

Updated February 2018

Neighborhood Sales Tax Revitalization

Program Guidelines



TABLE OF CONTENTS

STAR Program Overview

PART 1 - Program Description	Page 1
PART 2 - Eligibility	Page 2
PART 3 - Application Procedure	Page 4
PART 4 - Evaluation and Selection Process	Page 5
PART 5 - Leverage / Match Fund Requirements	Page 6
PART 6 - Awards and Implementation Process	Page 8
PART 7 - Loan Standards	Page 9
PART 8 - Year-Round STAR Program	Page 9
PART 9 - Project Monitoring and Reporting	Page 10
APPENDIX: Acronyms and Definitions	Page 11

Overview of the Saint Paul STAR Program

What is the STAR Program? The Neighborhood Sales Tax Revitalization (STAR) Program provides loans and grants for physical (capital) improvement projects in Saint Paul neighborhoods.

Who can apply? Eligible applicants include any public, private, or non-profit or for-profit entity located in or doing business in Saint Paul.

What types of activities are eligible? Eligible activities are permanently affixed, physical (bricks and mortar) enhancements which strengthen and/or improve the neighborhoods of Saint Paul. Improvements may include commercial and housing rehabilitation, parks, streetscape projects, and economic development activities. Capital improvements generally have an expected life of seven or more years, and should not be deferred maintenance activities.

When can I apply? Neighborhood STAR funds are awarded through a competitive process. The annual STAR budget determines the number of funding cycles held each year for the *Neighborhood Loan and Grant Program*. A program schedule is announced each January for the upcoming year. In addition, a Year-Round STAR Program may have dollars available for initiatives that do not meet program time constraints. For details, please visit the STAR website: www.stpaul.gov/star

How does the funding work? All STAR grant funds and loan awards over \$50,000 must be matched on at least a 1:1 basis with non-city resources with funds disbursed upon completion and approval of capital activities.

How much money is available? Annual sales tax collections, loan repayments and investment earnings determine funding availability. Program guidelines recommend 60% of STAR funds be used to finance loans and 40% for grant activities.

What types of activities are more likely to get funded? Good, well thought out projects. Proposals developed with neighborhood involvement and support, exceed a \$1 for \$1 leverage amount, include a loan component, revitalize a vacant commercial storefront space and/or dedicate non-city resources for all administrative expenses may also receive more favorable consideration.

Who do I talk to? The inside cover of this booklet contains all of the contact information needed.

PART 1 - Program Description

Purpose

Saint Paul's neighborhoods are one of its greatest assets. With this in mind, state and local legislation was enacted in 1993 to allocate revenue from the city's half-cent sales tax to the Neighborhood Sales Tax Revitalization (**STAR**) Program. Administered by the City's Department of Planning and Economic Development (PED), Neighborhood STAR provides loans and grants for physical improvement projects which could generally not be accomplished through existing city programs.

The STAR Program represents an extraordinary opportunity to revitalize our community. Providing economic development opportunities, stabilizing and renewing Saint Paul's housing stock and rejuvenating public infrastructure can be accomplished through the strategic use of Neighborhood STAR funds.

Funding

An annual STAR budget is proposed by the Mayor as part of the City's budget process, and is approved by the City Council. The appropriation is based on a combination of sales tax revenue projections, loan repayments, and investment earnings. The goal of the program is to award sixty percent (60%) of the Neighborhood STAR funds as loans, and forty percent (40%) as grants.

Annual STAR Program Cycle

The Neighborhood STAR Program offers loans and grants to non-profit, public and for-profit entities seeking over \$5,000 in financial assistance. Non-profit, public and small for-profit entities may request loan and/or grant assistance. Larger for-profit entities are eligible to apply for a loan or a loan-grant combination provided the grant portion is equal to or less than the amount of loan dollars being requested.

The number of funding cycles held each year is based on the annual Neighborhood STAR Program budget. The Neighborhood STAR Program schedule is announced in January of each year.

When funding is available, the STAR Year-Round Loan and Grant Program provides access to initiatives which have a particular urgency, and cannot meet the general program cycle.

General Policies and Expectations

STAR proposals must be capital (bricks and mortar) improvement projects or programs and be located within the Saint Paul city limits.

