



2016 Cultural STAR Program **CAPITAL PROJECT** Loan and Grant Guidelines

08/16/16 (in this version, minor clarifications were added to the "Part II: Application" section to clarify number of words and characters allowed on some application questions)

DEADLINES: Friday, February 26, 2016 4:00 PM
Friday, August 26, 2016 4:00 PM

Applications must be submitted through Zoomgrants at
<https://zoomgrants.com/gprop.asp?donorid=2141>
by 4:00 PM on the deadline date.

Applications not received by this time will not be accepted.

(The 2016 Cultural STAR application will be available on Zoomgrants by January 27, 2016 for the February deadline, and August 1, 2016 for the August deadline)

The following compliance issues may apply to your proposal and can be reviewed on the City of Saint Paul's website: <http://www.stpaul.gov/index.aspx?NID=3710>

- * Vendor Outreach Program: Total project costs of \$50,000 or more
- * Federal Davis Bacon Requirements: Projects funded with \$2,000 or more of *federal* dollars
- * Little Davis Bacon Requirements: Total project costs of \$25,000 or more
- * Two Bid Policy: Projects receiving \$20,000 or more of city funds
- * Business Subsidy: *May* apply to recipients of grants of \$25,000 or more and loans of \$75,000 and over
- * Affirmative Action: Entities receiving \$50,000 or more of city funds within a 12-month period
- * Living Wage: Entities receiving \$100,000 or more of city funds
- * Project Labor Agreement: Entities receiving \$250,000 or more of city funds
- * Section 3: Some projects with *federal* dollars; Economic opportunities for low-income persons/businesses located close to a project's location
- * Sustainability Initiative: Making new development projects more environmentally and financially sustainable

This information can be made available in the following alternative formats: large print, audio, and electronic file. We also can help your group find a language interpreter to translate these guidelines. To accommodate your request, the City of Saint Paul will need at least 10 working days.



CITY OF SAINT PAUL

DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT

1300 City Hall Annex, 25 West Fourth Street

Saint Paul, Minnesota 55102

(651) 266-6568

General Information

To receive additional copies of the Cultural STAR Guidelines or for more information, go to www.stpaul.gov/star

City of Saint Paul

Mayor Christopher B. Coleman

City Council President Russ Stark (Ward 4)

Councilmember Dai Thao (Ward 1)

Councilmember Rebecca Noecker (Ward 2)

Councilmember Chris Tolbert (Ward 3)

Councilmember Amy Brendmoen (Ward 5)

Councilmember Dan Bostrom (Ward 6)

Councilmember Jane Prince (Ward 7)

Department of Planning and Economic Development (PED)

Nora Riemenschneider, Cultural STAR Program Administrator
(651) 266-6638
nora.riemenschneider@ci.stpaul.mn.us

2016 Cultural STAR Board

Chair, Peter Leggett, Walker West Music Academy

Lana Barkawi, Mizna

Sharon DeMark, Saint Paul Foundation

Steve Heckler, Twin Cities Jazz Festival

Barry Kempton, Schubert Club

Jim McGuinn, Minnesota Public Radio

Chris Widdess, formerly of Penumbra Theater

Tim Wilson, Urban Lights Music



PART I: Guidelines

Before completing your application, please review these guidelines carefully to determine whether your group and project are eligible for funding from the Cultural STAR Program.

Purpose

The purpose of the Cultural STAR fund is to promote cultural vitality and economic growth, particularly in the downtown Cultural District, by strengthening the arts and culture community.

Funding Goals

Cultural STAR dollars, in total, are intended to:

- Build and diversify audiences;
- Promote a broad range of cultural offerings;
- Produce a long-term impact; and
- Leverage additional financial support.

Strategies

The Cultural STAR Program will achieve the purpose by making grants and loans for projects and programs that: attract audiences; develop and improve cultural facilities; and build capacity of artists and organizations

Geographic Focus

At least 80% of Cultural STAR funds will be awarded to nonprofit organizations that are located within the targeted area known as the Cultural District. The remaining funds may be allocated to businesses in the Cultural District for projects that enhance visitor enjoyment of the District or to nonprofit organizations located in Saint Paul but outside of the Cultural District.

