



**City of St. Cloud TIF Authority**  
Bill Summary

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**St. Cloud (SF2860)**

This bill is doing the following:

- Allows the city to establish one or more redevelopment districts that have the following exceptions to general TIF law:
  1. Districts are “deemed” redevelopment districts; thus, the properties don’t meet the blight requirement (likely wouldn’t meet it under the proposed changes in SF7 either).
  2. Exempts the districts from the 4j rule which requires 90% of the increment generated to go towards blight correction (this condition is usually paired with #1 above) (this condition is also proposed to be removed under SF7).
  3. Increment spent outside of the district on public infrastructure necessary to serve the redevelopment projects are deemed as in-district expenditures to satisfy pooling requirements.
  4. Quantifies that the term is 26 years, which correlates to current law. (This was placed in due to preliminary proposal in SF7 to shorten the term to 20 years, but it is our understanding that this provision was removed).

**Questions:**

Relating to a “deemed” redevelopment district:

- What can’t the area meet the statutory blight test? (why is this property unique?)

The identified parcels are catalyst redevelopment sites aligned with the City’s Comprehensive Plan. The anticipated districts contain privately and publicly owned surface parking lots which do not meet the statutory findings for having blighted structures. This TIF legislation will stimulate redevelopment of these vacant underutilized sites.
- What is the benefit to non-St. Cloud residents?

Development of the catalyst redevelopment sites will result in leveraged private investment, development of housing for employees at local businesses who are unable to find housing within the City, thus limiting their ability to fill positions, and increased property tax base which may lessen the need for LGA in the future and ensuring downtown St. Cloud is a vibrant and thriving regional center in the state.



- What is the city's capacity to levy for this project through property taxes? (a city with a higher NTC with larger population likely has a better ability to levy its residents)
  1. What is the city's net tax capacity? **\$69,993,546**
  2. What is the city's population? **69,568**
  3. What is the city's net tax capacity per capita? (NTC/population) **\$1,006/person**
  4. What is the city's net tax capacity tax rate? **53.167% is the pay 2024 city portion of the tax rate based on net tax capacity**
- Have the counties and school districts been consulted? If so, are they in support of the requested special law? **Yes, the affected counties and school districts have been consulted and are in support of the city's use of the requested special law as a tool that will stimulate new development and leverage significant private investment in the community.**

Relating to using less than 90% of increment on blight correction:

- What will the increment be used for if not for blight correction? And how much will be used on blight correction if not 90% (i.e. – what is the ratio between increment used for blight correction vs. infrastructure improvements or unrelated development?)
  1. How will spending less increment on blight correction benefit more than just St. Cloud residents?  
**The requested special law allows the city to take tax-exempt property and make it taxable. The market rents aren't there to support new developments that strengthens the downtown core. This special law provides a flexible tool without constraints where a typical redevelopment district does not fit.**

**Increment will be used toward demolition, if any, acquisition, public infrastructure and underground parking which are traditional qualified costs for redevelopment TIF districts. This exception was only requested because the vacant parking lots don't have blighted buildings and some of the parcels with buildings wouldn't likely meet the blight test...so there isn't any blight to remove.**

Relating to the public infrastructure:

- How far away from the development are the streets and roads you are looking to service?  
**Increment spent outside the district on public infrastructure is located in the neighborhoods adjacent to the proposed redevelopment districts.**
- Why use increment rather than use the property tax levy? To lessen the tax burden on residents in the City.  
**TIF is a revenue neutral source since it would not be there but-for development on those sites. In addition, increment generated from private investment in these catalyst redevelopment sites will be used to support public infrastructure in the adjacent neighborhoods.**

General question:

- For how long does the city anticipate it needs this special authority to establish districts? These requests often set an expiration date for when the city can establish districts, but this proposal provides for the city to have unended authority to establish districts under these special rules.  
**We are open to having an expiration date and would like that to be 10 years, if possible.**