To maximize the use of STAR dollars, all STAR grant proposals and loan requests over \$50,000 need to be matched on a minimum dollar for dollar basis with non-city resources.

STAR initiatives should help to maintain or increase the tax base.

Proposed activities should be part of an approved plan or initiative, and focus on identified unmet needs.

STAR projects should be the result of collaboration and partnership with appropriate stakeholders.

Proposals should address needs that affect more than one neighborhood when appropriate, and may include participation by the private lending community.

Projects and programs financed with STAR funds are expected to be used for their funded purpose for seven (7) or more years. If for any reason the program is discontinued or the property is sold prior to seven years, the STAR award may be required to be returned to the city.

Over time, STAR projects and resources should strive for geographic and financial equity across all city neighborhoods.

PART 2 - Eligibility

Eligible Applicants

Public, non-profit and for-profit entities located or doing business within the City of Saint Paul are eligible to apply for Neighborhood STAR funding

Non-profit community organizations may apply to STAR for loan and/or grant funds;

For-profit entities who qualify as a small business under MN Statute 645.445 are eligible to apply for grant and/or loan assistance. Small for-profit businesses are defined as businesses with under \$1 million in gross sales or fewer than 20 Full Time Employees.

Larger, for-profit entities may apply for a loan or a loan/grant combination provided the grant portion is equal to or less than the amount of loan dollars being requested.

City departments and quasi-governmental entities are eligible to apply when in partnership with a neighborhood and/or community group.

Churches and religious organizations are eligible to apply when in partnership with a neighborhood and/or community group and only with respect to a project that: (i) is non-sectarian and whose primary effect neither advances nor inhibits religion; (ii) will make capital improvements for functions not associated with church sponsored or religious type activities; and (iii) is open and available to the public at large on a regular basis.

Ineligible Applicants

Political parties and political action groups.

Federal, state and county agencies and departments.

Individual homeowners, condominium or townhome owners and/or the association representing them.

For-profit entities seeking 100% grant funds **who do not qualify** as a small business under

MN Statute 645.445.

Eligible Activities

Rehabilitation and/or construction of commercial, residential or industrial property.

Most fixed interior and exterior improvements to commercial and residential facilities including: walls, ceilings, floors, lighting, windows, doors, entrances, electrical, plumbing.

HVAC, energy and security improvements, handicapped accessibility, and building code corrections.

Minor public improvements (major public improvements should be referred to the city's Capital Improvement Budget (CIB) process.)

Beautification of public or private open space, including trees and shrubs, benches, play equipment, and lighting.

Non-profit neighborhood organizations providing a funding program to local businesses, homeowners, and condominium or townhome owners for capital improvement activities.

Ineligible Activities

In general, any activity not of a physical, or "bricks and mortar" nature, is ineligible for STAR funding. The following is a list of examples that do not meet the definition of a capital improvement:

Planning or study activities.

Costs associated with the preparation of a STAR proposal.

Public service programs (i.e. crime prevention, block nursing programs, child care etc.)

Refinancing existing debt.

Improvements that are not permanently affixed (i.e. office equipment, computers, furniture, appliances, vehicles, telephone systems, etc.)

Improvements that will not be used for their funded purpose for seven (7) or more years.

General administrative expenses, including staff management, working capital, and general maintenance costs.

Project/programs located outside of the city limits.

Major public improvement projects.

Payment for the applicant's own labor and performance for construction or improvements.

Duplication of an existing city program.

Developer fees to persons receiving the benefit of the project/program.

STAR Direct Project Costs

Up to twenty percent (20%) of STAR funds may be used for costs directly associated with the physical improvement, including: acquisition costs, environmental testing, legal fees, building permits, licensing and inspection fees, general contractor's fees, and project management fees directly related to the STAR activity.

PART 3 - Application Procedure

Proposal Development

Sales tax funds are a valuable resource for Saint Paul neighborhood improvements. It is critical that the city is strategic in allocating these funds to maximize their benefit. When preparing a STAR proposal, applicants should consider the following:

The Neighborhood STAR Program is designed to finance capital projects that could not generally be accomplished through existing city programs. Potential applicants are encouraged to meet with city staff, neighborhood organizations and community groups to identify needs, and explore opportunities to share capacity and expertise.