The Cultural District is defined as the geographic area bordered by Interstate 94 to the north, the Lafayette Bridge to the east, Harriet and Raspberry Islands to the south, and Chestnut Road to the west (see Cultural District Map, Page 11).

Located in the Cultural District includes:

- An organization that is registered with the Minnesota Secretary of State with an address that falls within the Cultural District; or
- An organization which owns property in the Cultural District for purposes directly related to its Cultural STAR project; or
- An organization that has secured a lease or rental agreement within the Cultural District for the purposes directly related to its Cultural STAR project; or
- An organization that has secured a permit or contract for the use of Public Venues in the Cultural District for the purposes directly related to its Cultural STAR project.

Located in Saint Paul includes:

- An organization that is registered with the Minnesota Secretary of State with an address that falls within Saint Paul; or
- An organization that owns property in Saint Paul for purposes directly related to its Cultural STAR project; or

- An organization that has secured a lease or rental agreement within Saint Paul for purposes directly related to its Cultural STAR project; or
- An organization that has secured a permit or contract for the use of Public Venues in Saint Paul for the purposes directly related to its Cultural STAR project

Loans and grants are available for capital projects; grants alone are available for organizational development and special projects.

Capital Project Program Description

The Cultural STAR Capital Project program provides loans and grants to acquire or upgrade physical assets such as buildings and equipment. Projects will involve permanently affixed physical improvements or construction, purchase of real capital equipment or purchase of real property with a life of 7 years or longer.

Eligibility

Eligible applicants may apply for only one of the following Cultural STAR funding types during each biannual funding round: Special Projects Grant; Organizational Development Grant; or Capital Project Grant or Loan.

	ELIGIBLE	INELIGIBLE
APPLICANTS	<ul style="list-style-type: none"> • Nonprofit arts and cultural organizations that are located within the City of Saint Paul • Any public, private, or non-profit entities that are located within the City of Saint Paul • City departments or divisions are eligible when in partnership with, or supported by, an eligible organization 	<ul style="list-style-type: none"> • Churches and religious organizations • Political parties and related political action groups • Federal, state, and county agencies and departments • Organizations that received funding in the first funding round of the calendar year.

	ELIGIBLE	INELIGIBLE
EXPENSES	<p>Direct capital costs of the project.</p> <p>Up to 20% of Cultural STAR funds may be used for direct project costs that specifically pertain to the execution of the capital project.</p> <ul style="list-style-type: none"> • Examples: Building permits; design fees; engineering, soil testing, environmental, legal, financing, licensing, and inspection fees; developers' fees; acquisition and demolition costs; utility relocation and construction; construction costs including loan and interest fees. 	<ul style="list-style-type: none"> • Use of STAR funds to develop a STAR proposal or organize an entity to manage a STAR proposal • Activities that have been completed prior to project approval for funding by the City Council • General operating expenses. • Payment for the applicants' own labor for construction or improvements (may be used as a match) • Refinancing existing debts. • Major public improvement projects (e.g., street repaving, sewer work, recreation centers, etc.) • Duplication of a current City program or facility. • Projects located outside the City limits.

	ELIGIBLE	INELIGIBLE
MATCHING CONTRIBUTIONS	<p>Direct and indirect financial resources such as:</p> <ul style="list-style-type: none"> • Private expenditures for physical improvements • Grants or contributions from sources such as foundations or corporations • Local lender commitments • In-kind services from individuals and businesses such as personnel, professional services, office space, supplies, volunteer labor and sweat equity for physical improvements (Up to 30% of the total match) • Additional City funding (CDBG, TIF, CIB, and HRA funds) may be used as a match only if the funds are in the form of a payback loan. 	<ul style="list-style-type: none"> • City forgivable loans or grants. • Volunteer meeting time • In-kind service donations from the applicant organization such as already existing office space, phone service, etc. -- In-kind donations from parties other than the applicant are eligible. • Applicants are encouraged to fund project administrative expenses with other resources (e.g., , foundation grants, cash donations, etc.) and to use these funds as part of the match

