Introduction to HRA Board Actions Required for Early TIF District/Subdistrict Decertification

HRA Board
October 7, 2026

Tax Increment Financing (TIF) District Actions

Introduction

- List of HRA TIF Districts/Subdistricts Requiring HRA Board Action
- Summary of Each TIF District/Subdistrict and Action
- Pooling for Affordable Housing
- Requested HRA Board Action

Tax Increment Financing (TIF) District Actions

HRA TIF Districts/Subdistricts to be Decertified as of 12/31/2026

TIF #	TIF Name	Statutory Final Year	Projected Released Tax Capacity*
#228/266-267	Emerald Park Redevelopment TIF District (Emerald Gardens, 808 Berry, Metro Lofts)	2028	$1,162,902
#302	Pioneer Endicott Redevelopment TIF District	2040	$384,296
#234	Phalen Village Redevelopment TIF SUBDISRICT	2028	$702,882
#262-265	Riverfront Renaissance Redevelopment TIF SUBDISTRICTS: Drake Marble, Westside Flats Uncommitted, Llewllyn & HRA	2028	$183,135
	TOTALS		**$2,433,215**

** Based on preliminary Pay 2027 captured values from Ramsey County*

Tax Increment Financing (TIF) District Actions

TIF Districts Requiring Action

- Emerald Park Redevelopment TIF District (includes 3 subdistricts - #228, #266 and #267)
  - Required statutory decertification is 2028, request authorization to close as of 12/31/2026, two years early (action will include a budget amendment)
- Pioneer Endicott Redevelopment TIF District #302
  - Required statutory decertification is 2040, request authorization to close as of 12/31/2026, 14 years early
- Phalen Village Redevelopment TIF District (includes 2 subdistricts - #234 and #269)
  - Propose amendment to TIF Plan to remove the parcels of subdistrict #234 as of 12/31/2026, maintaining #269 until full term (required statutory decertification is 2028) (action will include a budget amendment)
- Riverfront Renaissance Redevelopment TIF District (includes 6 subdistricts - #225, #261, #262, #263, #264 and #265)
  - Propose amendment to TIF Plan to remove parcels of subdistricts #262, #263, #264 and #265 as of 12/31/2026, maintaining #225 and #261

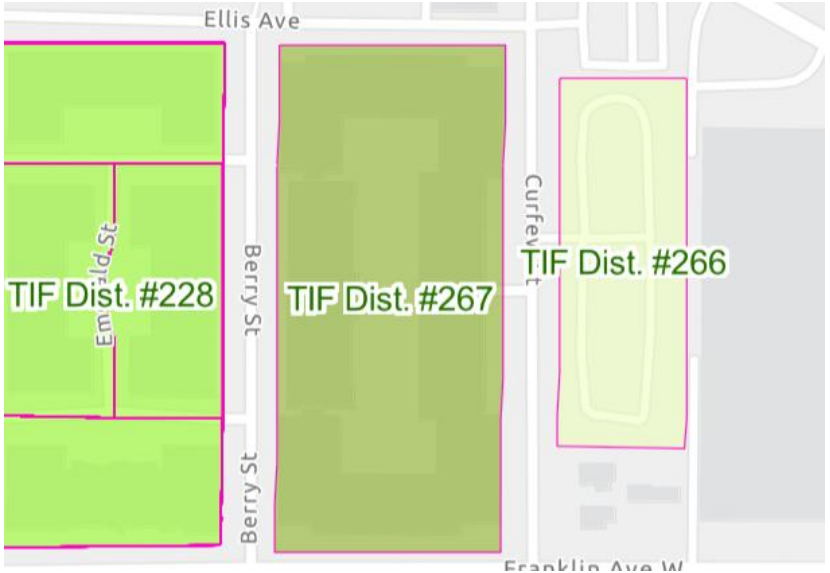
Tax Increment Financing (TIF) District Actions

Emerald Park Redevelopment TIF District Decertification

Created in 2001, comprised of three distinct redevelopment projects:

- Emerald Gardens #228: 211 owner occupied condominiums;
- Metro Lofts #266: 67 owner occupied condominiums and 6,550 SF of commercial;
- 808 Berry #267: 267 rental apartments with 30% of the units restricted

First collection was in 2003, requiring decertification by 2028



Tax Increment Financing (TIF) District Actions

Emerald Park Redevelopment TIF District Decertification

- The TIF Plan authorized the expenditure of tax increments for redevelopment costs and qualifying affordable housing, as the in-district expenditures
  - In 2002 - HRA issued a $3,110,000 Pay-As-You-Go TIF Note pertaining to the 808 Berry Project #267.
  - In 2010 - HRA issued $6,595,000 in Tax Increment Revenue Refunding Bonds to refund TIF pay-go notes pertaining to the Emerald Gardens #228 and Metro Lofts #266 Projects.
  - Collectively the Debt Obligations

The TIF Plan also authorized expenditures outside the TIF district ("Pooling"), including expenditures for qualifying affordable housing projects located anywhere within the city.

