



STPAUL.GOV

CITY OF SAINT PAUL

2023 Neighborhood STAR Awardee Workshop

Congratulations!

City of St. Paul Staff:

**Erin Lewis, Neighborhood STAR Program
Coordinator**

**Nya Hardaman, Management Assistant,
Neighborhood STAR**

**Nancy Vang, Management Assistant,
Neighborhood STAR**





Agenda

- Tips and reminders
- Working with a Project Manager
- Getting Under Contract
- Insurance requirements
- Compliance requirements (Affirmative Action, Prevailing Wage, Vendor Outreach, Program, Business Subsidy, Living Wage Ordinance, Sustainability Building Ordinance)
- Closing fee
- Payments, retainage, and timing
- We want to hear from you!

Please ask questions at any time during this presentation!



Important points to keep in mind:

Think about timing: Awardees for the 2023 Round have until the end of 2024 to get under contract. At least one draw must be made by the end of 2025. Most contracts are for two years.

Compliance: Your project may be subject to compliance requirements depending on the total amount of your award, total project amount, and/or type of project. We will cover these areas in more detail today. Keep these requirements in mind before beginning work on your project.

Keep good records: The Neighborhood STAR program is primarily a reimbursement program. That means we will need to see records of payment (or invoices, in instances in disbursement, covered later in this presentation) before we can get STAR funds to you. Be sure to keep track of all invoices and receipts, including those you will be using for match, if applicable.

Plan ahead: The PED team is managing hundreds of projects at any given time. Processes for reimbursement can be slow – in some cases, 4+ weeks. Please plan ahead and have your receipts and other documentation ready to go if you are on a tight deadline.

Working with a PED Project Manager

- Each awarded project will be assigned a Project Manager from the Planning and Economic Development Team.
- Your Project Manager will be your main point of contact for getting under contract, maintaining contract compliance, disbursing funds, and providing support and assistance as needed throughout the life of your project.
- Your Project Manager will be in touch with you in the next few weeks to introduce themselves and help you get started on all the steps needed to get your project under contract.



Getting under contract

- This is the first step in formalizing your agreement with the City of Saint Paul.
- Your contract will include the dates of your agreement with City, the scope of your project, insurance and compliance requirements, and all the terms and conditions required as a part of the STAR program.
- You have until the end of 2024 to get under contract with the City of Saint Paul. Your business or organization must be in good standing with the MN Secretary of State.
- Your Project Manager will help you with the contracting process.
- A sample contract, statement of work, insurance requirements, W9, and other resource documents can all be found at our website at stpaul.gov/nstar-recipients.





Insurance

Certificate of Insurance with at least \$1.5 million coverage for each occurrence needed before the contract can be approved.

If you do not have commercial vehicles, you may need to submit copies of your individual insurance policy.

Businesses with fewer than 10 employees may be exempted from worker's comp insurance

Your Project Manager will work with you on insurance requirements and/or any applicable waivers.

If you have questions about the City's insurance requirements, contact Mark Lorentzen at Mark.Lorentzen@ci.stpaul.mn.us or 651-266-6528.

Compliance

Entities that do business with the City of Saint Paul must meet compliance requirements that are set by the city to ensure that local, state, federal, and funder requirements are met. This is sometimes simply referred to as "compliance."

Whether compliance applies to your project depends upon the sources of funding you have, total project cost, and/or project type.

We will review the most common compliance requirements today, and your assigned Project Manager will contact you to schedule a pre-construction meeting with our Compliance Team before you begin your project.





Affirmative Action/Equal Employment Opportunity

Vendors and Developers that have a contract with the city for over \$50,000 are required to have an Affirmative Action Plan (AAP) certified.

Project Managers must ensure vendor AAP certification before routing contracts for signature. Check [AAP Open Data Portal](#) or contact Yia Thao.

\$75 (check only) fee applies to certify AAP – AAP certified for 2 years.

Affirmative Action Plan and workforce participation goals apply to construction projects.

There are no AA exemptions for nonprofits, vendors without employees, LLCs, etc.



For questions regarding Affirmative Action/Equal Employment Opportunities, please contact:

Yia Thao

651-266-8928

Yia.thao@ci.stpaul.mn.us

Prevailing Wage



SAINT PAUL
MINNESOTA

STPAUL.GOV

Prevailing Wage

Prevailing Wage will apply to your project if:

- 1) It involves any kind of construction work;
- 2) You are receiving any amount of public money, and;
- 3) The total cost of your project meets or exceeds \$25,000 (if your project has federal money in it the project cost threshold is \$2,000).