Program Requirements

- The minimum loan or grant request is \$5,000. There is no maximum request for Capital Project Loans and Grants.
- All capital improvement projects must have site control. This may take the form of a long-term lease (seven years or more) or ownership of the property where the project will be completed.
- The same or similar proposal cannot be submitted to more than one of the following programs in any one funding cycle (calendar year): the Capital Improvement Budgeting (CIB) program, the Neighborhood STAR program, and the Cultural STAR program.
- It is unlikely that the Board will recommend repeat funding for the same project in future cycles.
- Requests for public capital improvements that are defined by City policy as "above standard" will require a legally-binding and enforceable plan for maintenance and/or operation over the useful life of the improvements.
- Capital Project Loans and Grants cannot fund organizational development or special projects expenses.

All legal requirements of the City of Saint Paul must be met such as:

- The property must be appropriately zoned, meaning the property must conform to use under the City Zoning Ordinance.
- Health, safety and ADA items required by City building codes must be addressed.
- For new construction, properties must be on legal buildable lots.

- Prior to performing leasehold improvements, the tenant must obtain written permission from the building owner for the improvements.
- Prior to project implementation, all necessary permits must be obtained. Upon completion of improvements, the applicant must have followed, and the property must meet, all applicable code, permit, and license requirements. Finally, the property must be properly inspected and must have a Certificate of Occupancy upon completion, if applicable.
- Organizations receiving grants must comply with all federal, state, and local laws, rules, and regulations in connection with the project. This includes, but is not limited to, the Saint Paul Vendor Outreach Program (“VOP”).
 - Pursuant to City ordinance, VOP strives to maximize contracting opportunities for certified minority-owned business enterprises (MBEs), women-owned business enterprises (WBEs), and small business enterprises (SBEs). Certified vendors are listed on our CERT database. Access to the list of certified vendors is available (e-mail Cert@ci.stpaul.mn.us with “Vendor List - STAR grant” in the subject line). A VOP goal is generally set on every contract with the City. Common STAR grant contracting opportunities where VOP has been applied includes, but is not limited to, supplies, web design, signage, printing, and marketing.
- Labor Standards, Affirmative Action/Equal Employment Opportunity, and other compliance requirements may apply. **It is important to understand that compliance requirements may affect hiring practices and wage rates, so make no commitments prior to fully understanding these requirements. Compliance issues can be reviewed on the City of Saint Paul’s Department of Human Rights & Equal Economic Opportunity webpage (<http://www.stpaul.gov/index.aspx?NID=3710>).**

Disbursement of Funds / Match Requirements

- The Cultural STAR Program disburses awarded funds exclusively on a reimbursement basis and only after documentation of eligible expenditures is submitted, reviewed, and approved. Final payment will be made only after the project is completed and a final project report and evaluation is received.
- Cultural STAR funds for Capital Projects must be matched dollar for dollar. This is considered a minimum match, with preference given to projects that exceed this requirement. No money shall be disbursed until documentation of the match, in the appropriate ratio, is received and approved. At least 70% of the match for Capital Projects must be in dollars. Up to 30% of the match may be in volunteer labor and sweat equity. Volunteer labor and sweat equity are valued at \$15.00 per hour.
- Private, county, state, and federal funds may be used as a match.
- The Cultural STAR Board has the discretion to recommend approval of other matching contributions on a case-by-case basis. The Cultural STAR Board may consider exceptions to the match requirement in highly unusual cases.

Cultural STAR Board

The nine-member Saint Paul Cultural STAR Board serves as the formal review body that recommends to the Mayor grants and loans to be funded from the cultural portion of sales-tax funds. The Mayor then forwards a recommendation to the City Council for its approval. The Mayor appoints all nine members of the Board for “staggered” three year terms, in accordance with Resolution #13-690 in the required categories.