Tax Increment Financing (TIF) District Actions

Emerald Park Redevelopment TIF District Decertification

- The Debt Obligations have recently been repaid.
- **Staff recommends the HRA Board authorize the TIF district to be decertified effective December 31, 2026.** If approved, no future tax increments would be collected from taxes due in 2027 and beyond.
- HRA will have authority to continue to spend within the Pooling limitations.
- HRA action includes amending the debt service budget related to the 2010 bonds.

- The original market value within the TIF district was $3.0 million
- The Pay 2026 market value within the TIF district is $121.5 million
- **An increase of $118.5 million**

Tax Increment Financing (TIF) District Actions

Pioneer Endicott Redevelopment TIF District Decertification

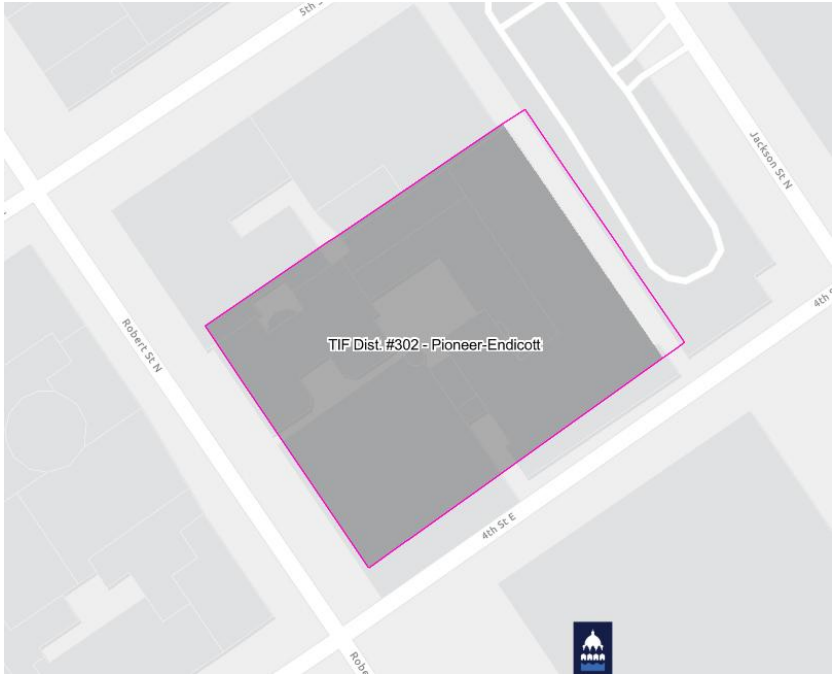
In 2012, the TIF district was created to redevelop three connected historic buildings in downtown originally constructed in 1889:

- 16-story Pioneer building;
- Two 6-story Endicott buildings

The redevelopment resulted in:

- 234 market rate rental apartments
- 55,000 SF of commercial space, including approximately 36,000 SF occupied by The M

First collection was in 2015, requiring decertification by 2040



Tax Increment Financing (TIF) District Actions

Pioneer Endicott Redevelopment TIF District Decertification

- The TIF Plan authorized the expenditure of tax increments for redevelopment costs, as the in-district expenditures
  - In 2012 - HRA issued a $2,500,000 Pay-As-You-Go TIF Note; and
  - In 2017 - HRA issued a $900,000 Pay-As-You-Go TIF Note.
  - Collectively the Debt Obligations

  The TIF Plan also authorized expenditures outside the TIF district ("Pooling"), including expenditures for qualifying affordable housing projects located anywhere within the city.

Tax Increment Financing (TIF) District Actions

Pioneer Endicott Redevelopment TIF District Decertification

- The Debt Obligations have recently been repaid.
- **Staff recommends the HRA Board authorize the TIF district to be decertified effective December 31, 2026.** If approved, no future tax increments would be collected from taxes due in 2027 and beyond.
- HRA will have authority to continue to spend within the Pooling limitations.