WHAT IS PREVAILING WAGE?

Prevailing wage is like a minimum wage for construction workers. Your contract with the city will contain a list of hourly rates of pay for various types of construction workers. If prevailing wage is triggered on your project, your contractors will need to ensure they're paying their workers at the minimal rates provided in the contract.



What do you have to do?

- 1) When you're looking for contractors make sure to tell them as soon as you can that your project is a prevailing wage project; most contractors are familiar with prevailing wage. Some contractors do not like working on prevailing wage projects because it can involve more work on their end.
- 2) Make sure to include the prevailing wage paperwork the city provides to you in your contracts with your contractors.
- 3) During the project, your contractors will be required to submit their workers' payroll to the city.
- 4) If they don't pay the required rates to their workers, or fail to submit their payroll to the city, it can delay payment from the city to you.
- 5) All of this will be discussed in more detail later on. If you have any immediate questions please email us at: ContractCompliance@ci.stpaul.mn.us





**For questions regarding Prevailing Wage,
please contact:**

Ethan Hansing

651-266-8921

ethan.hansing@ci.stpaul.mn.us

Vendor Outreach Program

Department of Human Rights and Equal Economic Opportunity
Contract Compliance Division



SAINT PAUL
MINNESOTA

STPAUL.GOV



Vendor Outreach Program (VOP)

- Applies to projects with a total project cost over \$50,000
- Business inclusion goals – 25% overall, with subgoals:
 - 5% to minority-owned business enterprises (MBE)
 - 10% to woman-owned business enterprises (WBE)
 - 10% to other small business enterprises (SBE)
- Businesses must be CERT certified to count toward VOP goals
- Reporting requirements will be discussed further at a pre-bid or pre-construction meeting

VOP responsibilities



Access the CERT directory

<https://cert.smwbe.com/>



Reach out to CERT certified businesses for each scope of work, supply, service



Keep records of vendors solicited for bids and responses received



Include VOP specs with subcontracts



Payment reporting

<https://stpaul.diversitycompliance.com/>



Can use the CERT list/directory to find small local vendors, even if VOP is not a requirement on your project



Encourage small local businesses to become CERT certified

Certification is free and lasts for 3 years

Contact the CERT program directly

Vender Outreach Program

Contact:

Sara Nurmela, Sr. Compliance Coordinator & VOP
sara.nurmela@ci.stpaul.mn.us

Bret Bicoy, Compliance Coordinator
bret.bicoy@ci.stpaul.mn.us

contractcompliance@ci.stpaul.mn.us

CERT

<https://cert.smwbe.com/>
cert@ci.stpaul.mn.us



SAINT PAUL
MINNESOTA

651-266-8966 – Choose the option for “CERT”

STPAUL.GOV

Minnesota Business Subsidy Law



SAINT PAUL
MINNESOTA

STPAUL.GOV



Minnesota Business Subsidy Law

- Minnesota Statute Sections 116J.993-.995 and
- City Council Resolution #99-742
- Require that a business receiving state or local government assistance must have a defined public purpose and recipients must set goals for job creation, wages and benefits to be achieved within 2 years of receiving assistance



Minnesota Business Subsidy Law

- **Applies to recipients* receiving a business subsidy of \$25,000 or more of grant funds, unless the project or recipient falls within an exemption;**
- **If the award is \$150,000 or more, the following will apply:**
 - **Requires a notice and public hearing on the subsidy;**
 - **Specific wage and job goals to be attained within 2 years and a 5-year commitment to continue operations at its business location in Saint Paul;**
- **Annual reporting is required by March 1st of each year for the prior calendar year;**

* All for-profit entities qualify as a business subsidy recipient; however, only non-profit entities with at least 100 Full-Time Equivalent (FTE) employees and with a ratio of highest to lowest paid employee that exceeds ten to one qualify as a business subsidy recipient.



