



Neighborhood Sales Tax Revitalization (STAR) Program 2021 Annual Report

The City of Saint Paul’s Neighborhood Sales Tax Revitalization (STAR) Program has completed 27 years of awarding loans and grants to revitalize Saint Paul neighborhoods.

PROGRAM HISTORY

In May 1993, the Minnesota State Legislature authorized the City of Saint Paul to levy an additional half-cent sales tax to make improvements to the Saint Paul RiverCentre complex and create the Neighborhood Sales Tax Revitalization (STAR) Program and a Cultural STAR Program. The goal of STAR is to utilize funds for capital improvements to further residential, cultural, economic and commercial development in Saint Paul.

Under its current structure, the Neighborhood STAR portion of the half-cent sales tax revenue equals 50 percent, a Cultural STAR effort uses 10 percent and the remaining 40 percent supports capital activities of the RiverCentre and economic development needs within the City of Saint Paul.

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 for-profit, public and non-profit entities doing business within the City of Saint Paul.

All STAR grants and STAR loans over \$50,000 are matched on a minimum dollar for dollar basis with non-city resources.

Neighborhood STAR dollars are for physical improvements with an expected life of seven or more years.

In 2021, Neighborhood STAR funds were awarded through one competitive application process. A virtual orientation was posted to the Neighborhood STAR website in late-January and 74 eligible applications were received by the March 24, 2021 deadline. After an extensive review process, the Mayor and City Council approved 24 loan and grant proposals on August 25, 2021, totaling \$1,685,975 and leveraging over \$17 million in non-city resources.

NEIGHBORHOOD STAR ALLOCATIONS

In 2021, the adjusted budget for Neighborhood STAR’s portion of half-cent sales tax collections equaled \$9,877,300. From this total, \$3,500,000 supported ongoing city debt for neighborhood investments; \$2,938,425 was committed to repaying STAR economic development bonds; \$476,348 was dedicated to the Neighborhood STAR Year-Round Program; \$1,525,000 supported the City Capital Program; an additional \$112,727.27 supported the replacement of portable fire department radios, \$15,000 was allocated to Investment Services, and \$1,422,527 was dedicated to the primary subject

Since 1995, Neighborhood STAR has assisted over 1,100 projects and programs with more than \$128 million in grant and loan assistance. These funds are estimated to have generated more than \$1.3 billion dollars of private investments throughout the City of Saint Paul.

of this report, the 2021 Neighborhood STAR Program’s annual competitive application process of investing in Saint Paul’s vitality and businesses, tax base and job growth and the city’s Cultural Destination Areas.

2021 NEIGHBORHOOD STAR PROGRAM AWARDS (24 total awards - sorted in ward order)

| Project | Ward | Loan | Grant |
|--|------|------------------|--------------------|
| Victoria Theater Arts Center Renovation | 1 | \$0 | \$100,000 |
| West Indies Soul Food Project | 1 | \$100,000 | \$100,000 |
| Sterling Club Renovations | 1 | \$32,800 | \$35,000 |
| The Sanneh Foundation HQ Renovations | 1 | \$0 | \$100,000 |
| Little Szechuan on University Avenue | 1 | \$16,333 | \$16,333 |
| Frogtown Crossroads | 1 | \$10,000 | \$40,000 |
| Best Roof for Best Steak | 1 | \$7,500 | \$7,500 |
| Beautiful Laundrette Landscaping & Mural | 2 | \$7,000 | \$7,000 |
| Papa Legba LLC | 2 | \$25,000 | \$25,000 |
| Seasoned Specialty Food Market | 2 | \$0 | \$38,000 |
| HVAC at 678 West 7th Street | 2 | \$26,000 | \$0 |
| Cafe Astoria LLC DBA Stella Belle | 2 | \$0 | \$25,000 |
| White Squirrel | 2 | \$20,000 | \$20,000 |
| Waldmann Kitchen Gardens & Greenspace | 2 | \$28,798 | \$12,342 |
| Childcare Center in Work it Building | 4 | \$0 | \$27,275 |
| OMG Studios | 4 | \$100,000 | \$100,000 |
| Business Building Renovation | 4 | \$0 | \$20,000 |
| Keystone Community Food Site | 4 | \$0 | \$56,334 |
| North End Revitalization Program IV | 5 | \$0 | \$100,000 |
| 1624 Expansion | 6 | \$50,000 | \$50,000 |
| Plaza Del Sol | 6 | \$60,000 | \$20,000 |
| 1229 Payne Ave Rehab | 6 | \$45,880 | \$45,880 |
| Wakan Tipi Center | 7 | \$100,000 | \$100,000 |
| SSANEW Housing | 7 | \$0 | \$11,000 |
| TOTAL | | \$629,111 | \$1,056,664 |



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**SAINT PAUL
MINNESOTA**

2021 YEAR-ROUND STAR PROGRAM AWARDS

The Mayor or City Council Members recommend STAR funds for individual projects throughout the year. The Neighborhood STAR Board reviews and ranks each proposal and forwards their recommendations to the Mayor and City Council for final approval. In 2021, seventeen (17) grants were awarded through the Year-Round STAR Program equaling \$471,396 and leveraging an anticipated \$478,416 in outside investments.