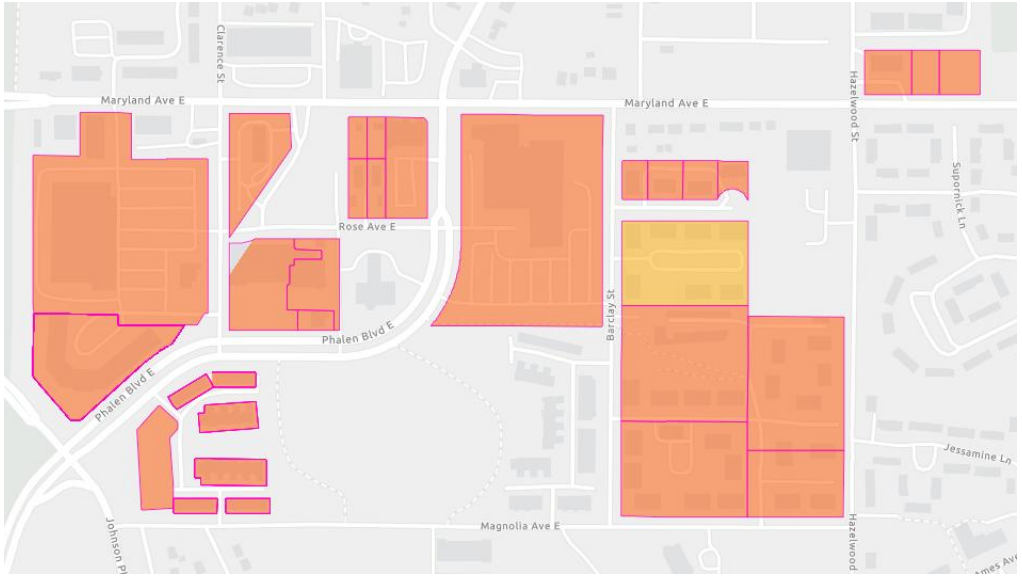
- The original market value within the TIF district was $1.1 million
- The Pay 2026 market value within the TIF district is $30.8 million
- **An increase of $29.7 million**

Tax Increment Financing (TIF) District Actions

Phalen Village Redevelopment TIF District – Amendment

The TIF district was created in 2001 and amended in 2008 to advance multiple projects within the Phalen Village area, including:
New ownership housing, new construction and preservation of affordable rental housing and multiple commercial opportunities

First collection was in 2003, requiring decertification by 2028



Tax Increment Financing (TIF) District Actions

Phalen Village Redevelopment TIF District – Amendment

- The TIF District consists of two subdistricts, identified by Ramsey County as TIF District numbers 234 (“234 Tax Parcels”) and 269 (“269 Tax Parcels);
- The TIF Plan authorized the expenditure of tax increments for redevelopment costs, as the in-district expenditures, including acquisition of land and buildings
  - In 2003 - HRA issued a $418,000 Pay-As-You-Go TIF Note pledging increments from the 269 Tax Parcels; pertaining to 77-unit Rose Hill rental project (the “Rose Hill Obligation”);
  - In 2008 - HRA issued a $3,100,000 Pay-As-You-Go TIF Note pledging increments from the 234 Tax Parcels; pertaining to new Cub Foods and ancillary retail (the “Cub Foods Obligation”);

  The TIF Plan also authorized expenditures outside the TIF district (“Pooling”), including expenditures for qualifying affordable housing projects located anywhere within the city.

Tax Increment Financing (TIF) District Actions

Phalen Village Redevelopment TIF District – Amendment

- The Cub Foods Obligation pertaining to 234 Tax Parcels has recently been repaid.
- **Staff recommends the HRA Board approve an amendment to the TIF Plan that removes the 234 Tax Parcels effective for Pay 2027.** If approved, no future tax increments would be collected from the taxes paid by the 234 Tax Parcels due in 2027 and beyond.
- The amendment to the TIF Plan also includes amending the budget to adjust spending line items.

- *Note: The TIF District cannot be decertified while the Rose Hill obligation remains outstanding; therefore, the TIF district, as amended with the 269 Tax Parcels will expire by its statutory term as of 12/31/2028*

Tax Increment Financing (TIF) District Actions

Phalen Village Redevelopment TIF District - Amendment

- The original market value within the TIF district was $19.9 million
- The Pay 2026 market value within the TIF district is $76.6 million
- **An increase of $56.7 million**
- **234 Tax Parcels represent $53.1 million of the increase**
- Redevelopment outcomes include:
  - New construction of 59 senior cooperative units (Realife)
  - New construction of 75 units of ownership housing
  - Renovation and preservation of 350 affordable rental housing units
  - Construction of new Cub Foods and ancillary retail
  - Construction of new Aldi grocery store
  - Construction of new clinic and small shops
  - New construction of 76 units of senior rental housing project outside the TIF district (Lofts on Rose)

