

Alatus Tax Increment Financing District Request for Extensions (S.F. 3552)

Project Background

In 2021, Columbia Heights created the Alatus Tax Increment Financing District to redevelop a predominantly vacant strip mall located on 10-acres along the City’s main commercial corridor. Located on Central Ave NE (Highway 65), the project site is the geographic center of the City and a point at which residential, commercial, and transportation activities meet. The Alatus TIF District represents a once-in-a-generation opportunity to reshape a key site in a way that delivers lasting economic, social, and environmental benefits. The proposed redevelopment includes high-density affordable housing, senior housing, some commercial uses, and significant stormwater infrastructure improvements that are required for the area.

The District was certified on August 3, 2021, and the City elected to receive the first TIF in 2024, when it was anticipated that the first phase of the development would be completed and fully valued for TIF purposes. Due to evolving market conditions that began in late 2021, including increasing inflation on construction materials and rising interest rates, construction has not commenced. The City continues to partner with the developer to find a workable solution for developing the site.

To preserve this redevelopment opportunity, the City is requesting an extension of the 5-year rule to 10 years (the current 5-year rule would require that the project expenditures be completed by August 3, 2026). In addition, the City is requesting an extension to the term of the District by 5 years since it received inflationary TIF of approximately \$31,000 in 2024, which technically started the “clock” running on the TIF district term (no TIF was received in 2025 and none is anticipated in 2026), This request would afford the City the flexibility of having the full term of the district available to them if they needed to utilize it to assure the development they envisioned is completed.

Our Community

Columbia Heights is a small urban suburb of just under 22,000 residents. In 2023, the City was identified as having the oldest housing stock in Anoka County; the median year built of residential units was 1961. The City has a lively business community that is equally in need of new commercial spaces to grow. The requested extensions to the Alatus Tax Increment Financing District are intended to boost renewal in both of these sectors while limiting tax burden on our community members.

Contact Us

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