| Project | Ward | Grant |
|-----------------------------|------|------------------|
| Victoria Theater | 1 | \$50,000 |
| Wacouta Tot Lot | 2 | \$25,000 |
| Five Star Cafe | 2 | \$10,000 |
| Joey Meatballs | 2 | \$15,000 |
| Highland Sidewalk | 3 | \$19,463 |
| AEDS Snelling Project | 4 | \$65,000 |
| Black Garnet Books | 4 | \$100,000 |
| Urban Roots Water | 5 | \$24,933 |
| TST Catering | 5 | \$45,000 |
| China Friendship Garden | 6 | \$15,000 |
| Sir Boxing Gym | 6 | \$15,000 |
| Far East Restaurant | 6 | \$15,000 |
| NE Neighborhood Gardens | 6 | \$10,000 |
| Mounds Theatre | 7 | \$12,000 |
| G.W. Carver Cultural Center | 7 | \$15,000 |
| 75 Market Deli | 7 | \$15,000 |
| St. Paul Saloon | 7 | \$20,000 |
| TOTAL | | \$471,396 |

LOAN COMPONENT

Loan funds are available to non-profit and for-profit entities whose projects and/or programs would result in desirable improvements within Saint Paul neighborhoods. Fifteen (15) loans were awarded via the 2021 annual Neighborhood STAR Program equaling \$629,311.

DEBT SERVICE

In 2003, the Mayor and City Council approved the use of Neighborhood STAR dollars for city debt service. Legislation adopted in 2005 and amended in 2009 capped funding for general city debt service at \$3.5 million per year. In 2013, the law was once again amended to remove the cap and allow

expenditures for “any economic development purpose,” which may include debt service. In 2021, \$3,500,000 of Neighborhood STAR dollars were budgeted for general debt service totaling more than \$68.4 million to date supporting this initiative.

STAR ECONOMIC DEVELOPMENT BONDS

In 2005, the Minnesota Legislature provided the City of Saint Paul bonding authority for economic development investments supported by up to 20 percent of the revenue from the city’s half-cent sales tax. In 2007, the City of Saint Paul issued \$25 million in economic development bonds to capitalize the Invest Saint Paul Program. In 2021, \$2,938,425 was budgeted to this initiative. To date, \$30,740,159 of Neighborhood STAR funds have been dedicated to economic development bond repayments.

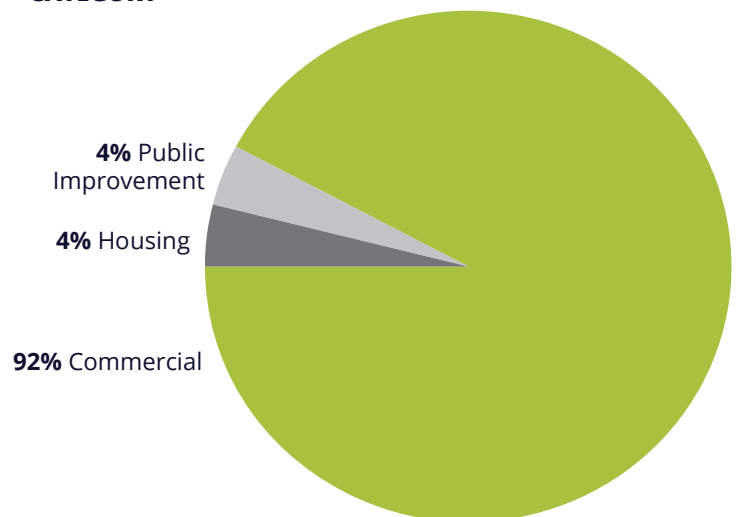
INVESTMENT SERVICES

Beginning in 2016, an annual allocation of \$15,000 of the Neighborhood STAR Program budget was dedicated to city investments services. To date, \$90,000 has supported this activity.

CITY CAPITAL PROJECT PROGRAM

An annual allocation of \$1,525,000 in Neighborhood STAR dollars began in 2006 for the lease or purchase of police, fire and parks vehicles and/or city equipment. In 2015, an additional \$1.1 million was dedicated to this initiative. The 2021 allocation of \$1,525,000 plus \$112,727 for portable fire radios brings the accumulative total of Neighborhood STAR funds for city capital projects to \$25,036,413.

2021 NEIGHBORHOOD & YEAR-ROUND STAR AWARDS BY CATEGORY



NEIGHBORHOOD STAR BOARD

Community involvement and participation is essential to the Neighborhood STAR Program’s success. The twenty-one (21) member resident board provides advice and recommendations to elected officials on the Neighborhood STAR and Year-Round STAR Programs. Volunteer members are selected by the Mayor and approved by City Council to serve a four-year term. In addition to being geographically represented, the Neighborhood STAR Board provides a unique cross-section of knowledge and expertise.

2021 Members: Charlie VanderAarde (chair), Angela Burns Finney (vice chair), Terri Banaszewski, RaeAnna Buchholz, Roxanne Draugh, Marjorie Ebensteiner, Jeremiah Ellis, Derek Anders-Turner, Owen Hansen, Erin Heelan, Chris Leifeld, Angelique McDonald, Fatima Moore, Patrick Ruble, Jon Schumacher, Jim Stahlmann, Tong Thao, Juliana Wilkins