Tax Increment Financing (TIF) District Actions

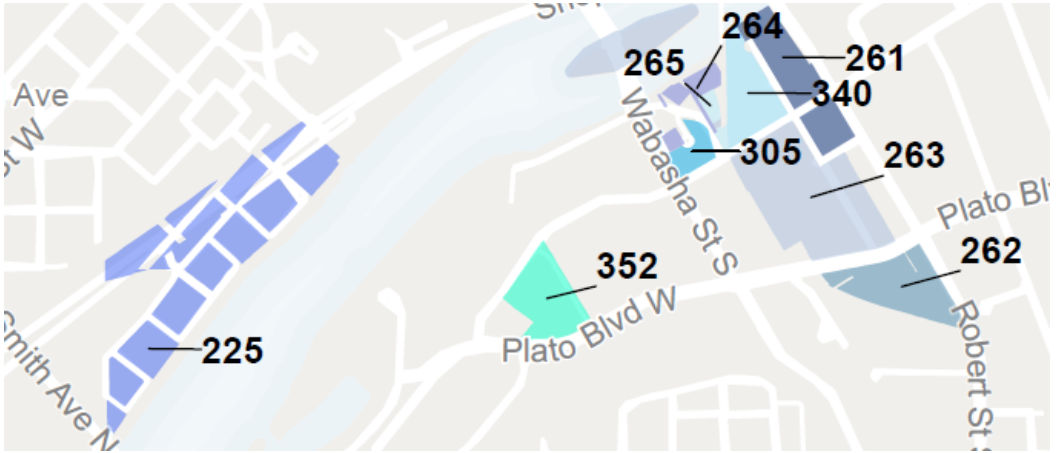
Riverfront Renaissance Redevelopment TIF District – Amendment

Created in 2001, comprised of three distinct redevelopment projects:

- Upper Landing #225: 434 owner occupied condominiums, 268 rental units, public improvements and retail;
- US Bank West Side #261: 500,000 SF of office plus 1,400 parking spaces;
- Drake Bank #262: 87,000 SF of retail bank/office

Two additional projects anticipated (#263 and #264)

First collection was in 2003, requiring decertification by 2028



Tax Increment Financing (TIF) District Actions

Riverfront Renaissance Redevelopment TIF District – Amendment

- The TIF Plan authorized the expenditure of tax increments for redevelopment costs, as the in-district expenditures, including site improvements, public infrastructure and parking
  - In 2002 - HRA issued $1.8 million Tax Increment Bonds pledging increments from the 262 Tax Parcels (pertaining to Drake Bank (the "262 Obligation");
  - In 2019, the TIF Plan was amended to expand the Project Area and authorize the use of tax increments to upgrade the Riverview Lift Station necessary to advance additional redevelopment projects on the west side
  - In 2019 - HRA issued $20.5 million in Tax Increment Revenue Refunding Bonds to refund prior bonds issued by the HRA and City pertaining to the Upper Landing and US Bank projects and to finance additional public improvements within the Project Area (the "225/261 Obligation")

  Furthermore, the TIF Plan also authorized expenditures for qualifying affordable housing projects located anywhere within the city.

Tax Increment Financing (TIF) District Actions

Riverfront Renaissance Redevelopment TIF District – Amendment

- The 262 Obligation pertaining to the 262 Tax Parcels has been repaid;
- There are no obligations pertaining to the 263, 264 and 265 Tax Parcels (264 and 265 are largely exempt parcels owned by the HRA or City).
- **Staff recommends the HRA Board approve an amendment to the TIF Plan that removes the 262, 263, 264 and 265 Tax Parcels effective for Pay 2027.** If approved, no future tax increments would be collected from the taxes paid by the 262, 263, 264 and 265 Tax Parcels due in 2027 and beyond.
- The original market value within the TIF district was $6 million
- The Pay 2026 market value within the TIF district is $253.3 million
- **An increase of $247.3 million**
- **262-265 Tax Parcels represent $10.4 million of the increase**

- *Note: The TIF District cannot be decertified while the 225/261 Obligation remains outstanding; the current outstanding balance is $6.68 million*

Tax Increment Financing (TIF) Update

Tax Capacity Captured in TIF – Preliminary Pay 2027

The table below includes a five-year history with the anticipated captured tax capacity.
The estimated captured percent is 5.70%.

