

2013 STAR Awards:

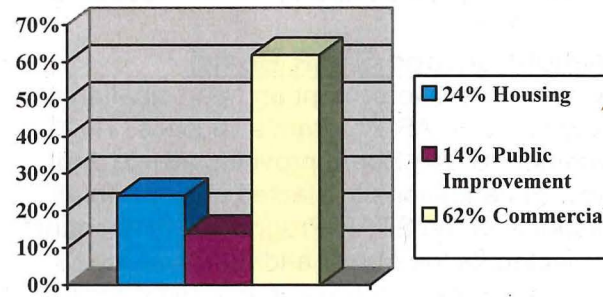
(19) Neighborhood STAR Program Awards

| | <u>Ward</u> | <u>Loan</u> | <u>Grant</u> |
|-----------------------------|-------------|--------------------|--------------------|
| Nina's Coffee Cafe | 1 | \$ 5,000 | \$ 5,000 |
| Frogtown Park & Farm | 1 | | 120,000 |
| Frogtown Curling Club | 1 | | 7,500 |
| Garden Fresh Farms | 1 | 170,000 | 125,000 |
| Blue Ox Mini Golf | 2 | | 150,000 |
| Las Sirenas | 2 | 15,000 | 5,000 |
| Bibelot | 2 | 14,246 | 14,246 |
| Summit Hill Gardens | 2 | | 12,343 |
| Skyway Fitness | 2 | 10,000 | 10,000 |
| Family Place | 2 | | 5,000 |
| Mosaic on a Stick | 4 | 5,886 | 5,886 |
| Urban Growler Brewery | 4 | | 155,000 |
| Village on Rivoli | 5 | | 175,200 |
| 180 Degrees | 6 | 150,000 | 350,000 |
| Payne Ave. Parking Program | 6 | 24,277 | 36,416 |
| Obb's Expansion | 7 | 49,500 | 40,500 |
| East Side Enterprise Center | 7 | 150,000 | 100,000 |
| Mill City Distilling | 7 | 175,000 | 100,000 |
| Flat Earth Brewing | 7 | 225,000 | 150,000 |
| Totals: | | \$1,298,909 | \$1,271,091 |

(11) Year-Round STAR Program Awards

| | <u>Ward</u> | <u>Loan</u> | <u>Grant</u> |
|-----------------------------|-------------|-----------------|------------------|
| AIFCS Roof Shoring | 1 | \$15,000 | \$ |
| Frogtown Park & Farm | 1 | | 100,000 |
| Griffin Stadium Fence | 1 | | 7,900 |
| ARTS-US at Dunning Center | 1 | | 13,255 |
| Greening the Avenue #2 | 2 | | 20,000 |
| Groveland Warming House | 3,4 | | 16,220 |
| Chelsea Heights Playground | 4 | | 35,000 |
| Hamline & Nebraska Bump-out | 4 | | 12,500 |
| Rice Street Banners | 5 | | 3,000 |
| Portable Security Camera | 5,6,7 | | 35,250 |
| Eastview Security Lighting | 7 | | 2,000 |
| Totals: | | \$15,000 | \$245,125 |

2013 Neighborhood STAR and Year-Round STAR Awards by Category



City of Saint Paul

Mayor Christopher B. Coleman

| | <u>Ward</u> |
|--|-------------|
| City Council President, Kathy Lantry | 7 |
| Councilmember Melvin Carter (Jan. - June) | 1 |
| Councilmember Nathaniel Khaliq (July-Nov.) | 1 |
| Councilmember Dai Thao (Nov. - December) | 1 |
| Councilmember Dave Thune | 2 |
| Councilmember Chris Tolbert | 3 |
| Councilmember Russ Stark | 4 |
| Councilmember Amy Brendmoen | 5 |
| Councilmember Dan Bostrom | 6 |

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/STAR*

Neighborhood Sales Tax Revitalization (STAR) Program

2013 Annual Report



Saint Paul's Sales Tax Revitalization (STAR) Program has completed nineteen (19) years of awarding loans and grants to revitalize Saint Paul neighborhoods.