Review Process

The selection process for proposals is highly competitive. The number and size of grants and loans made is dependent on the quality of the proposals and the availability of funding. The review process is as follows:

- City Staff will review applications for eligibility. Ineligible applications will be removed from further consideration and the applicant will be notified.
- The Board will invite each eligible applicant to an interview. Applicants will be notified of the time and location of the interview.
- Cultural STAR interviews are public meetings; however no public testimony will be taken. Individuals wishing to comment on applications are encouraged to submit their comments in writing to City staff prior to the interviews.
- The Board will review the proposals based on program guidelines, merits, and fund availability and make funding recommendations to the Mayor and City Council.
- The Mayor will present final recommendations to the City Council.
- The City Council will approve, deny, or amend the Mayor’s recommendations.
- The Mayor will approve or veto the Council Resolution.

The entire process usually takes about three months from application deadline to the signing of the resolution by the Mayor, but may take longer.

Expectations of Loan and Grant Recipients

Project Development and Implementation

- After the City Council approves the Mayor’s recommendations, staff will notify each Cultural STAR applicant if their project was awarded funding, and if so, for what amount. They will also notify awardees of other pertinent contracting information.
- The City of Saint Paul and the applicant (or the applicant’s fiscal agent) will enter into a contract. Contracts should be fully executed within six months of approval by the City Council. The contract will contain, at minimum, a scope of services to be performed by all parties, a budget section outlining all funding sources and uses, an implementation timeline, and match requirements. The contract will be signed in accordance with City policy. Contract requirements include, but are not limited to:

- Carrying general liability insurance that insures the City of Saint Paul
 - Cultural STAR grants of \$75,000 or less require a \$1 million per occurrence and \$1 million aggregate limits;
 - Cultural STAR grants of over \$75,000 require a \$1 million per occurrence and \$2 million aggregate limits.

- Adherence, where applicable, to federal, state and local regulations and policies pertaining to the use of funds, such as prevailing wage standards, affirmative action, and targeted vendor programs. The amount of the award and the nature of the project (capital, organizational development, or organizational development) determine which regulations apply. Staff will hold a compliance meeting prior to implementation of the contract to identify applicable regulations. Prior to selecting vendors to entering agreements with vendors to do work related to/on your project (ex: supplies, web design, signage), please first search the CERT Certified Vendor List to determine if there are any certified vendors that could met your needs. For questions regarding this, please call 651-266-8900.

Cultural STAR applicants are strongly cautioned to not make any commitments until compliance requirements and funding regulations are fully understood.

- Implementation must progress as projected in the application. Lack of progress is grounds for withdrawing funding.
- Projects should be completed or self-sustaining within the period specified in the agreement. Requests for contract extensions are discouraged.
- The Cultural STAR Program disburses awarded funds exclusively on a reimbursement basis and only after documentation of eligible expenditures and match is received and approved. Final payment will be made only after the project is completed and a final project report and evaluation is received. At the time of completion of all activities contained in the agreement or upon expiration of the agreement, project fund balances will be returned to the Cultural STAR Fund.
- A final written report is required to determine the extent to which the project was successful. Project success will be measured against expected project outcomes and the overall objectives of the STAR Program. Organizations will not be eligible for future Cultural STAR funding until all required documentation, including this narrative report, are submitted for the most recently closed projects.



Part II: Application

How to Apply for Funds

Applications must be submitted through Zoomgrants by 4:00 PM on the deadline date. Applications not received by this time will not be accepted. Press the APPLY button on the website or go to <https://zoomgrants.com/gprop.asp?donorid=2141>

- (The 2016 Cultural STAR application will be available on Zoomgrants.com by January 26, 2016 for the February 26 deadline, and August 1, 2016 for the August 26 deadline)
- Your application must **include all required materials**. All questions must be answered. Incomplete or inaccurate materials may result in your application being ineligible.
- Contact the Vendor Outreach Coordinator to determine whether the CERT database has certified vendors that could meet your project's needs. 651-266-8900 or Cert@ci.stpaul.mn.us (put "Attn:VOP Coordinator" in the subject line)

