

2008 STAR Awards:

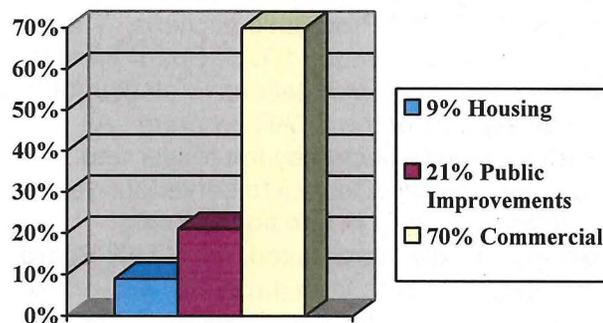
<i>Small STAR Program Awards</i>	<u>Ward</u>	<u>Grant</u>
A. P. William Bldg. Restoration	1	\$ 25,000
Wellstone Center Lighting	2	5,000
State Corner Exterior Project	2	25,000
Dist del Sol Streetscape	2	25,000
Marydale Bench Project	5	6,600
Mounds Park & Vento Trail Benches	7	15,000
Total:		\$101,600

<i>Neighborhood Awards</i>	<u>Ward</u>	<u>Loan</u>	<u>Grant</u>
Rondo Playground	1	\$	\$ 75,000
Pride in Housing Program	1&4		150,000
Associated Dentists	2	250,000	
Cinema Saint Paul	2	36,000	53,000
Robert & Cesar Chavez	2		300,000
Naomi Center Elevator	2		200,000
Eagle's Nest Roof Repairs	2		25,000
Midway Stadium Upgrade	4		305,054
Smyth Companies Press	4	250,000	250,000
MSS Wheelchair Entry	6		48,000
Totals:		\$1,089,054	\$853,000

<i>Neighborhood Investment Prog.</i>	<u>Ward</u>	<u>Grant</u>
Expo Elementary Play Area	3	\$ 30,000
Randolph Heights Playground	3	9,950
Edgumbe Playground Upgrades	3	5,500
North Recreation Centers Upgrades	5	55,000
St. Pascal's Playground	7	33,000
Total:		\$133,450

<i>Neighborhood Development Prog.</i>	<u>Ward</u>	<u>Grant</u>
Hallie Q. Brown Improvements	1	\$ 50,000
Family Place Windows	2	6,400
Nativity School	3	150,000
North End Commercial Program	5	70,000
New Horizon Playground	5	30,000
Total:		\$306,400

2008 Small and Large STAR Awards by Category



City of Saint Paul

Mayor Christopher B. Coleman

City Council President, Kathy Lantry
 Councilmember Dan Bostrom
 Councilmember Melvin Carter
 Councilmember Patrick Harris
 Councilmember Lee Helgen
 Councilmember Russ Stark
 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/STAR*

Neighborhood Sales Tax Revitalization Program

2008 Annual Report



Saint Paul's Sales Tax Revitalization (STAR) Program has completed thirteen 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
- * Funding Allocation
- * Economic Development Bonds
- * Debt Service
- * Neighborhood Investment Program
- * Neighborhood Development Program
- * City Capital Project Program
- * 2008 Neighborhood STAR Awards
- * 2008 STAR Awards by Category

2008 Neighborhood STAR Board

Stephen Gordon, Chair
 Mary Donnelly, Vice Chair

Kerry Antrim	Ray Hess
Randy Asunma	Robin Hickman
Triesta Brown	Eric Hyland
Serena Butts Ward	Angie Kline
Beth Commers	Boa Lee
Dee Dodge	Hokan Miller
Marjorie Ebensteiner	Russ Miller
Julie GebbenGreen	Karen Skwira
Rachel Gillespie	Dan Smith
Molly Grove	Avinash Viswanathan

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 make needed improvements 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 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%, the River Centre receives 40%, and a Cultural STAR effort utilizes 10% of the proceeds.

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.

Funds are awarded annually through two competitive application processes. The first cycle, awards grants and loans of \$5,000 to \$25,000. The second, a more comprehensive process, begins in late spring providing funding for loans, grants and loan/grant combinations in excess of \$25,000.

Eligible 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 1:1 basis with non-city resources.

Funds must be spent on physical improvements 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 480 projects have been funded with over \$94 million in STAR. These funds are estimated to generate more than \$1.36 billion dollars in private investments. In 2008, the estimated \$2 million awarded through the Small and Neighborhood STAR Programs will create an additional \$3.6 million in private investments.

Funding Allocation

In 2008, Neighborhood STAR revenues equaled \$11,986,100. Of this amount, the Small and Neighborhood STAR Programs utilized \$2,043,654; \$3.5 million was dedicated to debt service; economic development bonds utilized \$1,696,580; \$1,525,000 supported the City Capital Project Program; \$1,100,000 was dedicated to the Neighborhood Development Program; \$1 million was placed in reserve and \$300,000 was the second of a three year allocation to the West 7th Health Clinic project.

Loan Component

Loans are provided to projects and programs that may not otherwise qualify for bank financing, but would result in desirable improvements. As of December 31, 2008, over \$13.1 million has been repaid.

STAR Economic Development Bonds

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 2008, \$1,696,000 of Neighborhood STAR funds were utilized to issue bonds 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.

City Capital Project Program

Initiated in 2006, this program provides funds for the lease and/or purchase of vehicles for the police, fire and parks departments. The annual allocation of STAR funds for this multi-year program equals \$1,525,000.

Neighborhood Investment 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. Neighborhood STAR Program rules and regulations apply to this program. The 2008 awards equaling \$133,450 is anticipated to leverage \$97,000 in outside investments.

Neighborhood Development Program

Established in 2008, this program accepts proposals recommended by a City Council Member. The STAR Board reviews each proposal and forwards their recommendation to the Mayor and City Council for final approval. All rules and regulations governing the regular Neighborhood STAR Program apply. The 2008 awards equaling \$306,400 are anticipated to leverage \$308,506 in private investments.