

**CITY OF SAINT PAUL  
SALES TAX REVITALIZATION (STAR) PROGRAM**

**NEIGHBORHOOD STAR GRANT AND LOAN AGREEMENT**

**Project Title:** Project Title

**Tracking #** Enter Tracking #

**Name of Borrower:** Grantee Name

**CIF #** CIF #

**Effective Dates:** Dates – standard 8 year term

**Account Code:** Account Code

**THIS NEIGHBORHOOD STAR GRANT AND LOAN AGREEMENT** (“Agreement”) is made and entered into as of the Effective Dates by and between the **CITY OF SAINT PAUL**, a Minnesota municipal corporation and home rule charter city (“Lender”), and Borrower, entity type (“Borrower”).

**RECITALS:**

**WHEREAS**, the Lender established the Saint Paul Neighborhood Capital Investment Program in 1993, now known as the Neighborhood Sales Tax Revitalization Program (“Neighborhood STAR Program”); and

**WHEREAS**, the Neighborhood STAR Program is funded with one-half (1/2) of one percent (1%) sales tax on sales transactions taxable pursuant to Minnesota Statutes, Chapter 297A, that occur within the Lender’s jurisdiction, which authority was granted to Lender by the Minnesota State Legislature, Laws of Minnesota 1993, Chapter 375, Article 9, Section 46, as amended (“STAR Law”), and enacted by Lender in Council Resolution Council File Nos. 93-1045 and 93-783; and

**WHEREAS**, the purpose of the Neighborhood STAR Program is to provide loans and/or grants for physical (capital) improvement projects which strengthen and improve the vitality of the City’s neighborhoods; and

**WHEREAS**, the Saint Paul City Council, by Resolution # \_\_\_\_\_ on \_\_\_\_\_, 2022 (“Awarding Resolution”), authorized a Grant up to the amount of \$ Amount (“Grant”) and a Loan up to the amount of \$ Amount (“Loan”) (collectively the Grant and Loan are the “STAR Funds”) to the Borrower in the \_\_\_cycle of the Neighborhood STAR Program, subject to the terms and conditions of this Agreement; and

**WHEREAS**, Lender and Borrower desire to enter into this Agreement for the purpose of setting forth their respective responsibilities in carrying out to a successful conclusion the use of the STAR Funds under the Neighborhood STAR Program in accordance with all federal, state, and local laws.

**NOW, THEREFORE**, in consideration of the foregoing recitals (which are hereby incorporated into this Agreement), and the mutual promises and obligations of the parties set forth herein, the parties agree as follows:

**I. TERM OF AGREEMENT.** This Agreement is effective as of the Effective Dates set forth above unless earlier terminated by Lender or Borrower as provided herein.

**II. ELIGIBILITY.** Borrower agrees and covenants that it is eligible for the Neighborhood STAR Program under the Neighborhood STAR Program Guidelines (“Guidelines”) established by Lender and Borrower specifically agrees and covenants that any misrepresentation by Borrower as part of its application, or any non-compliance with the Guidelines or this Agreement, constitutes an Event of Default as that term is defined within and pursuant to this Agreement.

**III. STATEMENT OF WORK.** The Borrower will perform all activities in the “Statement of Work” attached as Attachment A, which shall consist of a description of the work to be performed, location of activities (location is herein defined as the “Property”), progress and completion timeline, and a budget outlining all funding sources (collectively referred to herein as the “Project”).

**IV. STAR FUNDS.** The Lender hereby grants to Borrower the Grant and loans to Borrower the Loan subject to the terms and conditions of this Agreement. The STAR Funds shall be used by Borrower only as authorized by the STAR Law, Guidelines, and in accordance with the Statement of Work. To the extent there is a conflict between this Agreement and the STAR Law, then the STAR Law will control. In addition, the STAR Funds shall be subject to all of the following:

**A. Match Requirement.** Borrower shall provide non-Lender funds for the Project as follows:

1. If the Loan funds are in an amount under \$50,000.00, no matching funds are required by Borrower.
2. If the Loan funds are in an amount of \$50,000.00 or more, Borrower must match all Loan funds on a one-to-one basis for any portion of the Loan over \$50,000.00.
3. Borrower must match all Grant funds on a one-to-one basis.

**B. Job Goals.** If required, Borrower must meet the job goals set forth in the Statement of Work.

**C. Withdrawal.** If the Borrower does not meet the requirements of the progress and completion timeline set forth in Attachment A, Borrower agrees that the Borrower’s application was premature to be awarded the STAR Funds, and Borrower must immediately return to the Lender any and all disbursed STAR Funds and all undisbursed STAR Funds are thereafter withdrawn from Borrower. The returned and withdrawn STAR Funds will then be retained by Lender for use in other projects.

**D. Failure to Comply.** Borrower's failure to comply with the Statement of Work in any way, including but not limited to not meeting the progress and completion requirements and not complying with the budget is an Event of Default as that term is defined within and pursuant to this Agreement.

**E. Reduced STAR Funds.** Borrower may receive less than the awarded STAR Funds if the Borrower does not spend disbursements in accordance with the budget for the Project set forth in the Statement of Work attached as Attachment A, or if the Borrower does not document any required one-to-one match from other sources for the Project. Borrower's receipt of the STAR Funds is also limited to those funds for which Borrower can demonstrate compliance with this Agreement.

**V. DISBURSEMENT OF STAR FUNDS.** Subject to the conditions in this Section, Lender will disburse STAR Funds to Borrower from time to time within the Effective Dates as requested by Borrower, which shall not exceed one (1) disbursement per month. STAR Funds may be disbursed for up to two (2) calendar years after the year in which the Awarding Resolution was adopted. All STAR Funds must be requested by the Borrower within two months following the expenditure.