Applicants should consider collaborating with other entities to provide technical services (i.e. loan underwriting, loan servicing, and credit analysis) not available in their organization. STAR resources may not be used to develop or duplicate administrative capacity.

Applicants should seek out opportunities to implement existing neighborhood plans and strategies, such as small area plans. Likewise, proposals which can be implemented in conjunction with other city-planned improvements will make the best use of scarce resources.

City staff will provide technical assistance to applicants, if requested, to help insure a complete and viable application.

Application Preparation

A STAR workshop will be held at the beginning of each funding cycle to provide program information to prospective applicants. Applications will be due five to seven weeks after the workshop.

The application form will be available on the Neighborhood STAR Program website www.stpaul.gov/star following the STAR workshop.

All applications must be submitted on a current STAR application form, complete, and on time to be considered for funding.

STAR applications also require the following financial information: a project performance; sources of private lender financing; and a financial history which includes balance sheets, operating statements and/or tax returns.

Proposals requesting STAR funding for a sub-loan/sub-grant program must include detailed sub-program guidelines.

Application Submission

A fee of \$75.00 is required for each application of \$5,000 to \$25,000, and a \$125.00 fee is required for each application in excess of \$25,000. All fees are non-refundable. Copies of past STAR applications are available to all interested parties.

Review and Input: Proposal review and input will be requested from the following:

Neighborhood and community organizations where the proposed activity will be located;

PED Credit Committee for a review of the projects financial feasibility;

The Saint Paul Planning Commission for compliance with adopted plans and policies;

The Capital Improvement Budget Committee to assist in coordinated decision making; and

Various City Departments as appropriate.

PART 4 - Evaluation and Selection Process

The Neighborhood STAR Board serves as the formal review body for proposals requesting Neighborhood STAR funds. The twenty-one members serving on the Neighborhood STAR Board are interested citizens who are recommended by the Mayor and approved by City Council.

Evaluation: Proposals will be reviewed for the following eligibility and selection criteria:

Proposed activities meet eligibility STAR Guidelines;

The proposal meets or exceeds STAR leverage requirements;

The proposal's financial feasibility;

The managing organization's capability to successfully implement and manage their project or program;

The proposal's ability to address an identified neighborhood need or goal;

The extent to which the proposal is neighborhood based and was developed with community input.

Selection Process: The Neighborhood STAR Board will review, rate, and rank each proposal on its merit, and provide a list of recommended proposals to the Mayor and City Council. The Neighborhood STAR Board will take into consideration comments from the CIB Committee, Planning Commission, and Planning and Economic Department staff as part of the recommendation process.

During the review process, applicants may be asked to provide additional information to the

STAR Board, and may be asked to consider a modification to their proposal.

The Mayor will review the recommendations of the Neighborhood STAR Board and forward his/her recommendations to the City Council.

The City Council, in turn, will review the Mayor's recommendations, and adopt by resolution a final list of Neighborhood STAR projects.

Proposals may receive more favorable consideration during the selection process if:

The proposal leads to filling vacant commercial storefront space within the city;

The proposal has a positive impact on the tax base, neighborhood businesses, residential neighborhoods and/or job creation;

The proposal is part of a well-defined, broad strategy for neighborhood development or maintenance;

Activities are sufficiently concentrated within an identified geographic area to result in a high visual or economic impact;

Sufficient planning or feasibility analysis indicates a high probability of success;

Neighborhood support is documented with an appropriate mix of residents, property owners and/or business people relevant to the project included in the planning, development and implementation of the proposal;

The proposal includes direct coordination with other city, private, or non-profit programs and projects that results in a more efficient and strategic use of funds;

When additional funds or resources are leveraged exceeding the required match;

Percentage of the match is direct cash, or capital investment is high;

All administrative expenses are funded through other sources;

The proposal includes a loan component.

PART 5 - Leverage / Match Fund Requirements

Eligible Matching Contributions

Eligible matching contributions may include: private funds, foundation and corporate grants, local lender commitments, local contributions or funds raised from within the neighborhood, or operating assessments estimated over the life of the improvements.

A minimum of one non-city (private) dollar for every STAR dollar is required for **all grant** requests;

Loan requests up to \$50,000 do not require a match;

Any portion of a loan request over \$50,000 requires a minimum \$1 for \$1 match with non-city resources.

Matching funds must be directly related to the applicant's proposal.

