to the Buyer. The vesting title for the Buyer on the quit claim deed shall be as follows:

Iglesia Ni Cristo, a Hawaii religious non-profit corporation, under the Administration of Brother Eduardo V. Manalo, Presiding Elder (Executive Minister) of the Church.

ii. A statement on the quit claim deed stating that there are no wells on the Property within the meaning of Minn. Stat. § 103I, or if there are any such wells, a well certificate in the form and to the extent required by law.

iii. A non-foreign or FIRPTA affidavit, properly executed, containing such information as is required in Section 1445 of the Internal Revenue Code.

iv. Any appropriate required Federal Income Tax reporting form.

v. A settlement statement consistent with this Agreement.

vi. Such affidavits of seller, certificates of value, or other documents, which Seller can provide using reasonable efforts, as may be reasonably required in order to record the quit claim deed and to issue a title policy.

B. Buyer's Closing Deliverables. On the Closing Date, Buyer will execute and/or deliver to Seller the following:

i. The balance of the Purchase Price, and additional costs as stated in Paragraph 7

ii. Funds sufficient for payment by the Buyer at Closing of the recording charges or fees for all documents which are to be placed on record, the fee or charge imposed by any closing agent designated by the title company, any property taxes and or special assessment fees, and any other incidental or related closing costs.

iii. An affidavit properly executed satisfying Seller and the title company that the Buyer is not a blocked person under Executive Order 13224.

iv. Any appropriate required Federal Income Tax reporting form.

v. A settlement statement consistent with this Agreement.

vi. Such affidavits of buyer, certificates of value or other documents as may be reasonably required in order to record the quit claim deed and to issue a title policy.

7. Costs and Expenses; Prorations. Seller and Buyer agree to the following prorations and allocation of costs and expenses regarding this Agreement:

A. Title Insurance. Buyer will pay all costs of the Title Evidence and any title insurance.

B. Closing Fee. Buyer will pay any reasonable and customary closing fee or charge imposed by any closing agent designated by the title company.

C. Administrative Fee. Buyer will pay to Seller an administrative fee of $500.00 for staff time to close the transaction.

D. Deed Tax. Buyer will pay all state deed tax regarding the quit claim deed to be delivered by Seller under this Agreement.

E. Taxes. All real property taxes which have become a lien on the Property ("Taxes") and which are due and payable prior to the year in which Closing occurs, shall be paid by Seller at or prior to Closing. All Taxes which are due and payable in the year in which Closing occurs shall be prorated to the Closing Date and Seller's portion shall be paid by Seller at Closing. This proration shall result in Seller's payment of Taxes from January 1 to the date immediately prior to the Closing Date and Buyer's payment of Taxes from the Date of Closing to December 31.

F. Assessments. All charges for improvements or services already made to the Property, all assessments already levied against the Property prior to the Closing Date shall be paid in full by Seller at Closing. All assessments (general or special) which are levied after the Closing Date and all assessments (general or special) which are pending but not levied as of the Closing Date or which become pending after the Closing Date shall be assumed and paid by Buyer. Seller shall inform Buyer of any notices or plans of future assessments received or known to Seller prior to the Closing Date.

G. Recording Costs. Buyer will pay the cost of recording all documents, including any conservation fees.

H. Other Costs. All other operating costs of the Property, if any, will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such other operating costs incurred before or payable with respect to the period prior to the Closing Date, and Buyer pays that part of such operating costs incurred or payable with respect to the period from and after the Closing Date.

I. Attorney Fees. Each of the Parties will pay the Party's own attorney fees.

8. Representations and Warranties.

A. By Seller. Seller represents and warrants to Buyer as of the date hereof and on the Closing Date as follows:

i. *Authority*. The Seller is a public body corporate and politic organized and existing under the laws of the State of Minnesota and has the authority to enter into this Agreement and carry out its obligations hereunder. The Seller has taken all action necessary within any time periods specified in this Agreement to authorize the execution, delivery, and performance of this Agreement, and any other documents or instruments required to be executed and delivered by the Seller pursuant to this Agreement.

ii. *FIRPTA*. Seller is not a "foreign person," "foreign partnership," "foreign trust," or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

iii. *Seller's Defaults*. Seller has no knowledge or notice of any default concerning any of its obligations or liabilities regarding the Property.

iv. *Proceedings*. Seller has no knowledge or notice of any action, litigation, investigation, condemnation, or proceeding of any kind pending or threatened against any portion of the Property.

v. *Conflicts*. No member of the Board, Council, public officer, or employee of the Seller has either a direct or indirect financial interest in this Agreement, nor will any member of the Board, Council, public officer, or employee of the Seller benefit financially from this Agreement, nor will the execution and delivery of this Agreement create a conflict of interest prohibited by or within the meaning of Minn. Stat. §§ 317A.255. 412.311, 471.87, or 469.009.

vi. *Litigation*. Seller will reasonably cooperate with the Buyer with respect to any litigation commenced by third parties in connection with this Agreement.

B. By Buyer. Buyer represents and warrants to Seller as of the date hereof and on the Closing Date as follows:

i. *Authority*. The Buyer: (i) is the entity described in the introductory paragraph to this Agreement which is in good standing and authorized to do business in the State of Minnesota; (ii) is not in violation of any provisions of the articles of incorporation/organization or other organizational documents, or the laws of the State of Minnesota; and (iii) has power to enter into this Agreement, and all exhibits attached hereto, and has duly authorized the execution, delivery, and performance of this Agreement by proper action of its members, officers or board of directors. The Buyer has taken all action necessary to authorize the execution, delivery and performance of this Agreement, and any other documents or instruments required to be executed and delivered by the Buyer pursuant to this Agreement. The documents will constitute legal and binding obligations enforceable against the Buyer as its interest appears.

ii. *Other Obligations*. To the Buyer's best knowledge, the execution and delivery of this Agreement: (i) is permitted by the Buyer's organizational documents; (ii) does not violate any order, decree, statute, rule or regulation of any court or of any state or federal regulatory body having jurisdiction over the Property; and (iii) will not result in the creation or imposition of a lien, charge or encumbrance on the Property, beyond what is permitted by this Agreement. Buyer shall inform Seller of any future non-compliance with this provision.

iii. *Anti-Terrorism*. The Buyer is not in violation of any laws relating to terrorism or money laundering, including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

iv. *Permits*. The Buyer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations, if applicable.

v. *Sewer*. NA

vi. *Proceedings*. There are no pending or threatened legal proceedings, of which the Buyer has notice or knowledge, contemplating the liquidation or dissolution of the Buyer or threatening its existence, or seeking to restrain or enjoin the transactions contemplated by the Agreement, or questioning the authority of the Buyer to execute and deliver documents or instruments required to be executed and delivered by the Buyer pursuant to this Agreement.

vii. *Conflict*. The execution and delivery of this Agreement will not create a conflict of interest prohibited by Minn. Stat. §§ 317A.255 or 469.009 and Buyer shall complete and submit to the Seller the Conflict of Interest Statement for Organizations attached as Exhibit E.

viii. *Litigation*. Buyer will reasonably cooperate with the Seller with respect to any litigation commenced by third parties in connection with this Agreement.

C. Limitation. Except as specifically set forth to the contrary in this Agreement, all covenants, stipulations, promises, agreements and obligations of the Seller or the Buyer contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Seller or Buyer, respectively, and not of any official, officer, representative, employee, agent, attorney, consultant or contractor of the Seller or Buyer in the individual capacity thereof.

9. Restrictive Covenants. Buyer acknowledges and agrees to the restrictive covenants contained in Exhibit D of the Agreement which are as follows. (1) No parking or parking use on the Property, (2) Development is prohibited with the exception of a fence that has been approved by Seller if compliant with City of Saint Paul Code of Ordinances, (3) Property is to be used only for Church and/or Buyer-sponsored or Buyer approved community activities.

10. Seller Default and Buyer Remedy. If the Seller shall default under this Agreement the Buyer shall provide written notice to the Seller of the default and the required cure. If the Seller fails to cure the default within thirty (30) days after the date of such notice, the Buyer may terminate this Agreement by written notice to the Seller. Such termination shall be the sole remedy for the Buyer. The Seller shall not be responsible to the Buyer for specific performance.

11. Buyer Default and Seller Remedy. If the Buyer shall default under this Agreement the Seller shall provide written notice to the Buyer of the default and the required cure. If the Buyer fails to cure the default within thirty (30) days after the date of such notice, the Seller may terminate this Agreement by written notice to the Buyer or take any other action available at law or in equity. No remedy conferred upon or reserved to the Seller is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. Buyer's Board of Directors or partners shall have the right, but not the obligation, to cure any default on behalf of Buyer hereunder.

A. Re-vesting Title in the Seller. In addition to all remedies set forth herein, if, subsequent to conveyance of the Property to the Buyer, Buyer defaults under this Agreement and the default is not cured within the cure period allowed; then the Seller shall have the right to re-enter and take possession of the Property and to terminate and re-vest in the Seller the estate conveyed by the quit claim deed to the Buyer. Upon notice by Seller to Buyer of default under this Section and failure of Buyer to cure within the cure period allowed, Buyer shall immediately sign a limited warranty deed prepared by the Seller and Seller has the right to record or file the limited warranty deed with Ramsey County property records. The Buyer agrees that complete and unconditional delivery of a limited warranty deed shall have been accomplished upon the recording or filing thereof free of any claim to title or interest therein by Buyer. It is the intent of this Agreement that the conveyance or transfer of the Property to the Buyer shall be conditioned on the Buyer's performance hereunder, and that upon the filing or recording of a limited warranty deed, all the rights and interest of the Buyer, and any assigns or successors, in and to the Property shall revert to the Seller.

12. Indemnification.

A. The Buyer agrees to release, defend, indemnify and hold harmless the Seller, its respective officials, officers, representatives, employees, agents, attorneys, consultants and contractors, now and forever, from any judgements, claims, demands, suits, costs, expenses (including reasonable attorneys' fees), damages (including loss or damage to property or any injury to or death of any person), actions or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from or relating to all of the following: the actions or inactions of the Buyer (or if other persons acting on its behalf or under its direction or control) under this Agreement or any related agreement; the transactions contemplated by this Agreement; any claims resulting from the Buyer's negligence in the ownership, acquisition, construction, installation, and/or operation of the Property; and/or breach of this Agreement including any warranty or representation made by Buyer under this Agreement. Buyer's obligations under this paragraph shall not apply to the extent that such obligations are the result of the intentional misconduct of the Seller.

B. The Seller makes no warranties or representations regarding, nor does it indemnify the Buyer with respect to, the existence or nonexistence on or in the vicinity of the Property of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, or the Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601-9657). The foregoing disclaimer relates to any toxic or hazardous substances or wastes, pollutants or contaminants allegedly generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on or in the vicinity of the Property, as well as any activity claimed to have been undertaken on or in the vicinity of the Property that would cause or contribute to causing (1) the Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901 et seq., as amended, or any similar state law or local ordinance, (2) a release or threatened release of any toxic or hazardous substances or wastes, pollutants or contaminants from the Property within the meaning of, or otherwise bring the Property within the ambit of, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or any similar state law or local ordinance, or (3) the discharge of pollutants or effluents into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq., as amended, or any similar state law or local ordinance. Further, the Seller makes no warranties or representations regarding, nor does the Seller indemnify the Buyer with respect to the existence or nonexistence on or in the vicinity of the Property of any substances or conditions in or on the Property that may support a claim or cause of action under the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or any other federal, state or local environmental statutes, regulations, rules, ordinances or other environmental regulatory requirements, including without limitation, the Minnesota Environmental Response and Liability Act, Minnesota Statutes, Chapter 115B. The Seller makes no representations or warranties regarding the existence of any above ground or underground tanks in or about the Property or whether any above or underground tanks have been located under, in or about the Property and have subsequently been removed or filled. Buyer has the right to conduct or obtain environmental assessments during the inspection period allotted in Paragraph 4.A. Buyer may terminate this Agreement upon notice to Seller if the environmental report indicates hazardous conditions and/or the presence of hazardous materials on the Property.

13. Broker's Commission. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this transaction. The Buyer agrees to indemnify the Seller and hold the Seller harmless against all claims, damages, costs or expenses of or for any other such fees or commissions resulting from Buyer's actions or agreements regarding the execution or performance of this Agreement and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the Seller, including reasonable attorneys' fees.

14. Binding Effect. This Agreement will be binding upon and inure to the benefit of the Seller and the Buyer, and their respective heirs, legal representatives, successors, and permitted assigns. All amendments, consents or approvals shall be in writing in order to be effective.

15. Time of Essence. Time is of the essence for all deadlines and performance periods contained in this Agreement.

16. Sale or Assignment. Buyer shall not sell or assign this Agreement or any rights herein without the prior written approval of the Seller.

17. Right of First Refusal. If, subsequent to conveyance of the Property by Seller to Buyer, the Buyer receives any offer to sell the Property and the Buyer intends to sell the Property, the Seller must be notified in writing and given the opportunity to repurchase the Property. The Buyer is not required to notify Seller of blind offers or offers received, if the Buyer has no current intent to sell the Property. If Buyer intends to sell the Property, Buyer must notify Seller before the Property is placed for sale on the open market. In this event, the Seller has the first opportunity to repurchase the Property for the original Purchase Price. The Seller shall respond to Buyer's notice in writing within sixty (60) days of receipt, indicating whether it will exercise its option to purchase.

18. Notice and Demands. All notices, demands or writings required to be made or given under this Agreement, unless otherwise provided, shall be sufficiently given or delivered immediately upon (i) personal delivery or; or three (3) days after it is (ii) mailed by United States mail or (iii) deposited cost paid with a nationally recognized, reputable overnight courier. All notices, demands or writings required to be made or given under this Agreement, unless otherwise provided, shall

be made to the following addresses, or at such other address as any party may, from time to time, designate in writing and forward to the other parties, as provided above:

If to the Seller:	Housing and Redevelopment Authority of the City of Saint Paul, Minnesota 1300 City Hall Annex 25 West Fourth Street Saint Paul, MN 55102 Attn: Executive Director Emailed Notices to: StPaulHRAProperty@ci.stpaul.mn.us
With a copy to:	Office of the City Attorney (CAO) 400 City Hall 15 West Kellogg Boulevard Saint Paul, MN 55102 Attn: PED/HRA Attorney Emailed Notices to: CAO-contractcompliance@ci.stpaul.mn.us
If to Buyer:	Iglesia Ni Cristo c/o Bro. Elmer J. Parungao 4650 France Avenue North Robinsdale, Minnesota 55422
With a copy to:	Iglesia Ni Cristo (Church of Christ) c/o Margaret B. Cruz 4125 16th Street NW Washington, DC 20011

19. Conflicts. No salaried officer or employee of the Seller and no member of the Council, or Commission, or Board of the Seller shall have a financial interest, direct or indirect, in this Agreement. The violation of this provision renders this Agreement void.

20. Governing Law, Jurisdiction and Venue. This Agreement shall be construed for and on behalf of the Seller, and in furtherance of the Seller's public purpose, and shall be construed and interpreted in accordance with the laws of the State of Minnesota without regard to its conflict and choice of law rules. Any litigation arising out of this Agreement or its breach shall be venued exclusively in Ramsey County District Court, Second Judicial District, State of Minnesota. Buyer hereby consents to personal jurisdiction and venue in the foregoing court.

21. Provisions Surviving Rescission or Expiration. Except as otherwise expressly provided herein, all of the covenants and agreements made in this Agreement, or in any schedule, exhibit, certificate, or document delivered in connection with this Agreement, shall survive and be enforceable after the Closing and the delivery of the quit claim deed. In addition, except as otherwise expressly provided herein all covenants and agreements related to environmental obligations, indemnification, remedies, and enforcement, or in any schedule, exhibit, certificate,

or document delivered in connection with this Agreement, shall survive the expiration, cancellation, or termination of this Agreement.

22. Counterparts. This Agreement may be executed in counterparts, each of which constitutes an original, but all of which when taken together shall constitute one and the same agreement.

23. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties further agree that any document (including this Agreement and any attachments or exhibits to this Agreement) containing, or to which there is affixed, an electronic signature shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party's failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

24. Exhibits. The following listing of exhibits which are attached to this Agreement, and all obligations and duties articulated, and certifications made therein, are incorporated into and made a part of this Agreement:

Exhibit A - Legal Description
Exhibit B - Permitted Encumbrances
Exhibit C - Disclosure Alternatives Statement
Exhibit D - Quit Claim Deed
Exhibit E - Conflict of Interest Statement for Organizations

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be duly executed as of the date first written above.

BUYER:

Iglesia Ni Cristo
a Hawaii religious non-profit corporation

____
By: Elmer J. Parungao
Its: District Minister

SELLER:

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota

By: ______________________________
Its: Interim Executive Director

Approved as to form

____
Assistant City Attorney

EXHIBIT A
Legal Description

That part of Lots 3 and 4, Block 53, West St. Paul, described as follows: Commencing at the Southeast corner of Lot 4; thence Northwesterly along the Southwesterly line of Concord Street 100 feet; thence Southerly to a point on the South line of Lot 4, 100 feet West of the Southeast corner thereof; thence East along said South line of said Lot 4, 100 feet to beginning, excepting that part thereof taken for opening of Livingston Avenue.

(Abstract)

The below is not part of the legal description and is for reference only:
PIN: 08.28.22.22.0059
Address: 77 Congress St., St. Paul, MN 55107

EXHIBIT B
Permitted Encumbrances

1. Those items listed on the Title Commitment and not objected to by the Buyer.

2. Minerals and mineral rights in favor of the State of Minnesota in those portions of the Property the title to which may have forfeited to the State of Minnesota.

3. Easements, covenants, conditions, and restrictions and other instruments of record or shown on the plat, if any.

4. Real estate taxes and all assessments, levied, pending, or assessed, including special assessments, due and payable in 2026 and subsequent years.

5. Applicable building and zoning laws, ordinances, and all other local, state, regional and federal laws and regulations.

6. Terms, Covenants and Conditions as contained in the Redevelopment Plan applicable to the areas in which the real property described herein is located and as contained in Minn. Stat. Section 469.029.

It is intended and agreed that the Permitted Encumbrances shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by the Seller, its successors and assigns, against the Buyer, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof. The Seller shall be entitled to recover its attorney fees and costs if it prevails in any action brought to enforce the Permitted Encumbrances against the Buyer, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof

EXHIBIT C
Disclosure Alternatives Statement

See attached ***Seller's Disclosure Alternatives Form*** (consisting of 3 pages) and ***Radon in Real Estate Transactions*** (consisting of 2 pages)

SAINT PAUL
PLANNING & ECONOMIC DEVELOPMENT

SELLER'S DISCLOSURE ALTERNATIVES FORM

Property address: 77 Congress Street E (hereinafter the "Property"):

1. **Notice:** Any disclosures made here, if any, are not a warranty or guaranty of any kind by the Housing and Redevelopment Authority of the City of Saint Paul ("Seller") and/or are not a substitute for any inspections or warranties the Buyer may wish to obtain.

2. **Waiver:** The written disclosure required under MN Statutes 513.52 through 513.60 may be waived if the Seller and prospective Buyer agree in writing. The Seller and Buyer hereby waive the written disclosure required under MN Statutes 513.52 through 513.60. Accordingly, the Seller is not obligated to disclose ANY material facts of which the Seller is aware that could adversely and significantly affect the Buyer's use or enjoyment of the Property or any intended use of the Property, other than those disclosure requirements created by any other law. The Seller is not obligated to update Buyer on any changes made to material facts of which the Seller is aware that could adversely and significantly affect the Buyer's use or enjoyment of the Property or any intended use of the Property that occur, other than those disclosure requirements created by any other law.

3. **Other Disclosures:**

a. **Subsurface Sewage Treatment System Disclsoure:** *(Note for Project Manager: if the City/HRA knows or there is a subsurface sewage treatment system on or serving the property or that is abandoned, please consult CAO for necessary disclosures.)* The Seller ☐ does ☒ does not know of a subsurface sewage treatment system on or serving the Property.

i. ☐ There is a subsurface sewage treatment system on or serving the Property.
ii. ☐ There is an abandoned subsurface sewage treatment system on the Property.

b. **Private Well Disclosure:** *(Note for Project Manager: If the City/HRA knows or there is a well on or serving the property or that is abandoned, please consult CAO for necessary disclosures.)*

i. ☒ The Seller does not know of any wells on the Property.
ii. ☐ There are one or more wells located on the Property.
iii. ☐ This Property is in a Special Well Construction Area.
iv. ☐ There are wells serving the Property that are not located on the Property.
Comments: ____________________________

c. **Valuation Exclusion Disclosure:** There ☐ is ☒ is not an exclusion from market value for home improvements on this Property. Any valuation exclusion shall terminate upon sale of the Property, and the Property's estimated market value for property tax purposes shall increase. If a valuation exclusion exists, Buyer is encouraged to look into the resulting tax consequences.

d. Methamphetamine Production Disclosure: *(Note for Project Manager: if the City/HRA is aware that meth production has occurred on the Property, please consult CAO for necessary disclosures.)*

i. ☒ The Seller is not aware of any methamphetamine production that has occurred on the Property.
ii. ☐ The Seller is aware that methamphetamine production has occurred on the Property.

e. Radon Disclosure:

i. Radon Warning Statement: The Minnesota Department of Health strongly recommends that all homebuyers have an indoor radon test performed prior to purchase or taking occupancy and recommends having the radon levels mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily be reduced by a qualified, certified, or licensed, if applicable, radon mitigator. Every buyer of any interest in residential real property is notified that the Property may present e3xposure to dangerous levels of indoor radon gas that may place occupants at risk of developing radon-induced lung cancer. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall.

ii. Radon In Real Estate: By signing this Statement, Buyer hereby acknowledges receipt of the Minnesota Department of Health's publication entitled *Radon in Real Estate Transactions* which is attached hereto and can be found at www.health.state.mn.us. A seller who fails to disclose the information required under MN Statute 144.496 and is aware of material facts pertaining to radon concentrations in the Property, is liable to the Buyer. A buyer who is injured by violation of MN Statute 144.496 may bring a civil action and recover damages and receive other equitable relief as determined by the court. Any such action must be commended within two years after the date on which the Buyer closed the purchase or transfer of the Property.

iii. Seller's Radon Disclosures: The Seller makes the following disclosures to the extent of the Seller's actual knowledge.

1) Radon test(s) ☐ have ☒ have not occurred on the Property.
2) Description of any known radon concentrations, mitigation, or remediation (the most current records and reports, if any, pertaining to radon concentration within the dwelling are attached). sjy
3) There ☐ is ☒ is not a radon mitigation system currently installed on the Property. Information regarding any radon mitigation, system, including system description and documentation, to the extent known by Seller. sjy

f. Notice Regarding Airport Zoning Regulations: The Property may be in or near an airport safety zone with zoning regulations adopted by the governing body that may affect the Property. Such zoning regulations are filed with the county recorder in each county where the zoned area is located. If Buyer would like to determine if such zoning regulations affect the Property, the Buyer should contact the county recorder where the zoned area is located.

g. Notice Regarding Carbon Monoxide Detectors: MN Statute 299F.51 requires Carbon Monoxide Detectors to be located within ten (10) feet from all sleeping rooms. Carbon Monoxide Detectors may or may not be personal property and may or may not be included in the sale of the Property.

h. Notice Regarding Predatory Offender Information: Information regarding the predatory offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may be obtained by contacting the local law enforcement offices in the community where the Property is located or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Correct ions web site at www.corr.state.mn.us.

i. Warranty Disclaimer: Notwithstanding anything to the contrary contained in the Purchase Agreement and this Seller's Disclosure Alternatives Form, Seller and the City of Saint Paul make no representations or warranties here and are not responsible for any conditions existing on the Property.

j. Records and Reports: Any records and reports, if any, are attached and made a part of this disclosure.

k. Seller's Statement: The information disclosed in this form is given to the best of the Seller's knowledge.

SELLER: Housing and Redevelopment Authority of the City of Saint Paul, Minnesota

Approved as to form:

____________________________	____________________________
Melanie McMahon, Interim Executive Director	Assistant City Attorney
Date: ________________________	Date: ________________________

l. Buyer's Acknowledgement: Buyer acknowledges receipt of this Seller's Disclosure Alternatives Form and agrees to the Seller's waiver of its disclosure obligations as set forth in this form. Buyer further agrees that no representations regarding facts have been made, and that this disclosure statement is not a warranty or guaranty of any kind by Seller in the transaction and is not a suitable substitute for any inspections or warranties Buyer may wish to obtain.

BUYER: Iglesia Ni Christo, a Hawaii religious non-profit corporation

By: ________________________	By: ________________________
Print: ________________________	Print: ________________________
Date: ________________________	Date: ________________________

Radon in Real Estate Transactions

All Minnesota homes can have dangerous levels of radon gas. Radon is a colorless and odorless gas that comes from the soil. The gas can accumulate in the home. When inhaled, its radioactive particles can damage the lungs. Long-term exposure to radon can lead to lung cancer. About 21,000 lung cancer deaths each year in the United States are caused by radon.

The only way to know how much radon gas has entered the home is to conduct a radon test. MDH estimates 2 in 5 homes exceed the 4.0 pCi/L (picocuries per liter) action level. Whether a home is old or new, any home can have high levels of radon.

The purpose of this publication is to educate and inform potential home buyers of the risks of radon exposure, and how to test for and reduce radon as part of real estate transactions.

Disclosure Requirements

Effective January 1, 2014, the Minnesota Radon Awareness Act requires specific disclosure and education be provided to potential home buyers during residential real estate transactions in Minnesota. **Before signing a purchase agreement to sell or transfer residential real property**, the seller shall provide this publication and shall disclose in writing to the buyer:

1. **whether a radon test or tests have occurred on the property**
2. **the most current records and reports pertaining to radon concentrations within the dwelling**
3. **a description of any radon levels, mitigation, or remediation**
4. **information on the radon mitigation system, if a system was installed**
5. **a radon warning statement**

Radon Facts

How dangerous is radon? Radon is the number one cause of lung cancer in nonsmokers, and the second leading cause overall. Your risk for lung cancer increases with higher levels of radon, prolonged exposure, and whether or not you are a current smoker or former smoker.

Where is your greatest exposure to radon? For most Minnesotans, your greatest exposure is at home where radon can concentrate indoors.

What is the recommended action based on my results? If the average radon in the home is at or above 4.0 pCi/L, the home's radon level should be reduced. Also, consider mitigating if radon levels are between 2.0 pCi/L and 3.9 pCi/L. Any amount of radon, even below the recommended action level, carries some risk. A home's radon levels may change in the future, so test every 2–5 years, or sooner if there is major remodeling or changes to the foundation, heating, cooling, or ventilation.

Radon Warning Statement

"The Minnesota Department of Health strongly recommends that ALL home buyers have an indoor radon test performed prior to purchase or taking occupancy, and recommends having the radon levels mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily be reduced by a qualified, certified, or licensed, if applicable, radon mitigator.

Every buyer of any interest in residential real property is notified that the property may present exposure to dangerous levels of indoor radon gas that may place the occupants at risk of developing radon-induced lung cancer. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall. The seller of any interest in residential real property is required to provide the buyer with any information on radon test results of the dwelling."

DEPARTMENT OF HEALTH

Radon Testing

Any test lasting less than three months requires **closed-house conditions**. Closed-house conditions include keeping all windows and doors closed, except for normal entry and exit, and temperature set to 65 – 80 °F. For a full list of closed-house conditions please visit *mn.gov/radon/notice*.

Before testing: Begin closed-house conditions at least 12 hours before the start of the radon test.

During testing: Maintain closed-house conditions during the entire duration of the short-term test. Operate home heating or cooling systems normally during the test.

Where should the test be conducted? Any radon test conducted for a real estate transaction needs to be placed in the lowest livable area of the home suitable for occupancy. This is typically in the basement, whether finished or unfinished. If other foundations are present, such as a crawl space or slab on grade, also test the rooms above these foundations.

Place the test kit:

- 20 inches to 6 feet above the floor
- 3 feet from exterior doors and windows
- 1 foot from exterior walls
- away from heat sources and drafts caused by vents and fans
- not in enclosed areas or areas of high heat/humidity

How are radon tests conducted in real estate transactions?