**A. Requirements for Initial Disbursement.** No funds shall be disbursed pursuant to this Agreement until all of the following have occurred:

1. The Borrower has executed this Agreement in a form and substance as approved by the Lender, including but not limited to a completed Statement of Work, and has executed the Security Documents in form and substance as approved by Lender.
2. The Borrower has provided proof of insurance required by this Agreement.
3. The Borrower has provided an executed Acknowledgment of Receipt of Compliance Documents.
4. The Borrower has provided an Internal Revenue Service Form W-9.
5. The Borrower has provided a Conflict of Interest Statement for Organizations.
6. The Borrower has provided a Public Purpose Summary.
7. The Borrower has paid to the Lender an origination fee equal to 1% of the amount of the STAR Funds awarded.
8. The Borrower has provided to Lender documentation that it has control of the Property in the form of a long-term lease of seven (7) years or more or ownership of the Property. If Borrower is performing leasehold improvements,

Borrower must provide to Lender written permission from the Property owner to complete the Project.

9. The Borrower has provided evidence satisfactory to the Lender that the Project is permitted by and complies with all applicable restrictions and requirements in prior conveyances, zoning ordinances, subdivision and platting requirements and other laws and regulations.

10. The Borrower has received project design approval by the Lender and has provided to Lender copies of all necessary permits prior to Project implementation.

11. Borrower has no outstanding health, safety, and/or ADA or building code violations.

12. All other conditions specified in the authorizing City Council resolution have been duly satisfied by the Borrower or waived in writing by the Lender.

**B. Requirements for All Disbursements.** In addition to Borrower meeting all applicable requirements for initial disbursement above, Borrower shall meet all of the following requirements before each disbursement unless already received and approved or waived by Lender:

1. There has been no Event of Default that has occurred and no Event of Default, which with the giving of notice or the lapse of time or both, shall have occurred and be continuing and all representations and warranties made by the Borrower in this Agreement shall continue to be true and correct as of the date of such disbursement.

2. Itemized statements of Borrower and any contractor have been submitted to Lender documenting all expenses funded by the STAR Funds in such detail as required by the Lender (i.e., invoices, receipts, payroll statements, copies of checks paid to vendor/payee, bank account statements, etc.). Such statements must include evidence of expenditure of matching funds equal to or greater than the requested Loan funds. Statements submitted must provide names, addresses, and amounts due or to become due as well as the amounts previously paid to every contractor, subcontractor, person, firm, or corporation furnishing materials or performing labor in connection with the Project.

3. Borrower shall have provided to the Lender such evidence of compliance with all of the provisions of this Agreement as Lender may reasonably request.

4. Borrower has demonstrated compliance with all federal, state, and local requirements, where applicable, through electronic contract compliance tracking consistent with this Agreement.

**C. Final Disbursement.** A request by Borrower for final disbursement shall not be

submitted to Lender until completion of the Project to Lender's satisfaction. In addition to meeting all applicable requirements for initial disbursement and all disbursements above, Borrower must provide Lender with evidence of Project completion prior to Lender making the final disbursement. Such evidence shall include but not be limited to the following:

1. Evidence that all activities set forth in the Statement of Work have been completed.
2. Demonstration of compliance with (i) applicable code, permit, and license requirements; and (ii) all federal, state, and local requirements, where applicable, through electronic contract compliance tracking consistent with this Agreement.
3. Written lien waivers from each contractor.
4. A final sworn construction statement or an AIA certificate of completion signed by the Borrower certifying that the Project has been completed in accordance with the approved plans and specifications.
5. Evidence that the Project has been properly inspected by any and all governmental authorities having jurisdiction over the Project and has received a Certificate of Occupancy, if applicable.

**D. Requests for Disbursement.** Any request for disbursement of STAR Funds by Borrower is subject to the terms specified in this Agreement being performed to Lender's satisfaction. Lender shall only disburse the amount of the requested disbursement (less 5% retainage with respect to construction costs) to Borrower until the final disbursement. STAR Funds shall be disbursed equally from the Grant and the Loan (i.e., for a \$1,000 disbursement, \$500 from the Grant and \$500 from the Loan) until either all STAR Funds have been disbursed or until one source of funds (the Grant or the Loan) is exhausted before the other, at which point the disbursements shall be paid by the remaining source until the final disbursement. Borrower must submit to Lender a completed and signed STAR Disbursement Request Form attached as Attachment M along with evidence satisfactory to Lender that the Project is being constructed in accordance with the Statement of Work and approved plans.

**VI. FEDERAL, STATE, AND LOCAL LAWS AND COMPLIANCE.** At all times, Borrower has the sole and non-delegable responsibility to obey all federal, state, and local laws, rules, and regulations in connection with the Project and shall comply with, and ensure that all contractors and subcontractors comply with all federal, state, and local laws, rules, and regulations, including but not limited to the areas listed in this Section VI (**items that do not apply are indicated by "N/A"**).

**A. Compliance Conference.** Borrower must attend a compliance conference conducted by authorized Lender staff. These conferences are held for the benefit and information of all participating STAR recipients and attendance is required. Each area of compliance is reviewed by the appropriate staff member and forms are distributed for

documentation and reporting. Lender staff will explain the documentation at this time and will provide on-going technical assistance in an effort to keep the report requirements up to date. Following the initial conference, Lender staff will schedule meetings at such intervals as deemed necessary by Lender staff with Borrower and its contractors and subcontractors to review the compliance reports, discuss any obstacles to reach the required goals and contract requirements, and propose courses of action to follow to assure full compliance. Notwithstanding anything in this Agreement or this paragraph to the contrary, the Lender does not warrant or guarantee the accuracy or correctness of the technical or professional assistance given to Borrower and that Borrower relies upon such assistance at its own peril or risk. Borrower understands and agrees that the compliance with rules and regulations referenced in this Agreement shall always remain the sole responsibility of the Borrower.

**B. Contract Documents.** Borrower will incorporate in all contracts for the Project to which it is a party the requirements of this Section VI and to cause its contractors and subcontractors to incorporate the requirements of this Section VI in all subcontracts, including contracts for purchase of materials and services.

