

2005 Neighborhood STAR Awards:

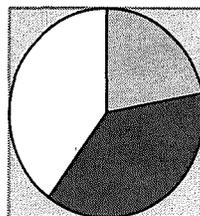
Small Grant Awards	Ward	Grant
E. 7 th Commercial Façade Program	7	25,000
Eagle's Nest Windows	2	25,000
Capitol City Townhomes	2	25,000
Dale Street Enhancements	1	25,000
Lead Window Replacement Program	4 & 5	14,250
Brush with Kindness Program	5 & 6	25,000
Total		\$139,250

Neighborhood Awards	Ward	Loan	Grant
Ames School Playground	6		36,740
Longfellow School Playground	4		17,000
Suburban Ave. Redesign Project	7		60,450
Lead Abatement Program	1,4,5	100,000	
Rice Street Improvement Program	5	75,000	75,000
SteppingStone Theatre on Victoria	1		100,000
Dist. Del Sol Building Program	2	50,000	50,000
Restore St. Paul Program	1,5,6,7	125,000	75,000
University/Snelling Façade Program	4	75,000	75,000
Eagle's Nest Emergency Repairs	2		32,500
Target Business Investment Prog.	6	100,000	100,000
Globe Building Redevelopment	6		163,260
District 4 Façade Program	7	75,000	75,000
Total		\$600,000	\$859,950

Neighborhood Investment Program	Ward	Grant
Health Center Prescription Station	2	5,000
West 7 th Community Center	2	20,000
Edgcumbe Hose Reel	3	2,309
Native American Panel	3	3,800
Drinking Fountain & Overlook Park	3	11,950
Stepping Stone Theatre on Victoria	3	25,000
Mac-Groveland Home Improvement Prog.	3 & 4	20,000
Dickerman Park	4	30,000
Sholom Home East Windows & Doors	4	16,000
Merriam Park Lights/Cell Tower	4	7,000
Roasting Stones	4	6,000
Forecast Artwork on University	4	8,000
Longfellow School Playground	4	24,000
Chelsea Heights Sign	4	2,000
Bruce Vento Playground	5	10,000
Mississippi Elementary Playground	5	18,046
Ace Auto Building	5	30,000
Mounds Theatre Chairs	7	1,000
Total		\$240,105

Commercial Corridor Revitalization Program	Ward	Grant
Rice Street Streetscapes	Ward 5	\$200,000

2005 STAR Funding by Category*



22% Housing
 38% Public Improvements
 40% Commercial

* Housing 5,000 not represented in chart

City of Saint Paul

Mayor Randy Kelly

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

Department of Planning and Economic Development (PED)

Susan Kimberly, 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



2005 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
- * Neighborhood Investment Program
- * Housing 5,000
- * Bonding
- * Debt Service
- * Loan Program Features
- * Neighborhood STAR Awards
- * 2005 STAR Funding by Category

Neighborhood STAR Board

Stephen Gordon, Chair
 Peter Eigenfield, Vice Chair

Christine Anderson	Eric Hyland
Kerry Antrim	Russ Miller
Randy Asunma	Maurice Nins
Kate Barr	Carneice Poe
Dee Dodge	Mary Ellen Radmann
Mary Donnelly	Peter Rauch
Marjorie Ebensteiner	Karen Skwira
Ray Hess	Ellen Watters
Robin Hickman	

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 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, 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 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 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 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.

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 and 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 21-Member Neighborhood STAR Board provides elected officials with advice and recommendations on all aspects of the STAR program. All members are recommended by the Mayor and approved by City Council to serve four-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, more than 400 projects and programs have been funded with over \$84 million in STAR dollars. Of these, 19 projects were awarded in 2005 totaling more than \$1.5 million in STAR funding. These funds will generate an additional \$11.6 million in outside investment.

Neighborhood Investment Program

This program provides STAR funds to each City Council ward. All rules and regulations governing the Neighborhood STAR Program apply. Applications are accepted throughout the year by a City Council Member, reviewed by the STAR Board and forwarded to the Mayor and City Council for final approval.

Housing 5,000

In FY2002, Mayor Kelly and the City Council came together to adopt a four-year plan to create 5,000 new units of housing in the City of Saint Paul. Recognizing the significance of this undertaking, the Mayor and Council set aside \$20 million of Neighborhood Sales Tax proceeds for this initiative. In FY2005, \$4 million was utilized by this program. When finished, Housing 5,000 will unite STAR funds with an estimated \$806 million in investments from public, private and non-profit partners.

Bonding

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.

Debt Service

In FY2003, Mayor Kelly and City Council approved Neighborhood STAR funds for city debt service. The amount budgeted for this initiative in FY2005 equaled \$4,961,987. Legislation in 2005 capped funding for this initiative to \$3.5 million per year starting in FY2006 with a four-year phase out period.

Loan Program Features

The loan component 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, 2005, over \$10.7 million has been repaid.