There are special protocols for radon testing in real estate transactions. Because these tests are time-sensitive there are two testing options. For both tests, test for a minimum of 2 days.

Continuous Radon Monitor (CRM)

MDH recommends CRMs in real estate testing. CRMs are calibrated, provide more data, and may detect tampering. The average of the results are used to make a decision to mitigate.

Simultaneous Short-Term Testing

Two short-term test kits are placed side by side, 4" – 8" apart. The results of the two tests are averaged and used to make a decision to mitigate.

Radon Mitigation

When elevated levels of radon are found, they can be easily reduced by a licensed professional.

Radon mitigation is the process or system used to reduce radon concentrations in the breathing zones of occupied buildings. The goal of a radon mitigation system is to reduce the indoor radon levels to below the action level. This is done by drawing soil gas from under the house and venting it above the roof. A quality mitigation system is often able to reduce the annual average radon level to below 2.0 pCi/L. The cost of a radon mitigation system averages $1,500 to $3,000.

After a radon mitigation system is installed perform an independent short-term test to ensure the reduction system is effective. Operate the radon system during the entire test. This short-term test will confirm low levels in the home. Be sure to retest the house every two years to confirm continued radon reduction.

All radon testing and mitigation should be conducted by licensed radon professionals. Radon service providers, such as home inspectors, must be licensed. A list of these licensed radon professionals can be found at MDH's radon web site. MDH conducts free inspections, upon request, of recently installed radon mitigation systems, to check that they meet requirements.

More Radon Information
www.mn.gov/radon

MDH Indoor Air Unit
PO Box 64975
St Paul, MN 55164-0975

Contact Information
651-201-4601
800-798-9050
health.indoorair@state.mn.us

Last Updated 4/2023

EXHIBIT D
Quit Claim Deed

See attached ***Quit Claim Deed*** (consisting of 5 pages)

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED
Business Entity to Business Entity

eCRV number: _____

DEED TAX DUE: $________ DATE: ____________________________________

THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("**Grantor**" or "**Seller**"), has entered into a Purchase Agreement dated ________________ (the "**Agreemen**t") with Iglesia Ni Cristo, a Hawaii religious non-profit corporation, under the Administration of Brother Eduardo V. Manalo, Presiding Elder (Executive Minister) of the Church ("**Grantee**" or "**Buyer**") for the purchase of the herein described lands setting forth the terms, conditions and restrictions upon which this conveyance is conditioned. The Agreement is on file and available for public inspection in the City of Saint Paul Department of Planning and Economic Development. Said Agreement provides for a right of re-entry and re-vesting of title to Grantor, and other remedies, for breach or noncompliance with the terms of the Agreement.

FOR VALUABLE CONSIDERATION, Grantor hereby conveys and quit claims to Grantee real property in Ramsey County, Minnesota legally described as follows:

See attached Exhibit A (hereinafter referred to as the "**Property**")

Check here if all or part of the described real property is Registered (Torrens) ☐

together with all hereditaments and appurtenances belonging thereto, and subject to: 1) the Permitted Encumbrances described on the attached Exhibit B; and 2) the Deed Restrictions described on the attached Exhibit C.

Check applicable box:
☒ The Seller certifies that the Seller does not know of any wells on the described real property.
☐ A well disclosure certificate accompanies this document or has been electronically filed. (if electronically filed, insert WDC number: .)
☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the lase previously filed well disclosure certificate.

GRANTOR

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota,
a public body corporate and politic organized and existing under the laws of the State of Minnesota

By: ______________________________
Its: Chairperson

State of Minnesota, County of Ramsey

This instrument was acknowledged before me on _________________, by _______________________________, as Chairperson of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota, by authority of its Board of Commissioners and on behalf of said entity.

(Stamp)

____
Title (and Rank): Minnesota Notary Public
My commission expires: ___________________

THIS INSTRUMENT WAS DRAFTED BY:

Saint Paul City Attorney's Office
City Hall, Suite 400
15 W. Kellogg Boulevard
Saint Paul, MN 55102

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

Iglesia Ni Cristo,
a Hawaii religious non-profit corporation
4650 France Avenue North
Robinsdale, MN 55422

EXHIBIT A
(to Quit Claim Deed)
LEGAL DESCRIPTION

That part of Lots 3 and 4, Block 53, West St. Paul, described as follows: Commencing at the Southeast corner of Lot 4; thence Northwesterly along the Southwesterly line of Concord Street 100 feet; thence Southerly to a point on the South line of Lot 4, 100 feet West of the Southeast corner thereof; thence East along said South line of said Lot 4, 100 feet to beginning, excepting that part thereof taken for opening of Livingston Avenue.

(Abstract)

The following are not a part of the legal description above and are for convenience of reference only
Common Address: 77 Congress Street E, Saint Paul, MN 55107
Tax Parcel ID: 08.28.22.22.0059

EXHIBIT B
(to Quit Claim Deed)
PERMITTED ENCUMBRANCES

The Property is subject to and encumbered by the following liens and covenants, and no others:

1. Those permitted encumbrances listed on the title commitment identified as follows:

   (i) (Not Applicable)

2. Minerals and mineral rights in favor of the State of Minnesota in those portions of the Property the title to which may have forfeited to the State of Minnesota.

3. Easements, covenants, conditions, and restrictions and other instruments of record or shown on the plat, if any.

4. Real estate taxes and all assessments, levied, pending, or assessed, including special assessments, due and payable in 2025 and subsequent years.

5. Applicable building and zoning laws, ordinances, and all other local, state, regional and federal laws and regulations.

6. Terms, Covenants and Conditions as contained in any Redevelopment Plan applicable to the area in which the real property described herein is located and as contained in Minn. Stat. Section 469.029.

It is intended and agreed that the Permitted Encumbrances shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by the Grantor, its successors and assigns, against the Grantee, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof. The Grantor shall be entitled to recover its attorney fees and costs if it prevails in any action brought to enforce the Permitted Encumbrances against the Grantee, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof.

EXHIBIT C
(to Quit Claim Deed)
DEED RESTRICTIONS

1. Grantee shall not discriminate upon the basis of race, color, creed, religion, sex, or sexual or affectional orientation, national origin, age, or disability, marital status, or status with regard to public assistance, in the sale, rental or advertising of the Property, or any dwelling therein, and in its use or occupancy.

2. The Property is subject to all other terms, conditions, and restrictions of the Agreement not already specified herein, which Agreement is fully incorporated herein by reference.

3. No parking or parking use on the Property.

4. Development is prohibited with the exception of a fence that has been approved by Grantor if compliant with City of Saint Paul Code of Ordinances.

5. Property is to be used only for Church and/or Grantee sponsored or Grantee approved community activities.

If Grantee, its successors and assigns, tenants or any occupant of the Property violates any of these Deed Restrictions, then Grantor may enforce the covenants and restrictive uses against the Property by bringing an action seeking injunctive relief and decree to compel performance of any term, covenant or condition set forth in the Deed Restrictions. Grantor is entitled to recover its costs, disbursements, and reasonable attorney fees in connection with any such legal proceeding or action. All remedies available to Grantor are cumulative.

EXHIBIT E
Conflict Of Interest Statement for Organizations

See attached ***Conflict of Interest Statement for Organizations*** (consisting of 1 page)

Exhibit E
CITY OF SAINT PAUL
AND
HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

CONFLICT OF INTEREST STATEMENT FOR ORGANIZATIONS

To Whom It May Concern:

Iglesia Ni Cristo, a Hawaii Religious non-profit corporation (the "**Organization**") has a conflict-of-interest policy which applies to all of its board members, directors, officers and employees.

On behalf of the board members, directors, officers and employees, the Organization declares that no conflicts of interest currently exist or that any possibilities of conflicts of interest have been disclosed to the City of Saint Paul ("City") and/or the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") in connection with receiving funds through the City and/or HRA. The Organization further declares that any possibility of a conflict of interest which may arise in the future in connection with the Program and/or Project will be disclosed to the City and/or HRA.

A conflict of interest exists or may exist whenever a board member, director, officer, or employee knows or has reason to know that any activity, involvement, interest or relationship, directly or indirectly, in connection with this Program and/or Project, of a person or a person's spouse or dependent(s) to which that person is a participant, receives or may be perceived as receiving any monetary or other material benefit to that person, person's spouse or dependent(s).

ORGANIZATION

By: ____

Its: ____

Date: ______________________________________

By: ____

Its: ____

Date: ______________________________________

City of Saint Paul

City Hall and Court House
15 West Kellogg
Boulevard
Phone: 651-266-8560

Master

File Number: RES PH 25-278

File ID: RES PH 25-278 **Type:** Resolution-Public Hearing **Status:** Agenda Ready

Version: 1 **Contact Number:** 266-8498 **In Control:** Housing & Redevelopment Authority

File Created: 11/26/2025

File Name: Conveyance & Transfer of 3 Chestnut Plaza Parcels **Final Action:**

Title:
Resolution Approving and Authorizing the Conveyance of Three Parcels Located in Chestnut Plaza and Along the Riverfront to the City of Saint Paul, District 9, Ward 2

Notes:

Sponsors: Noecker **Enactment Date:**

Attachments: Board Report, Map **Financials Included?:**

Contact Name: Jenn Dull **Hearing Date:**

Entered by: kelly.bauer@ci.stpaul.mn.us **Ord Effective Date:**

History of Legislative File

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File RES PH 25-278

Resolution Approving and Authorizing the Conveyance of Three Parcels Located in Chestnut Plaza and Along the Riverfront to the City of Saint Paul, District 9, Ward 2

HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS **DATE: DECEMBER 10, 2025**

REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE CONVEYANCE OF THREE PARCELS LOCATED IN CHESTNUT PLAZA AND ALONG THE RIVERFRONT TO THE CITY OF SAINT PAUL, DISTRICT 9, WARD 2.

Requested Board Action

Authorize and approve conveyance of three HRA-owned parcels used for right of way and trail purposes in and along Chestnut Plaza and the riverfront to the City of Saint Paul.

Background

In 2001, the HRA entered into a development agreement for the Upper Landing development project which generally included an area between Chestnut Street/Eagle Parkway, Washington Street, Shepard Road, and Pilot House (also known as City House, Public House, and Head House). Three parcels adjacent to Pilot House identified by parcel IDs 062822310018, 062822310019, and 062822310020 (the "Property") are owned by the HRA and are considered remnants of the overall development. The Property is undevelopable and is currently used for right of way and trail purposes which the City Parks department maintains.

Staff have been working to identify remnant parcels within the HRA owned properties portfolio that could be transferred to City ownership and staff continues to work with City departments to accomplish these transfers. The Property came to the forefront for priority transfer due to the City's Chestnut Plaza revitalization project that started this summer. To not delay the City's project, the HRA Executive Director executed a right of entry permit for an initial term of 30 days while staff work through the steps required for conveyance.

As this is a conveyance of HRA owned property, staff published a notice of public hearing relating to the proposed conveyance of certain real property in the Saint Paul Pioneer Press on November 29, 2025, and a public hearing will need to be conducted.

Budget Action - N/A

Future Action

There will be no further Board action required by the HRA. Upon approval, staff will proceed with the drafting and securing of signatures on the necessary conveyance documents. Note, that City Council may need to formally accept the Property which the City's real estate department will bring to City Council for action.

Financing Structure

There is no financing involved. The Property will be conveyed to the City at no cost.

PED Credit Committee Review - N/A

Compliance - N/A

Green/Sustainable Development - N/A

Environmental Impact Disclosure - N/A

Historic Preservation - N/A

Public Purpose/Comprehensive Plan Conformance

Conveyance of the Property is consistent with existing and future use of the area. Specifically, pursuant to the Parks, Recreation, and Open Space Chapter, as the Property is already being used for trail and right of way purposes, it meets the goal of a strong and accessible connection. Policy PR-1 aims to ensure equitable access to Parks and Recreation amenities and PR-2 intends to reduce physical barriers to facilities. Conveyance of the Property also aligns with Policy PR-15 and 16 providing for innovation and safety in existing parks through design and maintenance. As the Property has been a part of the trail and park system for some time, it is better suited to be owned by the City to continue maintenance and best practices operations for the area. The proposed conveyance further supports Goal 5 of the Parks, Recreation, and Open Space Chapter for strong and accessible connections.

Statement of Chair (for Public Hearing)

Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of conveyance of certain real estate located in District 9, Ward 2, by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA). Notice of time, place, and purpose of this hearing was published in the Saint Paul Pioneer Press on November 29, 2025. The Affidavit of Publication of the Notice of

Public Hearing will be made a part of these proceedings. The HRA proposes to convey the following property as follows:

Property Description	Buyer	Purchase Price
PID 062822310018	City of Saint Paul	$0.00
PID 062822310019	City of Saint Paul	$0.00
PID 062822310020	City of Saint Paul	$0.00

The above property will be sold by the HRA by a quit claim deed. Is there anyone who wishes to be heard on this sale? If not, the Chair will declare this Public Hearing closed.

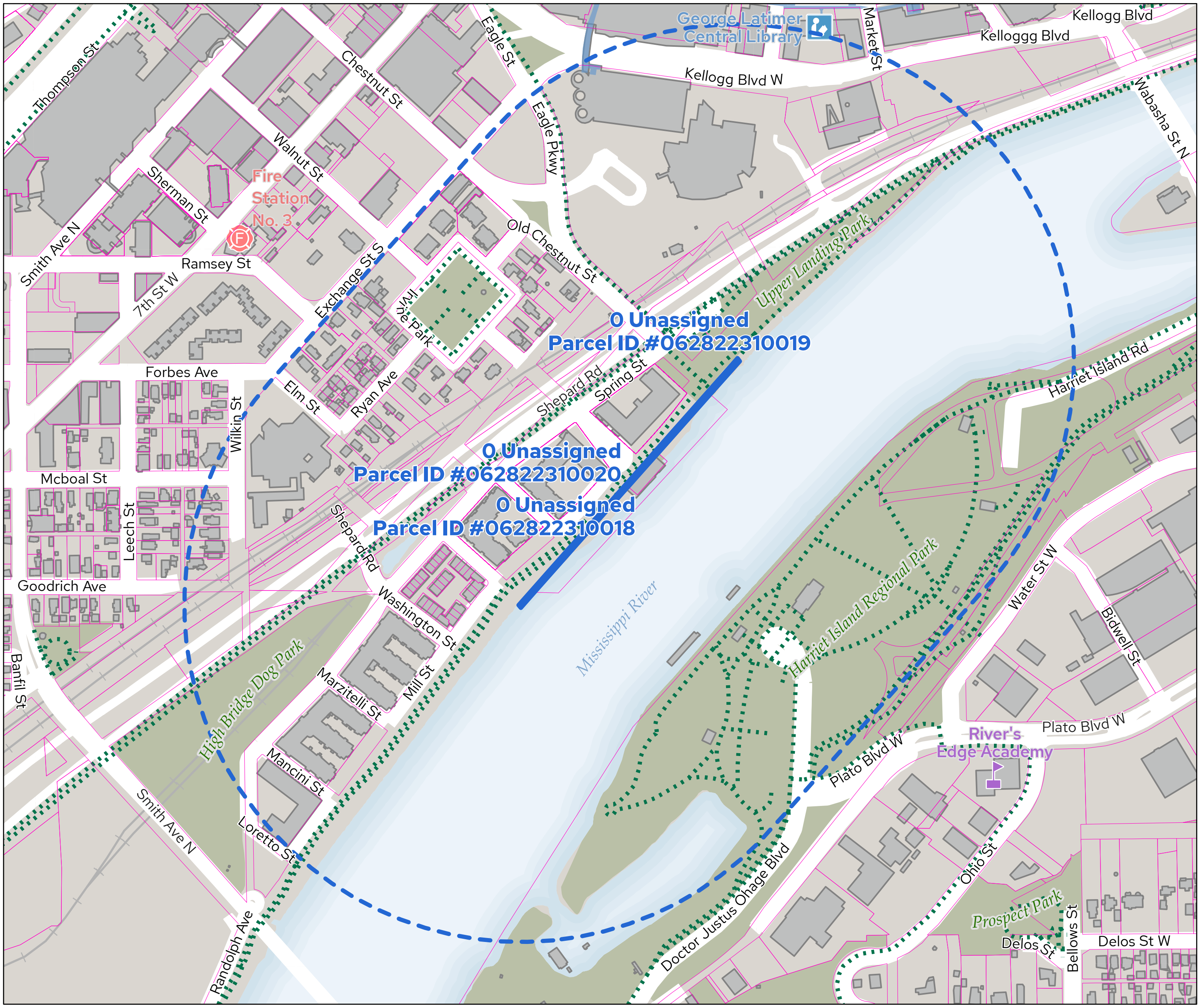
Recommendation:
The Executive Director recommends approval of the conveyance in accordance with the resolution.

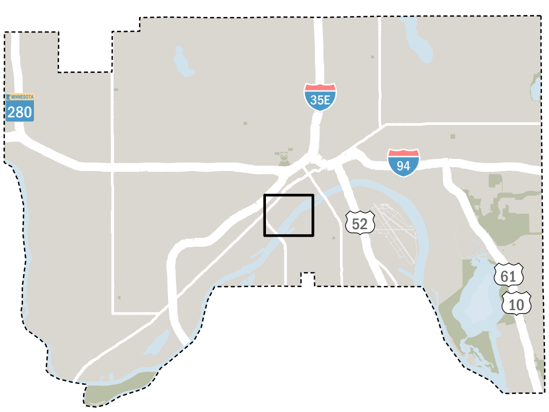
Sponsored by: Rebecca Noecker
Staff: Jenn Dull, 651-266-8498
Attachments

- **Map**

Chestnut Plaza Riverfront Trail

HRA Board Report Map • Tuesday, November 25, 2025





- Subject Property
- Quarter Mile Distance
- Subject Property
- Fire Stations
- Library Locations
- Police Stations
- Recreation Facilities
- Schools
- Trails

DATA CREDITS: St. Paul Enterprise GIS; Parcel Polygons: current Ramsey County data via Minnesota Geospatial Commons; Road and Building Polygons: 2017 impervious surface dataset, Ramsey County; Water bodies via Minnesota DNR. • LIMITATIONS ON USE: This document was prepared by the Saint Paul Planning and Economic Development Department and is intended to be used for reference and illustrative purposes only. This drawing is not a legally recorded plan, survey, official tax map or engineering schematic and is not intended to be used as such. • DATE: 11/25/2025 1:26 PM • DOCUMENT PATH: C:\Users\e51131\City of Saint Paul\PED - Data, Research & Mapping - Documents\Projects\HRA Board Reports\2025\2025-11-25 - Chestnut Plaza and 77 Congress Street for Jenn Dull\4 - GIS\Chestnut and Congress.aprx

SAINT PAUL
PLANNING & ECONOMIC DEVELOPMENT

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City of Saint Paul

City Hall and Court House
15 West Kellogg
Boulevard
Phone: 651-266-8560

Master

File Number: SR 25-268

File ID:	SR 25-268	**Type:**	Staff Report	**Status:**	Agenda Ready
Version:	1	**Contact Number:**	266-8498	**In Control:**	Housing & Redevelopment Authority
				File Created:	11/26/2025
File Name:	Intro to Ames Lake Property Flood Mitigation Project			**Final Action:**	

Title: Introduction to Ames Lake Property RWMWD Flood Mitigation Project

Notes:

Sponsors:	Yang	**Enactment Date:**	
Attachments:	Presentation	**Financials Included?:**	
Contact Name:	Jenn Dull	**Hearing Date:**	
Entered by:	kelly.bauer@ci.stpaul.mn.us	**Ord Effective Date:**	

History of Legislative File

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File SR 25-268

Introduction to Ames Lake Property RWMWD Flood Mitigation Project

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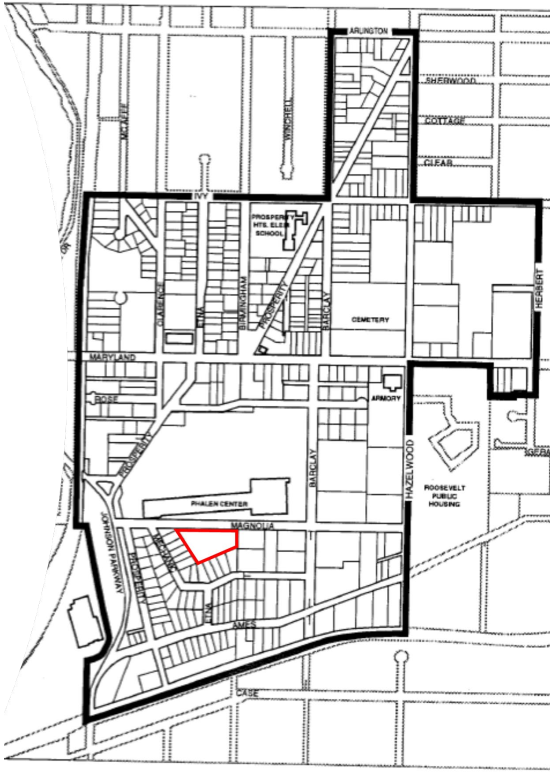
Introduction to Ames Lake Property RWMWD Flood Mitigation Project

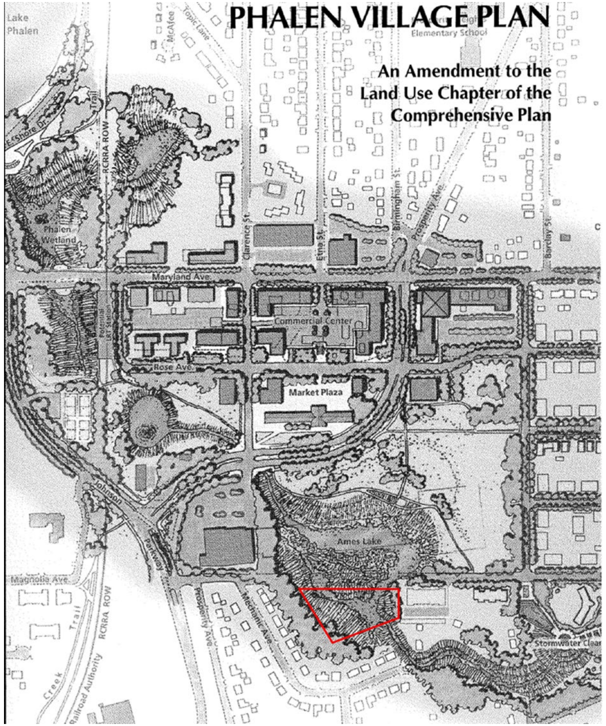
HOUSING AND REDEVELOPMENT AUTHORITY

December 10, 2025

Ames Lake – Property Information

- 0 (1400) Magnolia Ave
- 2.13± Acres
- Wooded lowland
- Prone to:
  - Flooding
  - Trash & dumping
  - Falling trees
  - Unsheltered activity
- Average HRA maintenance cost of approx. $6,000 per year
- In HRA property portfolio for 28 years





Ames Lake – History

Phalen Village Small Area Plan adopted by City Council 12/6/1995

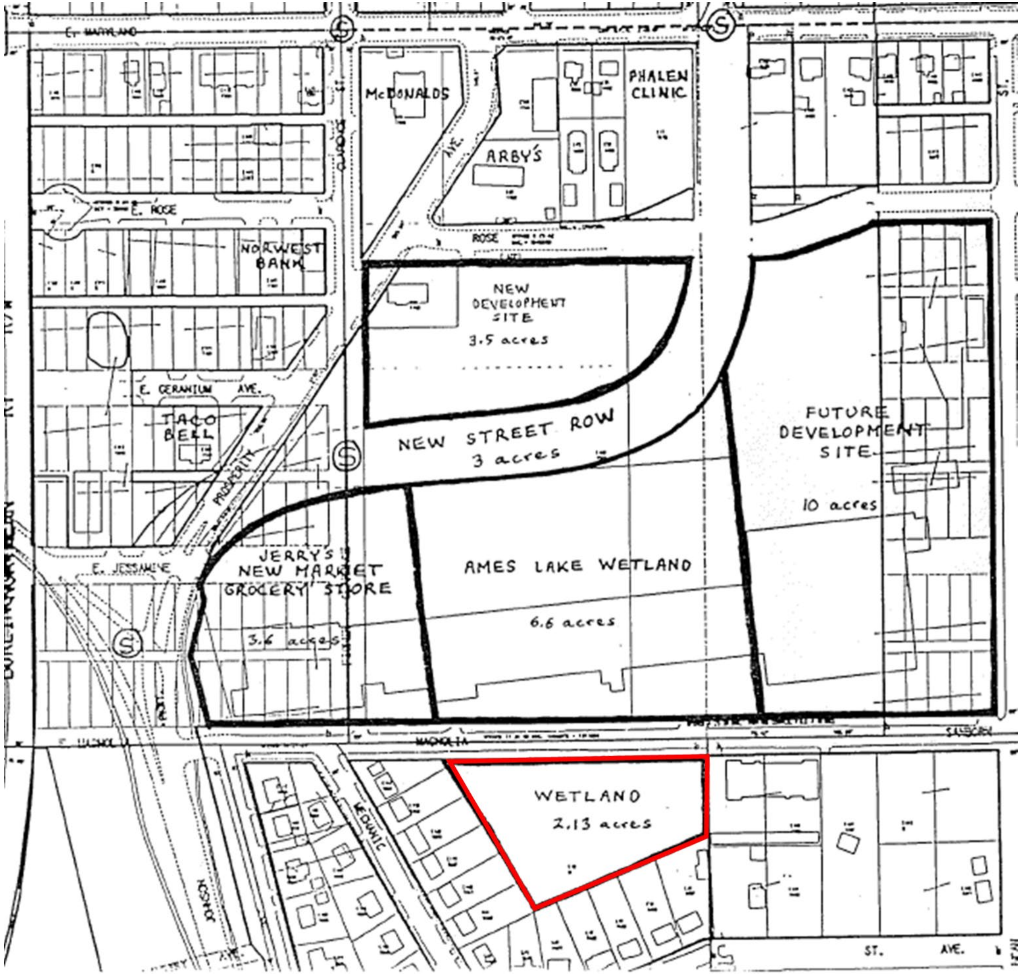
- 40 Acre Study Area
- Realign Prosperity Ave
- Restore Ames Lake and wetlands in low areas unsuitable for development
- Enhance property values
- Attract quality commercial and residential development
- Design wetland water-cleaning ecosystem to filter and detain stormwater runoff

Ames Lake – History

HRA Acquisition 1997

HRA RES 97-4/9-5 approved acquisition

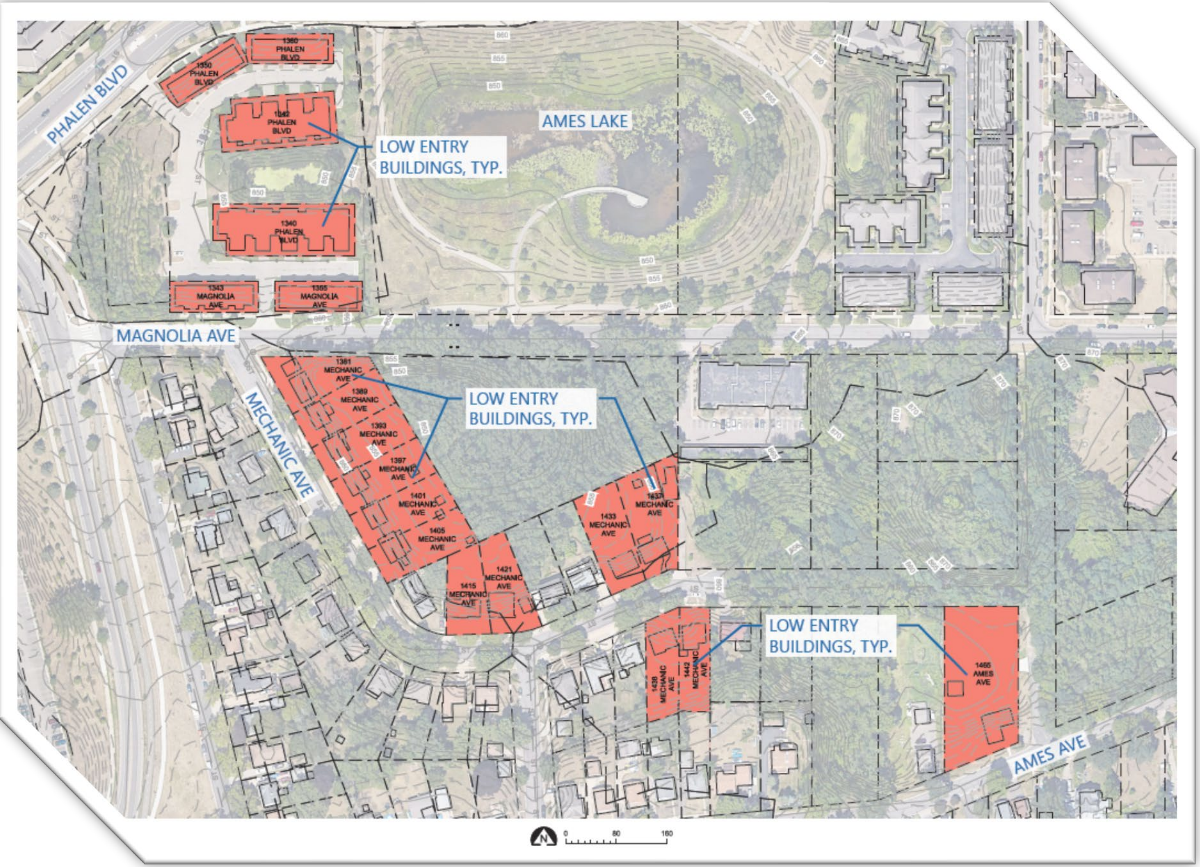
- 8.7 ac for restoration of Ames Lake wetland
  - 6.6 ac north of Magnolia
  - 2.13 ac south of Magnolia
- 3 ac for Prosperity Ave realignment
- Eastern 10 ac for redevelopment