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 pay-back loan.

Although Federal, State, County funds may be used as leverage, priority will be given to projects matched with private funds.

Project costs incurred after submission of a completed application form to STAR staff may be considered as matching dollars.

Applicants are encouraged to finance direct project management expenses with outside private resources (i.e. foundation grants, cash donations) and identify these funds as part of the match.

The value of sweat equity and/or volunteer labor is valued at \$15.00 per hour, and may not exceed 30% of the total project match amount.

If match is in the form of an operating assessment, no funding will be disbursed until after final ratification of the assessment.

Contributions from residents and businesses may include in-kind/project specific services such as: professional services, office space, supplies, volunteer labor, and sweat equity for physical improvements equaling up to 30% of the leveraged dollar amount.

The STAR Board may, at their discretion, recommend approval of other matching contributions on a case-by-case basis.

Ineligible Matching Contributions

Volunteer meeting time.

In-kind service donations from the STAR applicant.

Volunteer labor, sweat equity or in-kind contributions exceeding 30% of the total match amount.

General operating expenses of the organization.

Donations/expenditures not directly related to the STAR project.

City forgivable loans and/or grants.

Unrelated improvements in the general area of the project.

Improvements made prior to submission of a STAR application.

PART 6 - Awards and Implementation Process

Program/Project Implementation

Upon selection by the Mayor and City Council, the STAR applicant will be notified in writing of their funding commitment.

City staff will hold a post award meeting to provide a general review of city regulations applicable to all Neighborhood STAR activities. STAR recipients are cautioned not to make any financial commitments until the compliance and funding requirements are fully understood and agreed to by all parties.

Awardees will enter into a formal agreement with the city for the use of STAR funds when their project is ready to close and begin construction, but no later than the end of the calendar year following the year funding was approved.

STAR project funds must be used by the end of the second calendar year following the year funding was approved.

Failure to execute an agreement in the allowed time-frame may result in a cancellation of the city's funding commitment.

Proposals are selected based upon the information contained in the application and may not be significantly changed during project implementation.

Contract Execution

Prior to entering into a formal agreement with the City of Saint Paul, an individual pre-construction meeting will be held with the STAR recipient, their contractor and key city staff to review compliance issues specific to the project which may include affirmative action, business subsidy, labor standards, living wage, section 3, and the vendor outreach program.

The Neighborhood STAR loan and grant agreements contain:

Statement of Work detailing the work to be performed, the source of leverage, total project budget and implementation timeline;

Valid insurance certificate with appropriate liability coverage with the City of Saint Paul listed as an additional insured;

Public purpose statement;

Conflict-of-interest statement; and

Appropriate attachments pertaining to the use of funds to adhere to applicable federal, state and local regulations.

STAR Fund Distribution

Individualized STAR forms will be generated by city staff for each project.

Neighborhood STAR funds can be disbursed for work that has:

- 1) been completed **after** STAR funding was approved by the Mayor and City Council;
- 2) been properly invoiced;
- 3) documentation of matching dollars spent on the project (if required); and
- 4) been approved by HREEO as meeting compliance requirements.

Neighborhood STAR loan funds with a mortgage and/or security agreement may also require a lien waiver and/or the use of a title company for disbursements

STAR loan/grant disbursements are, when feasible, to be made simultaneously.

Non-Profit Sub-Loan/Sub-Grant Programs

Detailed sub-loan/sub-grant guidelines must be included in the STAR agreement;

Non-profit entities will be allowed up to three (3) years to disburse STAR funds and one (1) year after final disbursement to begin loan repayments;

Non-profit organizations are not eligible to apply to their own sub-loan/sub-grant program;

A first in, first out provision whereby a non-profit entity applying for additional dollars for an established or duplicate program must spend the balance of existing program funds completely before newly awarded STAR funds can be disbursed.

PART 7 - Loan Standards

The goal of the STAR loan program is to earn a reasonable interest over time. Applicants, however, propose the interest rate and terms that best suit their project. Rates and terms are analyzed by the PED Credit Committee and may be modified. Results of the credit analysis are forwarded to the Neighborhood STAR Board.