Pay Year	Total Tax Capacity	*Total % Change*	TIF Tax Capacity	*TIF % Change*	% Captured
2023	396,939,488	*10.0%*	30,891,446	*6.0%*	7.78%
2024	419,169,637	*5.6%*	32,977,501	*6.8%*	7.87%
2025	409,203,993	*-2.4%*	28,684,884	*-13.0%*	7.01%
2026	410,606,688	*0.3%*	24,961,538	*-13.0%*	6.08%
Prel Pay 2027	**421,805,604**	***2.7%***	**24,056,342**	***-3.6%***	**5.70%**

Tax Increment Financing (TIF) Update

Tax Capacity Captured in TIF – Preliminary Pay 2027 Updated

The table below includes a five-year history with the anticipated captured tax capacity, upon proposed action by the HRA Board **and the return of $2,433,215 to the tax base**. The estimated captured percent is 5.13%*.

Pay Year	Total Tax Capacity	*Total % Change*	TIF Tax Capacity	*TIF % Change*	% Captured
2023	396,939,488	*10.0%*	30,891,446	*6.0%*	7.78%
2024	419,169,637	*5.6%*	32,977,501	*6.8%*	7.87%
2025	409,203,993	*-2.4%*	28,684,884	*-13.0%*	7.01%
2026	410,606,688	*0.3%*	24,961,538	*-13.0%*	6.08%
Prel Pay 2027	**421,805,604**	***2.7%***	**21,623,127**	***-13.4%***	**5.13%**

* Note this was previously shown as 4.60%, in error. Two TIF districts expiring by their terms were inadvertently counted although they were already reflected in the County's preliminary Pay 2027 captured tax capacity.

Tax Capacity Captured and Tax Impact

- The prior slide estimates 5.13% as the estimated percent of the City's tax base captured in TIF for Pay 2027; which percentage includes the proposed HRA action to decertify two TIF districts early and to remove parcels from two additional TIF districts
- The captured percent estimated by the county for Pay 2027, prior to the proposed HRA action is 5.70%, which is a reduction from Pay 2026 percentage of 6.08%
- **The impact of the HRA action reduces the captured percentage by 0.57%**

- As requested by the HRA Board, the Office of Financial Services (OFS) calculated the impact of the return of the $2.433 million in tax capacity through proposed HRA Board action
    - OFS calculated a reduction to the City's tax amount of an estimated $10 for the Median Valued Home ($290,300)

Note, last month the Port Authority mentioned requesting authorization to decertify early 3 of their TIF districts. These 3 TIF districts would return $1.324 million to the tax base, which would further reduce the captured percentage to an estimated 4.81%

Tax Increment Financing (TIF) Update

Pooling for Affordable Housing

The previously listed districts are generating pooling for affordable housing to advance affordable housing anywhere within the City*

- **We estimate the total potential collected and held through Pay 2026 collections is $13,865,000 as follows*:**
  - Emerald Gardens (#228/266/267): $3,279,000
  - Pioneer Endicott (#302): $1,261,000
  - Phalen Village (#234/269): $1,825,000
  - Riverfront Renaissance (#225/261-264); $7,500,000

* The tax increments on hand and estimated through Pay 2026 **ARE NOT** “Excess TIF” as defined in statute **AND ARE NOT** required to be returned to the county for re-distribution

Tax Increment Financing (TIF) Update

HRA Board Action – October 14

- Four (4) separate resolutions will be presented to the HRA Board for approval on October 14, as follows:
  1. Approving the **decertification** of the **Emerald Park Redevelopment TIF** district as of December 31, 2026 (and amend the HRA debt service budget)
  2. Approving the **decertification** of the **Pioneer Endicott Redevelopment TIF** district as of December 31, 2026
  3. Approving **an amendment to the TIF Plan for the Phalen Village Redevelopment TIF** district **to remove certain tax parcels and amend the TIF Plan budget**
  4. Approving **an amendment to the TIF Plan for the Riverfront Renaissance Redevelopment** TIF district **to remove certain tax parcels**

- *Note, decertification of a TIF District does not limit current or future spending. All spending needs to align with the adopted TIF Plan budget in place as of the year decertification occurs*

Tax Increment Financing (TIF) Update

In Conclusion

- Staff is proposing to decertify early two Redevelopment TIF districts with obligations fully paid
- Staff is further proposing to remove parcels within two separate Redevelopment TIF districts since those parcels no longer have obligations, which requires each respective TIF Plan to be amended
- HRA Board action is planned for October 14, with four separate resolutions for consideration

Tax Increment Financing (TIF) Update

Department of Planning and Economic Development

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