PC Case 22-09 – TIF Development District Boundary Expansion – City of West St. Paul

BACKGROUND:

One of the primary tools the City can utilize for providing financial assistance for redevelopment is Tax Increment Financing (TIF). TIF provides the ability to capture and use most of the increased local property tax revenue from a new development with a defined geographic area for a defined period of time. Pursuant to Minnesota Statutes 469.126, cities are allowed to create development districts with the boundaries of their city. These development districts provide the authority for cities to create TIF Districts.

On February 11, 2002, the City of West St. Paul established the South Robert Street Redevelopment Project Area. As depicted on the map below, the project area only covers a small portion of the City, specifically parcels in and around the Robert Street corridor (solid burgundy line). The colored parcels show the existing six TIF Districts within the established redevelopment project area.
In order to provide additional flexibility in providing opportunity to establish TIF Districts in other areas of the community, the City’s financial advisor, Ehlers, is recommending that the City expand the boundary of the redevelopment project area to be coterminous with the corporate boundaries of the City. This proposed expansion of the redevelopment project area will also allow the City to utilize TIF Administration Fees (City retains a percentage of all TIF dollars) to purchase property anywhere within the community as opposed to within the existing project area.

The role of the Planning Commission in this process is to provide a recommendation to the City Council that expanding the boundaries would be consistent with the development plans of the City, which are guided by the City’s Comprehensive Plan. The Land Use Plan identifies additional areas for growth outside of the current boundaries of the district and therefore expanding the boundaries would be consistent with the Comprehensive Plan.
STAFF RECOMMENDATION:
Staff recommends the Planning Commission make a recommendation to the City Council to modify the development district to be conterminous with the corporate boundary of the City of West St. Paul.

ATTACHMENTS:
Planning Commission Resolution

TIMELINE:
May 17: Planning Commission Review
May 23: EDA Review and City Council (Public Hearing)