What to Include

1. Project Summary (approx. 150 words/no more than 750 characters) and requested dollar amount of grant
2. Narrative (approx. 300 words/no more than 2000 characters)
3. Project Team/Personnel
4. Project Budget Expenses and Income Information
5. Applicant Description (approx. 500 words/no more than 3000 characters)
6. Board of Directors/Advisory Committee
7. Organizational Income-and-Expense Statements for the past three years (do not include current year)
8. Tax Status Documentation – letter from the IRS documenting your group's tax exempt status or information regarding your fiscal agent
9. Audited Financial Statements (or form 990) for most recently completed fiscal year
10. Listing of City Support received during the last five years/any Adverse Lending Relationships
11. One paragraph report on recent Cultural STAR funding

1. Project Summary

Please enter a summary of about 150 words (no more than 750 characters) of your project. Be sure to indicate in the application the amount of your request, the amount of matching funds, total project cost, and the current year's operating budget. If your group is not a public, private, nonprofit, or for-profit entity, you must apply using a **fiscal sponsor**. See the FAQ on page 9.

2. Narrative

Enter a narrative of about 300 words (no more than 2000 characters), addressing all areas, including the four Cultural STAR criteria below.

The narrative portion of your application is designed to help you address the following criteria. ***It is not necessary to respond to all of the bullets***; these questions are designed to help you address the criteria. Please provide enough information to help the Board evaluate your project in relation to each of the four criteria. The Board will apply all criteria to the application as a whole

Impact – When describing the *impact* of your project, consider questions such as:

- Describe the problem, opportunity, issue or need that your capital purchase/improvement is intending to resolve?
- Why, given all the ways your group could use capital, have you decided on this project? What is compelling about this situation?
- How will addressing this important opportunity/need by making this capital purchase or improvement have a significant, long-term impact on your organization?
- How might this project enhance your ability to broaden or strengthen your cultural offerings?
- How will STAR dollars leverage additional financial support?

Quality – When describing the *quality* of your project, consider questions such as:

- Who are, or will be, the project leaders? How were, or will, they be selected?
- What background or experience do your group, consultants, and project leaders bring to this project to ensure quality?
- If you are purchasing equipment, describe how you arrived at purchasing this particular equipment.
- What are your project goals? What is the outcome you plan to achieve? What mechanism will you use for evaluating the success of this project? How will you know when you are done? How will you know if this project is a success?

Ability – When describing your *ability* to undertake the project, consider questions such as:

- Describe the planning process for your project.
- In what ways will your board of directors or advisory committee be involved?
- What experience does your organization have that demonstrates the capacity for successfully completing this project?
- What is the timeline for your project?
- What other financial support do you expect for this project?

Diversity – When describing *diversity*, consider questions such as:

- How will this project add to your ability to diversify the cultural offerings in Saint Paul?
- How might this project lead to an enhanced ability for you to build and diversify audiences?
- As you consider your project's goals, describe how diversity is represented in your project (e.g., among your board of directors or advisory committee and/or project personnel).

3. Project Team/Personnel

List key people/artists/personnel/groups involved in your project. Briefly describe their qualifications and contributions for the project.

4. Project Budget

Complete the budget forms on the online application, which include project income, project expenses, and a project budget narrative. Include all project costs and identify how Cultural STAR funds will be used in the project. Project budget information must be specific and include verifiable

cost estimates.

5. Applicant Description

Attach a one-page description of your entity—mission, structure, current audiences served, membership, staff, etc. using approximately 500 words (no more than 3000 characters).

6. Board of Directors/Advisory Committee

Attach a one-page list of current officers, principals or board/advisory committee members.

7. Organizational Income and Expense Statements

Attach one-page statements of financial activity for each of the past three years. Do not include the current year's statement. These financial statements should reflect the organization's actual revenues and expenditures.

8. Tax Status Documentation

Furnish a copy of your group's IRS-tax-exempt status determination letter or Articles of Incorporation for a for-profit entity.