**C. Historic Preservation.** Borrower shall comply with all applicable federal, state, and local historical preservation regulations including but not limited to the National Historic Preservation Act set forth at 16 U.S.C. 470 et seq and Public Law 89-665; Archeological and Historic Preservation Act of 1974 set forth at 54 U.S.C. 312501-312508; and Executive Order 11593. Prior to acquisition, rehabilitation, or demolition of property fifty years or older, Borrower shall request an opinion of eligibility for placement on the historic register from the Planning Division of the Department of Planning and Economic Development, and Lender staff will notify the Borrower of any determination and additional requirements. Furthermore, the State Historic Preservation Office (SHPO) shall have reviewed acquisition of all structures, per federal funding requirements, if applicable.

[Choose an item](#)

**D. Labor Standards.** Borrower shall comply with, and ensure that all contractors and subcontractors comply with, all applicable federal, state, and local labor and wage standards including but not limited to the following, as applicable, and detailed in Attachment F:

1. The federal labor and wage requirements set forth in 40 U.S.C. §§ 3141-3148. [Choose an item](#)

2. The State of Minnesota Prevailing Wages requirements set forth in Minn. Stat. §§ 177.41-177.44 and Minn. Rules 5200.1000-5200.1120. [Choose an item](#)

3. The City of Saint Paul's Minimum Wage on Public Contracts Ordinance known as "Little Davis Bacon" set forth in Section 82.07 of the Saint Paul Administrative Code. [Choose an item](#)

**E. Vendor Outreach Program.** Borrower agrees to comply with, and shall cause its

contractors and subcontractors to comply with, the City's Vendor Outreach Program as set forth in Chapter 84 of the Saint Paul Administrative Code. In entering into contracts and subcontracts for the Project, including contracts and subcontracts for all soft costs, professional services, hard construction costs, and other project costs, Borrower and its contractors and subcontractors shall meet the requirements set forth in Attachment G.  
[Choose an item](#)

**F.** Non-Discrimination and Affirmative Action/Equal Opportunity. Borrower will be deemed a contractor for the application of all provisions, ordinances, and other laws relating to discrimination. Borrower agrees to comply with the provisions of the State of Minnesota's Human Rights Statute set forth in Minn. Stat. Chap. 363A and implementing regulations set forth in Minnesota Rules Chapter 5000, as well as the City of Saint Paul's Human Rights Ordinance as set forth in Chapter 183 of the Saint Paul Legislative Code and the City of Saint Paul's Affirmative Action/Equal Opportunity Requirements set forth in Section 183.04 of the Saint Paul Legislative Code, Section 86.06 of the Saint Paul Administrative Code, and the Rules Governing Affirmative Action Requirements in Employment adopted by the Saint Paul Human Rights Commission. Borrower, its contractors, and subcontractors shall meet the requirements of this subsection by compliance with the statement of affirmative action/equal opportunity requirements attached as Attachment H.  
[Choose an item](#)

**G.** Business Subsidy Law Requirements. Borrower agrees to comply with Minnesota Business Subsidy Act set forth in Minn. Stat. §§ 116J.993 – 116J.995 and Saint Paul City Council Resolution #99-742 and will enter into a Business Subsidy Agreement which is attached hereto and incorporated herein as Attachment I.  
[Choose an item](#)

**H.** Sustainability Policy. Borrower agrees to comply with the City of Saint Paul's Sustainable Building requirements set forth in Chapter 81 of the Saint Paul Administrative Code or the Saint Paul PED/HRA Sustainability Initiative adopted January 30, 2007, and amended October 5, 2010, both as detailed in Attachment J.  
[Choose an item](#)

**I.** Two (2) Bid Policy. Borrower agrees to comply with the Housing and Redevelopment Authority of the City of Saint Paul's two bid requirements set forth in the HRA's Policy Regarding Requirement of Two (2) bids and as detailed in Attachment K.  
[Choose an item](#)

**J.** Project Labor Agreement. Borrower agrees to comply with The City of Saint Paul's Project Labor Agreement requirement set forth in City of Saint Paul Resolution 09-584 and as detailed in attached Attachment L.  
[Choose an item](#)

**K.** Saint Paul Living Wage Ordinance. Borrower agrees to comply with requirements of the City of Saint Paul Living Wage and Responsible Public Spending Ordinance set forth in Chapter 98 of the Saint Paul Administrative Code.  
[Choose an item](#)

**L.** Signs - Public Events. Upon Lender's request, Borrower shall erect, at its own expense, a sign of reasonable size in a prominent position on the Property indicating to the

general public that Lender is providing financing for the Project. Borrower agrees that said sign may remain in place throughout the period of construction. Borrower shall furnish ample notice to Lender of groundbreaking, opening ceremonies and similar events so that Lender may obtain publicity of and participation in such events. Borrower agrees to assist and cooperate in such publicity and participation. Borrower further agrees that Lender shall have the right to issue press releases concerning the Project.

**M. Other Requirements.** In addition to all other provisions set forth in this Agreement, Borrower shall comply with, and ensure that all contractors and subcontracts comply with, all other applicable federal, state, and local laws, rules and regulations and those regulations and restrictions contained in all agreements related to the funds provided by the Lender.

**N. Compliance Tracking.** This Agreement is subject to contract compliance tracking, and the Borrower is required to provide any noted and/or requested contract compliance-related data electronically using the B2GNOW/LCPtracker systems unless other methods are approved by the Lender.

1. **B2GNOW.** The Borrower and its contractors, suppliers and subcontractors shall use B2GNOW for vendor outreach reporting. The Borrower is responsible at all times, before, during and after execution of this Agreement, for ensuring all its contractors, suppliers and subcontractors have completed all requested items, that their contact information is accurate and up-to-date, and that all requested information has been provided by the required due dates. Information related to contractor access of the B2GNOW system will be provided to a designated point of contact with the Borrower and each of its contractors, suppliers, and subcontractors upon execution of the contract.