Ames Lake – History

- Restoration of Ames Lake completed in about 1999
  - RWMWD heavily involved in and financially supported restoration
- HRA approved conveyance of Ames Lake to the City for $2.00 in 2000 & 2001; Staff working to transfer Ames Lake Park in 2026
- Current maintenance by City and RWMWD

Ames Lake – RWMWD Proposal



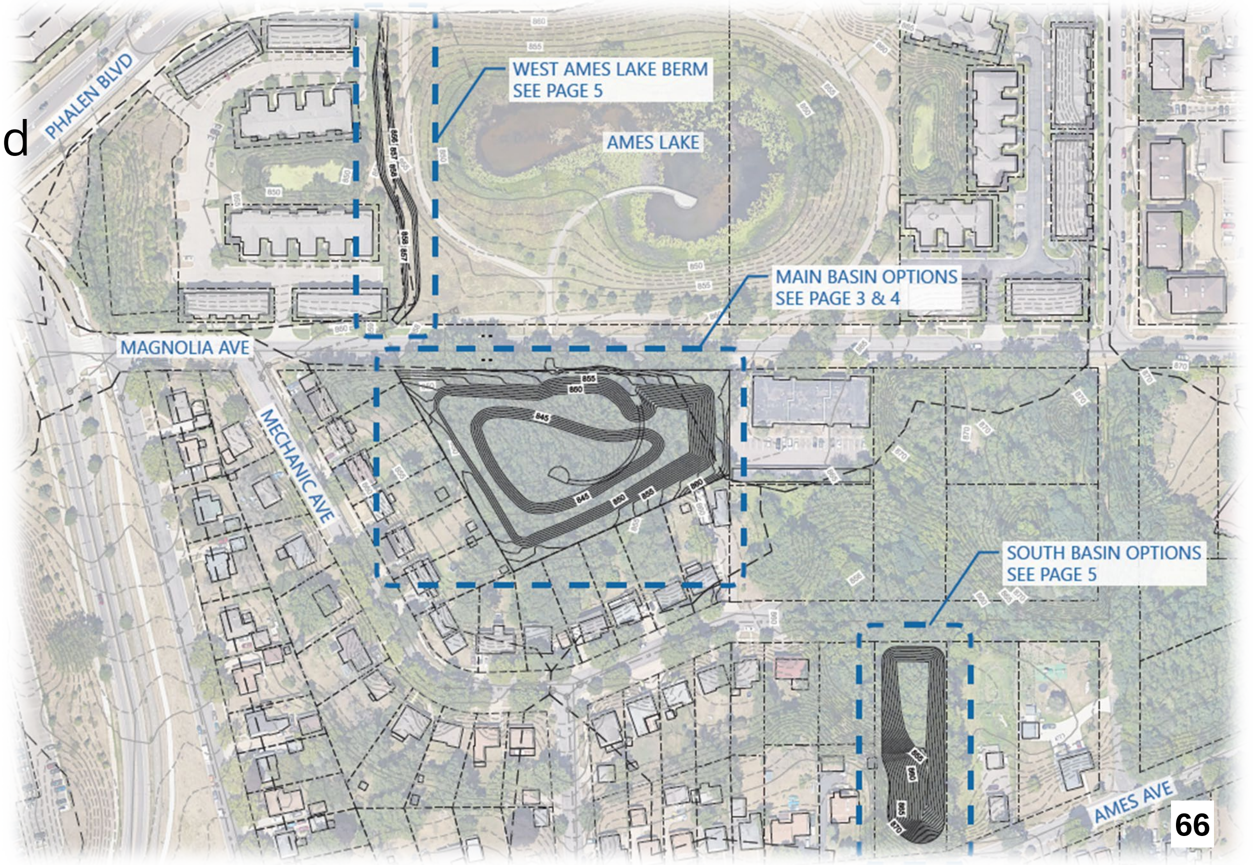
Ames Lake Flood Control Feasibility Study, Nov. 2023

- Initiated by Ramsey Washington Metro Watershed District (RWMWD) to reduce flooding
- Location in City with largest number of flood-prone habitable structures in one area (within RWMWD)
- Existing conditions, total properties in floodplain: 42

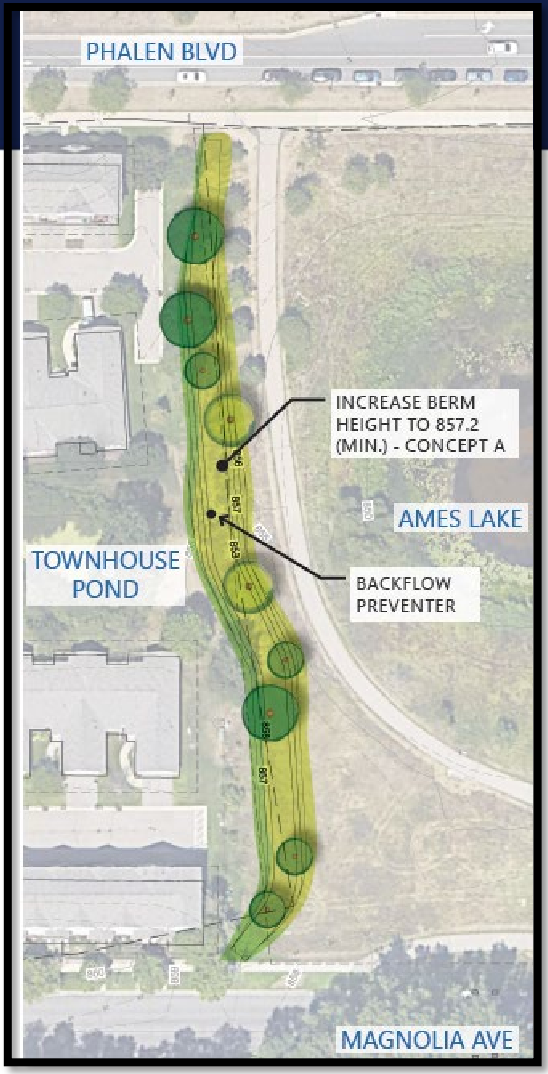
Ames Lake – RWMWD Proposal

Three locations for proposed improvements

- West Ames Lake Berm
- Main Basin (1400 Magnolia)
- South Basin (0 Ames)



Ames Lake – RWMWD Proposal



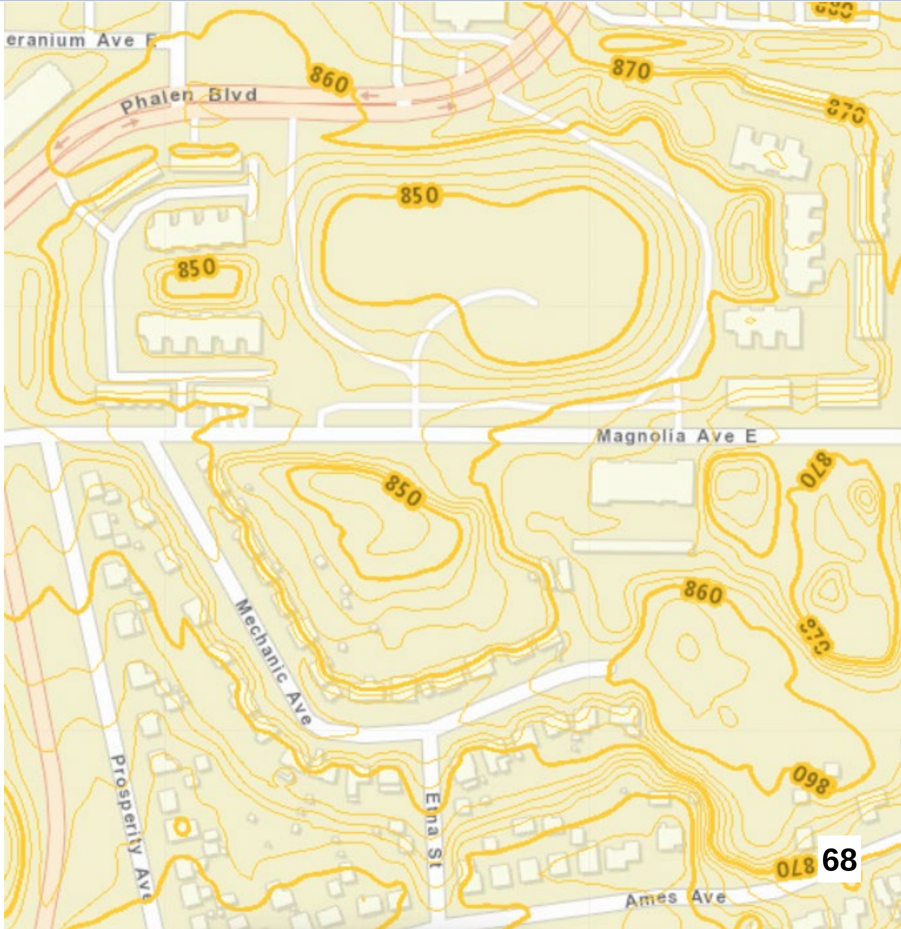
West Ames Lake Berm improvements include:

- New berm along property boundary between townhomes and Ames Lake Park
- Restore with upland/prairie vegetation to match surrounding Ames Lake vegetation
- Replant/replace trees as needed
- Install backflow preventer on outlet pipe from townhouse pond into Ames Lake

Ames Lake – RWMWD Proposal

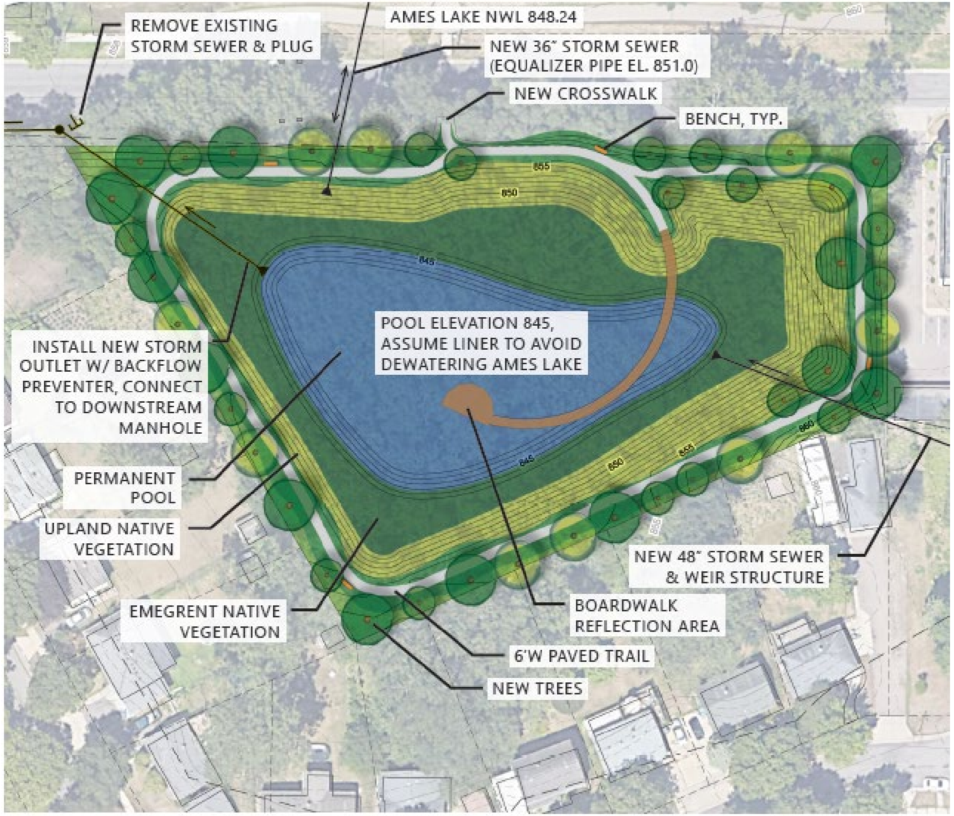
Main Basin Improvements include:

- Grading of subject parcel only
- Permanent pool intended
- Modify existing storm sewer culvert toward Magnolia right of way
- Equalizer pipe to Ames Lake
- Emergent/shoreline/upland native vegetation similar to Ames Lake
- Clear existing trees, preserve trees when possible
- New trees of same species palette as Ames Lake

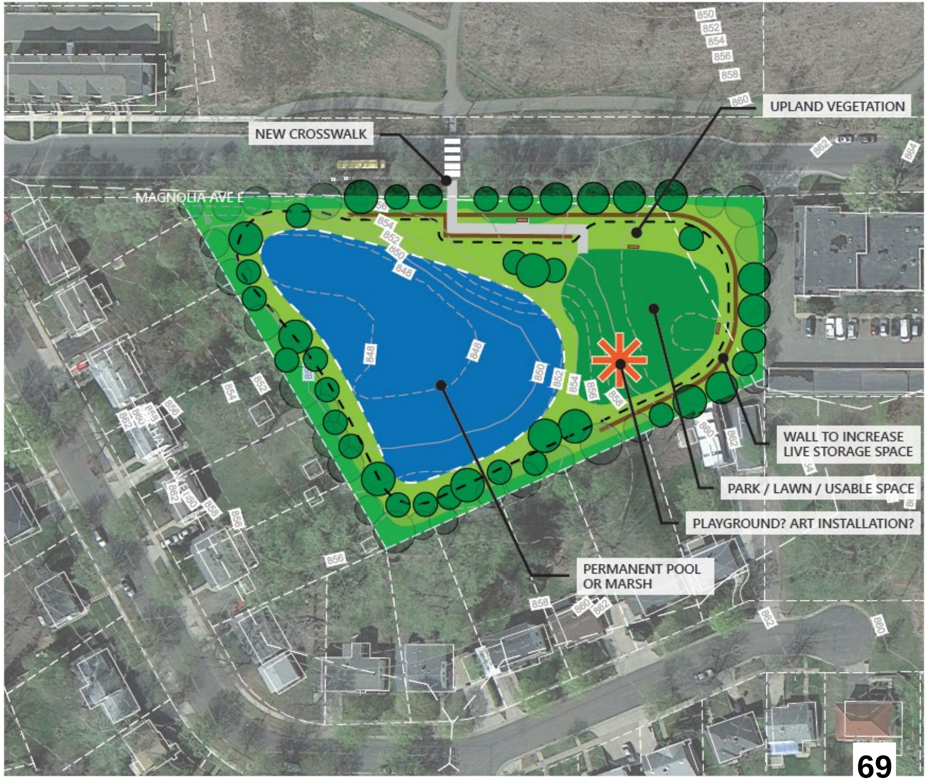


Ames Lake – RWMWD Proposal

Main Basin Option 1



Main Basin Alternate Option



Ames Lake – RWMWD Proposal

Main Basin - Option 1

Additional improvements:

- *Boardwalk into pond mirroring Ames Lake*
- *Loop trail 0.2 mile (ADA compliant)*
- *Pathway seating throughout*

Main Basin - Alternate Option

Additional improvements:

- *Smaller pond but added park / lawn area for multi-use play space*
- *Retaining walls along north, east, and south sides of basin*
- *Potential art installation space*
- *Loop trail possible, not shown*
    - *Below retaining wall subject to flooding in small rain events*
    - *Above retaining wall (safety rail needed)*

Ames Lake – RWMWD Proposal

South Basin Improvements include:

- Clear existing trees
- Grade basin
- Maintain 10 ft grading buffer on south and west parcel boundaries for maintenance vehicle access
- Connect to existing storm sewer
- Restore with native vegetation

Ames Lake – RWMWD Proposal Costs

RAMSEY-WASHINGTON
METRO WATERSHED DISTRICT

- All staff to lead planning, design, construction, construction admin, and grant applications
- All costs using existing watershed district funds and/or state grant funding

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MELANIE MCMAHON, INTERIM EXECUTIVE DIRECTOR

- Land only, no funds (HRA retains ownership during project)
- Final improvements turned over to HRA, property maintenance budget for costs until conveyed to City for Ames Lake Park

Ames Lake – RWMWD Proposal Costs

MINNESOTA POLLUTION CONTROL AGENCY

- <u>2024 MPCA Community Resilience Implementation Grant</u>
  - HRA Executive Director provided letter of tentative support to continue discussions
  - Commitment of land deferred pending formal review and HRA Board approval
  - Funds not awarded due to tentative support rather than dedicated support; RWMWD informed that the project likely would have scored high
- <u>2025 MPCA Community Resilience Planning Grant</u>
  - Grant application deadline December 11, 2025
  - Similar information requested as 2024 grant opportunity
  - Requesting letter of dedicated support from HRA Board

Ames Lake – RWMWD Proposal Results & Timeline

Properties removed from the 100-year floodplain

- Concept A (dark green) 26 properties
- Concept B (all green) 34 properties

Properties with reduced flood-risk (but remain in the 100-year floodplain)

- Concept A 16 properties
- Concept B 8 properties

Anticipated project completion

- 3 - 5 years

Requested Action

- **December 10, 2025:** Letter of support to be signed by the Executive Director for inclusion with RWMWD's grant application to MPCA (submittal deadline of 12/11/2025).

- **HRA formal action proposed to take place on December 17, 2025:**
  Dedicate the property at 0 (1400) Magnolia, and possibly 0 Ames, for RWMWD's expanded open space and stormwater project.

City of Saint Paul

City Hall and Court House
15 West Kellogg Boulevard
Phone: 651-266-8560

Master

File Number: SR 25-269

File ID:	SR 25-269	**Type:**	Staff Report	**Status:**	Agenda Ready
Version:	1	**Contact Number:**	266-6680	**In Control:**	Housing & Redevelopment Authority
				File Created:	12/02/2025
File Name:	Grant & Victoria TIF District			**Final Action:**	

Title: Introduction to Grand and Victoria Redevelopment TIF District

Notes:

Sponsors: Noecker

Enactment Date:

Attachments: Presentation, Public Comment DEC. 8-9, 845 Grand Avenue - Final 12 07 25, 845 Grand Avenue - Message to HRA 11 25 25, 845 Grand Avenue - One Page, Barbara Sibley Grand and Victoria Redevelopment, Bill M Email Op Ed Concerning the City's use of TIF, Bill Wallace Grand_Victoria Redevelopment and TIFf, Bob Muschewske Email Op Ed Concerning the City's use of TIF, Bob Muschewske TIF Op-Ed - 05 24 25 Revised 05 25 25, Carl Michaud Proposed TIF at Grand and Victoria, Cindy Warner Use of TIFs Victoria and Grand, Ellen T Brown Grand and Victoria Redevelopment TIF application, Ellie Garrett Proposed TIF for Grand_Victoria

Financials Included?:

Contact Name: Jenny Wolfe

Hearing Date:

Entered by: kelly.bauer@ci.stpaul.mn.us

Ord Effective Date:

History of Legislative File

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File SR 25-269

Introduction to Grand and Victoria Redevelopment TIF District

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INTRODUCTION TO GRAND AND VICTORIA TIF

December 10, 2025

Project Overview (Redevelopment of 841 – 857 Grand Avenue)

6 stories over 1 level of underground parking with outdoor dining/plaza space fronting Grand Avenue to include:

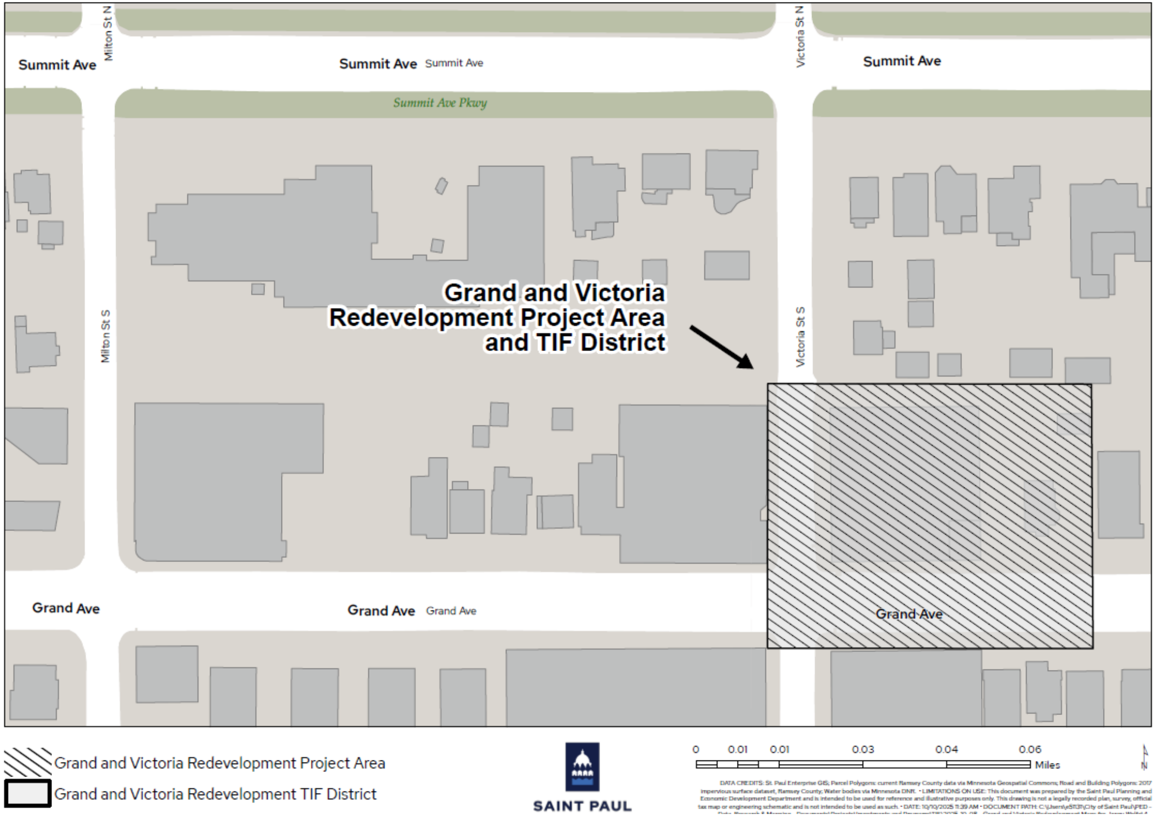
- 90 dwelling units (19 studio units, 37 one-bedroom units, and 34 two-bedroom units)
- 12,800 square feet of commercial/retail space
- 22 public parking stalls
- 99 residential parking stalls

Grand and Victoria Current Conditions

< 857 Grand Avenue

^ 841 Grand Avenue

Map of TIF District and Project Area



Background/Developer

- 845 Grand LLC (the "Developer") acquired 841 Grand Avenue/857 Grand Avenue (the "Property")
- Ari Parritz is managing member of the Developer
  - President/founder of Afton Park Development
  - Ten years of experience leading urban development projects
  - Recently partnered with Reuter Walton to develop the Kenton House project on Grand and St. Albans
- The Developer has applied to the HRA requesting the establishment of a new redevelopment TIF district to advance the proposed Project
  - **HRA retained LHB, Inc. to complete an assessment of the Property to determine if the statutory blight test has been met**
    - LHB is a full-service architectural, planning and engineering firm and has analyzed over 440 TIF districts for TIF authorities throughout the State
  - **LHB, Inc. determined Property meets qualifications of a Redevelopment TIF District, including 3 substandard buildings with significant code deficiencies**

Grand and Victoria Redevelopment Plan

- To advance assistance through tax increment financing (TIF), HRA prepared the **Grand and Victoria Redevelopment Plan** (the "Redevelopment Plan"), which includes some of the following redevelopment objectives:
  - to remove blighting conditions including substandard buildings,
  - to complement and improve surrounding Grand Avenue area,
  - to include dense urban mixed-use development,
  - to increase the supply of housing,
  - to increase the tax base, and
  - to create jobs for local residents.

Grand and Victoria Redevelopment Plan

- Additional development objectives include:
  - Public realm: design new building to frame public spaces - development includes public plaza in front of proposed restaurant spaces
  - Energy efficiency/stormwater: create sustainable and energy efficient building – development includes underground infiltration system, a green roof and high efficiency building systems
  - Transportation/parking: support nearby transit stops and include structured parking on site
  - Housing: increase housing supply - development includes 90 rental units when current site only includes two
  - Employment: use zoning to support community serving retail – development includes 12,800 square feet of commercial spaces anticipated to result in three retail businesses, including the potential for two restaurants

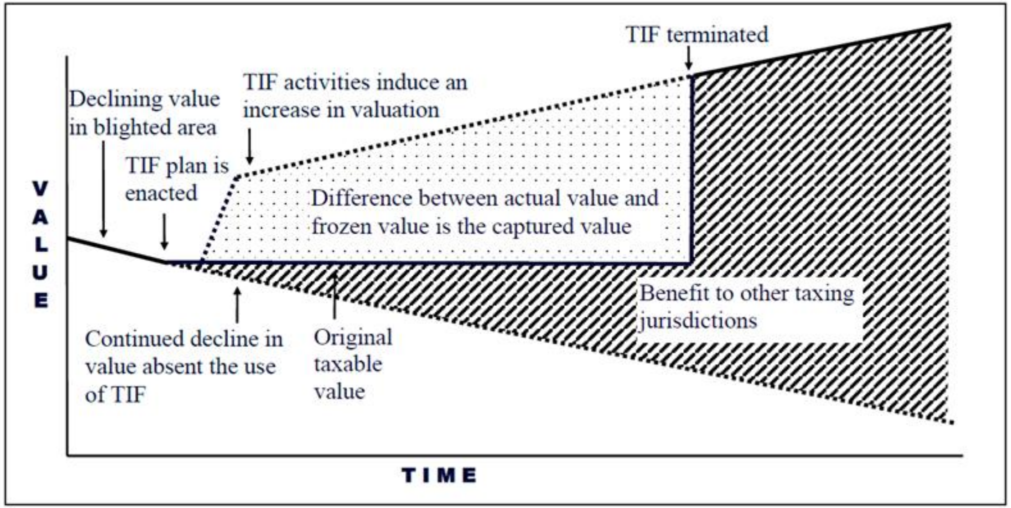
Grand and Victoria Redevelopment Plan

- On November 14, 2025, the Saint Paul Planning Commission reviewed the Redevelopment Plan and adopted a resolution (file number 25-47) determining the Redevelopment Plan is consistent with the 2040 Comprehensive Plan. Specifically including the following policies:
  - *LU-1: Encourage transit-supportive density and direct the majority of growth to areas with the highest existing or planned transit capacity.*
  - *LU-14: Reduce the amount of land devoted to off-street parking in order to use land more efficiently, accommodate increases in density on valuable urban land, and promote the use of transit and other non-car mobility modes.*
  - *LU-30: Focus growth at Neighborhood Nodes using the following principles: increase density toward the center of the node and transition in scale to surrounding land uses, prioritize pedestrian-friendly urban design and infrastructure that emphasizes pedestrian safety.*
  - *LU-31: Invest in Neighborhood Nodes to achieve development that enables people to meet their daily needs within walking distance and improves equitable access to amenities, retail and services.*
  - *H-46: Support the development of new housing, particularly in areas identified as Mixed Use, Urban Neighborhoods, and/or in areas with the highest existing or planned transit service, to meet market demand for living in walkable, transit-accessible, urban neighborhoods.*

What is TIF: Tax Increment Financing?