This report includes:

- * Program History
- * Key Features
- * Neighborhood STAR Board
- * Accomplishments & Outside Investment
- * Loan Component
- * STAR Funding Allocations
- * Economic Development Bonds
- * Debt Service
- * City Capital Project Program
- * 2013 Neighborhood STAR Awards
- * 2013 Year-Round STAR Awards
- * 2013 STAR Awards by Category

2013 Neighborhood STAR Board

Kerry Antrim, Chair
Triesta Brown, Vice Chair

| | |
|----------------------|---------------------|
| Randy Asunma | Robin Hickman |
| Alex Bajwa | Mary McLean |
| Michael DeCourcy | Hokan Miller |
| Marjorie Ebensteiner | Peter Moore |
| Jeremiah Ellis | John Reich |
| Rachel Gillespie | Jon Schumacher |
| Brooke Hanson | Anne Tiller |
| Deborah Heath | Charlie VanderAarde |
| Ray Hess | Elizabeth Wefel |

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 make needed improvements to the Saint Paul River Centre complex and create the **Sales Tax Revitalization** or **STAR** Program. The goal of STAR is to utilize funds for capital improvements to further residential, cultural, economic and commercial development in downtown Saint Paul and Saint Paul neighborhoods.

Under its current structure, the Neighborhood STAR portion of the half-cent sales tax revenue equals 50%, a Cultural STAR effort uses 10% and the remaining 40% is dedicated to the River Centre and, if funds are available, supporting additional economic development activities.

Key Features

The Neighborhood **STAR** Program is administered by the Department of Planning and Economic Development, and awards loans and grants for capital (bricks and mortar) projects within Saint Paul neighborhoods.

Eligible STAR applicants include public, private and non-profit entities located in or doing business within the city of Saint Paul.

All STAR funds must be matched on a minimum dollar for dollar basis with non-city resources.

STAR funds must be spent on physical improvements with an expected life of at least seven (7) years.

In 2013, Neighborhood STAR funds were awarded through one competitive application process. A February orientation was held and forty-eight (48) applications for assistance were received in late March. In May, the Neighborhood STAR Board recommended nineteen (19) proposals for funding to the Mayor and City Council. On July 10, 2013, the

Mayor and City Council approved \$2,570,000 in Neighborhood **STAR** funds leveraging more than ten million dollars in non-city resources.

Neighborhood STAR Board

Community involvement and participation is key to the STAR Program's success. The 21-member STAR Board provides advice and recommendations to elected officials on all aspects of the STAR Program. 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 a unique cross section of knowledge and expertise.

Accomplishments & Outside Investment

Since 1995, Neighborhood STAR has assisted over 800 projects with more than \$100 million in STAR dollars. These funds are estimated to have generated more than \$2.2 billion dollars in private investments throughout the city. In 2013, \$2,570,000 was awarded through the regular Neighborhood **STAR** Program with \$10,433,114 pledged in matching dollars.

Loan Component

Loan funds are available to entities who may or may not qualify for bank financing but whose projects and/or programs would result in desirable improvements to Saint Paul neighborhoods. Fourteen (14) loans were awarded via the 2013 annual Neighborhood **STAR** Program totaling \$1,298,909.

Funding Allocation

In 2013, the Neighborhood **STAR** revenue budget equaled \$9,199,835. From this amount, \$3.5 million was dedicated to debt service; \$2,199,410 for economic development bonds; \$1,525,000 supported the City Capital Program; \$163.836 was allocated to the Central Corridor Streetscape Plan; and \$350,000 supported the Neighborhood STAR Year-Round Program.

Debt Service

In 2003, the Mayor and City Council approved Neighborhood **STAR** dollars for city debt service. Legislation adopted in 2005 and amended in 2009 capped funding for this initiative to \$3.5 million per year. In 2013, the law was once again amended by removing the cap and including expenditures for "any economic development purpose," which may include debt service. The City is required to fully fund the STAR Programs and its RiverCentre obligation prior to allocating money to other economic development activities. To date, \$39.7 million has supported debt service.

STAR Economic Development Bonds

The Minnesota Legislature authorized bonding authority to the City of Saint Paul using up to 20% of revenue from the city's half-cent sales tax. In 2013, Neighborhood **STAR** funds equaling \$2,199,410 were dedicated to bond repayments. From its inception in 2005, a total of \$13,038,320 has assisted this initiative.

City Capital Project Program

Starting In 2006, \$1,525,000 of Neighborhood **STAR** funds are annually committed to lease and/or purchase police, fire and parks vehicles and equipment. The apportionment to date for this program equals \$11,365,000.

Year-Round STAR Program

City Council Members recommend Year-Round STAR funds for individual projects. The STAR Board reviews and ranks each proposal and forwards funding recommendations to the Mayor and City Council for final approval. In 2013, eleven (11) projects were funded through the Year-Round **STAR** Program equaling \$260,125 and leveraging an anticipated \$198,424 in outside investments.