2. **LCPtracker.** The Borrower and its contractors, suppliers and subcontractors shall use LCPtracker for prevailing wage reporting. The Borrower is responsible at all times, before, during and after execution of this Agreement, for ensuring all its contractors, suppliers and subcontractors have completed all requested items, that their contact information is accurate and up-to-date, and that all requested information has been provided by the required due dates. Information related to contractor access of the LCPtracker system will be provided to a designated point of contact with the Borrower and each of its contractors, suppliers, and subcontractors upon execution of the contract.

**VII. REPAYMENT TERMS AND SECURITY.** The Loan shall be evidenced by, secured by, and repaid pursuant to the terms of the following documents (collectively the “Security Documents”) which shall be executed by Borrower prior to any disbursement of STAR Funds:

**A. Security Required for all Loans.**

1. Promissory note in such form as that attached hereto as Attachment O; and



2. Security in such form as that attached hereto as Attachment N **Choose an item.**; and

3. Fixture filing filed as a financing statement on form UCC-1 in accordance with the Minnesota Uniform Commercial Code, or a conditional assignment of security.

**B.** Additional Security. Borrower may be required to provide a personal guaranty in such form as that attached hereto as Attachment P. **Choose an item**

**C.** Security for Sub-loans. If Borrower is using STAR Funds to operate a sub-loan program, Borrower must submit to Lender the forms of security documents it intends to use (including but not limited to a promissory note, mortgage, security agreement, and personal guaranty) for Lender's written approval prior to issuance of any funds to sub-recipients.

**VIII. BORROWER'S REPRESENTATIONS AND WARRANTIES.** Borrower represents and warrants that:

**A.** Borrower is an eligible entity under the Guidelines and is duly organized under the laws of the State of Minnesota or is duly authorized to operate in the State of Minnesota, has the power to enter into and execute this Agreement and by appropriate entity action has authorized the execution and delivery of this Agreement. A copy of organization documents has been provided to the Lender.

**B.** This Agreement and any related documents will not result in any breach of or constitute a default under any other mortgage, lease, loan, grant or credit agreement, business entity charter, by-law, or other instrument to which Borrower is a party or by which it may be bound or affected.

**C.** This Agreement and any related documents will constitute legal and binding obligations enforceable against the Borrower as its interest appears.

**D.** Borrower has all necessary licenses and permits required for operation of the Project except those which cannot be obtained until completion of the Project.

**E.** Borrower will permit the Lender, upon reasonable notice, to examine all books, records, contracts, plans, permits, bills, and statements of account pertaining to the Project and to make copies as the Lender may require.

**F.** Borrower warrants that no conflict of interest exists as evidenced by a signed Conflict of Interest Statement for Organizations attested to by the director and/or president of the board of Borrower as set forth in Attachment E attached hereto and made a part hereof.

**G.** The Lender's Neighborhood STAR Program will be credited in any advertising or

publicity of the Project, including, but not limited to, web sites, newsletters, signage, and programs. Attachment B has recommended signage specifications.

**H.** The Borrower will maintain any capital improvements as described in the Statement of Work for a period of not less than 7 years.

**I.** Borrower reaffirms the truthfulness of the facts and statements contained in its application for the STAR Funds.

**J.** There are no actions, suits or proceedings pending, or to the knowledge of the Borrower, threatened against or affecting it or the Property or involving the validity or enforceability of the Security Documents.

**K.** No additional lien, charge or encumbrance on the Property shall be created, permitted to be created or allowed to be in existence except with the expressed written approval of the Lender.

**L.** If Borrower is using STAR Funds to operate a sub-loan program, Borrower is in full compliance with the requirements of the Minnesota Residential Mortgage Originator and Servicer Licensing Act, Minnesota Statutes Chapter 58, as applicable, and shall remain in compliance throughout the term of this Agreement.

**IX. DEFAULT.** Any one or more of the following will constitute an “Event of Default” under this Agreement:

**A.** Borrower fails to comply with any term of this Agreement.

**B.** Borrower fails to comply with any term of any other agreement relating to this Project.

**C.** Any representation or warranty made by Borrower under this Agreement, or in any document or certificate furnished to Lender by Borrower, will prove untrue in any material respect or materially misleading as of the date made.

**D.** Borrower engages in any illegal activities.

**E.** Borrower uses any of the STAR Funds contrary to STAR Law, Guidelines, or this Agreement.

**F.** Borrower employs or becomes an individual, company, or other entity either on the debarment list or with unresolved compliance issues.

**G.** Borrower fails to provide any required one-to-one funds match.

**H.** Borrower fails to create jobs, if required, in the amount stated on Attachment D of this Agreement.

- I.** Borrower ceases doing business or removes any portion of Borrower's business to any location outside of the legal boundaries of the City of Saint Paul within a period of seven (7) years from the first date of the Effective Dates of this Agreement without the written consent of the City.
- J.** Borrower sells, transfers, conveys, or assigns Borrower's interest in the Property anytime within a period of seven (7) years from the first date of the Effective Dates of this Agreement without the written consent of the City.
- K.** Borrower does not use the STAR Funds in a timely manner as stated in the Statement of Work.
- L.** Borrower (i) files a petition in bankruptcy or for a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar federal or state law; or (ii) admits in writing its inability to pay its debts generally as they become due; or (iii) is adjudicated as bankrupt or insolvent; or (iv) files a petition or answer proposing the adjudication of the Borrower as bankrupt or reorganized under any present or future federal bankruptcy act or any similar federal or state law filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or (v) has a receiver, trustee, or liquidator appointed in any proceeding brought against the Borrower and shall not be discharged within ninety (90) days after such appointment, or if the Borrower shall consent to an acquiescence in such appointment.
- X. REMEDIES.** Whenever any Event of Default by Borrower occurs, the Lender may take any one or more of the following actions to the extent permitted by law:
- A.** Suspend performance and/or suspend or terminate any further disbursements of the STAR Funds.
- B.** Cancel and terminate this Agreement and declare any disbursed STAR Funds, plus accrued interest, to be immediately due and payable to Lender.
- C.** Take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation, certification or warranty of the Borrower under this Agreement, or any related instrument; or to otherwise compensate the Lender for any damages on account of such Event of Default by Borrower.
- D.** No remedy conferred upon or reserved to the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved

to it, it shall not be necessary to give any notice, other than such notice as may be herein expressly required or be required by law.

