

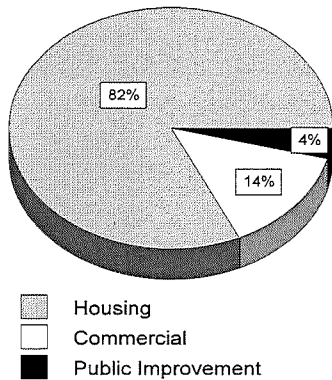
**Small Grant Awards**

AIFACS Window Replacement	9,000	
New Boilers for Merrick	20,000	
Family Place Shower Facility	25,000	
Casa de Esperanza	14,800	
Treasure Island Playground	25,000	
Restore St. Paul, Commercial	20,000	
L'Etoile du Nord School Playground	25,000	
Women of Nations Windows	20,000	
Brush with Kindness	20,000	
SAP Commercial Improvement Program	<u>20,000</u>	
<b>10 Project Total:</b>		<b>\$198,800</b>

**Grants**

<b>Year Round Project</b>	<b>Grant</b>	<b>Loan</b>
MN Boat Club	<u>81,250</u>	<u>18,750</u>
<b>Totals:</b>	<b>\$81,250</b>	<b>\$18,750</b>

2003 STAR Funding by Category



**City of Saint Paul**

- City Council President, Dan Bostrom**  
**Councilmember Jay Benanav**  
**Councilmember Jerry Blakey**  
**Councilmember Chris Coleman**  
**Councilmember Patrick Harris**  
**Councilmember Kathy Lantry**  
**Councilmember Jim Reiter**

**Department of Planning and Economic Development (PED)**

**Martha Fuller, Director**

**Neighborhood STAR Program:**  
**Bob Hammer, Michele Swanson,**  
**Beth Ulrich**

<b>Neighborhood STAR Board</b>	
Stephen Gordon, Chair	
Ellen Watters, Vice Chair	
Christine Anderson	Russ Miller
Kerry Antrim	Maurice Nins
Randy Asunma	Peter Rauch
Deborah Gelbach	Karen Skwira
Ray Hess	Donna Strusinski
Eric Hyland	J. Kou Vang
John Margot	Alicia Zepeda

**Neighborhood Sales Tax Revitalization Program**



**2003 Annual Report**

Saint Paul's Sales Tax Revitalization (STAR) Program has completed eight 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 Program Features
- \* 2003 STAR Funding by Category
- \* Neighborhood STAR Awards



**City of Saint Paul**  
**Randy Kelly, Mayor**

## Program History

In May 1993, the Minnesota State Legislature authorized the City of Saint Paul to levy an additional half-cent sales tax. The creation of this fund allowed the city to undertake two major initiatives: make needed enhancements to the Saint Paul River Centre complex (formerly the Saint Paul Civic Center), and to 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, commercial and economic 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 proceeds, the River Centre receives 40%, and a Cultural STAR effort uses 10% of the proceeds.

## Key Features

The Neighborhood Sales Tax Revitalization (STAR) Program is administered by the City's Department of Planning and Economic Development (PED), and awards grants and loans for capital improvement projects in 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. The second process beginning in late spring, is more comprehensive, and provides funding for large loans and loan/grant combinations.

Overall program allocation goals: 60 percent for loans, 40 percent for grants.

Approximately 25 percent of the annual loan allocation may be made available on a year-

round basis for activities whose timing and/or needs do not fit into the regular STAR program cycle.

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.

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

## Neighborhood STAR Board

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

## Accomplishments and Outside Investment

Since the STAR program's inception in 1995, have been more than 455 projects and programs funded with over \$65 million in STAR dollars. Of these, 15 projects were awarded in 2003 totaling more than \$1 million in STAR funding. These funds will generate an additional \$5 million\* in outside investment.

## Neighborhood Investment Program

From 1997 through 2003, \$4,025,000 has been allocated to this program. To date, 93 projects have utilized over \$2.3 million.

## Housing 5000

In FY2002, Mayor Kelly and the City Council Came together to adopt a four year, \$1.0 billion plan to create 5,000 new housing units in the City of Saint Paul. Recognizing the significance of this undertaking, the Mayor and Council set aside \$5.0 million of FY2003 Neighborhood Sales Tax proceeds for this initiative. Housing 5000 will collaborate STAR funds with an estimated \$806 million in additional investment from public, private and non-profit partners.

## Loan Program Features

The loan component is the heart of the STAR Program. Loans are made to projects and programs that cannot qualify for traditional bank financing, but would result in desirable improvements. The STAR Program started reaping the benefits of loan repayments in 1997.

## 2003 STAR Project Awards:

<b>Neighborhood Awards</b>	<b><u>Grants</u></b>	<b><u>Loans</u></b>
University Enterprise Lab	500,000	
CLUES Headquarters	200,000	
Selby Ave. Main Street	25,000	
Dist. del Sol Building Program	<u>70,000</u>	<u>35,000</u>
<b>* 4 Project Total:</b>	<b>\$ 795,000</b>	<b>\$35,000</b>

\* Housing 5,000 not included in total