

<u>Neighborhood Awards</u>	<u>Ward</u>	<u>Grant</u>	<u>Loan</u>
Dale Street Greenhouse Offices	1	75,000	
Youth Express Capital Project	1	75,000	
SteppingStone Theatre on Victoria 06	1	250,000	150,000
J & J Distributing	1	150,000	250,000
Open Cities Multi-Purpose Center	1	100,000	
Summit Bottling Line	2		300,000
Wells Fargo WinterSkate Ice Rink	2		100,000
Horace Mann Playground	3	60,000	
JCC Security Reconfiguration/Upgrade	3	76,772	19,193
Talmud Torah Expansion Project	3	75,000	
Remodeling at Cleveland & Buford	4	44,000	
Eritrean Center Kitchen	4	45,000	
Sparc Snelling Ave. Façade Program	4	150,000	
St. Bernard's Handicap Accessibility	5	200,000	
Midwest Special Services Improvements	6	27,250	15,000
Griffin Wheel Works Site Improvements	6	250,000	
Parkway Infrastructure Improvements	7	114,450	
St. Paul Youth Services Capital Campaign	7	150,000	
Totals:		1,842,472	834,193

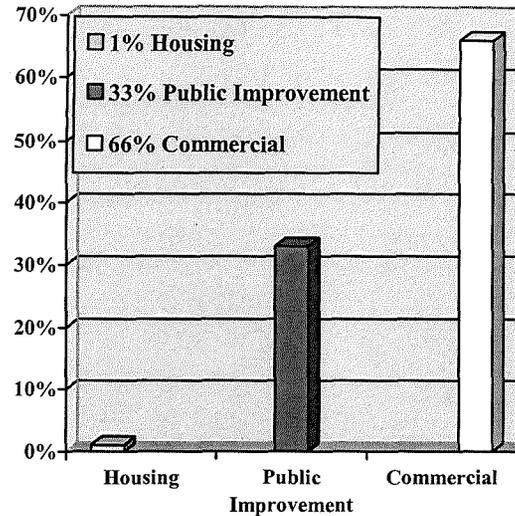
<u>Small Grant Awards</u>			
Lao Family Center Safety	1	\$8,000	
Wilder Child Development Center	1	25,000	
Sparc Lead Replacement Program	1,4,5	20,000	
Flooring - East Side and Merrick Centers	1,7	5,000	
REDA District del Sol Storefront Program	2	22,000	
Rose Apartment Landscape & Grounds	6	24,604	
White Bear Ave. Banners	6,7	6,100	
White Bear Ave./Minnehaha Streetscape	7	25,000	
Total:		135,704	

<u>Additional Projects:</u>			
W-7th Health Center	2	300,000	
McMurray Soccer Fields	5	800,000	
Total:		1,100,000	

<u>City Capital Purchase Program</u>	Total:	690,000
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<u>Neighborhood Investment Program</u>			
Youth Express Renovation Project	1	20,000	
Lilydale Trail	2	30,000	
Public Art SP, Stone Sculpture	2	5,000	
Brewery Redevelopment	2	300,000	
Wellstone Painting	2	5,000	
Heartland Restaurant	3	9,950	
KidsPark	3	10,500	
Skinner's Pub	2	15,000	
Hamline Midway Green Project	4	5,000	
New Americans Community Health Center	4	9,123	
Shields/Wheeler Traffic Circle	4	10,000	
Eclipse Records	4	15,000	
Otis Avenue Speed Tables	4	7,500	
Paint the Pavement Program	4	10,000	
SPARC: N-End Commercial Impr. Program	5	70,000	
Dist. 6 Crime Prevention through Design	5	30,000	
Rice-Lawson Batting Cage	5	1,500	
Lonetti's Patio	5	35,000	
Margaret Play Area	7	16,800	
Saint Paul Youth Services	7	50,000	
Total:		655,373	

2006 STAR Funding by Category*



* Housing 5,000 not represented in chart

City of Saint Paul

Mayor Christopher B. Coleman

City Council President, Kathy Lantry
 Councilmember Jay Benanav
 Councilmember Dan Bostrom
 Councilmember Patrick Harris
 Councilmember Lee Helgen
 Councilmember Deborah Montgomery
 Councilmember Dave Thune

Department of Planning and Economic Development (PED)

Cecile Bedor, Director

Neighborhood STAR Program:

Bob Hammer, Michele Swanson,
 Beth Ulrich

*Questions on the Neighborhood STAR Program:
 651-266-STAR / www.stpaul.gov/depts/ped/star*

Neighborhood Sales Tax Revitalization Program

2006 Annual Report



Saint Paul's Sales Tax Revitalization (STAR) Program has completed ten years of awarding loans and grants for projects to revitalize Saint Paul neighborhoods.