**XI. INDEMNIFICATION.** The Borrower agrees to release, defend, indemnify and hold harmless the Lender, its respective officials, officers, representatives, employees, agents, attorneys, consultants and contractors, now and forever, from any judgements, claims, demands, suits, costs, expenses (including reasonable attorneys' fees), damages (including loss or damage to property or any injury to or death of any person), actions or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from or relating to all of the following: the actions or inactions of the Borrower (or if other persons acting on its behalf or under its direction or control) under this Agreement; the transactions contemplated by this Agreement; the ownership, performance, and/or operation of the Project; and/or breach of this Agreement including any warranty or representation made by Borrower under this Agreement. Borrower's obligations under this paragraph shall not apply to the extent that such obligations are the result of the intentional misconduct of the Lender.

**XII. INSURANCE.**

**A. Coverage Minimums.** The Borrower shall obtain and keep in force, at Borrower's expense, during the term of this Agreement and any extension periods, the following minimum insurance coverage, as applicable, which insurance must be obtained prior to execution of the Agreement and said Certificate(s) of Insurance are attached hereto as Attachment C:

1. General or Business Liability Insurance
  - \$1,500,000 per occurrence
  - \$2,000,000 aggregate per project
  - \$2,000,000 products/completed operations total limit
  - \$1,500,000 personal injury and advertising
2. Automobile Insurance.
  - i. Commercial Vehicles. When commercial vehicles will be used in connection with the Project, these minimum coverage amounts are required:
    - Bodily Injury: \$750,000 per person; \$1,000,000 per accident
    - Property Damage: Not less than \$50,000 per accident
    - Coverage shall include: hired, non-owned and owned auto
  - ii. Personal Vehicles. When personal vehicles are used in connection with the Project, the Lender is not required to be named as Additional Insured, but proof of insurance is required prior to commencement of activities. Borrower must provide the Lender with Endorsements from insurance company.
    - Bodily Injury: \$30,000 per person; \$60,000 per accident
    - Property Damage: \$20,000 per accident

iii. Rental Vehicles. When rental vehicles are used in connection with the Project, the Borrower shall either purchase insurance from the rental agency or provide the Lender with proof of insurance as stated above.

3. Worker's Compensation and Employer's Liability. Worker's Compensation coverage is required per Minnesota Statutes. Employer's Liability shall have a minimum of: \$500,000 per accident / \$500,000 per employee / \$500,000 per disease policy limit. Borrowers with 10 or fewer employees who do not have Worker's Compensation coverage are required to provide the Lender with a completed "Certificate of Compliance" (State of Minnesota form MN LIC 04) verifying their number of employees and the reason for their exemption.

4. Professional Services Coverage. Professional Liability Insurance is required when Developer provides a service for which professional liability insurance is available for purchase. Professional Liability shall have minimum liability limits of \$1,000,000 per occurrence / \$1,000,000 aggregate.

5. Pollution Liability/Hazardous Waste, Builder's Risk and Errors and Omissions is required in the following minimum amounts:

i. Pollution Liability/Hazardous Waste: \$1,000,000 per occurrence / \$1,000,000 aggregate.

ii. Errors and omissions coverage must be included if the Borrower will be providing services for the Lender as a sublimit of the General Liability Policy. Agent must state on the certificate if Borrower carries errors and omissions coverage.

iii. Builder's Risk Insurance is required for the cost of the Project.

**B. General Requirements.**

1. All policies shall be written on an occurrence basis or as acceptable to the Lender. Certificates of insurance must indicate that the policy is issued on an occurrence basis.

2. All policies and their related certificates of insurance, except for Automobile Insurance and Worker's Compensation and Employer's Liability, must state that the Lender and its respective officials, officers, representatives, employees, agents, attorneys, consultants, and contractors are additional insureds.

3. Each coverage afforded to the Lender as an additional insured under the policies obtained by Borrower must expressly include the duty to defend and the duty to indemnify. As evidence of this commitment, all Certificates of Insurance referenced in this Agreement shall include in the section labeled "Description/Special Items", typically in the lower left-hand corner of the

document, the following language: “Each coverage afforded to the City and HRA as an additional insured under this policy expressly includes the duty to defend and indemnify.”

4. The Borrower may not commence any activities until Certificates of Insurance covering all of the insurance required for the Project is obtained. Insurance must remain in place for the duration of the Agreement and any extension periods.

5. The Lender reserves the right to review Borrower's insurance policies at any time, with reasonable notice provided, to verify that Lender's requirements have been met.

6. Nothing shall preclude the Lender from requiring Borrower to purchase and provide evidence of additional insurance if the scope of the Project changes or if the exposure to the Lender or its citizens is deemed to have increased.

7. Satisfaction of policy limits required above for General Liability and Automobile Liability Insurance, may be met with the purchase of an umbrella or excess policy. Any excess or umbrella policy shall be written on an occurrence basis, and if such policy is not written by the same insurance carrier, the proof of underlying policies (endorsement) shall be provided with any Certificate of Insurance.

8. Borrower hereby waives all rights of subrogation against Lender. Each policy of insurance required by Borrower herein shall include a written waiver of subrogation in favor of the Lender, such insurance shall be primary, and any policy of insurance carried by the Lender shall be secondary and noncontributory.