OR

Furnish a letter of agreement with your fiscal sponsor and a copy of your fiscal sponsor's IRS tax-exempt status determination letter. The date on the letter of agreement must be no more than one year old. See the FAQ on page 9 for information regarding use of a fiscal sponsor.

9. Audited Financial Statements

Furnish Audited Financial Statements (or form 990) for most recently completed fiscal year

10. City Support/Adverse Lending Relationships

City Support: List the source/program and amount of all monies received from the City of Saint Paul in the past five years with most recent year first. Also include the amount of any remaining balances.

Adverse Lending Relationships: Report any present or past adverse lending relationships between your entity, including principals, and the City (*examples: default, delinquent payments, litigation*).

Recent Cultural STAR Funding: If you received Cultural STAR support last year, briefly describe the project, including: project name; amount of STAR funding and total project budget amount; audience size; results of the project, major successes, and lessons learned.

11. Frequently Asked Questions (FAQ)

What is a Fiscal Sponsor?

A *fiscal sponsor* is a nonprofit, tax-exempt organization that receives Cultural STAR grant monies and manages the financial aspects of the project on behalf of a group that does not have tax-exempt status.

How do we apply using a Fiscal Sponsor?

The Cultural STAR Program accepts applications from informal and / or unincorporated arts-focused groups using a fiscal sponsor. Groups or artists in the district that are incorporated as for-profit entities (LLC, etc) MUST apply directly to the Cultural STAR program, without a fiscal sponsor.

Fiscal Sponsorship guidelines:

- 100% of the applicant's project must be in the cultural district.
- The fiscal sponsor must be a 501c3 organization located in Saint Paul.
- The applicant must have a board of directors or advisory committee (not the board of the fiscal sponsor) that provides input on, and oversight of, the project.
- The City will contract with the fiscal sponsor on behalf of the grantee. The fiscal sponsor will reimburse the grantee for allowable expenses and then submit the reimbursement paperwork to the City for reimbursement to the fiscal sponsor. All City checks will be to the fiscal sponsor, who is the legal entity that the City has contracted with for each project.
- The applicant must provide a letter of agreement from the fiscal sponsor regarding the application to the STAR program. The letter must include the amount or percentage of the fiscal sponsorship fee (if any.)
- The applicant should include the fiscal sponsorship fee (if any) as part of their project budget.

A 501c3 may serve as fiscal sponsor for multiple projects in any STAR round; the board will consider the project, organization or group and its advisory board with the same criteria as all other STAR applicants.

If we are recommended for funding, when will we get our money?

The period between the application deadline and final approval by the Mayor and City Council may take three months or longer. All Cultural STAR funds are provided on a **reimbursement** basis and NO costs incurred prior to final City Council approval are eligible for reimbursement, unless specifically noted in the Council resolution. Eligible expenses incurred subsequent to final City Council approval may be reimbursed. However, there are a number of compliance requirements with which you, as a recipient of Cultural STAR funds, must comply. **DO NOT MAKE ANY COMMITMENTS OR EXPENDITURES UNTIL YOU FULLY UNDERSTAND HOW THESE COMPLIANCE REQUIREMENTS WILL APPLY TO YOUR PROJECT.**

Reimbursements will be made only after a contract is executed and you have supplied adequate documentation of expenditures and documentation that compliance requirements have been met.

What compliance requirements may apply to my project?