This report includes:

- * Program History
- * Key Features
- * Neighborhood STAR Board
- * Accomplishments & Outside Investment
- * Loan Component
- * Housing 5,000
- * STAR Bonding Authority
- * Debt Service
- * Neighborhood Investment Program
- * City Capital Project Program
- * Funding Allocation by Program
- * STAR Awards
- * 2006 STAR Funding by Category

2006 Neighborhood STAR Board

Stephen Gordon, Chair
 Peter Eigenfeld, Vice Chair

Beth Commers	Robin Hickman
Eric Hyland	Ray Hess
Kerry Antrim	Angie Kline
Randy Asunma	Russ Miller
Kate Barr	Maurice Nins
Dee Dodge	Mary Ellen Radmann
Mary Donnelly	Peter Rauch
Marjorie Ebensteiner	Stuart Simek
Rachel Gillespie	Karen Skwira
Molly Grove	Ellen Watters

Program History

In May 1993, the Minnesota State Legislature authorized the City of Saint Paul to levy an additional half-cent sales tax through 2030. The creation of this fund allowed the city to undertake two major initiatives: make needed enhancements to the Saint Paul River Centre complex and create the Sales Tax Revitalization or STAR Program. The goal of STAR, as identified in the original legislation, is to utilize funds "...for capital projects to further residential, cultural, economic and commercial development in both downtown Saint Paul and Saint Paul neighborhoods."

Under its current structure, the Neighborhood STAR program utilizes 50% of the half-cent sales tax revenue, the River Centre receives 40%, and a Cultural STAR effort uses 10% of the proceeds.

Key Features

The Neighborhood STAR Program is administered by the City's Department of Planning and Economic Development (PED), and awards loans and grants for capital improvement projects within Saint Paul neighborhoods.

Funds are awarded annually through two competitive application processes. The first process, held early in the year, awards grants of \$5,000 to \$25,000 to non-profit and public entities. The second, a more comprehensive process, begins in late spring providing funds for larger loans and loan/grant combinations.

Eligible applicants include public, private and non-profit entities located in or doing business in Saint Paul.

All STAR funds must be matched on a 1:1 basis with other resources.

Funds must be spent on physical improvements ("bricks and mortar") with an expected life of at least seven years.

Neighborhood STAR Board

Community involvement and participation is key to the STAR Program's success. The 21-member Neighborhood STAR Board provides advice and recommendations to elected officials on all aspects of the STAR program. All members are selected by the Mayor and approved by City Council to serve four-year staggered terms. In addition to being geographically represented, the STAR Board includes members from the public and private sector, and provides the city with a unique cross section of knowledge and expertise.

Accomplishments and Outside Investment

Since the STAR program's inception in 1995, more than 440 projects and programs have been funded with over \$89 million in STAR dollars. Of these, 49 projects were awarded in 2006 totaling more than \$5.1 million in STAR funding. These funds will generate an additional \$16.5 million in outside investments.

Loan Component

The loan feature is the heart of the STAR Program. Loans are made to projects and programs that may not qualify for bank financing, but would result in desirable improvements. The Neighborhood STAR Program started reaping the benefits of loan repayments in 1997. As of December 31, 2006, over \$11.7 million has been repaid.

Housing 5,000

In 2006, \$1 million was utilized in the final year of this initiative to create 5,000 new units of housing in the City of Saint Paul.

STAR Bonding Authority

In 2005, the Minnesota Legislature authorized bonding authority to the City of Saint Paul for up to 20% of revenue earned from the City's half-cent sales tax. In 2006, no bonds were issued through this initiative.

Debt Service

In 2003, the Mayor and City Council approved Neighborhood STAR funds for city debt service. Legislation adopted in 2005 capped funding for this initiative to \$3.5 million per year starting in 2006 with a four-year phase out period.

Neighborhood Investment Program

In 2006, additional STAR funding of \$200,000 was allocated to each of the city's seven Council wards. All rules and regulations governing the Neighborhood STAR Program apply to this program. Proposals are recommended by a City Council Member, reviewed by the STAR Board and forwarded to the Mayor and City Council for final approval.

City Capital Project Program

A new program, utilizing \$690,000 STAR dollars in 2006, was established to purchase city fleet vehicles. Starting in 2007, the projected annual allocation of STAR funds for this multi-year program equals \$1,525,000. This program is expected to continue through 2009.

Funding Allocation by Program

In 2006, revenues allocated to the Neighborhood STAR Program equaled \$10,464,810. Of this amount, the Small Grant and Neighborhood STAR Programs utilized \$2,812,369. The Neighborhood Investment Program received an additional \$1.4 million, \$690,000 supported the new City Capital Project Program and \$1 million was dedicated to the Housing 5,000 initiative.