9. Should the Borrower fail to obtain and/or keep in force insurance of the types and in the amounts as specified within this Agreement, or shall fail to indemnify, defend and hold harmless the Lender as set forth in this Agreement; in such event, the Borrower shall be liable for all costs and fees, including reasonable attorney's fees, that may be incurred by the Lender in the enforcement of the Borrower's agreement to indemnify and/or to obtain and keep in force the agreed upon insurance coverage.

10. The provisions of this Section XII shall supersede any inconsistent provisions in the Guidelines.

**C. Verifiable Insurance; Notice of Cancellation.** The Borrower shall furnish Certificate(s) of Insurance evidencing compliance with this Section which certificates shall become part of this Agreement. Each insurance policy shall contain a provision requiring thirty (30) days' advance notice to the Lender of cancellation of the policy. At the Lender's request, the Borrower must make copies of renewal policies available for inspection by the Lender and shall provide the broker's name and phone number should the Lender have

questions regarding the policies. The Lender is not obligated to honor payment requests at any time when the coverages required by this Agreement are not in force.

**XIII. RECORDS AND REPORTS.** The following records must be maintained by the Borrower and submitted to the Lender when and in such form as Lender may prescribe.

**A.** All receipts, invoices, cancelled checks, bank statements, credit card statements, time sheets, and other documentation relating to Borrower's expenditure of the STAR Funds.

**B.** Borrower will establish a separate, identifiable accounting record for its use of the STAR Funds. Accounting records must be supported by source documentation and shall be sufficient to reflect all costs incurred in the Borrower's use of the Star Funds. The books, records, documents, and accounting procedures kept and maintained by the Borrower that are relevant to the STAR Funds will be subject to examination by the Lender, state agencies and the legislative auditor.

**C.** Annual progress reports in a form prescribed by Lender which must include financial statements prepared in accordance with generally accepted accounting principles. Fiscal end statements must be compiled/reviewed/audited statements. All such statements must include, but not be limited to, a listing of all assets and liabilities of the Borrower, income, and expense statements and income tax returns.

**D.** Records of the insurance required to be kept by Borrower herein, including proof of insurance in effect, and proof of payment of insurance premiums.

**E.** Records of board or committee meetings relating to decisions governing the Borrower's use of the STAR Funds.

**F.** If the Borrower is using the STAR Funds to provide grants or loans to third-parties, Borrower must keep records documenting the use of such funds by such third parties, including, records documenting capital expenses, payments made, and documentation of completion of work for which STAR Funds were initiated.

**G.** A Project evaluation at completion of Project.

**H.** Records evidencing the one-to-one match required by this Agreement.

**I.** Records evidencing the Borrower's compliance with the job goals required by this Agreement. A report must be submitted to Lender annually, on the anniversary date of this Agreement, until the job goals are achieved.

**J.** Demographics on each grant must be provided to the Lender's servicing agency on a form to be supplied by Lender.

**XIV. MISCELLANEOUS**

**A. Titles of Articles and Sections.** Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

**B. Data Practices Act.** Borrower acknowledges that all of the data created, collected, received, stored, used, maintained, or disseminated by Borrower with regard to the performance of its obligations and duties under this Agreement are subject to the requirements of the Minnesota Government Data Practices Act set forth in Minnesota Statutes, Chapter 13.

**C. Notice.** All notices, demands or writings required to be made or given under this Agreement, unless otherwise provided, shall be sufficiently given or delivered immediately upon (i) personal delivery or (ii) email delivery with read receipt received by the sender; or three (3) days after it is (iii) mailed by United States mail or (iv) deposited cost paid with a nationally recognized, reputable overnight courier. All notices, demands or writings required to be made or given under this Agreement, unless otherwise provided, shall be made to the following addresses, or at such other address as any party may, from time to time, designate in writing and forward to the other parties, as provided above:

If to Lender:           City of Saint Paul Neighborhood STAR Program  
                                  1300 City Hall Annex  
                                  25 West Fourth Street  
                                  Saint Paul, MN 55102  
                                  Emailed Notices to: \_\_\_\_\_

If to Borrower:       \_\_\_\_\_  
                                  \_\_\_\_\_  
                                  \_\_\_\_\_  
                                  \_\_\_\_\_  
                                  Emailed Notices to: \_\_\_\_\_

**D. Representatives.** Except as otherwise provided herein, all approvals and other actions required of or taken by the Lender shall be effective upon action by the City's Director of Planning and Economic Development or the Director's designee and all actions required of or taken by Borrower shall be effective upon action by the Borrower's Representatives. The Borrower's Representative(s) are: **(name)** \_\_\_\_\_ **(title)** \_\_\_\_\_. For the purposes of this Agreement, except where explicitly stated otherwise, the actions and omissions of any officials, officers, representatives, employees, agents, attorneys, consultants, and contractors of Borrower shall be deemed to be the actions and omissions of the Borrower.

**E. Binding Effects; Consents and Approvals.** The provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. All consents or approvals shall be in writing in order to be effective.



**F. Relationship of Parties; Independent Contractor.** Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture between the parties hereto. For the purpose of this Agreement, the Borrower shall be deemed to be an independent contractor and not an employee of the Lender. Any and all employees of the Borrower or other persons while engaged in the performance of any work or services required by the Borrower under this Agreement, shall not be considered employees of the Lender. Any and all claims by any third party as a consequence of any act or omission on the part of the Borrower, its employees or other persons shall be the obligation of the Borrower. The Borrower shall be responsible for all contractual obligations entered into pursuant to and in the performance of this Agreement. Withholding and payment of federal and state income taxes and FICA, for its employees shall be the responsibility of the Borrower. The Borrower shall pay contributions to the unemployment compensation fund and comply with all other employer requirements in accordance with the Minnesota unemployment compensation laws.