PART 8 - Year-Round STAR Program

Eligible applicants include any public, private, or non-profit or for-profit entity located in or doing business in Saint Paul. Applications for STAR loan and grant funds will be accepted throughout the year, when funding is available, under the following conditions:

The applicant demonstrates a definite need to forgo the annual STAR process;

All applications are submitted on the STAR Year-Round Program application form available from STAR staff;

A minimum of one non-city (private) dollar for every STAR dollar is required for all grant requests;

Loan requests up to \$50,000 do not require a match;

Any portion of a loan request over \$50,000 requires a minimum \$1 for \$1 match with non-city resources.

Matching funds must be directly related to the applicant's proposal.

A fee of \$75 is required for applications requesting between \$5,000 and \$25,000 and a \$125.00 application fee is required for each application requesting more than \$25,000. All fees are non-refundable.

Application and Evaluation Process

Review and ranking of STAR Year-Round applications by the Neighborhood STAR Board with input requested from neighborhood organizations, PED staff, Planning Commission, CIB Committee and City Departments as appropriate.

STAR Board funding recommendations and rankings are submitted to the Mayor and City Council for final approval.

PART 9 – Project Monitoring and Reporting

STAR awardees will provide documentation of project expenditures and progress toward meeting expected project outcomes. Project Managers within the department of Planning and Economic Development will monitor STAR disbursements and required match activity for both progress and contract compliance.

A final evaluation of each project to determine the extent to which the project has been successful should be submitted prior to a final disbursement of STAR funds. Project success will be measured against expected project outcomes and the overall objectives of the Neighborhood STAR Program.

At the time of completion of all activities contained in the agreement or upon expiration of the agreement, any remaining project fund balances will be returned to the Neighborhood STAR fund.

Annual Report to the Mayor and City Council

City staff shall provide an annual report on the program and financial activities of the STAR Program to the Mayor and City Council.

Annual Review of Priorities

Priorities for the use of sales tax funds are reviewed on an annual basis. The STAR Board and city staff shall conduct a review and forward any comments and recommendations to all interested parties.

Audits and Quality Control

It will be the responsibility of funded entities to provide all necessary documentation, as determined by the city, for purposes of determining program eligibility and ongoing program compliance.

APPENDIX: ACRONYMS AND DEFINITIONS

Acronyms

- CDBG** Community Development Block Grant, a federal grant to cities which can be used for a wide variety of community development activities. Activities funded must principally benefit low and moderate-income persons.
- CIB** Capital Improvement Budget, the city's bi-annual budget for capital improvements.
- HOME** Home Investment Partnership Program, a federally funded program that provides assistance in the development and rehabilitation of low and moderate-income housing programs and projects.
- HRA** Housing and Redevelopment Authority, the legal entity that undertakes redevelopment activities on behalf of the City of Saint Paul. The HRA Board members are also members of the City Council.
- PED** Planning and Economic Development Department is the city department responsible for housing and economic development initiatives. PED staff administers the STAR program.
- RLP** Revolving loan program, a program that provides loans for housing or business improvements, and recycles the repayments to make additional loans.
- STAR** Sales Tax Revitalization Program.
- TIF** Tax Increment Financing is a funding mechanism that calculates the value of a proposed development, and then issues debt based on that value. The increase in taxes is then used to pay for the improvements over a period of time.

Definitions

Account Officer/Project Manager - a PED staff person that is assigned to work with persons in the development, oversight, and management of activities financed in whole or part with city funds.

Administrative Expenses - General overhead costs necessary to run an organization, including payroll, office space, supplies, rent, utilities, etc.

Adverse Lending - An entity or person having an adverse lending relationship (i.e. default on a city loan, arrears in loan repayments, or a current or past lawsuit) with the city.

Affirmative Action - A city policy which requires entities that receive city financial assistance to develop a plan for the recruitment and integration of women and minorities in their businesses.

Allocation Goals - Percentages established by the STAR program that recommends amounts of funds to be utilized in each of the program areas.

Amortization Schedule - A plan for paying back a loan over a specified period of time.

Annual Report - A written document completed once a year on activities and accomplishments of the Neighborhood STAR Program.

Applicant - An entity applying for a loan and/or grant from the STAR program.

Audit - An examination of an organization's financial and administrative records to ensure compliance with financial and program standards.

B2GNOW/LCPtracker an electronic contract compliance tracking system for STAR recipients/developers, general/prime contractors and subcontractors.