- Financing tool authorized under State law
- Enables cities and redevelopment authorities to capture increased local property taxes from development/ redevelopment that would not occur "but-for" the assistance
- The TIF district captures the difference between the current tax value of a site and the future, redeveloped value, and uses the INCREMENT pay eligible costs associated with development, including administrative expenditures, in accordance with the adopted TIF Plan budget

Figure 12.01-1: Classic Example of TIF



How Does TIF Work?

- Property owners within a TIF district still pay their full amount of property taxes due, and those property taxes are then divided in the following manner:
  - Local property taxes *from taxable value in place prior to the development* are still paid to the taxing jurisdictions, including the City, County and School District;
  - Local property taxes *from increased value of the development* are captured by the TIF Authority as derived from the applicable tax rate*;
  - All non-local property taxes, market value-based taxes, and base rate excess* taxes are not captured and are paid to the appropriate taxing jurisdiction

** Tax increment provided to the HRA as the TIF Authority is generated by the base tax rate or current tax rate, whichever is less, base rate excess taxes are generated when the base tax rate is less than the current tax rate.*

Redevelopment TIF Districts

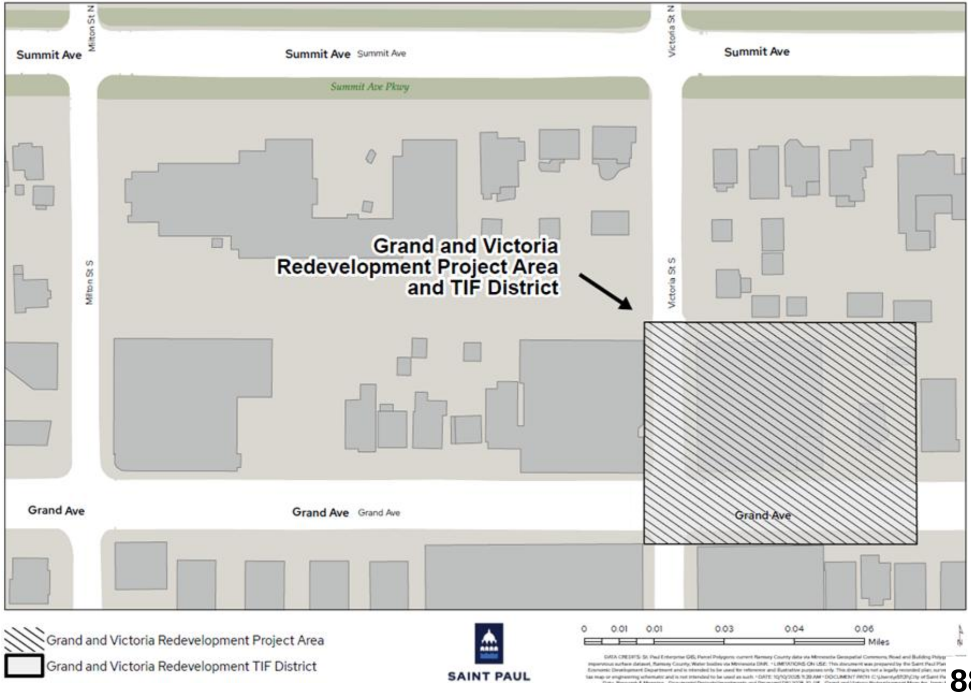
- Duration – 25 years after first collection (26 total years);
- Qualified by the <u>conditions within the district prior to redevelopment</u>
  - blighted structures on improved land, based on 3rd party study
- Eligible expenditures include removal of the blighting influences, including acquisition, demolition/renovation, site improvements, and pollution remediation, as well as parking improvements (public or private) and public improvements; and associated administrative expenditures;
- Tax increments may be pooled and spent outside the TIF district boundary and within the Project Area for TIF eligible expenditures, including affordable housing (qualifying affordable rental housing projects may be located anywhere within the City limits, and are not required to be located in the Project Area)

TIF District Geographies

TIF Districts include the specific parcels, within a Project Area, **from which tax increment will be generated and captured**. **The Project Area is the area where increments may be expended**, which area may be coterminous with the boundaries of the TIF District or larger.

Shown again here is the TIF District and Project Area boundaries for the Grand and Victoria TIF District which areas are coterminous.

The proposed TIF Plan will maximize the ability to pool for qualifying affordable rental housing located anywhere in the City.



Statutory Requirements

- Any proposed TIF district must meet the statutory requirements for creation
- Must demonstrate that the “But For” test is met, requiring a determination that the proposed project would not happen solely through private investment within the reasonably foreseeable future
- The developer must incur TIF eligible costs, in accordance with the adopted TIF Plan
- The adopted TIF Plan includes the maximum tax increments to be collected and spent
- Additionally, expenditures occurring outside of the TIF District boundary is limited (commonly known as Pooling)

TIF Review Process

- PED staff review all requests for TIF to make sure the "but-for" test can be met, including engaging an outside fiscal consultant
- PED staff evaluates the potential taxable value to be assessed once the project is constructed, including seeking input from Ramsey County. The TIF Plan utilizes the values from Ramsey County, without inflation, and current tax rates
- Projects must achieve City/HRA goals, including living wage jobs, elimination of blighting influences, and housing of all types, etc.
- **Development Agreement is approved by HRA Board providing form and maximum amount of tax increment for proposed development and specific requirements**
  - TIF-eligible expenses are financed on a Pay-As-You-Go basis
  - **Developer pays upfront for TIF eligible expenditures and is reimbursed over time from pledged tax increments, with interest**
  - Developer bears all the risk that the property value and resulting tax increments will be sufficient to reimburse them for their upfront costs
  - Language included to evaluate the construction and operation of the project throughout the term of the agreement to ensure the financial assistance was appropriate, and if certain metrics are exceeded, the TIF assistance will be reduced.

Myths about Use of TIF in Saint Paul

- Property Taxpayers at risk for TIF district obligations
  - Proposed tax increment obligation is a pay as you go TIF note. The collected tax increments are the sole pledged revenue to repay the TIF note.
- TIF is a GIFT to the developer
  - The developer is required to secure all the funds to build the project
  - The developer must complete the development and incur the TIF eligible costs
  - The developer takes all risk to get repaid for their original investment
  - The city benefits from the removal of blight, including substandard buildings, and increased housing options for residents
  - The HRA prepares TIF projections conservatively

Grand and Victoria Redevelopment TIF Plan

- The tax increment revenue projections utilize the following assumptions:
  - Total **taxable market value** once constructed of **$26,500,000**.
  - The base value for the TIF District is $6,465,800 as assessed in 2025, resulting in **$20,034,200 of increased market value**.
  - **Delay first receipt of increment to Pay 2028, resulting in final collection year of Pay 2053** (26 total years)**.**
  - Total **annual tax increment** collected by the HRA when fully complete is **estimated at $363,076, in Pay 2030**, excluding the commercial property tax value increase that is shared through the fiscal disparities program.
  - Producing total tax increments collected from the tax parcels over the 26 years of $9,079,790.

Grand and Victoria Redevelopment TIF Plan

The budget included in the TIF plan totals $9,440,000* as shown here with payment of principal and interest under the TIF Pay-Go Note listed under Site Improvement Prep Costs and Other Qualifying Public Improvements and Interest. The budget also includes expenditures for Administration and **$2,956,000 for Construction of Affordable Housing.**

Estimated Sources of Revenue	Amount
Tax Increment Revenues	$9,080,000
Interest and Investment Earnings	360,000
Total Tax Increment Revenues	**$9,440,000**

Estimated Project Costs	Amount
Site Improvement/Prep Costs	$1,288,000
Other Qualifying Public Improvements	1,668,000
Construction of Affordable Housing	2,956,000
Administrative Expenses	908,000
Interest Expenses	2,620,000
Total Estimated Project Costs	**$9,440,000**

*The HRA Board action will include a budget amendment to align with the financing and spending included in the TIF Plan, as shown above

TIF Development Agreement (TIF Assistance)

- The City/HRA retained Ehlers as our Municipal Advisor to determine the need for financial assistance through the creation of the TIF District.
- Ehlers evaluated Developer's current pro forma based on industry standards for construction costs, project costs, rental rates and operating expenses, developer fees, available funding sources, underwriting criteria, and project cash flow.
    - **Ehlers concluded the project requires a $2,956,000 TIF Note to attract adequate capital and debt financing**
- The table on the following slide depicts the proposed sources and uses for the Development with a **total cost of $44,604,984** including a private construction loan, TIF Pay-Go Note, in the principal amount of $2,956,000 pledging tax increments from the TIF District, Developer equity and a $350,000 DEED grant awarded to the City for the project (City Council acceptance of DEED funds will be forthcoming).

Project Sources and Uses

SOURCES	Amount	Pct.	Per Unit
First Mortgage	28,522,423	64%	316,916
TIF Note	2,956,000	7%	32,844
Equity	12,776,561	29%	141,962
Local Grants	350,000	1%	3,889
TOTAL SOURCES	**44,604,984**	**100%**	**495,611**

USES	Amount	Pct.	Per Unit
Acquisition Costs	4,773,000	11%	53,033
Construction Costs	31,418,286	70%	349,092
Environmental Abatement/Soil Correction	1,221,000	3%	13,567
Professional Services	2,197,992	5%	24,422
Financing Costs	2,955,633	7%	32,840
Developer Fee	1,750,000	4%	19,444
Cash Accounts/Escrows/Reserves	289,073	1%	3,212
TOTAL USES	**44,604,984**	**100%**	**495,611**

Ehlers Funding Recommendation (But For Test)

- Ehlers recommended the following:
    - *“Based on our review of the Developer’s pro forma and under current market conditions, the proposed development isn’t feasible without the amount of public assistance outlined ($2,956,000). The public assistance is necessary to attract adequate private equity and debt to complete the project. Due to the costs associated with various site, watershed and design requirements, developing a small, infill project on already improved land and constructing a vertical mixed-use building, this project is only feasible, in part, through public assistance.”*

TIF Development Agreement

- Issue **Pay-As-You-Go Tax Increment Financing Note (the "TIF Pay-Go Note") up to the maximum principal amount of $2,956,000**, **upon completion of the project**, pledging 85% of the tax increment in the first year (2028), stepping back 5% each year, to a fixed 60% in the 6th year (2033) and beyond.
  - Principal amount limited to TIF eligible redevelopment costs of storm water systems, earth retention and non-vibratory foundation work, utility relocation, and any soil correction, asbestos abatement, demolition and cost of public parking spaces
  - TIF plan to authorize 35% of tax increments to be expended outside of the TIF district, enabling maximum pooling for affordable housing (budget includes up to $2.956 million for affordable housing).
- Language in Development Agreement will be included to allow HRA to confirm the "but for" test and ensure the Developer is not unduly enriched by the financial assistance from the HRA (commonly known as a "Lookback").
- Compliance will include Affirmative Action, Prevailing Wage, Vendor Outreach, Project Labor Agreement, HRA Two-Bid Policy, Sustainable Building Ordinance, Living Wage Ordinance

Government Approvals – Timeline

- The City Council and HRA Board will be considering resolutions on December 17 to authorize:
  - approval of the Redevelopment Project Area and Redevelopment Plan, and
  - establishment of the Redevelopment TIF District and TIF Plan
  - City Council will hold a public hearing prior to considering their resolution
- HRA Board resolution will include authorization to execute the Development Agreement providing the Tax Increment assistance to the Developer

- Construction is anticipated to start in February of 2026 and completed in summer of 2027

City/HRA Outside Team

Carla Pedersen with Barna Guzy, outside TIF counsel
Carla.Pederson@bgs.com

Stacie Kvilvang with Ehlers, municipal advisor
skvilvang@ehlers-inc.com

Developer Contact

Ari Paritz is the managing member of the Developer and is available for questions.

Ari Paritz, ari@aftonpark.com
612-743-9258

QUESTIONS

TO: Members of the City Council/HRA
FROM: In$ight St. Paul Steering Committee
SUBJECT: Opposition to Use of TIF in the 841-857 Grand Avenue Redevelopment Plan
DATE: November 25, 2025

In$ight St. Paul Steering Committee Recommendation

The Redevelopment Plan for 841-857 Grand Avenue should not include Tax Increment Financing (TIF) totaling $2.95 million.

Rationale for our Recommendation

The Steering Committee bases its recommendation on extensive analysis of how Tax Increment Financing (TIF) has been used in Saint Paul and our understanding – based on publicly available information – of how it will be used to support the Redevelopment Plan at 841-857 Grand herein after referred to as 845 Grand Avenue. In addition, members of In$ight St. Paul have had two conversations with the developer, Ari Parritz.

(Note: In$ight St. Paul's analysis of the City's use of TIF is contained in In$ight St. Paul Reports dated October 29, 2024, and August 11, 2025.)

Arguments Favoring the 845 Grand Avenue Plan

- The Saint Planning Commission has affirmed with a narrow 6 to 5 vote that the 845 Grand Avenue Plan is consistent with the Saint Paul 2040 Comprehensive Plan.
- The developer, Ari Parritz, is a competent and reputable developer committed to the improvement of Saint Paul. He recently completed a similar project at the nearby corner of Grand Avenue and St. Albans.

That project did not require TIF and the developer states that it was because of the low interest rates during covid.

- The 845 Grand Avenue project will likely be a net addition to the neighborhood.
- The developer is firm in stating that he cannot undertake and complete a successful project without the use of TIF and that he and his investors will suffer financial losses if the project is not approved by the HRA in December.
- The $2.95 million TIF request is relatively small when compared to recent TIF supported projects in the City.
- The developer states that he understands the negatives of TIF and has also stated he is not in favor of the continued use of TIF believing the City needs to find other ways to incentivize the much-needed development of the City's tax base. He states that he cannot, however, move forward on his current timeline for this project without TIF.

In$ight St. Paul's Reservations Concerning Saint Paul's Use of Tax Increment Financing (TIF)

Among the concerns expressed in the In$ight St. Paul Reports are the following:

- TIF has been overused in the City of Saint Paul.
    - In 2024 Saint Paul had over 7.9% of taxable property captured in TIF projects.
    - The recent Landmark Towers project is an example of the overuse of TIF.
    - Saint Paul is the largest user of TIF in the State and second only, per capita, to the City of Chicago in the use of TIF in the country.
    - Minneapolis and other municipalities are reducing use of TIF.
- TIF is often advertised as a way to increase the tax base in the City but that increase does not happen for a period of up to 25 years after completion of a project.

- TIF is a public subsidy – a gift - paid to a developer as an incentive to engage in a project. It is not a loan. The City must accrue debt to grant the subsidy to the developer.
- TIF captures future taxes of real estate improvement to retire the debt incurred by the City. Future taxes do not go into the general fund.
    - Tax levies to service debt for TIF projects INCREASED 40.1% by approximately $13M from 2015-2024.
    - Currently 8% of the property taxes of City taxpayers are devoted to covering the cost of existing TIF projects.
- City services required by the project – Fire, Police, Public Works , etc. – are not paid for by taxes paid by the project. They are paid for by taxpayers outside of the project.

Reasons Why In$ight St. Paul Opposes the Use of TIF for the 845 Grand Avenue Project

- The site is one of if not the most attractive development sites in the City of Saint Paul. We believe a developer should be able to create a profitable development plan at that site without the need for a public subsidy.
- The relatively small TIF request of $2.95 million suggests that the developer should be able to find ways to finance a $44.5 million project without resorting to TIF.
- Although the project has attractive features and will be a net benefit to the neighborhood, it does not have a clear and compelling public purpose justifying the use of TIF.
- Data demonstrating that the project has passed the "but for" test is not publicly available.
- Awarding a public subsidy to this project will set a precedent sending a signal to other developers that fulfilling the "but for" requirement will be relatively easy to demonstrate.
- TIF is often used in support of blight removal. The City has already been awarded $350,000 from the Minnesota Department of Employment and

Economic Development (DEED) for abatement, demolition, and public infrastructure improvements at the site.

- 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 a period of up to 25 or more years.

– Conclusions –

- **Do not award a public subsidy – TIF – to this project.**
- **Although likely a net gain to the neighborhood, the project does not enhance City goals to increase the tax base in the short to medium term and it puts a further burden on taxpayers at a time when they are already coping with rapidly rising property taxes.**
- **Awarding TIF to this project – a project for which it is hard to justify the need for TIF – will make it difficult to refuse to award TIF to future TIF proposals in the City.**

TO: Members of the City Council/HRA
FROM: In$ight Steering Committee
SUBJECT: Opposition to Use of TIF in the 841-857 Grand Avenue Redevelopment Plan
DATE: November 25, 2025

– In$ight Steering Committee Recommendation –

The Redevelopment Plan for 841-857 Grand Avenue should not include Tax Increment Financing (TIF) totaling $2.95 million.

Rationale for our Recommendation

The Steering Committee bases its recommendation on extensive analysis of how Tax Increment Financing (TIF) has been used in Saint Paul and our understanding – based on publicly available information – of how it will be used to support the Redevelopment Plan at 841-857 Grand herein after referred to as 845 Grand Avenue. In addition, members of In$ight have had two conversations with the developer, Ari Parritz.
(Note: In$ight analysis of the City's use of TIF is contained in In$ight Reports dated October 29, 2024, and August 11, 2025.)

Arguments Favoring the 845 Grand Avenue Plan

- The Saint Planning Commission has affirmed with a narrow 6 to 5 vote that the 845 Grand Avenue Plan is consistent with the Saint Paul 2040 Comprehensive Plan.
- The developer, Ari Parritz, is a competent and reputable developer committed to the improvement of Saint Paul. He recently completed a similar project at the nearby corner of Grand Avenue and St. Albans.

That project did not require TIF and the developer states that it was because of the low interest rates during covid.

- The 845 Grand Avenue project will likely be a net addition to the neighborhood.
- The developer is firm in stating that he cannot undertake and complete a successful project without the use of TIF and that he and his investors will suffer financial losses if the project is not approved by the HRA in December.
- The $2.95 million TIF request is relatively small when compared to recent TIF supported projects in the City.
- The developer states that he understands the negatives of TIF and has also stated he is not in favor of the continued use of TIF believing the City needs to find other ways to incentivize the much-needed development of the City's tax base. He states that he cannot, however, move forward on his current timeline for this project without TIF.

In$ight's Reservations Concerning Saint Paul's Use of Tax Increment Financing (TIF)

Among the concerns expressed in the In$ight Reports are the following:

- TIF has been overused in the City of Saint Paul.
  - In 2024 Saint Paul had over 7.9% of taxable property captured in TIF projects.
  - The recent Landmark Towers project is an example of the overuse of TIF.
  - Saint Paul is the largest user of TIF in the State and second only, per capita, to the City of Chicago in the use of TIF in the country.
  - Minneapolis and other municipalities are reducing use of TIF.
- TIF is often advertised as a way to increase the tax base in the City but that increase does not happen for a period of up to 25 years after completion of a project.

- TIF is a public subsidy – a gift - paid to a developer as an incentive to engage in a project. It is not a loan. The City must accrue debt to grant the subsidy to the developer.
- TIF captures future taxes of real estate improvement to retire the debt incurred by the City. Future taxes do not go into the general fund.
    - Tax levies to service debt for TIF projects INCREASED 40.1% by approximately $13M from 2015-2024.
    - Currently 8% of the property taxes of City taxpayers are devoted to covering the cost of existing TIF projects.
- City services required by the project – Fire, Police, Public Works , etc. – are not paid for by taxes paid by the project. They are paid for by taxpayers outside of the project.

Reasons Why In$ight Opposes the Use of TIF for the 845 Grand Avenue Project

- The site is one of if not the most attractive development sites in the City of Saint Paul. We believe a developer should be able to create a profitable development plan at that site without the need for a public subsidy.
- The relatively small TIF request of $2.95 million suggests that the developer should be able to find ways to finance a $44.5 million project without resorting to TIF.
- Although the project has attractive features and will be a net benefit to the neighborhood, it does not have a clear and compelling public purpose justifying the use of TIF.
- Data demonstrating that the project has passed the “but for” test is not publicly available. The “but for” test may have been “passed” because the developer convinced city staff and a consulting firm that he and his investors could not achieve a desired financial return without a subsidy.
- Awarding a public subsidy to this project will set a precedent sending a signal to other developers that fulfilling the “but for” requirement will be relatively easy to demonstrate.

- TIF is often used in support of blight removal. The City has already been awarded $350,000 from the Minnesota Department of Employment and Economic Development (DEED) for abatement, demolition, and public infrastructure improvements at the site.
- 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 a period of up to 25 or more years.

– Conclusions –

- **Do not award a public subsidy – TIF – to this project.**
- **Although likely a net gain to the neighborhood, the project does not enhance City goals to increase the tax base in the short to medium term and it puts a further burden on taxpayers at a time when they are already coping with rapidly rising property taxes.**
- **Awarding TIF to this project – a project for which it is hard to justify the need for TIF – will make it difficult to refuse to award TIF to future TIF proposals in the City.**

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.

For additional information, contact Julian Loscalzo at julian@ballparktours.net or at 612-328-1145.

From: Barbara Sibley
To: HRAHearing (CI-StPaul)
Subject: Grand and Victoria Redevelopment
Date: Tuesday, December 9, 2025 11:07:24 AM

I strongly encourage the HRA to NOT declare the Grand and Victoria area a Tax Increment Financing (TIF) District. The area does not meet the "but - for" criteria for defining a proposal to use TIF. It is prime real estate for retail, housing, or a mix of both. Is it a blighted area? If it were, that would be news to the residences to the north and east of the area. In other words, it is not a blighted area.

I'm glad the developer wants to pursue a project in this area. And I hope they do. What I'm not in favor of is locking up any benefit to the City's general fund for 25 or more years. Let's develop some discipline on use of TIF for projects that meet the "but for" criteria. This project doesn't.

Respectfully,
Barbara Sibley
Ward 4

From:	ROBERT MUSCHEWSKE
To:	HRAHearing (CI-StPaul)
Subject:	Op Ed Concerning the City"s use of TIF
Date:	Tuesday, December 9, 2025 12:04:36 PM
Attachments:	TIF Op-Ed - 05 24 25 Revised 05 25 25.docx

Please add this to the file concerning the use of TIF for the redevelopment project at Grand and Victoria. The Op Ed makes the case that the City has overused TIF and should be very cautious in continuing to use it.
Bob

Bob Muschewske
Saint Paul, MN 55102

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Bob

Bob Muschewske
370 Summit Avenue
Saint Paul, MN 55102

rmuschewske@comcast.net
612-578-3635

Tax Increment Financing (TIF)

Saint Paul's Overuse of TIF Has Negative Consequences

Tax increment financing (TIF) is a public financing tool employed with the long-term objective of expanding the City's tax base. It seeks to accomplish that goal by subsidizing redevelopment, infrastructure, and community improvement projects such as:

1. Upgrading obsolescent facilities.
2. Eliminating blight.
3. Remediating pollution
4. Expanding affordable housing choices.
5. Enhancing private sector employment growth.
6. Encouraging redevelopment activities that enhance urban features, amenities, and historic structures.

There is growing concern that TIF has been overused and that it has not delivered hoped-for results in addressing City goals. Other municipalities concerned about the efficacy of TIF have concluded that it places an undue and unfair burden on taxpayers and are reducing the use of TIF.

When using TIF, the City typically provides a subsidy to developers to engage in a project and then diverts property tax revenue from the project using those funds for 25+ years to repay the City for the upfront money it spent to induce the private development activity. The City's tax base is not increased during this period. TIF is not a loan to a developer that the developer pays back to the City. TIF is a gift to the developer. The City provides the developer with a public subsidy – the gift – and the City must issue bonds to fund the amount of the gift. During the 25 to 30-year life of the project, property taxes that are paid by the TIF project do not go into the general fund but are used to retire the debt incurred by the City. In addition, none of the new tax revenue is used to pay for public services provided to the project such as fire, police, and public works. Those cost obligations are passed on to all other St. Paul taxpayers.

In 2024 the City of Saint Paul had over 7.9% ($2.8 Billion) of taxable property captured in TIF projects – the largest amount of any city in Minnesota. Given the significant need for redevelopment in Saint Paul's downtown, there will be mounting pressure to increase the use of TIF.

TIF IS A SEDUCTIVE TOOL

Many City constituencies view TIF as an efficient and constructive solution to the achievement of one or more of the City's goals. City leaders may view TIF as an easy and attractive method for developing the City's tax base – an important goal of the City. The building trades may view it as an effective method for creating construction jobs – also an important goal of the City. Developers view it as "free money" enabling them to pursue and profit from development opportunities. Taxpayers, unaware of the increased tax burden they will bear, may be pleased that the City is focusing on development opportunities. Accordingly, the pressure to use TIF can be persuasive despite negatives associated with its use.

TIF IS AN IMPERFECT TOOL

There are significant negatives associated with the current use of TIF:

- It is a complex tool with many permutations making it difficult for the public to understand how it works, and the City websites provide little information about TIF projects and the impact on taxpayers.
- Its ultimate impact often cannot be assessed for years after its implementation.
- The predicted success of the project is often based on difficult-to-make financial projections.
- TIF obligations are not identified in annual City budgets.

USE OF TIF REQUIRES CAREFUL ANALYSIS

Careful and rigorous consideration needs to be given to the approval of each TIF project to increase the probability that the project will benefit the City and its taxpayers. To ensure that it is the right solution for any given project requires a thoughtful understanding and analysis of the following issues:

- Is there a clear and compelling public purpose served by the proposed project?
- What are the barriers to private sector funding of the project that make it necessary to use public subsidies – TIF – on a given project? To what extent has the City or a developer explored other funding sources? What keeps a developer from tackling a project without a public subsidy?
- The "but for" test – a test that the project would not occur without the assistance of a public subsidy – must be rigorously applied. If a pattern develops that TIF is readily granted, it provides an incentive for all developers to ask for a public subsidy.
- TIF can incentivize development that results in over-building and thus the sub-optimal use of existing facilities. This can in turn reduce net operating income for other competing properties and reduce the City's overall tax capacity.
- Should TIF be awarded to local or non-local developers? Providing TIF financing to non-local developers gives the financial advantages of TIF financing to those developers outside of the City.
- If a local developer has a project not financed with TIF and is confronted with a competing project financed by TIF, that creates an unfair advantage for the TIF financed project. Such conflicts should be avoided in the awarding of TIF.
- Will the impact of a TIF project on other properties be positive or negative?
- When a project involving the conversion of a commercial structure to a residential structure is considered for TIF, decision-makers need to

understand that residential structures pay only about half the tax that commercial structures pay.

- The City needs to analyze the difference between poorly performing and successful districts – both past and present – to assist in the decision making about whether a proposed district is likely to be successful and provide a benefit to the entire City.

INFLECTION POINT CALLS FOR CAUTIOUS AND PRUDENT USE OF TIF

The City of Saint Paul will be making critical decisions in the coming months concerning development opportunities in the downtown area. At least ten buildings in the center of downtown will be candidates for redevelopment. There will be increasing pressure to utilize TIF despite the negatives associated with its use. Many have expressed concern that TIF has been overused and that City goals for its use have not been accomplished. The cautious and prudent analysis of upcoming TIF proposals is a wise course of action. The long-term financial health of the City is at stake.

In$ight St. Paul Committee

From: Wallace, William
To: HRAHearing (CI-StPaul)
Subject: Grand/Victoria Redevelopment and TIFf
Date: Tuesday, December 9, 2025 11:55:12 AM

You don't often get email from bwallace@hamline.edu. Learn why this is important

I am contacting you to register my disagreement with the plan to offer TiFF financing to this development proposal. The plan, as I understand it, is to build market rate apts and commercial space. This will provide a significant profit to the developer. St. Paul loses needed tax revenue to give a developer an even greater income stream. Unless the proposal shows that the developer is taking a 20 year loss on this project, and why would that be?, then I don't see any reason for yet another taxpayer funded income project for a commercial development.