**G. Conflicts.** No salaried officer or employee of the Lender and no member of the Council, or Commission, or Board of the Lender shall have a financial interest, direct or indirect, in this Agreement. The violation of this provision renders this Agreement void.

**H. Mediation.** All claims, disputes, or other matters in question between the parties to this Agreement arising out of or relating to this Agreement or breach thereof, shall be referred to non-binding mediation before, and as a condition precedent to, the initiation of any legal action. Each party agrees to participate in up to two hours of mediation. The mediator shall be selected by the parties, or if the parties are unable to agree on a mediator, then any party can request the administrator of the Ramsey County District Court Civil ADR Program and/or similar person, to select a person from its list of qualified neutrals. The mediation shall be attended by employees or agents of each party having authority to settle the dispute. All costs of the mediation shall be divided equally between the parties. All expenses related to each party's preparation and attendance at the mediation shall be borne by each party, including without limitation, the costs of any experts or legal counsel. All applicable statutes of limitations and all defenses based on the passage of time are tolled while the mediation procedures are pending, and for a period of 30 days thereafter.

**I. Enforcement.** The Borrower shall reimburse the Lender for all costs and expenses, including without limitation, attorneys' fees paid or incurred by the Lender in connection with the enforcement by the Lender during the term of this Agreement or thereafter of any of the rights or remedies of the Lender under this Agreement.

**J. Entire Agreement.** This Agreement reflects the entire agreement of the parties with respect to the Project and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the Project.

**K. Severability.** If any term or provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term or provision of this Agreement shall be valid and enforceable to the fullest

extent permitted.

**L. Amendment.** Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

**M. Assignment.** This Agreement may not be assigned by Borrower without the written consent of Lender.

**N. Governing Law, Jurisdiction and Venue.** This Agreement shall be construed for and on behalf of the Lender, and in furtherance of the public purpose as contained in the Statement of Work (Attachment A) and the Public Purpose Summary (Attachment D) and shall be construed and interpreted in accordance with the laws of the State of Minnesota without regard to its conflict and choice of law rules. Any litigation arising out of this Agreement, or its breach, shall be venued exclusively in Ramsey County District Court, Second Judicial District, State of Minnesota. Borrower hereby consents to personal jurisdiction and venue in the foregoing court.

**O. Provisions Surviving Rescission or Expiration.** Except as otherwise expressly provided herein all covenants and agreements related to indemnification, remedies and enforcement, and reports and records made in this Agreement, or in any schedule, exhibit, attachment, certificate, or document delivered in connection with this Agreement, shall survive the expiration, cancellation, or termination of this Agreement.

**P. Legal Counsel.** The Borrower acknowledges that it has read, understands, and will comply with all terms and conditions contained in the above referenced documents/regulations, and that it has had the opportunity to consult with legal counsel regarding which terms and conditions apply.

**Q. Counterparts.** This Agreement may be executed in counterparts, each of which constitutes an original, but all of which when taken together shall constitute one and the same agreement.

**R. Electronic Signatures.** The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties further agree that any document (including this Agreement and any attachments or exhibits to this Agreement) containing, or to which there is affixed, an electronic signature shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “electronic signature” also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party’s failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

**XV. ATTACHMENTS.** The following identified attachments are incorporated into and made part of this Agreement (**those which are not required are indicated by “N/A”**):

- Attachment A - Statement of Work
- Attachment B - Signage Specifications
- Attachment C - Certificate(s) of Insurance
- Attachment D - Public Purpose Summary/Job Requirements
- Attachment E - Conflict of Interest Statement for Organizations
- Attachment F - Labor Standards *Choose an item*
- Attachment G - Vendor Outreach Program *Choose an item*
- Attachment H - Affirmative Action Contract Specifications *Choose an item*
- Attachment I - Business Subsidy Agreement *Choose an item*
- Attachment J - Sustainability Policy *Choose an item*
- Attachment K - Two (2) Bid Policy *Choose an item*
- Attachment L - Project Labor Agreement Resolution *Choose an item*
- Attachment M - STAR Disbursement Request Form
- Attachment N - *Choose an item.*
- Attachment O - Promissory Note
- Attachment P - Personal Guaranty *Choose an item*

*[Signature Pages and Exhibits Follow]*

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed as of the first date of the Effective Dates.

**BORROWER**

By: \_\_\_\_\_

Enter GRANTEE Name Here

Its: Enter GRANTEE Title Here

By: \_\_\_\_\_

Enter GRANTEE Name here or hit spacebar to clear contents

Its: Enter GRANTEE Title Here or hit spacebar clear contents

**LENDER**

Approved as to STAR requirements:

By: \_\_\_\_\_

Its: Program Coordinator

By: \_\_\_\_\_

Its: Mayor or Designee

By: \_\_\_\_\_

Its: Director or Designee, Office of Financial Services

By: \_\_\_\_\_

Its: Director, Planning and Economic Development Department

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney

By: \_\_\_\_\_

Its: Director, Human Rights and Equal Economic Opportunity (if \$50,000 or more)

## **Attachment A- Statement of Work**

**Attachment B- Signage Specifications**

SAMPLE

**Attachment C- Certificate(s) of Insurance**

# ATTACHMENT D - PUBLIC PURPOSE SUMMARY

Project Name: **Enter Project Title**  
 Project Address: **PM to FILL IN**  
 City Contact: Add to **MAIL MERGE**

Account #: **Enter Account Code** CIF #: **Enter CIF #**  
 Track # 22- **Enter Tracking #**  
 Today's Date: **PM to FILL IN**

## PUBLIC COST ANALYSIS

Program Funding Source:		<b>Cultural STAR Grant</b>			Amount:	<b>\$ Enter Amount</b>	
Interest Rate: <input type="text"/>		Subsidized Rate: [ <input type="checkbox"/> ] Yes [ <input type="checkbox"/> ] No		[ <input checked="" type="checkbox"/> ] N/A (Grant)			
Type:	<input type="checkbox"/> Loan	Risk Rating:	<input type="checkbox"/> Acceptable (5% res)	<input type="checkbox"/> Substandard (10% res)	<input type="checkbox"/> Loss (100% res)		
	<input checked="" type="checkbox"/> Grant		<input type="checkbox"/> Doubtful (50% res)	<input type="checkbox"/> Forgivable (100% res)			
Total Loan Subsidy*:				Total Project Cost:		<b>\$ PM to FILL IN</b>	

\* **Total Loan Subsidy:** Present value of the loan over its life, including expected loss of principal and interest rate subsidy.