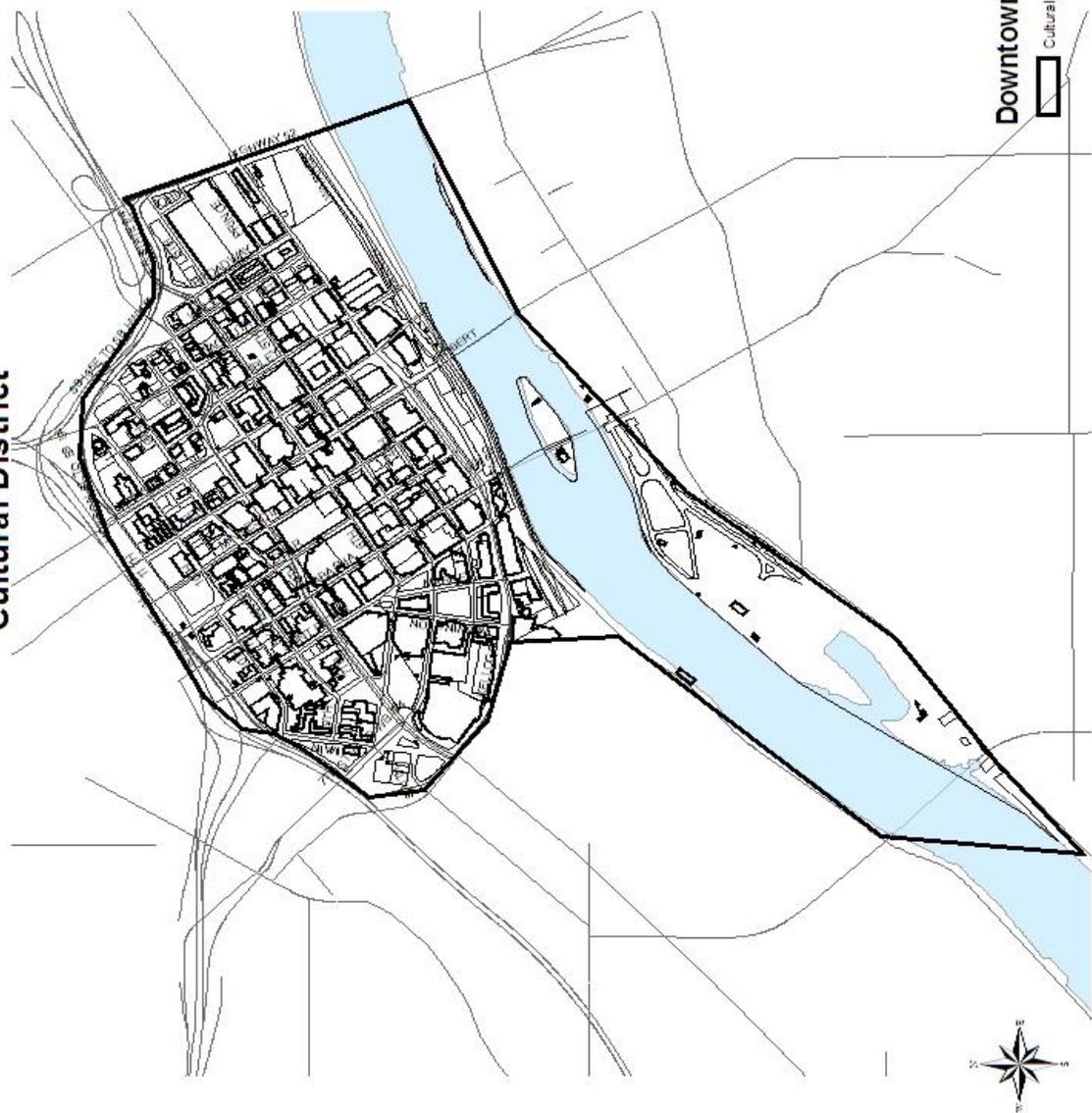
Recipients of public dollars must comply with a number of local, state, and federal requirements. The following compliance requirements may apply to your project:

- Vendor Outreach Program (651-266-8900)
- Affirmative Action (651-266-8900)
- Labor Standards – Federal Davis Bacon and City (Little) Davis Bacon (651-266-8900)
- Living Wage
- Business Subsidy
- Sustainable Development (Green) Policies

For more information e-mail ContractCompliance@ci.stpaul.mn.us and indicate "STAR Grant Applicant Contract Compliance Question."