Bill Wallace
477 Laurel Avenue
Saint Paul, MN 55102

From: ROBERT MUSCHEWSKE
To: HRAHearing (CI-StPaul)
Subject: Op Ed Concerning the City"s use of TIF
Date: Tuesday, December 9, 2025 12:04:36 PM
Attachments: TIF Op-Ed - 05 24 25 Revised 05 25 25.docx

Please add this to the file concerning the use of TIF for the redevelopment project at Grand and Victoria. The Op Ed makes the case that the City has overused TIF and should be very cautious in continuing to use it.
Bob

Bob Muschewske
370 Summit Avenue
Saint Paul, MN 55102

rmuschewske@comcast.net
612-578-3635

From:	Carl Michaud
To:	HRAHearing (CI-StPaul)
Cc:	#CI-StPaul_Ward1; Polly Heintz
Subject:	Proposed TIF at Grand and Victoria
Date:	Tuesday, December 9, 2025 4:50:22 PM

HRA Board members,

I am writing to you today to request that you not to approve the use of Tax Increment Funding (TIF) for the development proposed on the northeast corner of Grand & Victoria.

First, this project does not warrant public funding at one of the most desired, sought-after locations in the city. Several other buildings along Grand Avenue were recently remodeled and redeveloped without the use of TIF. Homeowners and other businesses are dealing with the impact of higher interest rates recently; all developers will need to adapt to the new financial environment.

Second, residents will not see the benefits of increased property taxes from this project for at least 25 years. Please stop providing subsidies to developers and start thinking about the financial impact to the city's residents. We have the highest property taxes in the state. Why? One reason is that the city is the largest user of TIF in the Metro area with close to 8% of our tax base in TIF districts meaning that 8% of your property taxes go to support city services in those districts. And TIF districts take away money from the county and school district. Why should so many financially-stressed households across the city pay to support development in this highly-valued location? What are they getting out of it except higher property taxes and rents to pay for city services provided to TIF districts until they are decertified?

Third, the information provided in the presentation on the HRA agenda is misleading. LHB Inc. says this property meets the qualifications for TIF, but never really says the property is blighted. Just because a proposal "qualifies" for TIF, doesn't mean that you HAVE to approve it for a TIF. Businesses were located there until very recently. How many more jobs will be added beyond the number already in place? No data is offered by staff to support this claim. The graph explaining TIF does not factor in depreciation of the TIF-supported property over the 25 year time period, and it assumes the property will continue to devalue without considering that another developer may step in to refurbish the existing space for new tenants.

Fourth, TIF often competes with other similar buildings in the area, resulting in lower occupancy levels in those buildings and decreased valuations. Did staff analyze the financial and competitive impacts on other businesses in the immediate area? The city needs to maintain a level competitive playing field and not favor one development over others.

Fifth, it has been very difficult for me to obtain information about the proposed project. I submitted a data practices request on November 3, #D113020-110325, to obtain any and all information about this project. Clearly, staff had reports from its consultants LHB Inc. and Ehlers that have not been shared with me as required by law. Only yesterday did I see a presentation about the project on the HRA Agenda. This process is neither transparent nor provides an opportunity for a resident to review and understand the project.

Finally, just say no to TIF here. Make St Paul affordable again.

Thank you for your consideration of my comments.

Carl Michaud
St Paul

From: Cindy Oczak Warner
To: HRAHearing (CI-StPaul); #CI-StPaul_Ward4; #CI-StPaul_Ward3
Subject: Use of TIFs Victoria and Grand
Date: Tuesday, December 9, 2025 8:27:46 AM

You don't often get email from cowarn@gmail.com. Learn why this is important

Good Day,

I am writing to say the NE corner of Victoria and Grand should not be TIF eligible. This is prime real estate on a prime street in St Paul. The taxpayers have been through enough with all the fraud, abandoned buildings, crime and misuse of public funds. It seems all business acumen is a thing of the past.

I would respectfully request that the developer of this location pay tax as all other businesses in the area. You have plenty 0f TIF to award with the rebuild of downtown which is becoming a sewer.

Thank you

Cindy Warner

From: Ellen Brown
To: HRAHearing (CI-StPaul)
Subject: Grand and Victoria Redevelopment TIF application
Date: Monday, December 8, 2025 3:21:09 PM

I cannot attend the meeting on Wednesday.

There is definitely a need for a restructure/replacement for TIF but unless/until that is in place, I think the Grand and Victoria redevelopment project deserves TIF support. It will bring more residents/consumers to support Grand Avenue businesses and provide housing for empty nesters to downsize in their own neighborhood, freeing up housing for families.

Respectfully,
Ellen T Brown

From: Ellie Garrett
To: #CI-StPaul_Ward1; HRAHearing (CI-StPaul)
Subject: Proposed TIF for Grand/Victoria
Date: Monday, December 8, 2025 4:55:40 PM

I'm Joyce (Ellie) Garrett.

I STRONGLY object to TIF designation for any development in the Grand/Victoria neighborhood. TIF is an important but overused tool in St Paul. Its purpose is to spur development in blighted neighborhoods. But it comes at a cost to taxpayers, who pick up the tab for city services in the development. Our taxes are already too high. And it is surely an insult to our neighbors who live in genuinely blighted areas of the city to hear that their tax dollars will be used to support development in a part of the city where the developers should be bearing their fair share. It will harm existing businesses in the area who don't enjoy TIF benefits yet have to compete with a developer who does. And it will put the city in a bind, having established a precedent for using TIF for developments that don't need it. It will become even harder to attract non-TIF development.

The TIF proposal is unwise, unjust and unaffordable. Please vote against it. Hold the line. If this developer walks, good riddance.

Jenny Wolfe

From: ROBERT MUSCHEWSKE <rmuschewske@comcast.net>
Sent: Friday, November 28, 2025 9:27 AM
To: Jenny Wolfe
Subject: In$ight Opposition to Taz Increment Financing for 845 Grand Avenue Project
Attachments: 845 Grand Avenue - Message to HRA 11 25 25.pdf

Jenny - attached is a document detailing the opposition of In$ight St. Paul to the use of Tax Increment Financing for the project at 845 Grand Avenue.

Bob

Bob Muschewske
370 Summit Avenue
Saint Paul, MN 55102

rmuschewske@comcast.net
612-578-3635

Understand Today's Reality for the City of St. Paul

Join us to protect the financial future of our City

In$ight St. Paul's 10-29-2024 Report

We are St. Paul residents and property taxpayers who truly love our City.
We own our homes in St. Paul where we have raised our families and educated our children. Some of us are renters, and some of us own business properties in our City. We all deeply care about the well-being of our neighbors and our communities.

We are both stakeholders and constituents who want a financially stable and affordable future for our City. We are **In$ight St. Paul**, a grassroots, citizen organization whose mission is to advocate for a sustainable financial future for our City.

Our team of authors was guided by the **Effective Community Activism "E" Goals**:

1) **ENLIGHTEN** residents, organizations, nonprofits, policymakers and all elected officials representing St. Paul about our City's financial situation.
2) **ENGAGE** residents and organizations to advocate for responsible change.
3) **ENACT** budget and policy changes working with the St. Paul City Council to secure a sustainable financial future for City services.

We have prepared this document to educate St. Paul residents and business owners about the City's high-stress fiscal environment. We want you to join us as we ask our elected officials to make needed budget changes that will provide for a more financially affordable and stable future with high-quality, responsive essential services.

Please give us your suggestions for additional fiscal issues you would like to see identified in future reports.

This working document is divided into three major sections:

1) **Defines today's high-stress fiscal environment for St. Paul's citizens, property owners, businesses and nonprofits.**

2) **Identifies items in the City's Proposed 2025 Budget that don't make sound long-term financial sense.**

3) **Action requests In$ight St. Paul would like the St. Paul City Council to support as it adopts city budgets and approves projects and programs for the next few years.**

Before you read this report, please know this:

Attracting private investment is critical for the healthy future of any city. Recently, at least two significant downtown employers have decided to leave St. Paul - - - a real disinvestment.

Growth of St. Paul's tax base and population are both lagging. Deferred maintenance of basic infrastructure, rising property taxes, highest sales tax, increasing crime and challenging social issues create an environment that some people want to leave. High taxes are a particular burden to lower-income taxpayers and renters, who must absorb increases that are passed on to them.

Reversing these trends requires a sense of urgency by St. Paul's elected officials. This is a complicated situation, one that requires a deeper appreciation and understanding of a stew of interacting factors including local government aid, payments in lieu of taxes, fiscal disparities provisions, tax increment financing, licensing, rent control, service fees and a whole lot more. All within the context of an increasing demand for city services. Affordability has to be at the top of the list.

This report marks the first step in what will be a continuing effort by **In$ight St. Paul** to help the City and its leaders become more aware of, and sensitive to the sobering fiscal challenges facing St. Paul.

Our report is **"Fact Based".** Our effort to highlight St. Paul's financially stressed situation is based on analytical data prepared by five independent governmental units: Minnesota Department of Revenue, Minnesota House Research, Minnesota State Demographer, Metropolitan Council and Ramsey County Taxation. Their annual reports provide factual information to the Minnesota Legislature to develop and refine state laws regarding financing methods for local units of government. They are objective.

The concerning facts in this report are presented on pages 3 to 9.
Items in the Proposed 2025 City Budgets we think don't make sense are presented on pages 10 to 15.
Request for changes we want the City Council to implement for 2025 and beyond are identified on pages 16 to 17.

St. Paul Faces a High-Stress Fiscal Environment

PROPERTY TAX ANALYSIS

Minnesota House Research annually prepares a report regarding property tax burden for Homestead Properties in Minnesota. The report identifies data for the Median Value Homestead in all Minnesota cities. The Minnesota Legislature uses that information to adjust various state income-tax funded aid programs that are used to provide property tax relief to lower income families.

The **July 2024 Voss Report,** which uses payable 2022 property tax data, reveals these three negative findings related to the St. Paul taxpayer: The info below is from the summary data that was highlighted in the report.

1) **The Median Value Homestead in St. Paul has an effective tax rate of 1.39%.** The effective tax rate measures the amount of net property tax (gross tax on annual statement less any state paid homestead credit at income tax time) as a percent of the property's estimated market value (EMV).

In 2022, St. Paul's median value homestead had an EMV of $236,000. For all homesteads in Minnesota for taxes payable 2022, the median value homestead had an EMV of $257,400, with an effective tax rate of 1.08%. **St. Paul's 2022 effective tax rate of 1.39% was 29% greater than the State's average of 1.08%.** Minneapolis's median value homestead had an EMV of $299,000, with an effective tax rate of 1.28%.

2) **In 2022, the owner of the median value homestead in St. Paul had an average income of $88,876. The net property tax burden of $2,875 (after state paid homestead credits) was equal to 3.0% of the average income for the median value homestead. This net tax burden of 3.0% of income was the second highest tax burden rate identified in the report**.

For all of Minnesota for taxes payable in 2022, the average homestead income was $98,272, with an average net tax burden of 2.6%. St. Paul's average homestead income of $88,876 was 9.6% below the state average. And St. Paul's net tax burden of 3.0% was 15% greater than the State average net tax burden of 2.6%.

3) The Voss Report also measures if a **homesteader's net property tax burden** (after state paid homestead credit**) is equal to or greater than 5% of the homeowner's taxable income**. State legislators consider a net property tax greater than 5% of taxable income to be extremely regressive.

St. Paul homesteaders with lower incomes in 2022 did poorly, as a large number had a net property tax (after state credits) greater than 5% of their income:

a) In the income range of $10,000 to $45,000, **St. Paul had 44.5%** of its homestead owners in this income range paying net taxes equal to or more than 5% of their income. **The state average for this income range was 29.8%.**

b) In the income range of $45,001 to $90,000, **St. Paul had 15.3%** of its homestead owners in this income range paying net taxes equal to or more than 5% of their income. **The state average for this income range was 8.8%.**

c) In the income range of $90,001 or more, **St. Paul had 7.0%** of its homestead owners in this income range paying net taxes equal to or more than 5% of their income. **The state average for this income range was 2.7%.**

d) **For all income ranges combined, St. Paul had 17.1% of its homestead owners paying net taxes equal to or more than 5% of their taxable income. By comparison, 9.2% of all homesteaded properties in the entire state had a net tax burden greater than 5% of homeowners' taxable income. St. Paul's net property tax burden rate of 17.1% was almost double the State average of 9.2%.**

City leaders did not help their constituents financially from 2016 to 2024, when the certified property tax levies increased 97.4%, from $105,606,000 to $208,466,000. St. Paul's nine-year average annual tax levy growth was 9.1%, while the Consumer Price Index-W's annual average growth rate is estimated to be 3.4%.

The **Minnesota Revenue** Department's annual reports reveal the following data for the entire tax base for both St. Paul and Minneapolis, comparing actual certified property tax levies and TIF levies for 2015 to actual levies certified for 2024:

1) City levies: **St. Paul rose 101.2%**, while Minneapolis rose **64.1%**
2) School levies: **I.S.D. 625 rose 50.0%**, while Minneapolis rose **39.0%**
3) County levies: **Ramsey rose 39.8%,** while Hennepin rose **47.3%**
4) Special Dist. levies: **St. Paul rose 113.9%,** while Minneapolis rose **40.3%**
5) T.I.F. Dist. levies: **St. Paul rose 40.1%,** while Minneapolis fell **52.1%**
6) **Total Levies**: **St. Paul rose 62.8%,** while Minneapolis rose **44.6%**

TAX INCREMENT FINANCING ANALYSIS

Tax Increment Financing is a method a Minnesota city can use to provide direct financial assistance to a private developer to facilitate taxable development on blighted real estate, which would not otherwise be feasible without a public subsidy. For the underdeveloped area proposed to have new development, the City determines the existing Taxable Value for the project area, which is then designated as a Tax Increment

Financing (TIF) district. Then the City issues general obligation bonds to provide the private developer with a public subsidy, pay bond sale expenses and provide money for the City to pay debt service on the bonds for the first three years, until new property taxes begin coming in.

Once the development project is completed and the property owners within the TIF District start paying property taxes, the county taxation department subtracts the original taxable value (when the TIF district was created) from the new, current taxable value. This captured taxable value then has the current tax rate applied to it, and all the new incremental taxes collected go to pay for debt service for the bonds issued to subsidize the new development. This amount is the district's captured taxes.

Once the bonds are paid off with the tax increments collected in future years, the TIF district is supposed to shut down, and all taxes collected that are no longer needed for debt service become a part of the general tax base used by all local taxing units.

In theory, TIF districts have facilitated new development that has been deemed beneficial, and the districts have closed ahead of the schedule that was estimated at the time the bonds were issued. While those projects appear favorable, one must remember that all the new development requires costly city services that are not paid for by the properties inside the TIF districts. Those property owners don't pay for the services they receive until all the outstanding bond issues are paid off. **To cover the cost of government services inside a TIF district, the rest of the tax base then has to pay more taxes**.

And for some TIF districts, the new anticipated development did not fully materialize, resulting in a shortage of estimated property tax collections. To solve this dilemma, policymakers have pooled excess tax increments from successful TIF districts to use for debt service on unsuccessful TIF districts. **When this happens, the city taxpayers outside TIF districts must continue to pay higher property taxes for the services being provided to properties inside of TIF districts**.

Minnesota Department of Revenue's statistics for TIF districts reveal that the **St. Paul's tax levies for TIF districts from 2015 to 2024 INCREASED 40.1%** from $31,603,964 to $44,274,052. During that same ten-year period, the Minneapolis's tax levies for TIF districts **DECREASED 52.1%** from $50,105,971 to $24,013,786.

The **Metropolitan Council** recently released its Fiscal Disparities Report for Property Taxes Payable in 2024. That report also provides information about the use of **Tax Increment Financing for the metro area**. The **City of St. Paul had $34,601,887 of taxable valuation captured in TIF districts, and that was the largest capture of any city in Minnesota**. This taxable value represents about $500 million in Estimated

Market Valuation. Minneapolis is the second largest user of TIF in Minnesota, and it has only **$21,471,921** of Taxable Value captured in TIF districts.

St. Paul's total taxable value outside of TIF districts was **$420,500,432**. Minneapolis' total taxable value outside of TIF districts was **$848,580,723**, more than twice St. Paul's. **Yet St. Paul's use of TIF is 61% greater than in Minneapolis.**

FISCAL DISPARITIES METROPOLITAN TAX BASE SHARING

Metropolitan Council's Fiscal Disparities Report for Property Taxes Payable in 2024 reveals that **St. Paul is the BIGGEST WINNER of this commercial and industrial tax base sharing program for the metropolitan area**. All metro cities contribute a portion of their business properties' taxable valuation into a common pool; then some amount of taxable valuation is distributed back to each city based on a formula that measures tax base burden. This means that business properties in the metro area were helping to pay for 2024 property taxes levied against the St. Paul tax base.

The fact that St. Paul is and has been the Biggest Winner means that St. Paul has the highest stressed property tax base in the metro.

St. Paul Contributed Taxable Value of $35,142,796 into the pool, and received back $76,067,183; for a Net Taxable Value GAIN of $40,924,387.
Minneapolis contributed taxable value of $89,481,251 and received back $78,560,842; for a **Net Taxable LOSS of $10,920,409.**

While St. Paul has been the biggest winner of the Fiscal Disparities Tax Base Sharing Program, there is no assurance that net gains in taxable valuations throughout the metro area will generate future net gains for St. Paul as much as in the past. Much depends on what happens to the valuation of the business property tax bases in the region. Currently, plunging office valuations in both downtown Minneapolis and St. Paul are putting downward pressure on overall metro area business property valuations that are the basis for the Fiscal Disparities Program.

TAXABLE ESTIMATED MARKET VALUATIONS ANALYSIS

The **Minnesota Department of Revenue** reported the **estimated market values of taxable property in both St. Paul and Minneapolis for taxes payable 2024.** The percentages below represent the share of each city's Total 2024 Estimated Market Valuations for various property classes:

Residential Homesteads:	St. Paul 51.4%	Minneapolis 45.3%
Residential Non-homestead:	St. Paul 11.6%	Minneapolis 13.6%
Apartments:	St. Paul 20.3%	Minneapolis 21.1%
Commercial:	St. Paul 10.2%	Minneapolis 16.1%
Industrial:	St. Paul 5.0%	Minneapolis 2.8%

In the past 10 years **St. Paul's Residential Homestead EMV increased 70.1% to $18.299 billion,** while Minneapolis **increased 71.9% to $30.722 billion.**

In the past 10 years **St. Paul's Non-residential Homestead EMV increased 73.0% to $4.120 billion,** while Minneapolis **increased 62.5% to $9.199 billion.**

In the past 10 years **St. Paul's Apartment EMV increased 179.0% to $7.212 billion,** while Minneapolis **increased 203.5% to $14.313 billion.**

In the past 10 years **St. Paul's Commercial EMV increased 28.2% to $3.63 billion,** while Minneapolis **increased 66.7% to $10.905 billion.**

In the past 10 years **St. Paul's Industrial EMV increased 196.8% to $1.783 billion,** while Minneapolis **increased 78.2% to $1.875 billion.**

St. Paul's Residential Homestead EMV of $18.299 billion accounts for 51.4% of the City's total taxable EMV of $35.605 billion. Minneapolis's Residential Homestead EMV of **$30.722 billion** accounts for **45.3%** of its total taxable EMV of **$67.844 billion**

St. Paul's EMV for all housing increased 88.4% to $29.631 billion, while its combined commercial & industrial EMV increased only 57.7% to $5.419 billion.

The St. Paul Port Authority is doing a great job at facilitating industrial development within our City. The Port Authority is a seven-member board, with five private sector members and two City Council members. The City Council certifies the Port's annual property tax levies for general obligation bonding used to purchase land. The Port then uses revenue bonds to finance private taxable development. The business pays rent to the Port, which is used to pay the debt service for the revenue bonds. The business can buy the land and building from the Port after all revenue bond debt service is paid in full.

TAX-EXEMPT ESTIMATED MARKET VALUATIONS ANALYSIS

St. Paul has an extremely large amount of **tax-exempt property** that requires City services be paid for by the City's taxable property. The Ramsey County Assessor's 2023 total estimated market value for all property in **St. Paul is $43,390,913,200**, with **$8,102,106,500 (18.7%) being tax-exempt EMV.**

By comparison, **suburban Ramsey County** has a 2023 total estimated market value of $**43,896,514,600; with tax-exempt EMV at $4,972,717,100 (11.3%).**

When evaluating the property taxpayers' burden for supporting tax-exempt properties, it is not enough to look at the value of the property alone. What is more important is the amount of city services required for the property and the daily impact on the city's infrastructure. Thousands of people come every day from the metro area and outstate to use or visit major tax-exempt facilities located in St. Paul.

St. Paul has a much higher service delivery obligation to tax-exempt properties than other Minnesota cities. Below are some of the facilities that benefit thousands of people daily not living in St. Paul.

1) Federal facilities: District Court, Social Security and Mississippi River Park
2) State of Minnesota: 33 major buildings for state operations.
3) Metro Government: 9 buildings for planning, transit, mosquito, waste water.
4) Ramsey County: 13 buildings for courts, detention, human services & more.
5) Regional hospitals: 10 buildings, not counting health clinics.
6) Major colleges: 10 campuses, private & public.
7) Regional transportation: Downtown Airport, Train Depot, & Bus Depot.
8) Metro regional parks: Como Zoo & Conservatory and 8 other popular sites
9) Historic museums: 10 major attractions that draw people daily.
10) Major sports facilities: Minnesota Wild Hockey, Minnesota United Soccer, and St. Paul Saints Baseball.

CITY SALES TAX ANALYSIS

The City of St. Paul's 9.875% sales tax rate is the highest in Minnesota. High sales tax rates have a negative impact on business and can ultimately lead to some businesses moving out of St. Paul. When businesses leave, the City's taxable valuations are reduced; meaning residential property will have to pay more property taxes for services.

Minnesota does not collect sales taxes on essential purchases (food, clothing and medicine). The sales tax rates that apply to purchases in St. Paul are:

1) State of Minnesota **6.875%.**
2) Metro area transportation **0.75%.**
3) Metro area housing **0.25%.**
4) Ramsey county transit **0.50%.**
5) St. Paul voter-approved **0.50%** (for Rivercentre at **40%** of revenues, for Neighborhood Development at **50%** of revenues, and for Cultural Programs at **10%** of revenues).
6) New St. Paul voter-approved **1.00%** for reconstructing city arterial streets and bridges and for Parks and Recreation Facilities.

POPULATION AND HOUSEHOLD ANALYSIS

The **Minnesota State Demographer** recently identified population estimates for the U.S. Census year 2020, and for the State Demographer year 2023. The data reported for the five largest cities in Minnesota estimate the following population changes between 2020 and 2023:

Minneapolis' population **increased 0.9%,** to 433,633.
St. Paul's population DECREASED 0.2%, to 310,997.
Rochester's population **increased 1.3%,** to 122,969.
Bloomington's population **increased 1.7%,** to 91,537.
Duluth's population **increased 0.1%,** to 86,788.

In the last three years, St. Paul was the only large Minnesota city to have a population decrease while the population for the state increased **1.6%.**

During the last three years the total number of households in the state increased 3.3%. St. Paul's household count increased 2.4% to 123,504, while Minneapolis's household count increased **4.1%** to 195,280.

In 2023, the average persons per household in St. Paul was 2.52 people, while in Minneapolis it was **2.22** people.

On average, a St. Paul household has a larger family than Minneapolis, with less gross income and a higher property tax and sales tax burden. Not a good situation if you own or rent in St. Paul.

In conclusion, In$ight St. Paul declares:

St. Paul property and sales taxpayers pay excessively high taxes.

Our City is fiscally stressed. We need to address the complex challenges now before us. Our focus has to be on long-term financial security.

Some Elements of the City's Proposed 2025 Budget Do Not Make Sound Long-term Financial Sense

In 2023, the St. Paul voters passed a referendum allowing the City to implement a new 1% Sales Tax to be used over 20 years to finance reconstruction of arterial streets and bridges and to address deferred maintenance of Parks and Recreation facilities along with construction of some new facilities. The authorizing state law specifies that up to $738 million can be spent on public works projects and up to $246 million can be spent on park projects and recreation facilities. This 1% sales tax went into effect April 1, 2024, and the law allows the City to issue bonds to get a fast start on catching up with deferred maintenance. The annual sales tax revenue collected can be used to pay debt service on the new 1% sales tax bonds and can also be used to directly finance projects in any given year.

At the October 2 City Council Budget Committee meeting, staff from the Office of Financial Services notified the Council that Standard & Poor's has lowered the City's debt contingent liability rating from adequate to weak. The City is in a high debt situation that could lead the bond rating agencies to lower the city's AAA Rating. A reduced bond rating could cost the City millions of extra dollars in debt service payments for future bond issues.

During that meeting it was stated that the City's Proposed $24,710,000 Property Tax Levy for General Obligation Bonds accounts for 11% of the Total Tax Levy of $224,969,000. That statement is true, but misleading. What was not disclosed in the city budget summary is that fact that there is a Tax Increment Financing Levy of approximately $45 million which is for TIF Bonds issued by the City and by the Housing and Redevelopment Authority. An objective accounting of 2025 property taxes being collected for debt service obligations would be City G.O. Debt of $24,710,000 and Port Authority G.O. Debt of $2,902,00 and TIF District Bonds of $45,000,000. These three property tax obligations for debt service total **$72,612,000. That means that tax levies for G.O. debt service amounts to 26.9%** of the a Full Disclosure Total Property Tax Levy of $269,969,000.

There is no policy document on the City's website that gives a comprehensive, forward looking perspective of all of the City's debt outstanding (general obligation bonds, parking revenue bonds, tax increment bonds, short term notes, bond refunding, etc,). There is nothing about the dedicated financing sources for each bond issue, nor the length of the bonds. And there is nothing about the overlapping general obligation debt for the entire St. Paul tax base. Taxpayers have to pay for all debt that comes from the City, the Port Authority, St. Paul Schools and overlapping units like Ramsey County and Watershed Districts.

We know there is some bonding information in various tables in the Comprehensive Annual Financial Reports for the City and for the Housing and Redevelopment Authority. But that actual data is always three years behind the proposed budget being prepared. The City Council should adopt forward looking debt policies to guide city departments as they plan for future capital improvements. We know this policy direction is extremely important as major bonding plans are being considered for the 1% Sales Tax and for the upgrading of the Rivercentre at the same time the City's bond rating could possibly be lowered.

In$ight St. Paul strongly believes that no 0.5% and 1.0% sales tax bonds should be issued in 2025 for new development activity and for Parks and Recreation Projects until after a Comprehensive Bonding and Debt Service Policy Report is prepared by the City's staff with the assistance of the City's bonding advisor.

The Proposed 2025 Capital Improvement Budget (CIB) identifies specific projects approved for 2024 and proposed for 2025.

The budget for **Public Works** **identifies $21,888,000 in arterial street reconstruction projects that were approved to be financed with 2024 sales tax revenues. And for 2025, another $34,500,000 is proposed for arterial street reconstruction, with financing from 2025 sales tax revenue.** No bond money was identified for the systematic repairing of arterials and bridges.

In$ight St. Paul supports these 2025 Public Works projects to upgrade arterial streets and bridges because they take care of what exists today.

The budget **for Parks and Recreation identifies $7,296,000 in projects approved to be financed with 2024 sales tax revenues. And for 2025, a total of $11,500,000 is proposed for projects to be financed with 2025 sales tax revenue, and another $36,759,625 in projects is proposed to be financed with a 2025 1% sales tax bond issue**.

The 2017 Management and Feasibility Study by the national municipal consultancy Ameresco found that St. Paul's budget for Parks and Recreational facilities was short about $8.5 million dollars a year for a systematic maintenance program, just for existing recreation buildings and park facilities.

The new 1% sales tax program will help Parks and Recreation address deferred facility maintenance, but provides nothing for staffing operations, running programs and doing routine maintenance.

The proposed 2025 operating budget for Parks & Recreation does not have sufficient funding to carry out existing duties, as noted by the director in his budget presentation to the City Council's Budget Committee on Sept. 4, 2024**.**

Half of the justification for needing a new 1% Sales Tax was that the City was not able to finance the systematic maintenance of our existing Parks & Recreation facilities for the past couple of decades. Then why build five or more additional facilities that could easily add another couple of million dollars of annual operating costs to the already stressed Parks & Recreation budgets? Why make a bad situation worse?

