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To: [HRAHearing \(CI-StPaul\)](#)
Subject: Please vote NO on the Galtier/Cray Plaza TIF request
Date: Friday, June 5, 2026 9:31:05 PM

In\$ight St. Paul* recommends a NO vote on the Galtier/Cray Plaza TIF request

Saint Paul is now the largest user of TIF in Minnesota. Saint Paul had over 7% of taxable property captured in TIF projects. Approximately 7% of current property taxes paid by each taxpayer go to support the costs of TIF financing. Saint Paul's tax levies to service the debt for TIF projects INCREASED 40.1% by approximately \$13M from 2015-2024. TIF debt service in 2025 was approximately \$41,000,000 and did not appear on the proposed budget. Saint Paul's net property tax burden rate of 17.1% is almost double the State average of 9.2%.

Structural and Fiscal Concerns in Saint Paul

- TIF has diverted tax revenue away from general funds (schools, public safety, libraries, parks) for decades.
- TIF has shifted costs onto non-TIF taxpayers who must cover rising service demands without benefiting from the increment.
- TIF creates long-term fiscal opacity making it difficult for the public to understand how much revenue is being captured and for how long.
- Encourages overuse, because TIF can appear to be “free money” even when it reduces future tax capacity

Accountability and Oversight Issues

- Weak statutory oversight has allowed districts to remain active longer than necessary and has prevented them from returning to normal taxing levels.
- Limited transparency in how increments are calculated, spent, or justified.
- Potential for mission drift, where funds are used for purposes only loosely connected to the original redevelopment goals.
- Complex financial structures make it difficult for residents and even elected officials to evaluate performance.

Economic and Development Risks

- TIF has subsidized projects that could have occurred anyway, meaning public dollars support private development without producing true public benefit.
- TIF in Saint Paul has distorted market behavior, favoring subsidized developers over unsubsidized competitors, contributing to disturbances like the failure of Madison Equities.
- TIF has incentivized Saint Paul to chase growth rather than invest in existing neighborhoods or infrastructure.
- Use of TIF has added risk to speculative or underperforming projects leaving the public with little to show for the captured increment.

Conclusion:

- TIF has been overused in Saint Paul at considerable expense to taxpayers.
- TIF has not increased the City's tax base – the tax base is shrinking.
- Conversion of commercial properties to residential does not make economic sense.
- City leaders do not understand the impact of TIF on the City's taxpayers.
- The City is focusing on the needs of developers not businesses and citizens.

Recommendations:

- Freeze the approval of new TIF districts, look for alternatives to TIF (loans, etc.).
- Allow for organic growth especially in Downtown, encourage higher occupancy rates.
- Decertify TIF Districts whose date of required decertification has expired

*In\$ight St. Paul is nonpartisan fiscal watchdog group made up of St. Paul residents and businesses concerned about the need for stronger fiscal management of St. Paul.

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