## PUBLIC BENEFIT ANALYSIS

*(Mark a 1 for Primary Benefits and a 2 for Secondary Benefits)*

### I. Community Development Benefits

<input type="checkbox"/>	Remove Blight/Pollution	<input type="checkbox"/>	Improve Health/Safety/Security	<input type="checkbox"/>	Increase/Maintain Tax Base < current tax production: < est'd taxes as built: < net tax change + or -:
<input type="checkbox"/>	Rehab. Vacant Structure	<input type="checkbox"/>	Public Improvements	<input type="checkbox"/>	
<input type="checkbox"/>	Remove Vacant Structure	<input type="checkbox"/>	Goods & Services Availability	<input type="checkbox"/>	
<input type="checkbox"/>	Heritage Preservation	<input type="checkbox"/>	Maintain Tax Base	<input type="checkbox"/>	

### II. Economic Development Benefits

<input checked="" type="checkbox"/>	Support Vitality of Industry	<input type="checkbox"/>	Create Local Businesses	<input type="checkbox"/>	Generate Private Investment
<input type="checkbox"/>	Stabilize Market Value	<input type="checkbox"/>	Retain Local Businesses	<input type="checkbox"/>	Support Commercial Activity
<input type="checkbox"/>	Provide Self-Employment Opt's	<input type="checkbox"/>	Encourage Entrep'ship	<input type="checkbox"/>	Incr. Women/Minority Businesses

### III. Housing Development Benefits

<input type="checkbox"/>	Increase Home Ownership Stock < # units new construction: < # units conversion:	<input type="checkbox"/>	Address Special Housing Needs	<input type="checkbox"/>	Maintain Housing < # units rental: < # units owner-occ.:
<input type="checkbox"/>		<input type="checkbox"/>	Retain Home Owners in City	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	Affordable Housing	<input type="checkbox"/>	

### IV. Job Impacts

Living Wage applies [  ]

Business Subsidy applies [  ]

[ <input type="checkbox"/> ] Job Impact	[ <input checked="" type="checkbox"/> ] No Job Impact	Year 1	Year 2	Year 3	Year 4	Year 5
#JOBS CREATED (fulltime permanent)						
Average Wage						
#Construction/Temporary						
#JOBS RETAINED (fulltime permanent)						
#JOBS LOST (fulltime permanent)						



## FOLLOW-UP FROM LOAN SERVICING PROCESS

<b>Year 1 Follow-Up</b>	Date:
Public Purpose Objectives Met: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In Part	
Deficiencies:	

<b>Year 2 Follow-Up</b>	Date:
Public Purpose Objectives Met: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In Part <input type="checkbox"/> No Longer Applicable/All Goals Achieved	
Deficiencies:	

<b>Year 3 Follow-Up</b>	Date:
Public Purpose Objectives Met: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In Part <input type="checkbox"/> No Longer Applicable/All Goals Achieved	
Deficiencies:	

<b>Year 4 Follow-Up</b>	Date:
Public Purpose Objectives Met: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In Part <input type="checkbox"/> No Longer Applicable/All Goals Achieved	
Deficiencies:	

<b>Year 5 Follow-Up</b>	Date:
Public Purpose Objectives Met: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In Part <input type="checkbox"/> No Longer Applicable/All Goals Achieved	
Deficiencies:	

## FOLLOW-UP ON JOB IMPACTS

[ <input checked="" type="checkbox"/> ] NO JOB IMPACT	End of Year Follow-Up Information (Actual Results)				
		Year 1	Year 2	Year 3	Year 4
#JOBS CREATED (fulltime permanent)					
Average Wage					
#Construction/Temporary					
#JOBS RETAINED (fulltime permanent)					

**ATTACHMENT E**  
**CITY OF SAINT PAUL, MINNESOTA**  
**Sales Tax Revitalization (STAR) Program**

**CONFLICT OF INTEREST STATEMENT FOR ORGANIZATIONS**

To Whom It May Concern:

**Enter Grantee Name** (the “**Organization**”) has a conflict-of-interest policy which applies to all of its board members, directors, officers and employees.

On behalf of the board members, directors, officers and employees, the Organization declares that no conflicts of interest currently exist or that any possibilities of conflicts of interest have been disclosed to the City of Saint Paul (“City”) and/or the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (“HRA”) in connection with receiving funds through the City and/or HRA. The Organization further declares that any possibility of a conflict of interest which may arise in the future in connection with the Program and/or Project will be disclosed to the City and/or HRA.

A conflict of interest exists or may exist whenever a board member, director, officer, or employee knows or has reason to know that any activity, involvement, interest or relationship, directly or indirectly, in connection with this Program and/or Project, of a person or a person’s spouse or dependent(s) to which that person is a participant, receives or may be perceived as receiving any monetary or other material benefit to that person, person’s spouse or dependent(s).

**ORGANIZATION**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment F- Labor Standards**

SAMPLE

**Attachment G- Vendor Outreach Program**

**Attachment H- Affirmative Action Contract Specifications**

**Attachment I- Business Subsidy Agreement**

## **Attachment J- Sustainability Policy**

**Attachment K- Two (2) Bid Policy**



**Attachment L- Project Labor Agreement Resolution**



**Attachment N - Choose an item.**

**Attachment O - Promissory Note**

**Attachment P - Personal Guaranty**