**For questions regarding Business Subsidy Law,
please contact:**

Jenny Wolfe

651-266-6680

jenny.wolfe@ci.stpaul.mn.us

2023 Neighborhood STAR Workshop

Saint Paul Living Wage Ordinance



SAINT PAUL
MINNESOTA

STPAUL.GOV



Saint Paul Living Wage Ordinance

- Chapter 98 of Saint Paul Administrative Code;
- Applies to recipients receiving \$100,000 or more in a City Business Subsidy unless the recipient qualifies for an exemption*;
- Recipients and Qualifying Tenant(s) must pay a living wage to each employee (and in the case of a Tenant to an independent contractor as well) who is employed in the location for which the subsidy was provided for the longer of, 3 years or the term of the STAR Grant Agreement.

*The following entities are exempt from paying a living wage: for-profit or non-profit entity that qualifies as a small business under MN Statutes 645.445, which includes, in part, businesses that are not an affiliate, and with 20 or fewer full-time employees or with annual gross revenues less than \$1 million.



Saint Paul Living Wage Ordinance

- **A Living Wage is:**
 - **130% of the federal poverty level for a family of four OR**
 - **\$18.75 per hour for 2023**
 - **110% of the federal poverty level for a family of four if health benefits are provided**
 - **\$15.87 per hour for 2023**
- **Wage rates change annually (in January of each year);**
- **An annual certification demonstrating compliance will be required by all recipients for the duration of its obligation to pay living wages.**



**For questions regarding the Living Wage Ordinance,
please contact:**

Jenny Wolfe

651-266-6680

jenny.wolfe@ci.stpaul.mn.us

Sustainability Building Ordinance



SAINT PAUL
MINNESOTA

STPAUL.GOV



Sustainable Building Ordinance

- Applies to projects receiving more than \$200,000 in public assistance
- Applies to new construction & Rehab
- Projects must be certified through an eligible green building standard
- Projects must comply with the Saint Paul Overlay
- Contact Kurt Schultz about any project that may receive more than \$200,000 from all sources of public money





For questions regarding the Sustainability Building Ordinance, please contact:

Kurt Schultz

651-266-6590

kurt.schultz@ci.stpaul.mn.us

Closing Fee

A closing fee equal to 1% of your total award must be received before payments can be released to you.

For example, the closing fee for a grant of \$50,000 would be \$500.

A closing fee invoice with payment instructions will be emailed to you. Unfortunately, we are not able to accept online payments.



Payments, retainage, and timing

- **STAR is a reimbursement/disbursement program. You must provide proof of work performed (invoices, payments, etc.) when requesting STAR funds.**
- **5% of all construction related costs are retained until proof of project completion is received (AIA certificate, lien waivers, etc.)**
- **Payment request forms must be signed by applicant – electronic signatures are encouraged!**
- **Please allow 2-4 weeks to receive payment**
- **Payments are sent via mail**

REMEMBER TO SAVE YOUR RECEIPTS!
Documentation will be required for all payment requests.

We want to hear from you!

Please share pictures, stories, and updates throughout your project. We love opportunities to highlight the impact of the STAR program through videos, press releases, our website, reports, and other communications throughout the year.

You can share updates with your Project Manager, or with the Erin Lewis, Program Coordinator.



Neighborhood STAR Staff

Neighborhood STAR Program Coordinator

Erin Lewis

651-266-6634

erin.lewis@ci.stpaul.mn.us

Program Management Assistants

Nya Hardaman and Nancy Vang

651-266-6474

nya.hardaman@ci.stpaul.mn.us

Nancy.vang@ci.stpaul.mn.us

ped-neighborhoodstar@ci.stpaul.mn.us



HREEO Contract Compliance Contacts

contractcompliance@ci.stpaul.mn.us

Shared compliance inbox to reach all compliance contacts

AA/EEO & Workforce Inclusion

Yia Thao

affirmativeaction@ci.stpaul.mn.us

651-266-8928

City Labor Standards

Ethan Hansing

ethan.hansing@ci.stpaul.mn.us

651-266-8921

Vendor Outreach Program (VOP)

Sara Nurmela

sara.nurmela@ci.stpaul.mn.us



Business Subsidy Law, Living Wage Ordinance, and Sustainability Building Ordinance Contacts

Business Subsidy and Living Wage Ordinance Contact:

Jenny Wolfe

jenny.wolfe@ci.stpaul.mn.us

651-266-6680

Sustainability Building Ordinance Contact:

Kurt Schultz

Kurt.Schultz@ci.stpaul.mn.us

651-266-6590

Thank you!
**We look forward to working with
you on your STAR projects**



SAINT PAUL
MINNESOTA

STPAUL.GOV