Is my project in the Cultural District and in which Ward is it located? (see maps below)

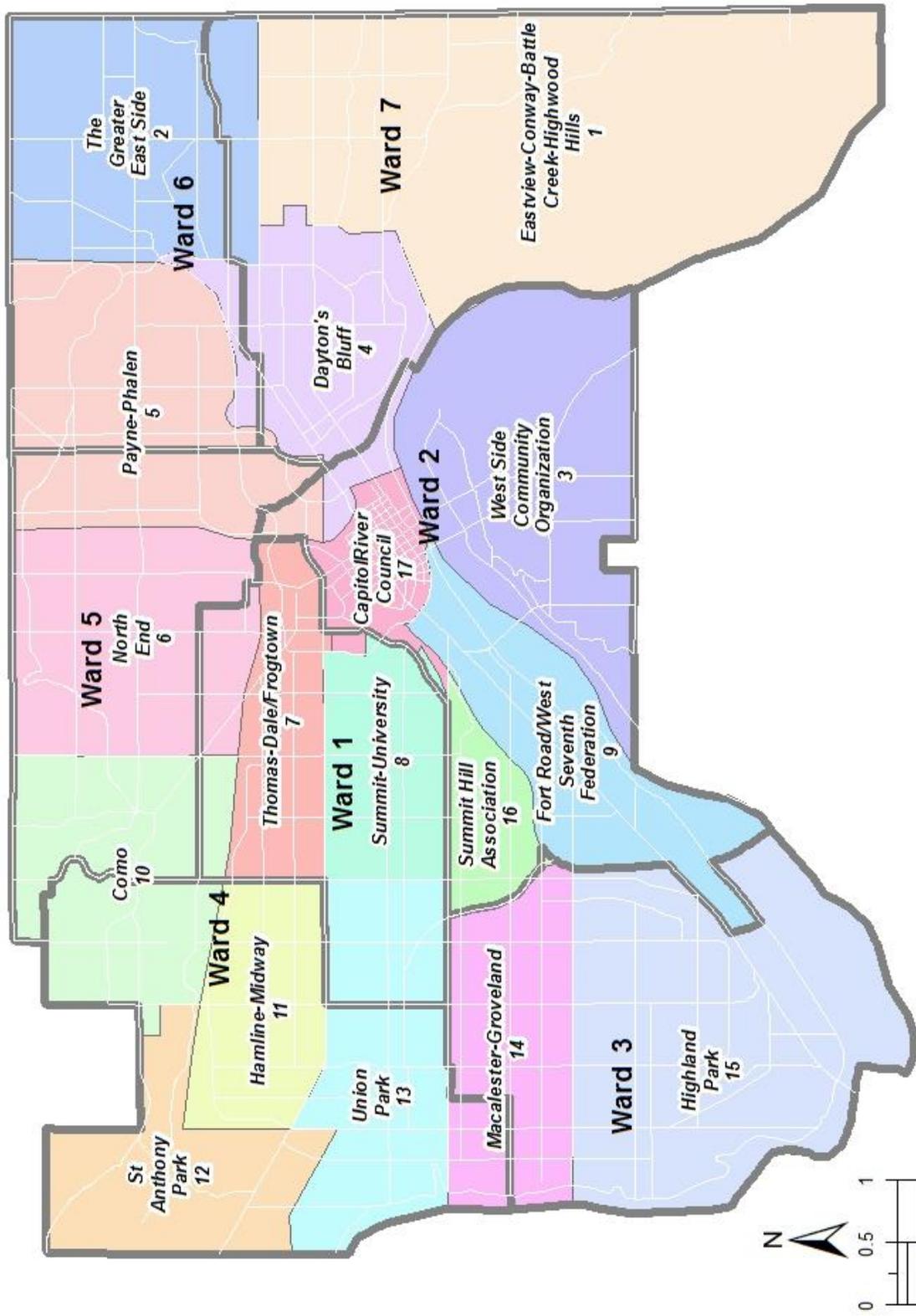
Cultural District



Downtown Saint Paul
Cultural District



City of Saint Paul Wards and District Councils



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Source: City of Saint Paul