The Trust For Public Lands Park Score Index has ranked St. Paul's parks and recreation system second in the nation for every year since 2016, except for third in 2020.

In$ight St. Paul declares there is no common sense need to expand our parks and recreation facilities. Rather, many St. Paul residents desire more programming at existing recreation centers. Do not add more facilities that may also be understaffed, undermaintained and underutilized.

In$ight St. Paul recommends not funding these five projects proposed to be financed in 2025, because they are NEW facilities that do not now exist:

1) **East Side Community Center - design cost $1,200,000.**
2) **Mississippi River Balcony - design cost $1,200,000.**
3) **River Learning Center at Crosby Park - design cost $2,700,000.**
4) **Multi-purpose regional athletic complex - design cost $1,200,000.**
5) **Revitalize water features and add new ones - $6,800,000.**

The proposed 2025 Capital Improvement Budget estimates the 1% sales tax revenues for 2025 to be **$46,000,000** with all of it going to projects, plus a 2025 1% sales tax bond issue of **$36,759,625**. **Meanwhile, the proposed budget for 2025 debt service does NOT identify any revenue or cost estimates for issuing a 1% sales tax bond issue for next year.** When you add in the cost of issuing bonds, the 2025 bond issue would be about $36.9 million. Thus the 2025 debt service budget should have at least $3 million budgeted for both spending and financing if the City decides to issue 19 year bonds at 5% average interest rate.. Again, **In$ight St. Paul opposes** this bond issue until a **Comprehensive Bonding and Debt Service Report** is completed.

In$ight St. Paul says: Budget required 2025 debt service if bonds are to be issued.

St. Paul collected $26,700,000 from its 0.5% sales tax in 2023. If you assume a 1% sales tax would have been double that amount, a full year's collection would generate $53,400,000. With inflation increasing in 2024, one might conservatively estimate the new 1% sales tax revenues to be $54,000,000 for 2025. That would be $8,000,000 more than the $46,000,000 1% sale tax revenue estimate in the proposed 2025 Capital Improvement Budget. And eight months of collections for 2024 would be about $34.6 million, which would be about $5 million more than the adopted 2024 budget estimate of $29,184,000.

In$ight St. Paul says: We support conservative revenue estimates, but City budget staff might want to revisit both their 2024 and 2025 revenue estimates for the new 1% sales tax. Instead of issuing 1% Sales Tax bonds in 2025, the extra $13 million in revenues estimated above could be used to finance high priority improvements at existing Parks and Recreation facilities. By high priority we mean projects that fix mechanical equipment that reduces energy consumption and eliminates dangerous hazards in buildings and on park lands.

The proposed 2025 Capital Improvement Budget double counts 1% sales tax revenues in both financing plans and spending plans. The totals for both plans are overstated by $46,000,000. The CIB budget summary identifies projects totaling $164,307,625 that are being financed. In reality. there is only enough money to finance $118,307,625 worth of projects.

The Proposed 2025 CIB **financing plan** counts 1% sales tax money dedicated for projects of $46 million, and identifies sales tax bonding of $33,759,625 and then also identifies 1% sales tax revenues of $46 million. **The financing plan overstates revenues by $46 million.**

The Proposed 2025 CIB **spending plan** identifies the costs for each project proposed to be financed ($46,000,000 sales tax money funded projects and $33,759,625 sales tax bonding projects); and then includes sales tax revenues of $46,000,000. **It is wrong to put a revenue estimate into a spending plan.**

Government Finance Officers Association (GFOA) and Generally Accepted Accounting Principles (GAAP) defined budgets as follows:

Spending plan: authorized spending and proposed transfers to another fund.
Financing plan: estimated revenues, estimated transfers-in from other funds, and the use of available fund balance.

To adopt the 2025 CIB budget as proposed would cause a serious problem with the Minnesota State Auditor's Office and could jeopardize St. Paul's AAA bond rating. A reduced bond rating could cost the City hundreds of thousands of extra dollars annually for added interest expense.

In$ight St. Paul says: Correct the double counting of 1.0% sales tax revenues in the spending plans and financing plans in the 2025 Capital Improvement Budget.

The 2025 proposed Capital Improvement Budget also has the use of the 0.5% Sales Tax Bonding to finance the lease or purchase of vehicles for Fire at $1,300,000 and Police at $1,100,000. Minnesota state law prohibits the use of bonding on equipment that does not have a life expectancy equal to or greater than the length of the bonds being issued. We guess that police vehicles get turned over every four years, thus long-term bond financing for a short-lived vehicle would be wrong!

In$ight St. Paul says: Don't use long-term bonding to finance Police and Fire vehicles that will not outlive the length of the bond issue. Don't jeopardize St. Paul's AAA bond rating and cause a non-compliance issue with the State Auditor.

Tax Increment Financing (TIF) has been a heavily used financing method to help induce new development projects in St. Paul. And at the same time, the use of TIF districts results in the citywide taxpayers having to subsidize the cost-of-service delivery to properties inside a TIF district.

We know that not all TIF Districts have been successful. That has forced the City to pool TIF district captured taxes. This strategy of having successful TIF districts help TIF districts that are not generating their anticipated taxes causes a greater citywide taxpayer subsidy, because TIF districts will last for a longer number of years.

Rent stabilization requirements and **high crime** in some TIF districts can result in anticipated development not being realized. This means unsuccessful districts will exist for a longer time, requiring an even greater burden for the general tax base to support city services inside a TIF district.

2025 property tax levies for TIF districts will be approximately **$44.3 million**. This amount is **in addition** to the Proposed 2025 city levies of **$225,000,000**. TIF district tax levies are highly significant and are an important redevelopment financing tool, yet they are **NOT** disclosed in the City's Budget Summaries.

In$ight St. Paul says for TIF Districts:

1) **Disclose TIF property tax levies when preparing the City budget,** so people can understand the high magnitude of total property taxation and subsidies for new developments.

2) **Address crime issues** that deter new development and cause property values to decrease.

3) **Understand that rent control artificially caps property values which may jeopardize both new and existing developments.**

4) **Know that the EMV of properties within a subsidized TIF district may increase over time, but often nearby properties outside of the TIF district may suffer valuation loss when land use development demand is lacking because of the new TIF development. Thus, the TIF project may ultimately produce no net gain in taxable property valuation.**

City Staffing Priorities: The City's **total full-time equivalent (FTE) staffing for all budgets between 2016 and 2025 is increasing 285 FTEs** from 2,924 to 3,209. The major changes are:

City Attorney increased **36** FTEs, from 66 to 102.
Parks and Recreation increased **87** FTEs, from 555 to 642.
Fire and Safety Services increased **42** FTEs, from 479 to 521.
Public Works increased **31** FTEs, from 385 to 416.
Police increased **13** FTEs, from 771 to 781.

In$ight St. Paul believes addressing crime is a higher priority than expanding the St. Paul's Parks and Recreation system. So, if you don't want to lose population and business, find ways to increase Police staffing.

Early Care & Learning Referendum - This is a proposal to gradually increase the City of St. Paul's property tax levy by $2,000,000 a year starting in Year 1 and continuing to $20,000,000 a year by Year 10. The money would provide no-cost early childcare and learning to low-income people and some support to other families based on a sliding scale for income. Members of In$ight St. Paul understand the need to help low-income families with Early Childcare and Learning. We know it is just as important to invest in human capital as it is to invest in housing or business.

Whatever the outcome of the referendum and the follow-up by City officials if it passes, **Insight St. Paul does not believe such a program is the core responsibility of the City. Instead, childcare is the responsibility of Ramsey County and the State. Educating young children is the responsibility of the St. Paul School District.**

The annual cost of this program is estimated to be a minimum of $111 million. To have a tax levy starting at $2 million for the first year and increasing to $20 million by the tenth would only finance about 2% of the estimated need. Increasing the City's property tax levies for this costly program does not make sense.

The American Rescue Plan. In 2021, St. Paul was awarded $167 million through the State and Local Fiscal Recovery Fund to respond to the negative consequences of Covid 19. Many important programs were implemented with this one-time federal grant. The grant dollars will soon be gone, but the demand for some of the temporary programs will remain. This situation could create future pressure to raise additional property taxes o continue some programs**. Insight St. Paul believes the City should not raise property taxes to continue programs that were intended to be temporary.**

In$ight St. Paul Requests the St. Paul City Council Take These Actions as It Adopts City Budgets and Approves Projects and Programs for the Near Future

1) Do not approve any 0.5% or 1.0 % Sales Tax Bond Issues in 2025 until after the Office of Financial Services prepares a Comprehensive Bonding and Debt Service Report that the City Council can use to determine sound, affordable bond issuance policies.

2) Do not approve design or construction funding in 2024 or 2025 for any Parks and Recreation facility or park that does not now exist. This includes:

a) East Side Community Center - design cost $1,200,000.
b) Mississippi River Balcony - design cost $1,200,000.
c) River Learning Center at Crosby Park - design cost $2,700,000
d) Multi-purpose regional athletic complex - design cost $1,200,000
e) Revitalize water features and add new ones - $6,800,000

3) Direct Parks and Recreation to provide the City Council by January 30 of next year A Fiscal Note of Full Disclosure for each proposed project which will identify:

a) An estimate of the total cost of any given project with cost estimates specifically for preliminary conceptual design, final design, land acquisition, facility construction, specialized energy saving equipment and landscaping.
b) An estimate of staffing, programming, operations and maintenance costs, along with the planned hours and days of operation.
c) If taxable property is being acquired to develop a new project, identify the amount of property taxes being lost.

4) Direct the Long-Range Capital Improvement Budget Committee to identify new operating and maintenance costs when it recommends funding priorities to the Mayor and City Council. And the CIB Committee should also identify a total cost estimate for any project that is financed over more than one year.

5) Approve a 2025 Adopted Budget that includes a debt service spending plan and a debt service financing plan for any 2025 1% sales tax bond issue. It is estimated that an additional $3,000,000 in revenues will have to be found for financing the debt service if the budget includes $36,900,000 for 1% Sales Tax Bonding.

6) Approve a 2025 adopted budget that does not double count 2025 1% sales tax revenue estimates in the financing plan and the spending plan for the Capital Improvement Budget. The proposed 2025 CIB has $46,000,000 in 1% sales tax revenues counted twice.

7) Prepare a summary for the 2025 Adopted Budget that discloses the amount of property taxes being collected for each Tax Increment Financing district. **And when preparing a summary of the tax levies the City Council is approving for City operations, City debt service, Library operations and Port Authority debt service, also include an approximate estimate for TIF levies being collected.** The total TIF levy is about $45 million and is the result of many projects approved by past City Councils. We are disappointed that this secret tax levy is not disclosed in any summary.

8) Require the Planning & Economic Development Department to include on its website relevant information about each existing TIF district. Information should include: the date established, a description of the development project as originally proposed, the developer's name and subsidy amount, the term of bonds issued, the original estimate of property taxes to be captured annually, the original estimated close-out date, the current estimated close-out date, and a project success determination. And lastly, if the TIF district is deemed successful but is contributing captured tax increments to a shared pool to support unsuccessful TIF districts, identify how much has been contributed. Minneapolis annually discloses data for each one of its TIF Districts. The City of St. Paul should have the same public transparency.

9) Evaluate how rent control discourages investment in housing and how high crime rates seriously lessen the likelihood of success for current or future Development.

10) Follow generally accepted accounting practices and do not use bonding to finance the purchase of Police and Fire vehicles that will not last 10 years.

11) Establish a 2025 PILOT Committee to develop an implementation plan for a St. Paul Payments In Lieu of Taxes Program. The City should initiate discussion with owners of tax-exempt properties in St. Paul to see if they will voluntarily contribute money to pay for the services they receive from the City.

12) Work with the Ramsey County Delegation to pass a state law that would give our City special annual state aid for City services provided to all state-owned buildings in St. Paul.

The **In$ight St. Paul Committee** thanks all the interested stakeholders and all the elected officials for taking the time to read our comprehensive **"We Care"** report.

If the findings in this report concern you, please feel free to share the report with your neighbors and local organizations and businesses, and assertively communicate your concerns to elected officials.

In$ight St. Paul respectfully communicates that we want St. Paul's financial future to be affordable while essential services are provided to residents and property owners.

We want St. Paul to be a **Great Place** to live, raise a family, go to school, work, shop, be entertained, enjoy sports, enjoy nature, and be a welcoming, supportive community. And, we want to be **a Fiscally Healthy Capital City of Minnesota.**

Respectfully Transmitted,

Jane Prince, Committee Co-Chairs
Gary R. Todd, Committee Co-Chairs

Dave Beal, Steering Committee Member
Gregory N. Blees, Steering Committee Member
Julian Loscalzo, Steering Committee Member
John Mannillo, Steering Committee Member
Carl Michaud, Steering Committee Member
Donna Swanson, Steering Committee Member

In the near future, our citizens committee will have a website with our name, In$ight St. Paul, where you will be able to view:

1) **3 page Guiding Principles for In$ight St. Paul.**
2) **List of Members of the In$ight St. Paul Committee.**
3) **3 page Executive Summary for this 18 page report.**
4) **22 Research Papers prepared to gather the facts used to develop this report.**
5) **7 page Summary of Key Findings from the 22 research reports.**
6) **2 page Glossary defining technical terms used in our reports.**
7) **Calendar of Events for upcoming meetings**

If you want to get involved with our mission, or if you have any questions before our website is up and running, you can contact the committee by sending an e-mail to: insight.st.paul@gmail.com

We are a volunteer organization without any staff, so please understand it may take a few days before someone can respond. Thank You.

From: James Kielkopf
To: HRAHearing (CI-StPaul)
Subject: Use of TIF at Victoria Development on Grand
Date: Tuesday, December 9, 2025 12:42:32 PM

There is no reason to use TIF for the proposed development on Grand Ave and doing so would be an egregious use of Saint Paul's homeowners' tax contributions to enrich one private developer.

1) Use of TIF is for blighted properties. Just because a developer wants to do something different with a property than its current use of popular bars and restaurants does not make a property blighted.

2) TIF use in such a case would be nothing other than a cash handout by the city of Saint Paul to the developer. City taxpayers must not held be liable for cash handouts to private developers but they would be through use of TIF.

3) If TIF is not used, the property will continue paying tax to the city of Saint Paul. Another developer may or may not come up with a better project but in either case the city will still collect taxes on the existing property. But if TIF is used this property will be removed from taxes collected for operating revenue and only used to repay a bond who proceeds were gifted to the developer without generating significantly more taxes elsewhere in that neighborhood, so there is almost no way Saint Paul taxpayers can benefit from this project.

James Kielkopf

From: JoAnn Fernandez
To: HRAHearing (CI-StPaul)
Subject: grand and Victoria redevelopment TIF
Date: Tuesday, December 9, 2025 9:27:24 AM

You don't often get email from joann464@gmail.com. Learn why this is important

I oppose the Grand and Victoria redevelopment TIF.
Using TIF for a development of market rate apartments in an affluent area is inappropriate.
Don't do this with our money.

JoAnn
Fernandez

From: Joseph Errigo
To: HRAHearing (CI-StPaul)
Subject: Grand and Victoria Redevelopment TIF District
Date: Monday, December 8, 2025 5:30:43 PM

You don't often get email from errigo5@gmail.com. Learn why this is important

Written comments submitted by **Joseph Errigo**, Retired President and CEO, CommonBond Communities (1971-2006); Director, Western State Bank (1981-91); Principal Planner/Deputy Director of Planning, Saint Paul HRA (1968-71); Summit Hill homeowner for 40 years

I am unable to attend the December 10 hearing because of a prior commitment.

I respectfully request that you give every consideration to the individual testimony from representatives of In$ight Saint Paul, and thoroughly read and understand the published reports and recommendations prepared by this important organization.

In$ight is led by ordinary citizens with an extraordinary understanding of our city and its various agencies, departments, and public policies. The organization's Steering Committee includes individuals with decades of experience in all aspects of city government, as well as highly regarded private sector organizations, both for profit and nonprofit, including real estate development. In$ight's positions and recommendations are based on extensive research, accurate historical data and careful analysis of the short and long term impact of public policy decisions. The expanding Membership of In$ight includes ordinary citizens who are deeply concerned about increasing taxes and responsible actions by city leaders.

I have worked with every city administration since 1968 (Mayor Tom Byrne!). Formulating city policy is never easy. We have enjoyed extraordinary leadership at all levels over the past six decades. Sometimes good leaders made mistakes that had negative long term implications. Today we have unique challenges that require bold new leadership and directions rather than approval of established, but perhaps worn out and overused, policies and strategies that actually cost taxpayers alot of money over the long haul.

Please step up to the challenge. In$ight Saint Paul can help you find the right path forward.

From: Kathleen Mcgovern
To: HRAHearing (CI-StPaul)
Subject: Opposition to the Use of TIF in the 841-857 Grand Avenue Redevelopment Plan
Date: Monday, December 8, 2025 10:17:49 PM

You don't often get email from kmcgovern0@icloud.com. Learn why this is important

Date: December 8, 2025

TO: Members of the City Council/HRA Hearing
FROM: Kathleen Mc Govern
SUBJECT: Members of the City Council/HRA Hearing and the In$ight St. Paul Steering Committee's Opposition to Use of TIF in the 841-857 Grand Avenue Redevelopment Plan dated November 25, 2025

This is a letter to say as a St Paul resident for 42 years, I agree with well researched and reasoned In$ight recommendations and conclusions outlined below.

Do not award a public subsidy - TIF- to the project for the reasons listed.

In$ight St. Paul Steering Committee Recommendation
The Redevelopment Plan for 841-857 Grand Avenue should not
include Tax Increment Financing (TIF) totaling $2.95 million.

Rationale for our Recommendation
The Steering Committee bases its recommendation on extensive analysis of how Tax Increment Financing (TIF) has been used in Saint
Paul and our understanding – based on publicly available information –

of how it will be used to support the Redevelopment Plan at 841-
857
Grand herein after referred to as 845 Grand Avenue. In addition,
members of In$ight St. Paul have had two conversations with the
developer, Ari Parritz.
(Note: In$ight St. Paul's analysis of the City's use of TIF is
contained in
In$ight St. Paul Reports dated October 29, 2024, and August 11,
2025.)

Arguments Favoring the 845 Grand Avenue Plan

• The Saint Planning Commission has affirmed with a narrow 6 to
5 vote
that the 845 Grand Avenue Plan is consistent with the Saint Paul
2040
Comprehensive Plan.
• The developer, Ari Parritz, is a competent and reputable
developer
committed to the improvement of Saint Paul. He recently
completed a
similar project at the nearby corner of Grand Avenue and St.
Albans.
1That project did not require TIF and the developer states that it
was
because of the low interest rates during covid.
• The 845 Grand Avenue project will likely be a net addition to the
neighborhood.
• The developer is firm in stating that he cannot undertake and
complete
a successful project without the use of TIF and that he and his
investors
will suffer financial losses if the project is not approved by the
HRA in
December.
• The $2.95 million TIF request is relatively small when compared
to

recent TIF supported projects in the City.
• The developer states that he understands the negatives of TIF and has
also stated he is not in favor of the continued use of TIF believing the
City needs to find other ways to incentivize the much-needed development of the City's tax base. He states that he cannot, however,
move forward on his current timeline for this project without TIF.

In$ight St. Paul's Reservations Concerning Saint Paul's Use of Tax Increment Financing (TIF)

Among the concerns expressed in the In$ight St. Paul Reports are the following:

• TIF has been overused in the City of Saint Paul.
  ○ In 2024 Saint Paul had over 7.9% of taxable property captured in TIF projects.
  ○ The recent Landmark Towers project is an example of the overuse of TIF.
  ○ Saint Paul is the largest user of TIF in the State and second only, per capita, to the City of Chicago in the use of TIF in the country.
  ○ Minneapolis and other municipalities are reducing use of TIF.
• TIF is often advertised as a way to increase the tax base in the City but that increase does not happen for a period of up to 25 years after completion of a project.

2• TIF is a public subsidy – a gift - paid to a developer as an incentive to
engage in a project. It is not a loan. The City must accrue debt to grant

the subsidy to the developer.
• TIF captures future taxes of real estate improvement to retire the debt
incurred by the City. Future taxes do not go into the general fund.
○ Tax levies to service debt for TIF projects INCREASED 40.1% by
approximately $13M from 2015-2024.
○ Currently 8% of the property taxes of City taxpayers are devoted to
covering the cost of existing TIF projects.
• City services required by the project – Fire, Police, Public Works, etc. –
are not paid for by taxes paid by the project. They are paid for by taxpayers outside of the project.

Reasons Why In$ight St. Paul Opposes the Use of TIF for the 845 Grand Avenue Project

• The site is one of if not the most attractive development sites in the City
of Saint Paul. We believe a developer should be able to create a profitable development plan at that site without the need for a public
subsidy.
• The relatively small TIF request of $2.95 million suggests that the
developer should be able to find ways to finance a $44.5 million project
without resorting to TIF.
• Although the project has attractive features and will be a net benefit to
the neighborhood, it does not have a clear and compelling public purpose justifying the use of TIF.
• Data demonstrating that the project has passed the “but for” test is not
publicly available.

• Awarding a public subsidy to this project will set a precedent sending a
signal to other developers that fulfilling the “but for” requirement will be
relatively easy to demonstrate.
• TIF is often used in support of blight removal. The City has already been
awarded $350,000 from the Minnesota Department of Employment and
3Economic Development (DEED) for abatement, demolition, and public
infrastructure improvements at the site.
• 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 a period of up to 25 or more years.

– Conclusions –

• Do not award a public subsidy – TIF – to this project.
• Although likely a net gain to the neighborhood, the project does not
enhance City goals to increase the tax base in the short to medium
term and it puts a further burden on taxpayers at a time when they are
already coping with rapidly rising property taxes.
• Awarding TIF to this project – a project for which it is hard to justify
the need for TIF – will make it difficult to refuse to award TIF to future
TIF proposals in the City.

Sent from my iPhone

From:	Wolfie Browender
To:	HRAHearing (CI-StPaul); #CI-StPaul_Ward7; #CI-StPaul_Ward3; #CI-StPaul_Ward2
Subject:	No TIF for the Grand and Victoria
Date:	Monday, December 8, 2025 9:26:51 PM

Dear Council members:

I am writing to ask you not to approve the proposed TIF District for the Grand and Victoria redevelopment project. As you're likely aware, TIF Districts were conceived to:

- • Redevelop areas occupied with substandard buildings
- • Build housing for low-income and moderate-income families
- • Clean up pollution
-
- None of these affect the Grand/Victoria site.
-
- Furthermore, Saint Paul is has the most TIF Districts in Minnesota and adding another one will effectively increase our taxes again. Rather than approving new Districts, the City should be sunsetting those that have met their obligations and are producing tax revenue and thus adding them to the tax rolls.
-
- If there is one thing that most Saint Paulites agree on, it's that our tax burden is unsustainable. Denying this TIF District will be a step toward better financial stewardship.
-
- Thank you.

Wolfie Browender
Ward 3 resident

From: Scott Hanson
To: HRAHearing (CI-StPaul)
Subject: Opposition to Use of TIF for 841-857 Grand Ave
Date: Tuesday, December 9, 2025 10:37:58 AM

[You don't often get email from srey55@yahoo.com. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

Members of the City Council/HRA ,

The Redevelopment Plan for 841-857 Grand Avenue should not include Tax Increment Financing (TIF).
TIF should be used as a last resort to develop areas with big problems facing developers for good projects with no path forward.
This project is in one of the nicest parts of the city and the city needs the tax revenues now.
Please don't misuse TIF for this project.
Thank you for your consideration.
Scott Hanson
Ashland Ave. Saint Paul.

IN$IGHT ST. PAUL'S ANALYSIS OF TAX INCREMENT FINANCING (TIF)

August 11, 2025

Tax Increment Financing (TIF) is a public financing method a Minnesota city can use to provide a subsidy to private developers (and eventual property owners) to facilitate taxable development on property that is vacant, blighted or underutilized. TIF can only be used if it can be proven that private development would not otherwise be feasible without a public subsidy. TIF can however be easily overused or abused and cause negative consequences to nearby properties. It is important to note that the property taxes paid by the new development for the next 26 years are used to pay for the public subsidy provided, while the added cost for providing government services to the new development is shifted to all other taxpayers outside of a TIF District. Granting TIF should therefore be carefully analyzed and wisely used.

St. Paul is the state's biggest user of TIF. In$ight St. Paul's October 2024 report, called on the city to be forthcoming in telling its citizenry about its TIF activities. Our report noted that St. Paul, unlike Minneapolis, does not disclose any details about its many TIF districts, which handle millions of dollars of taxpayers' money. It is this situation -- the need for basic accountability -- that has motivated In$ight St. Paul to better understand and explain TIF and to look into the city's past and future use of it. Both the St. Paul Housing and Redevelopment Authority and the St. Paul Port Authority use TIF to expand St. Paul's taxbase.

For an underdeveloped area proposed to have new development, the City determines the existing Taxable Value for the project area, which is then designated as a Tax Increment Financing (TIF) district. Then the City issues long-term general obligation bonds or short term pay-as-you-go notes to provide the private developer with a public subsidy, pay financing expenses and provide money for the City to pay debt service on the bonds for the first three years, until new property taxes begin coming in.

Once the development project is completed and the property owners within the TIF District start paying property taxes, Ramsey County Taxation subtracts the original taxable value (when the TIF district was created) from the new, current higher taxable value. This captured taxable value then has the current total tax rate applied to it, and all the new incremental taxes collected go to pay for debt service for the debt issued to subsidize the new development. This amount is the district's captured taxes.

After the bonds are paid off with the tax increments collected in future years, the TIF district is supposed to shut down, and all taxes collected that are no longer needed for debt service become a part of the general tax base used by all local taxing units.

In theory, TIF districts have facilitated new developments that have been deemed beneficial, and the districts have closed ahead of the schedule that was estimated at the time the bonds were issued. While those projects appear favorable, one must remember that all the new development requires costly city services that are not paid for by the properties inside the TIF districts. Those property owners don't pay for the government services they receive until all the outstanding debt issues are paid off. To cover the cost of government services inside a TIF district, the rest of the tax base then must pay more taxes.

And for some TIF districts, the new anticipated development did not fully materialize, resulting in a shortage of estimated property tax collections. To solve this dilemma, policymakers have pooled excess tax increments from successful TIF districts to use for debt service on unsuccessful TIF districts. When this happens, the city taxpayers outside TIF districts must continue to pay higher property taxes for the services being provided to properties inside of TIF districts.

Minnesota Department of Revenue's statistics for TIF districts reveal that the St. Paul's tax levies to service debt for TIF districts from 2015 to 2024 INCREASED 40.1% from $31,603,964 to $44,274,052. During that same ten-year period, Minneapolis's tax levies for TIF districts DECREASED 52.1% from $50,105,971 to $24,013,786.

The Metropolitan Council recently released its Fiscal Disparities Report for Property Taxes Payable in 2024. That report also provides information about the use of Tax Increment Financing for the metro area. The City of St. Paul had $34,601,887 of taxable valuation captured in TIF districts, and that was the largest capture of any city in Minnesota. This taxable value represents about $2.6 billion in Estimated Market Valuation. Minneapolis was the second largest user of TIF in Minnesota, and it had only $21,471,921 of Taxable Value captured in TIF districts.

St. Paul's total taxable value outside of TIF districts was $420,500,432. Minneapolis' total taxable value outside of TIF districts was $848,580,723, more than twice St. Paul's. Yet St. Paul's use of TIF is 61% greater than in Minneapolis.

Saint Paul's Overuse of TIF Has Negative Consequences

Tax increment financing (TIF) is a public financing tool employed with the long-term objective of expanding the City's tax base. It seeks to accomplish that goal by subsidizing redevelopment, infrastructure, and community improvement projects such as:

1. Upgrading obsolescent facilities.
2. Eliminating blight.
3. Remediating pollution
4. Expanding affordable housing choices.
5. Enhancing private sector employment growth.
6. Encouraging redevelopment activities that enhance urban features, amenities, and historic structures.

There is growing concern that TIF has been overused and that it has not delivered hoped-for results in addressing City goals. Other municipalities concerned about the efficacy of TIF have concluded that it places an undue and unfair burden on taxpayers and are reducing the use of TIF.

When using TIF, the City typically provides a subsidy to developers to engage in a project and then diverts property tax revenue from the project using those funds for up to 26 years to repay the City for the upfront money it spent to induce the private development activity. The City's tax base is not increased during this period. TIF is not a loan to a developer that the developer pays back to the City. TIF is a tax-free gift to the developer. The City provides the developer with a public upfront subsidy (the gift) and then the City must incur long-term debt to cover all costs associated with providing the gift.

During the first 26 years of a TIF District new property taxes captured in the district are first used to retire the debt incurred by the City and to finance city staff costs. And if tax increments collected are greater than debt issued and associated staff costs, the excess increments can be used for two other options. They may be used for secondary development opportunities within the district and, or to help pay debt service in another TIF District where captured tax increments are not sufficient to cover their existing debt service The new captured taxes are not shared with the nine units of government that service the St. Paul taxbase. None of the new tax revenue is used to pay for public services provided within the TIF District such as fire, police, streets, bridges, libraries, parks, recreation facilities, public schools, social services and courts. Those cost obligations are passed on to all other St. Paul taxpayers living outside a TIF District.

In 2024 the City of Saint Paul had over 7.9% ($2.8 Billion) of taxable property captured in TIF projects – the largest amount of any city in Minnesota. Given the significant need for redevelopment in Saint Paul's downtown, there will be mounting pressure to increase the use of TIF.

TIF IS A SEDUCTIVE TOOL

Many City constituencies view TIF as an efficient and constructive solution to the achievement of one or more of the City's goals. City leaders may view TIF as an easy and attractive method for developing the City's tax base – an important goal of the City. The building trades may view it as an effective method for creating construction jobs – also an important goal of the City. Developers view it as “free money” enabling them to pursue and profit from development opportunities. Taxpayers, unaware of the increased tax burden they will bear, may be pleased that the City is focusing on development opportunities. Accordingly, the pressure to use TIF can be persuasive despite negatives associated with its use.

TIF IS AN IMPERFECT TOOL

There are significant negatives associated with the current use of TIF:

- It is a complex tool with many permutations making it difficult for the public to understand how it works, and the City websites provide little information about TIF projects and the impact on taxpayers.
- Its ultimate impact often cannot be assessed for years after its implementation.
- The predicted success of the project is often based on difficult-to-make financial projections.
- TIF obligations are not identified in annual City budgets.

USE OF TIF REQUIRES CAREFUL ANALYSIS

Careful and rigorous consideration needs to be given to the approval of each TIF project to increase the probability that the project will benefit the City and its taxpayers. To ensure that it is the right solution for any given project requires a thoughtful understanding and analysis of the following issues:

- Is there a clear and compelling public purpose served by the proposed project?
- What are the barriers to private sector funding of the project that make it necessary to use public subsidies – TIF – on a given project? To what extent

has the City or a developer explored other funding sources? What keeps a developer from tackling a project without a public subsidy?

- The “but for” test – a test that the project would not occur without the assistance of a public subsidy – must be rigorously applied. If a pattern develops that TIF is readily granted, it provides an incentive for all developers to ask for a public subsidy.
- TIF can incentivize development that results in over-building and thus the sub-optimal use of existing facilities. This can in turn reduce the net operating income for other competing properties and reduce the City’s overall tax capacity.
- Should TIF be awarded to local or non-local developers? Providing TIF financing to non-local developers gives the financial advantages of TIF financing to those developers outside of the City.
- If a local developer has a project not financed with TIF and is confronted with a competing project financed by TIF, that creates an unfair advantage for the TIF financed project. Such conflicts should be avoided in the awarding of TIF.
- Will the impact of a TIF project on other properties be positive or negative?
- When a project involving the conversion of a commercial structure to a residential structure is considered for TIF, decision-makers need to understand that residential structures pay only about half the tax that commercial structures pay.
- The City needs to analyze the difference between poorly performing and successful districts – both past and present – to assist in the decision making about whether a proposed district is likely to be successful and provide a benefit to the entire **City.**

INFLECTION POINT CALLS FOR CAUTIOUS AND PRUDENT USE OF TIF

The City of Saint Paul will be making critical decisions in the coming months concerning development opportunities in the downtown area. At least ten buildings in the center of downtown will be candidates for redevelopment. There will be increasing pressure to utilize TIF despite the negatives associated with its use. Many have expressed concern that TIF has been overused and that City goals for its use have not been accomplished. The cautious and prudent analysis of upcoming TIF proposals is a wise course of action. The long-term financial health of the City is at stake.

SAINT PAUL'S USE OF TIF HAS FINACIALLY STRESSED ITS TAXPAYERS

Saint Paul seems poised to again use Tax Increment Financing (TIF) to help solve its high-stress fiscal environment. The city is in this situation largely from many years of TIF overuse while accepting debt to create quick development. It feels good to build new, but when that occurs using public subsidy and without adequate demand, new development depletes existing tax base and pushes out existing taxpayers. Over the long term, additional taxes are required to pay for the debt and in turn drive away even more user demand. Saint Paul is now the largest user of TIF in Minnesota, a state that already ranks high nationally in taxes. We are unable to carry even more of this burden.

Our city has not been forthcoming on its extensive use of TIF. Unlike Minneapolis, Saint Paul has not disclosed publicly any details about its many TIF districts.

WHAT YOU SHOULD KNOW ABOUT TIF:

- Tax increment financing (TIF) is a gift to a developer but paid for over many years by city taxpayers. Those taxpayers have no say in the debt burden placed on their property. They are not aware of such payments that must be paid, without the debt even identified in the city budget or reports.
- TIF is a primary reason for our Downtown's high level of vacancy.

- Almost one billion public dollars have been used to pay principal and interest over 42 years to service TIF Districts.
- While creating service needs, TIF Districts do not contribute to the costs of city services. If TIF Districts didn't exist, homeowners for an average value of $275,000 would save $13.6% or $565 each year in service costs.

WHAT WILL IN$IGHT ST. PAUL BE DOING NEXT:

- We will broadly define what a successful TIF District is.
- We will be analyzing past TIF Districts to determine what things make a district successful, and what things may have made a district unsuccessful (captured increments did not fully cover debt service).
- We will be advocating the early decertification of successful districts.
- We will be recommending TIF District Creation Policy Statements for formal adoption by both the St. Paul Housing and Redevelopment Authority and the St. Paul Port Authority.
- We will be seeking public access to important TIF District history, reports, projections and policies on both the HRA and Port Authority websites.
- We will be analyzing future proposals for new TIF districts and then provide elected policy makers with both our concerns and positive suggestions.
- We will be monitoring outstanding TIF Bond Issues and Pay-As-You-Go Notes.
- We will seek to have all those obligations included in a Comprehensive Debt Policy for the City of St. Paul

TAX INCREMENT FINANCING (TIF)

- Basic Facts -

Should Saint Paul continue the use of TIF?

What is Tax Increment Financing (TIF)

- A <u>public subsidy</u> used to support redevelopment, infrastructure, and other community improvement projects.
- TIF captures the anticipated future taxes of real estate improvements to pay for the current cost of those improvements.
    - The public subsidy is not a loan to a developer – <u>it is essentially an incentive – a gift – to the developer</u> to undertake the project.

TIF is a Seductive Tool

- Its use in supporting redevelopment is popular with many constituencies:
  - City leaders – recognized for focusing on development
  - Chamber of Commerce – supports growth objectives
  - Trade unions – increased jobs
  - Developers – free money

- But *many do not understand the negatives.*

TIF–The Primary Benefit

- Redevelopment projects deemed to have a clear and compelling public purpose are initiated and completed.
- They are projects that private developers would not normally undertake "but for" the provision of a public subsidy.
  - Original use was to eliminate blight – use has expanded.

TIF - The Primary Negatives

- Increased property taxes created by the development project <u>do not go into the general fund</u> for a period of 25 years or more. They are used to <u>retire the debt</u> incurred by the City to provide the subsidy to the developer.
  - The City's <u>tax base is not increased</u> during this period.
- City services provided to the project - Fire, Police, Public Works, etc. - are <u>not paid for by the project</u> but are paid for by taxpayers outside of the project.

A Key Consequence

- 8% of current property taxes paid by each taxpayer go to support the costs of TIF financing.

TIF - Other Negatives

- Lack of rigor in applying the "but for" test results in overuse of TIF – i.e., the excessive use of public subsidies.
- Impact on competing properties in the surrounding area not funded by TIF may not be positive.
- Impact of TIF cannot be determined for years after its implementation.
- Use of TIF in converting commercial to residential facilities results in properties with a lower tax rate.
- Predicted success of a TIF project often based on difficult-to-make financial projections.
- Taxes collected in successful projects often not returned to general fund to pay for city services.

Saint Paul is at an Inflection Point

- The City is financially stressed.
- Tax base must be increased.
- At least 10 buildings in the center of downtown are candidates for redevelopment.
- Result: Increasing pressure to utilize TIF.

Is TIF the Right Tool for a Development Project?

Careful Analysis is a Must!

- Is there a clear and compelling public purpose?
- What are the barriers to private funding?
  - Has the "but for" test been rigorously analyzed?

Have all negatives been examined?

Conclusion

- *It is time to proceed with caution in the use of TIF.*

- Saint Paul's tax levies to service debt for TIF projects INCREASED 40.1% by approximately $13M from 2015-2024.
- Saint Paul's net property tax burden rate of 17.1% is almost double the State average of 9.2%.
- In 2024 Saint Paul had over 7.9% of taxable property captured in TIF projects.

From: Dave Burns <dave@daveburnslaw.com>
Sent: Sunday, December 7, 2025 2:00 PM
To: Rebecca Noecker <Rebecca.Noecker@ci.stpaul.mn.us>
Subject: Concerns Regarding Proposed TIF for Grand & Victoria Project

Dear Councilmember Noecker,

I hope you're well. I'm writing as a constituent regarding the proposed use of Tax Increment Financing (TIF) for the market-rate development at Grand & Victoria that will come before the HRA this month.

After reviewing the materials circulating in the community, including the memo from the Insight St. Paul group, I share several of the concerns being raised:

- This proposal appears to be for a fully market-rate project on one of the most desirable corners in the city. It is hard to understand what public benefit justifies a subsidy.
- The city already has an unusually high percentage of its tax base locked into TIF districts—close to 8%, by some estimates—meaning a significant portion of property tax capacity is already being deferred.
- Approving TIF for a site that would almost certainly be developed without it seems likely to set a problematic precedent for future requests.
- Even acknowledging rising construction costs and interest rates, it is unclear whether the project truly meets the "but-for" test. If the public is being asked to subsidize it, it seems reasonable to expect meaningful concessions, affordability components, or other community benefits, none of which are apparent in the current proposal.

I'm asking that you and the Council take a careful, skeptical look at this request. Financially, the city needs development that grows the tax base now, not decades from now, and TIF should be reserved for projects that clearly cannot proceed without assistance and produce real public value.

Thank you for your consideration, and for your work on behalf of the ward. I would appreciate knowing your perspective on this proposal as it moves forward.

Regards, DB

Dave Burns
Attorney at Law

Dave Burns Law Office, LLC

From: Davis Bailey
Sent: Saturday, December 6, 2025 9:18 PM
To: #CI-StPaul_Ward1-7 <Ward1-7@ci.stpaul.mn.us>
Subject: Our City Is TIF'ed Up

Dear Council Members,

Our City cannot take on anymore limitations on our tax base as we are the State Capital, which includes many non-paying tax infrastructure. This Grand Ave project can be done by private persons, however they probably will not make as much money as they want. The current financial markets are the cause and the situation will pass in about 3 years.

Please DO NOT give TIF for the 845 Grand Ave project.

Sincerely,

Ed Davis

From: Paul Hardt
Sent: Saturday, December 6, 2025 9:34 AM
To: #CI-StPaul_Ward2 <Ward2@ci.stpaul.mn.us>
Subject: Fw: TIF ACTION Alert - Grand & Victoria

Council member Noecker, I oppose the application for TIF incentives for the proposed development at Victoria and Grand. Please see the attached document prepared by In$ight.

Paul Hardt

Begin forwarded message:

On Friday, December 5, 2025, 1:44 PM, In$ight St. Paul <insight.st.paul@gmail.com> wrote:

Dear In$ight Member:

The Steering Committee has decided to oppose the use of TIF funding for the market rate development proposed on the corner of Grand & Victoria. This project though a worthwhile private initiative, does not warrant public funding especially on one of the most desirable intersections in the city.

Currently, the city is the largest user of TIF in the Metro area with close to 8% of our tax base in TIF districts meaning that 8% of your property taxes go to support city services in those districts. In addition, occupancy levels of existing buildings are decreased. St. Paul needs to support development that will increase the city tax base now not 25 years later. We have attached a brief memo that outlines Insights concerns with this proposed use of TIF.

The city has never denied a TIF request to a private developer & we are asking you to help us start to put the city's finances back on track by denying this one. Please share the info we have provided with friends, post on social media but more importantly contact your councilmember & demand that they do not subsidize this project. The city will set a terrible standard for future TIF requests if it subsidizes a projects on the most developable locations in the city!

ACT NOW – The council will make a decision on this project at the HRA meeting scheduled for December 17. Their first review of the proposal will be on December 10 and there may be an opportunity for public comment at this meeting.

In$ight St. Paul

Steering Committee

845 Grand Avenue

Project requesting a public subsidy (TIF) of $2.95 million

845 Grand Avenue Project

- A proposed six-story, market rate, mixed-use building at the northeast corner of Grand and Victoria.
- City has granted height & set back variances allowing for increased density.

Primary Reasons for Awarding a Public Subsidy (TIF)

- A project is deemed to have a clear and compelling public purpose ie???
- 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 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.

CONTACT YOUR CITY COUNCILMEMBER – DO A SOCIAL MEDIA POST & SHARE – SEND A LETTER TO NEWSPAPERS REGIONAL & NEIGHBORHOOD

From: Winston Kaehler
To: HRAHearing (CI-StPaul)
Subject: TIF financing for proposed development at Grand Avenue & Victoria Street
Date: Monday, December 8, 2025 6:41:46 PM

The taxpaying public of St. Paul should not be required to subsidize new development at a location that is already one of the most successful and congested in the city. Just as a tariff is a tax, TIF financing is a subsidy. The financial problems facing the City should not be exacerbated by abusing the latter as a tool to encourage new for-profit development where it is not needed.

From: Wolfie Browender
To: HRAHearing (CI-StPaul); #CI-StPaul_Ward7; #CI-StPaul_Ward3; #CI-StPaul_Ward2
Subject: No TIF for the Grand and Victoria
Date: Monday, December 8, 2025 9:26:51 PM

Dear Council members:

I am writing to ask you not to approve the proposed TIF District for the Grand and Victoria redevelopment project. As you're likely aware, TIF Districts were conceived to:

- • Redevelop areas occupied with substandard buildings
- • Build housing for low-income and moderate-income families
- • Clean up pollution
-
- None of these affect the Grand/Victoria site.
-
- Furthermore, Saint Paul is has the most TIF Districts in Minnesota and adding another one will effectively increase our taxes again. Rather than approving new Districts, the City should be sunsetting those that have met their obligations and are producing tax revenue and thus adding them to the tax rolls.
-
- If there is one thing that most Saint Paulites agree on, it's that our tax burden is unsustainable. Denying this TIF District will be a step toward better financial stewardship.
-
- Thank you.

Wolfie Browender

From: John Mannillo
To: HRAHearing (CI-StPaul)
Subject: HRA presentation about TIF at 845 Grand
Date: Tuesday, December 9, 2025 2:40:25 PM
Attachments: HRA Presentation - GRT Comments.pdf

You don't often get email from john@mannillowomack.com. Learn why this is important

HRA members,

Attached is the PED slide show related to the Grand and Victoria TIF presentation. In$ight St. Paul has included their comments along with the document.

Thank you,
In$ight St. Paul


STPAUL.GOV
CITY OF SAINT PAUL
INTRODUCTION TO GRAND AND VICTORIA TIF
December 10, 2025

Project Overview (Redevelopment of 841 – 857 Grand Avenue)

6 stories over 1 level of underground parking with outdoor dining/plaza space fronting Grand Avenue to include:

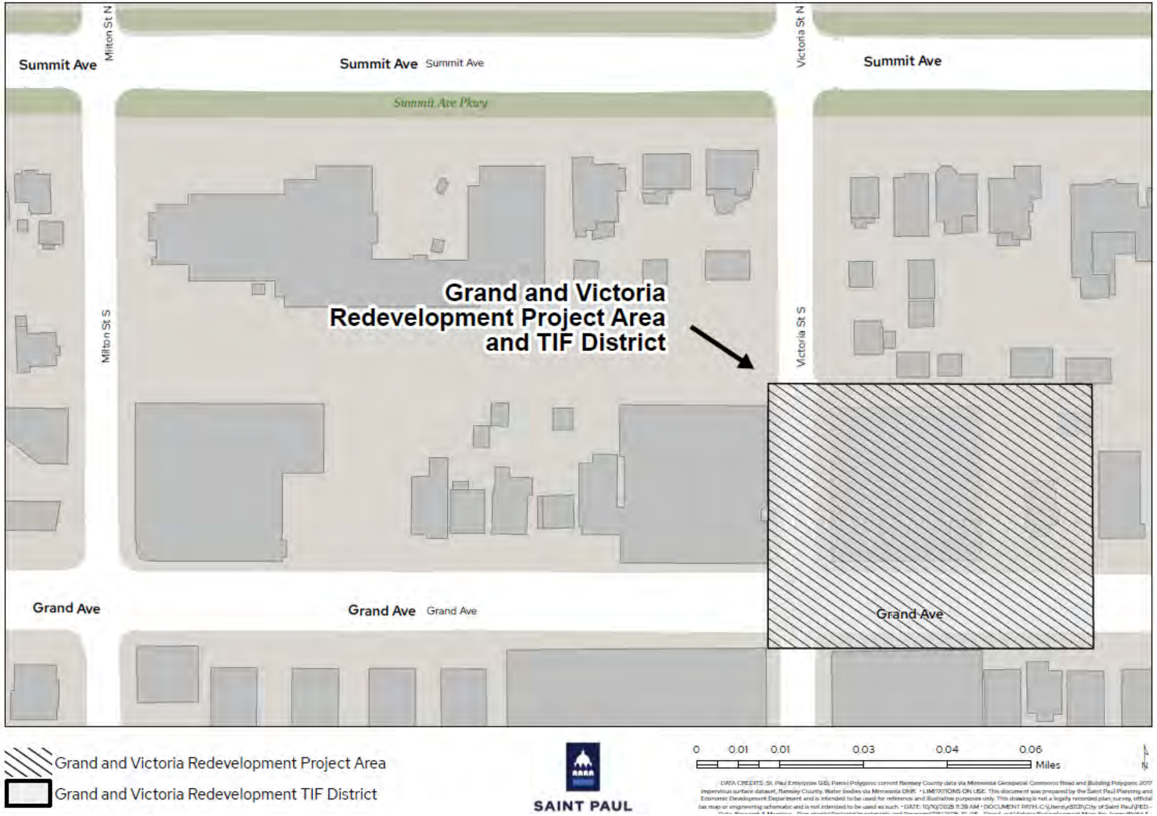
- 90 dwelling units (19 studio units, 37 one-bedroom units, and 34 two-bedroom units)
- 12,800 square feet of commercial/retail space
- 22 public parking stalls
- 99 residential parking stalls

Grand and Victoria Current Conditions

< 857 Grand Avenue

^ 841 Grand Avenue

Map of TIF District and Project Area



Background/Developer

- 845 Grand LLC (the "Developer") acquired 841 Grand Avenue/857 Grand Avenue (the "Property")
- Ari Parritz is managing member of the Developer
  - President/founder of Afton Park Development
  - Ten years of experience leading urban development projects
  - Recently partnered with Reuter Walton to develop the Kenton House project on Grand and St. Albans
- The Developer has applied to the HRA requesting the establishment of a new redevelopment TIF district to advance the proposed Project
  - **HRA retained LHB, Inc. to complete an assessment of the Property to determine if the statutory blight test has been met**
    - LHB is a full-service architectural, planning and engineering firm and has analyzed over 440 TIF districts for TIF authorities throughout the State
  - **LHB, Inc. determined Property meets qualifications of a Redevelopment TIF District, including 3 substandard buildings with significant code deficiencies**

NOTE: LHB doesn't come right out and say it is blighted.
What qualifications did they use?

Grand and Victoria Redevelopment Plan

- To advance assistance through tax increment financing (TIF), HRA prepared the **Grand and Victoria Redevelopment Plan** (the "Redevelopment Plan"), which includes some of the following redevelopment objectives:
    - to remove blighting conditions including substandard buildings,
    - to complement and improve surrounding Grand Avenue area,
    - to include dense urban mixed-use development,
    - to increase the supply of housing,
    - to increase the tax base, and
    - to create jobs for local residents.

Already received subsidy for demolition, etc.

Not affordable housing

After 25 years

Does this only replace existing first floor jobs?

Grand and Victoria Redevelopment Plan

- Additional development objectives include:
  - Public realm: design new building to frame public spaces - development includes public plaza in front of proposed restaurant spaces
  - Energy efficiency/stormwater: create sustainable and energy efficient building – development includes underground infiltration system, a green roof and high efficiency building systems
  - Transportation/parking: support nearby transit stops and include structured parking on site
  - Housing: increase housing supply - development includes 90 rental units when current site only includes two
  - Employment: use zoning to support community serving retail – development includes 12,800 square feet of commercial spaces anticipated to result in three retail businesses, including the potential for two restaurants

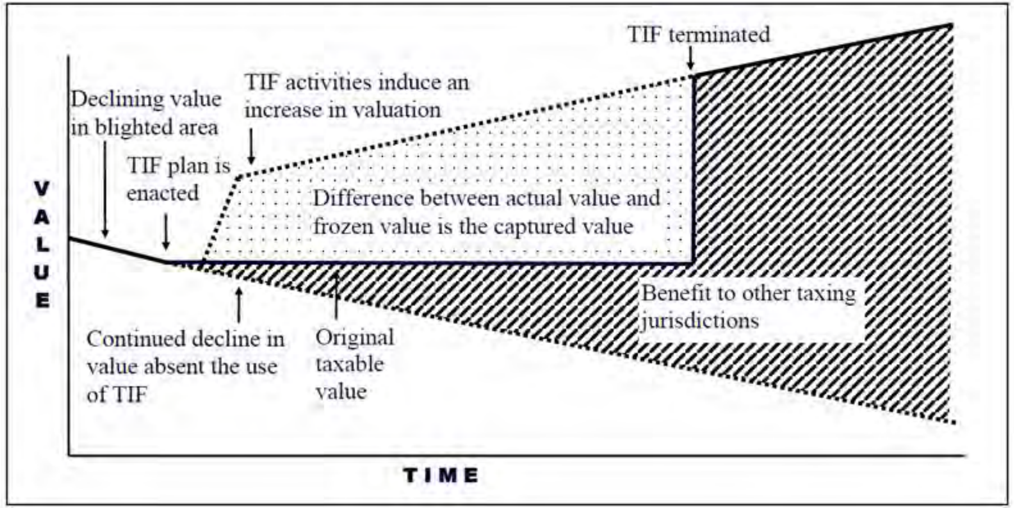
Grand and Victoria Redevelopment Plan

- On November 14, 2025, the Saint Paul Planning Commission reviewed the Redevelopment Plan and adopted a resolution (file number 25-47) determining the Redevelopment Plan is consistent with the 2040 Comprehensive Plan. Specifically including the following policies:
  - *LU-1: Encourage transit-supportive density and direct the majority of growth to areas with the highest existing or planned transit capacity.*
  - *LU-14: Reduce the amount of land devoted to off-street parking in order to use land more efficiently, accommodate increases in density on valuable urban land, and promote the use of transit and other non-car mobility modes.*
  - *LU-30: Focus growth at Neighborhood Nodes using the following principles: increase density toward the center of the node and transition in scale to surrounding land uses, prioritize pedestrian-friendly urban design and infrastructure that emphasizes pedestrian safety.*
  - *LU-31: Invest in Neighborhood Nodes to achieve development that enables people to meet their daily needs within walking distance and improves equitable access to amenities, retail and services.*
  - *H-46: Support the development of new housing, particularly in areas identified as Mixed Use, Urban Neighborhoods, and/or in areas with the highest existing or planned transit service, to meet market demand for living in walkable, transit-accessible, urban neighborhoods.*

What is TIF: Tax Increment Financing?

- Financing tool authorized under State law
- Enables cities and redevelopment authorities to capture increased local property taxes from development/ redevelopment that would not occur "but-for" the assistance
- The TIF district captures the difference between the current tax value of a site and the future, redeveloped value, and uses the INCREMENT pay eligible costs associated with development, including administrative expenditures, in accordance with the adopted TIF Plan budget

Figure 12.01-1: Classic Example of TIF



The top line of this graph fails to factor in depreciation
The bottom line of this graph assumes no other developer would ta[ke] on this project and it would simply decline. It isn't TIF or nothing.

How Does TIF Work?

- Property owners within a TIF district still pay their full amount of property taxes due, and those property taxes are then divided in the following manner:
  - Local property taxes *from taxable value in place prior to the development* are still paid to the taxing jurisdictions, including the City, County and School District;
  - Local property taxes *from increased value of the development* are captured by the TIF Authority as derived from the applicable tax rate*;
  - All non-local property taxes, market value-based taxes, and base rate excess* taxes are not captured and are paid to the appropriate taxing jurisdiction

** Tax increment provided to the HRA as the TIF Authority is generated by the base tax rate or current tax rate, whichever is less, base rate excess taxes are generated when the base tax rate is less than the current tax rate.*

Redevelopment TIF Districts

- Duration – 25 years after first collection (26 total years);
- Qualified by the conditions within the district prior to redevelopment
  - blighted structures on improved land, based on 3rd party study
- Eligible expenditures include removal of the blighting influences, including acquisition, demolition/renovation, site improvements, and pollution remediation, as well as parking improvements (public or private) and public improvements; and associated administrative expenditures;
- Tax increments may be pooled and spent outside the TIF district boundary and within the Project Area for TIF eligible expenditures, including affordable housing (qualifying affordable rental housing projects may be located anywhere within the City limits, and are not required to be located in the Project Area)

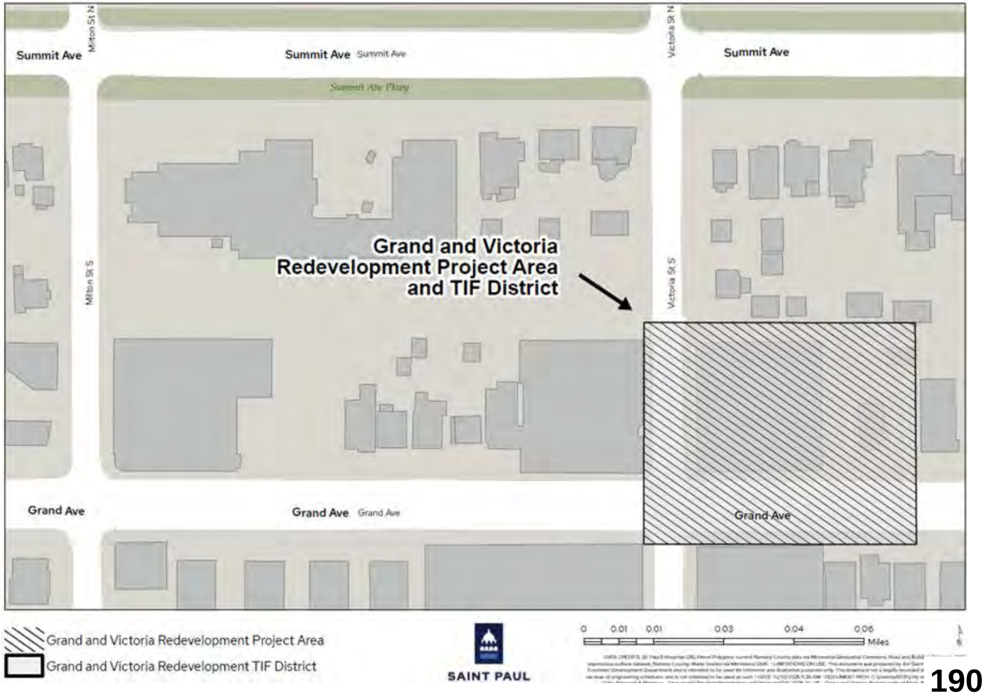
There is already $350,000 committed for demolition and site preparation.
Seems like he's advocating that TIF should be awarded here so it can generate tax revenue to support other failing districts. Is this give to the rich and it may trickle down to help build affordable housing elsewhere?

TIF District Geographies

TIF Districts include the specific parcels, within a Project Area, **from which tax increment will be generated and captured. The Project Area is the area where increments may be expended**, which area may be coterminous with the boundaries of the TIF District or larger.

Shown again here is the TIF District and Project Area boundaries for the Grand and Victoria TIF District which areas are coterminous.

The proposed TIF Plan will maximize the ability to pool for qualifying affordable rental housing located anywhere in the City.



Statutory Requirements

- Any proposed TIF district must meet the statutory requirements for creation
- Must demonstrate that the "But For" test is met, requiring a determination that the proposed project would not happen solely through private investment within the reasonably foreseeable future
- The developer must incur TIF eligible costs, in accordance with the adopted TIF Plan
- The adopted TIF Plan includes the maximum tax increments to be collected and spent
- Additionally, expenditures occurring outside of the TIF District boundary is limited (commonly known as Pooling)

TIF Review Process

- PED staff review all requests for TIF to make sure the “ but-for” test can be met, including engaging an outside fiscal consultant The City has never turned down a private developer based on a 'but-for test'.
- PED staff evaluates the potential taxable value to be assessed once the project is constructed, including seeking input from Ramsey County. The TIF Plan utilizes the values from Ramsey County, without inflation, and current tax rates
- Projects must achieve City/HRA goals, including living wage jobs, elimination of blighting influences, and housing of all types, etc.
- **Development Agreement is approved by HRA Board providing form and maximum amount of tax increment for proposed development and specific requirements**
    - TIF-eligible expenses are financed on a Pay-As-You-Go basis
    - **Developer pays upfront for TIF eligible expenditures and is reimbursed over time from pledged tax increments, with interest** What are TIF eligible upfront expenditures?
    - Developer bears all the risk that the property value and resulting tax increments will be sufficient to reimburse them for their upfront costs
    - Language included to evaluate the construction and operation of the project throughout the term of the agreement to ensure the financial assistance was appropriate, and if certain metrics are exceeded, the TIF assistance will be reduced.

If the property does not generate enought tax to pay off the notes, ultimately the City bear the risk associated with paying them off,

Myths about Use of TIF in Saint Paul

- Property Taxpayers at risk for TIF district obligations
  - Proposed tax increment obligation is a pay as you go TIF note. The collected tax increments are the sole pledged revenue to repay the TIF note.
- TIF is a GIFT to the developer
  - The developer is required to secure all the funds to build the project
  - The developer must complete the development and incur the TIF eligible costs
  - The developer takes all risk to get repaid for their original investment
  - The city benefits from the removal of blight, including substandard buildings, and increased housing options for residents
  - The HRA prepares TIF projections conservatively

City Claims: That TIF is a Gift to the developer, is a Myth.
Real Truth: Each year in pay-as-you-go TIF agreements, developers receive a check from the City when they pay their taxes. This is a gift to the developer that any other property owner never receives.
The Real Myth is that TIF is a Loan that is paid back by the developer. The loan is actually paid back by all the taxpayers of Saint Paul. Developer takes the inital risk but ultimately the City bears the risk if the property isn't able to pay off [illegible] debt, the taxpayers are responsible.

Grand and Victoria Redevelopment TIF Plan

- The tax increment revenue projections utilize the following assumptions:
  - Total **taxable market value** once constructed of **$26,500,000**.
  - The base value for the TIF District is $6,465,800 as assessed in 2025, resulting in **$20,034,200 of increased market value**.
  - **Delay first receipt of increment to Pay 2028, resulting in final collection year of Pay 2053** (26 total years)**.**
  - Total **annual tax increment** collected by the HRA when fully complete is **estimated at $363,076, in Pay 2030**, excluding the commercial property tax value increase that is shared through the fiscal disparities program.
  - Producing total tax increments collected from the tax parcels over the 26 years of $9,079,790. This $9M does not go to the City's general operating fund over the 26 years. It is captured for TIF and TIF expenses. The rest of the property tax base pays for City services to this TIF district for those years.

Grand and Victoria Redevelopment TIF Plan

The budget included in the TIF plan totals $9,440,000* as shown here with payment of principal and interest under the TIF Pay-Go Note listed under Site Improvement Prep Costs and Other Qualifying Public Improvements and Interest. The budget also includes expenditures for Administration and **$2,956,000 for Construction of Affordable Housing.**

What are Administrative Expenses? Are these only due because of TIF?

Estimated Sources of Revenue	Amount
Tax Increment Revenues	$9,080,000
Interest and Investment Earnings	360,000
Total Tax Increment Revenues	**$9,440,000**

Estimated Project Costs	Amount
Site Improvement/Prep Costs	$1,288,000
Other Qualifying Public Improvements	1,668,000
Construction of Affordable Housing	2,956,000
Administrative Expenses	908,000
Interest Expenses	2,620,000
Total Estimated Project Costs	**$9,440,000**

*The HRA Board action will include a budget amendment to align with the financing and spending included in the TIF Plan, as shown above

TIF Development Agreement (TIF Assistance)

- The City/HRA retained Ehlers as our Municipal Advisor to determine the need for financial assistance through the creation of the TIF District.
- Ehlers evaluated Developer's current pro forma based on industry standards for construction costs, project costs, rental rates and operating expenses, developer fees, available funding sources, underwriting criteria, and project cash flow.
    - **Ehlers concluded the project requires a $2,956,000 TIF Note to attract adequate capital and debt financing**
- The table on the following slide depicts the proposed sources and uses for the Development with a **total cost of $44,604,984** including a private construction loan, TIF Pay-Go Note, in the principal amount of $2,956,000 pledging tax increments from the TIF District, Developer equity and a $350,000 DEED grant awarded to the City for the project (City Council acceptance of DEED funds will be forthcoming).

Less than 7% of the total cost for TIF. How realistic is it to think that this project would not be built, in a reasonable time, without TIF? Does this mean that it is under water from day 1 with a cost of $44.6M and a value of $26.5M?

Project Sources and Uses

SOURCES	Amount	Pct.	Per Unit
First Mortgage	28,522,423	64%	316,916
TIF Note	2,956,000	7%	32,844
Equity	12,776,561	29%	141,962
Local Grants	350,000	1%	3,889
TOTAL SOURCES	**44,604,984**	**100%**	**495,611**

USES	Amount	Pct.	Per Unit
Acquisition Costs	4,773,000	11%	53,033
Construction Costs	31,418,286	70%	349,092
Environmental Abatement/Soil Correction	1,221,000	3%	13,567
Professional Services	2,197,992	5%	24,422
Financing Costs	2,955,633	7%	32,840
Developer Fee	1,750,000	4%	19,444
Cash Accounts/Escrows/Reserves	289,073	1%	3,212
TOTAL USES	**44,604,984**	**100%**	**495,611**

Ehlers Funding Recommendation (But For Test)

- Ehlers recommended the following:
  - *"Based on our review of the Developer's pro forma and under current market conditions, the proposed development isn't feasible without the amount of public assistance outlined ($2,956,000). The public assistance is necessary to attract adequate private equity and debt to complete the project. Due to the costs associated with various site, watershed and design requirements, developing a small, infill project on already improved land and constructing a vertical mixed-use building, this project is only feasible, in part, through public assistance."*

    Who gets to decide what is feasible or not? Is it not feasible because the profits would be somewhat less? Not feasible simple opens the door for those promoting this project to do whatever they want (e.g. TIF; setback variances, CUPs, etc.)

TIF Development Agreement

- Issue **Pay-As-You-Go Tax Increment Financing Note (the "TIF Pay-Go Note") up to the maximum principal amount of $2,956,000**, **upon completion of the project**, pledging 85% of the tax increment in the first year (2028), stepping back 5% each year, to a fixed 60% in the 6th year (2033) and beyond.
    - Principal amount limited to TIF eligible redevelopment costs of storm water systems, earth retention and non-vibratory foundation work, utility relocation, and any soil correction, asbestos abatement, demolition and cost of public parking spaces
    - TIF plan to authorize 35% of tax increments to be expended outside of the TIF district, enabling maximum pooling for affordable housing (budget includes up to $2.956 million for affordable housing).
- Language in Development Agreement will be included to allow HRA to confirm the "but for" test and ensure the Developer is not unduly enriched by the financial assistance from the HRA (commonly known as a "Lookback").
- Compliance will include Affirmative Action, Prevailing Wage, Vendor Outreach, Project Labor Agreement, HRA Two-Bid Policy, Sustainable Building Ordinance, Living Wage Ordinance

Government Approvals - Timeline

- The City Council and HRA Board will be considering resolutions on December 17 to authorize:
  - approval of the Redevelopment Project Area and Redevelopment Plan, and
  - establishment of the Redevelopment TIF District and TIF Plan
  - City Council will hold a public hearing prior to considering their resolution
- HRA Board resolution will include authorization to execute the Development Agreement providing the Tax Increment assistance to the Developer

- Construction is anticipated to start in February of 2026 and completed in summer of 2027

City/HRA Outside Team

Carla Pedersen with Barna Guzy, outside TIF counsel
Carla.Pederson@bgs.com

Stacie Kvilvang with Ehlers, municipal advisor
skvilvang@ehlers-inc.com

Developer Contact

Ari Paritz is the managing member of the Developer and is available for questions.

Ari Paritz, ari@aftonpark.com
612-743-9258

QUESTIONS

TO: Members of the City Council/HRA
FROM: In$ight St. Paul Steering Committee
SUBJECT: Opposition to Use of TIF in the 841-857 Grand Avenue Redevelopment Plan
DATE: November 25, 2025

In$ight St. Paul Steering Committee Recommendation

The Redevelopment Plan for 841-857 Grand Avenue should not include Tax Increment Financing (TIF) totaling $2.95 million.

Rationale for our Recommendation

The Steering Committee bases its recommendation on extensive analysis of how Tax Increment Financing (TIF) has been used in Saint Paul and our understanding – based on publicly available information – of how it will be used to support the Redevelopment Plan at 841-857 Grand herein after referred to as 845 Grand Avenue. In addition, members of In$ight St. Paul have had two conversations with the developer, Ari Parritz.
(Note: In$ight St. Paul's analysis of the City's use of TIF is contained in In$ight St. Paul Reports dated October 29, 2024, and August 11, 2025.)

Arguments Favoring the 845 Grand Avenue Plan

- The Saint Planning Commission has affirmed with a narrow 6 to 5 vote that the 845 Grand Avenue Plan is consistent with the Saint Paul 2040 Comprehensive Plan.
- The developer, Ari Parritz, is a competent and reputable developer committed to the improvement of Saint Paul. He recently completed a similar project at the nearby corner of Grand Avenue and St. Albans.

That project did not require TIF and the developer states that it was because of the low interest rates during covid.

- The 845 Grand Avenue project will likely be a net addition to the neighborhood.
- The developer is firm in stating that he cannot undertake and complete a successful project without the use of TIF and that he and his investors will suffer financial losses if the project is not approved by the HRA in December.
- The $2.95 million TIF request is relatively small when compared to recent TIF supported projects in the City.
- The developer states that he understands the negatives of TIF and has also stated he is not in favor of the continued use of TIF believing the City needs to find other ways to incentivize the much-needed development of the City's tax base. He states that he cannot, however, move forward on his current timeline for this project without TIF.

In$ight St. Paul's Reservations Concerning Saint Paul's Use of Tax Increment Financing (TIF)

Among the concerns expressed in the In$ight St. Paul Reports are the following:

- TIF has been overused in the City of Saint Paul.
  - In 2024 Saint Paul had over 7.9% of taxable property captured in TIF projects.
  - The recent Landmark Towers project is an example of the overuse of TIF.
  - Saint Paul is the largest user of TIF in the State and second only, per capita, to the City of Chicago in the use of TIF in the country.
  - Minneapolis and other municipalities are reducing use of TIF.
- TIF is often advertised as a way to increase the tax base in the City but that increase does not happen for a period of up to 25 years after completion of a project.

- TIF is a public subsidy – a gift - paid to a developer as an incentive to engage in a project. It is not a loan. The City must accrue debt to grant the subsidy to the developer.
- TIF captures future taxes of real estate improvement to retire the debt incurred by the City. Future taxes do not go into the general fund.
  - Tax levies to service debt for TIF projects INCREASED 40.1% by approximately $13M from 2015-2024.
  - Currently 8% of the property taxes of City taxpayers are devoted to covering the cost of existing TIF projects.
- City services required by the project – Fire, Police, Public Works , etc. – are not paid for by taxes paid by the project. They are paid for by taxpayers outside of the project.

Reasons Why In$ight St. Paul Opposes the Use of TIF for the 845 Grand Avenue Project

- The site is one of if not the most attractive development sites in the City of Saint Paul. We believe a developer should be able to create a profitable development plan at that site without the need for a public subsidy.
- The relatively small TIF request of $2.95 million suggests that the developer should be able to find ways to finance a $44.5 million project without resorting to TIF.
- Although the project has attractive features and will be a net benefit to the neighborhood, it does not have a clear and compelling public purpose justifying the use of TIF.
- Data demonstrating that the project has passed the “but for” test is not publicly available.
- Awarding a public subsidy to this project will set a precedent sending a signal to other developers that fulfilling the “but for” requirement will be relatively easy to demonstrate.
- TIF is often used in support of blight removal. The City has already been awarded $350,000 from the Minnesota Department of Employment and

Economic Development (DEED) for abatement, demolition, and public infrastructure improvements at the site.

- 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 a period of up to 25 or more years.

– Conclusions –

- **Do not award a public subsidy – TIF – to this project.**
- **Although likely a net gain to the neighborhood, the project does not enhance City goals to increase the tax base in the short to medium term and it puts a further burden on taxpayers at a time when they are already coping with rapidly rising property taxes.**
- **Awarding TIF to this project – a project for which it is hard to justify the need for TIF – will make it difficult to refuse to award TIF to future TIF proposals in the City.**

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- TIF is often advertised as a way to increase the tax base in the City but that increase does not happen for a period of up to 25 years after completion of a project.

- TIF is a public subsidy – a gift - paid to a developer as an incentive to engage in a project. It is not a loan. The City must accrue debt to grant the subsidy to the developer.
- TIF captures future taxes of real estate improvement to retire the debt incurred by the City. Future taxes do not go into the general fund.
    - Tax levies to service debt for TIF projects INCREASED 40.1% by approximately $13M from 2015-2024.
    - Currently 8% of the property taxes of City taxpayers are devoted to covering the cost of existing TIF projects.
- City services required by the project – Fire, Police, Public Works , etc. – are not paid for by taxes paid by the project. They are paid for by taxpayers outside of the project.

Reasons Why In$ight Opposes the Use of TIF for the 845 Grand Avenue Project

- The site is one of if not the most attractive development sites in the City of Saint Paul. We believe a developer should be able to create a profitable development plan at that site without the need for a public subsidy.
- The relatively small TIF request of $2.95 million suggests that the developer should be able to find ways to finance a $44.5 million project without resorting to TIF.
- Although the project has attractive features and will be a net benefit to the neighborhood, it does not have a clear and compelling public purpose justifying the use of TIF.
- Data demonstrating that the project has passed the “but for” test is not publicly available. The “but for” test may have been “passed” because the developer convinced city staff and a consulting firm that he and his investors could not achieve a desired financial return without a subsidy.
- Awarding a public subsidy to this project will set a precedent sending a signal to other developers that fulfilling the “but for” requirement will be relatively easy to demonstrate.

- TIF is often used in support of blight removal. The City has already been awarded $350,000 from the Minnesota Department of Employment and Economic Development (DEED) for abatement, demolition, and public infrastructure improvements at the site.
- 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 a period of up to 25 or more years.

– Conclusions –

- **Do not award a public subsidy – TIF – to this project.**
- **Although likely a net gain to the neighborhood, the project does not enhance City goals to increase the tax base in the short to medium term and it puts a further burden on taxpayers at a time when they are already coping with rapidly rising property taxes.**
- **Awarding TIF to this project – a project for which it is hard to justify the need for TIF – will make it difficult to refuse to award TIF to future TIF proposals in the City.**

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.

For additional information, contact Julian Loscalzo at julian@ballparktours.net or at 612-328-1145.

From: Barbara Sibley
To: HRAHearing (CI-StPaul)
Subject: Grand and Victoria Redevelopment
Date: Tuesday, December 9, 2025 11:07:24 AM

I strongly encourage the HRA to NOT declare the Grand and Victoria area a Tax Increment Financing (TIF) District. The area does not meet the "but - for" criteria for defining a proposal to use TIF. It is prime real estate for retail, housing, or a mix of both. Is it a blighted area? If it were, that would be news to the residences to the north and east of the area. In other words, it is not a blighted area.

I'm glad the developer wants to pursue a project in this area. And I hope they do. What I'm not in favor of is locking up any benefit to the City's general fund for 25 or more years. Let's develop some discipline on use of TIF for projects that meet the "but for" criteria. This project doesn't.

Respectfully,
Barbara Sibley
Ward 4

From:	ROBERT MUSCHEWSKE
To:	HRAHearing (CI-StPaul)
Subject:	Op Ed Concerning the City"s use of TIF
Date:	Tuesday, December 9, 2025 12:04:36 PM
Attachments:	TIF Op-Ed - 05 24 25 Revised 05 25 25.docx

Please add this to the file concerning the use of TIF for the redevelopment project at Grand and Victoria. The Op Ed makes the case that the City has overused TIF and should be very cautious in continuing to use it.
Bob

Bob Muschewske
Saint Paul, MN 55102

From:	Wallace, William
To:	HRAHearing (CI-StPaul)
Subject:	Grand/Victoria Redevelopment and TIFf
Date:	Tuesday, December 9, 2025 11:55:12 AM

I am contacting you to register my disagreement with the plan to offer TiFF financing to this development proposal. The plan, as I understand it, is to build market rate apts and commercial space. This will provide a significant profit to the developer. St. Paul loses needed tax revenue to give a developer an even greater income stream. Unless the proposal shows that the developer is taking a 20 year loss on this project, and why would that be?, then I don't see any reason for yet another taxpayer funded income project for a commercial development.

Bill Wallace
477 Laurel Avenue
Saint Paul, MN 55102

From:	ROBERT MUSCHEWSKE
To:	HRAHearing (CI-StPaul)
Subject:	Op Ed Concerning the City"s use of TIF
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Bob

Bob Muschewske
370 Summit Avenue
Saint Paul, MN 55102

rmuschewske@comcast.net
612-578-3635

Tax Increment Financing (TIF)

Saint Paul's Overuse of TIF Has Negative Consequences

Tax increment financing (TIF) is a public financing tool employed with the long-term objective of expanding the City's tax base. It seeks to accomplish that goal by subsidizing redevelopment, infrastructure, and community improvement projects such as:

1. Upgrading obsolescent facilities.
2. Eliminating blight.
3. Remediating pollution
4. Expanding affordable housing choices.
5. Enhancing private sector employment growth.
6. Encouraging redevelopment activities that enhance urban features, amenities, and historic structures.

There is growing concern that TIF has been overused and that it has not delivered hoped-for results in addressing City goals. Other municipalities concerned about the efficacy of TIF have concluded that it places an undue and unfair burden on taxpayers and are reducing the use of TIF.

When using TIF, the City typically provides a subsidy to developers to engage in a project and then diverts property tax revenue from the project using those funds for 25+ years to repay the City for the upfront money it spent to induce the private development activity. The City's tax base is not increased during this period. TIF is not a loan to a developer that the developer pays back to the City. TIF is a gift to the developer. The City provides the developer with a public subsidy – the gift – and the City must issue bonds to fund the amount of the gift. During the 25 to 30-year life of the project, property taxes that are paid by the TIF project do not go into the general fund but are used to retire the debt incurred by the City. In addition, none of the new tax revenue is used to pay for public services provided to the project such as fire, police, and public works. Those cost obligations are passed on to all other St. Paul taxpayers.

In 2024 the City of Saint Paul had over 7.9% ($2.8 Billion) of taxable property captured in TIF projects – the largest amount of any city in Minnesota. Given the significant need for redevelopment in Saint Paul's downtown, there will be mounting pressure to increase the use of TIF.

TIF IS A SEDUCTIVE TOOL

Many City constituencies view TIF as an efficient and constructive solution to the achievement of one or more of the City's goals. City leaders may view TIF as an easy and attractive method for developing the City's tax base – an important goal of the City. The building trades may view it as an effective method for creating construction jobs – also an important goal of the City. Developers view it as "free money" enabling them to pursue and profit from development opportunities. Taxpayers, unaware of the increased tax burden they will bear, may be pleased that the City is focusing on development opportunities. Accordingly, the pressure to use TIF can be persuasive despite negatives associated with its use.

TIF IS AN IMPERFECT TOOL

There are significant negatives associated with the current use of TIF:

- It is a complex tool with many permutations making it difficult for the public to understand how it works, and the City websites provide little information about TIF projects and the impact on taxpayers.
- Its ultimate impact often cannot be assessed for years after its implementation.
- The predicted success of the project is often based on difficult-to-make financial projections.
- TIF obligations are not identified in annual City budgets.

USE OF TIF REQUIRES CAREFUL ANALYSIS

Careful and rigorous consideration needs to be given to the approval of each TIF project to increase the probability that the project will benefit the City and its taxpayers. To ensure that it is the right solution for any given project requires a thoughtful understanding and analysis of the following issues:

- Is there a clear and compelling public purpose served by the proposed project?
- What are the barriers to private sector funding of the project that make it necessary to use public subsidies – TIF – on a given project? To what extent has the City or a developer explored other funding sources? What keeps a developer from tackling a project without a public subsidy?
- The “but for” test – a test that the project would not occur without the assistance of a public subsidy – must be rigorously applied. If a pattern develops that TIF is readily granted, it provides an incentive for all developers to ask for a public subsidy.
- TIF can incentivize development that results in over-building and thus the sub-optimal use of existing facilities. This can in turn reduce net operating income for other competing properties and reduce the City’s overall tax capacity.
- Should TIF be awarded to local or non-local developers? Providing TIF financing to non-local developers gives the financial advantages of TIF financing to those developers outside of the City.
- If a local developer has a project not financed with TIF and is confronted with a competing project financed by TIF, that creates an unfair advantage for the TIF financed project. Such conflicts should be avoided in the awarding of TIF.
- Will the impact of a TIF project on other properties be positive or negative?
- When a project involving the conversion of a commercial structure to a residential structure is considered for TIF, decision-makers need to

understand that residential structures pay only about half the tax that commercial structures pay.

- The City needs to analyze the difference between poorly performing and successful districts – both past and present – to assist in the decision making about whether a proposed district is likely to be successful and provide a benefit to the entire City.

INFLECTION POINT CALLS FOR CAUTIOUS AND PRUDENT USE OF TIF

The City of Saint Paul will be making critical decisions in the coming months concerning development opportunities in the downtown area. At least ten buildings in the center of downtown will be candidates for redevelopment. There will be increasing pressure to utilize TIF despite the negatives associated with its use. Many have expressed concern that TIF has been overused and that City goals for its use have not been accomplished. The cautious and prudent analysis of upcoming TIF proposals is a wise course of action. The long-term financial health of the City is at stake.

In$ight St. Paul Committee

From: Carl Michaud
To: HRAHearing (CI-StPaul)
Cc: #CI-StPaul_Ward1; Polly Heintz
Subject: Proposed TIF at Grand and Victoria
Date: Tuesday, December 9, 2025 4:50:22 PM

HRA Board members,

I am writing to you today to request that you not to approve the use of Tax Increment Funding (TIF) for the development proposed on the northeast corner of Grand & Victoria.

First, this project does not warrant public funding at one of the most desired, sought-after locations in the city. Several other buildings along Grand Avenue were recently remodeled and redeveloped without the use of TIF. Homeowners and other businesses are dealing with the impact of higher interest rates recently; all developers will need to adapt to the new financial environment.

Second, residents will not see the benefits of increased property taxes from this project for at least 25 years. Please stop providing subsidies to developers and start thinking about the financial impact to the city's residents. We have the highest property taxes in the state. Why? One reason is that the city is the largest user of TIF in the Metro area with close to 8% of our tax base in TIF districts meaning that 8% of your property taxes go to support city services in those districts. And TIF districts take away money from the county and school district. Why should so many financially-stressed households across the city pay to support development in this highly-valued location? What are they getting out of it except higher property taxes and rents to pay for city services provided to TIF districts until they are decertified?

Third, the information provided in the presentation on the HRA agenda is misleading. LHB Inc. says this property meets the qualifications for TIF, but never really says the property is blighted. Just because a proposal "qualifies" for TIF, doesn't mean that you HAVE to approve it for a TIF. Businesses were located there until very recently. How many more jobs will be added beyond the number already in place? No data is offered by staff to support this claim. The graph explaining TIF does not factor in depreciation of the TIF-supported property over the 25 year time period, and it assumes the property will continue to devalue without considering that another developer may step in to refurbish the existing space for new tenants.

Fourth, TIF often competes with other similar buildings in the area, resulting in lower occupancy levels in those buildings and decreased valuations. Did staff analyze the financial and competitive impacts on other businesses in the immediate area? The city needs to maintain a level competitive playing field and not favor one development over others.

Fifth, it has been very difficult for me to obtain information about the proposed project. I submitted a data practices request on November 3, #D113020-110325, to obtain any and all information about this project. Clearly, staff had reports from its consultants LHB Inc. and Ehlers that have not been shared with me as required by law. Only yesterday did I see a presentation about the project on the HRA Agenda. This process is neither transparent nor provides an opportunity for a resident to review and understand the project.

Finally, just say no to TIF here. Make St Paul affordable again.

Thank you for your consideration of my comments.

Carl Michaud
St Paul

From: Cindy Oczak Warner
To: HRAHearing (CI-StPaul); #CI-StPaul_Ward4; #CI-StPaul_Ward3
Subject: Use of TIFs Victoria and Grand
Date: Tuesday, December 9, 2025 8:27:46 AM

Good Day,

I am writing to say the NE corner of Victoria and Grand should not be TIF eligible. This is prime real estate on a prime street in St Paul. The taxpayers have been through enough with all the fraud, abandoned buildings, crime and misuse of public funds. It seems all business acumen is a thing of the past.

I would respectfully request that the developer of this location pay tax as all other businesses in the area. You have plenty 0f TIF to award with the rebuild of downtown which is becoming a sewer.

Thank you

Cindy Warner

From:	Ellen Brown
To:	HRAHearing (CI-StPaul)
Subject:	Grand and Victoria Redevelopment TIF application
Date:	Monday, December 8, 2025 3:21:09 PM

I cannot attend the meeting on Wednesday.

There is definitely a need for a restructure/replacement for TIF but unless/until that is in place, I think the Grand and Victoria redevelopment project deserves TIF support. It will bring more residents/consumers to support Grand Avenue businesses and provide housing for empty nesters to downsize in their own neighborhood, freeing up housing for families.

Respectfully,
Ellen T Brown

From: Ellie Garrett
To: #CI-StPaul_Ward1; HRAHearing (CI-StPaul)
Subject: Proposed TIF for Grand/Victoria
Date: Monday, December 8, 2025 4:55:40 PM

I'm Joyce (Ellie) Garrett.

I STRONGLY object to TIF designation for any development in the Grand/Victoria neighborhood. TIF is an important but overused tool in St Paul. Its purpose is to spur development in blighted neighborhoods. But it comes at a cost to taxpayers, who pick up the tab for city services in the development. Our taxes are already too high. And it is surely an insult to our neighbors who live in genuinely blighted areas of the city to hear that their tax dollars will be used to support development in a part of the city where the developers should be bearing their fair share. It will harm existing businesses in the area who don't enjoy TIF benefits yet have to compete with a developer who does. And it will put the city in a bind, having established a precedent for using TIF for developments that don't need it. It will become even harder to attract non-TIF development.

The TIF proposal is unwise, unjust and unaffordable. Please vote against it. Hold the line. If this developer walks, good riddance.