Borrower - A person or entity that takes out a loan.

Business Subsidy - 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 two (2) years of receiving the assistance.

Capital Improvement - A physical improvement of property.

Certificate of Occupancy - A document issued by the city that indicates that a building has met all city requirements for legal occupancy of a specific use.

City Comprehensive Plan - A set of plans and policies adopted by the Mayor and City Council to guide the growth and development of the city. Sections of the plan include land use, economic development, transportation, parks, and housing.

Collateral - Property that can be assigned as security to ensure recovery of a loan, should a borrower default.

Commitment Letter - A document informing a STAR applicant of the city's intention to award STAR funds.

Contract/Agreement - A legally binding agreement between the city a STAR recipient which specifies the terms, conditions, duties, and responsibilities of all participants.

Credit Committee - A select group of staff members of the Department of Planning and Economic Development that review financial aspects of proposed loans and grants. The Credit Committee provides financial and credit information to the Neighborhood STAR Board to aid in the development of funding recommendations.

Credit risk - An analysis of the financial viability of a proposed activity, including the likelihood of loan repayment.

Cultural District - A defined area of downtown Saint Paul within which the Cultural STAR Program is targeted (Cultural STAR is a companion program that targets sales tax funds to projects benefiting libraries, museums and cultural organizations.)

Deferred Loan - The postponing of the repayment of a note.

Direct Project Costs - Reasonable costs which are necessary to carry out the construction and completion of a capital project.

District Council Plan - A set of plans and policies adopted by the Mayor and City Council to guide the growth and development in one of the cities officially recognized planning districts.

Eminent Domain - The authority of a government to take, or authorize the taking of, private property for public use.

Entity - A company, business, or organization that has been officially licensed and/or recognized to conduct business.

Federal Davis Bacon - Projects funded with \$2,000 or more of *federal* dollars

Final Evaluation - A written assessment of the accomplishments and value of the completed program or project.

Forgivable Loan - A loan for which repayment is waived if certain conditions are met.

Funding Cycle - The annual time-period required to notify the public, solicit and review proposals, and award STAR Program funds.

Grant - An award of funds for a project or program which does not require repayment if certain conditions are met.

Grantee - An entity that has been awarded a STAR grant.

Job Creation - Jobs that are pledged to be created as a result of a STAR activity.

Labor Standards/Prevailing Wage Standard - A schedule of wages that has been defined as fair for construction workers.

Leasehold Improvements - Improvements to property held by a lease.

Leverage - Money or other resources committed to a project in addition to the receipt of STAR funds. STAR loans over \$50,000 and every STAR grant dollar require a minimum \$1 for \$1 leverage with other resources.

Lien Waiver – a document from a contractor, subcontractor, materials supplier, equipment lessor or other party stating they have received payment.

Little Davis-Bacon - City requirements related to paying prevailing wage rates for work on a city-funded project.

Living wage - A level of wages that is sufficient to support a family household.

Loan - Funds that are awarded with the understanding that the money will be repaid.

Origination Fee - A processing fee normally charged by the entity providing the funds.

Match - Money or other resources pledged to a STAR project or program along with STAR funds. STAR loans over \$50,000 and every STAR grant dollar requires a minimum \$1 for \$1 match with non-city resources.

Minnesota Business Assistance - Laws approved by the Minnesota State Legislature that require cities to document job creation that occurs as a result of the award of public economic development assistance funds.

Neighborhood Fund - The account that retains the sales tax proceeds designated for distribution through the Neighborhood STAR Program.

Neighborhood STAR Board - A select group of twenty-one (21) Saint Paul residents, appointed by the Mayor and City Council, that reviews applications and makes funding recommendations for the award of Neighborhood STAR funds.

Neighborhood STAR Program - The city program that awards loans and grants for capital neighborhood improvement projects. The STAR program is financed through the city's half-cent sales tax.

Operating Assessment - A supplemental fee charged by the city to property owners to pay for the maintenance and operation of public improvements that are considered above city standard.

PILOT (Payment In Lieu Of Taxes) - An agreement to make a payment to the city when a property will be removed from the tax rolls.

Planning Commission - Saint Paul residents, appointed by the Mayor and City Council, charged with making recommendations regarding planning for the city's redevelopment and improvement.

Pre-Construction Compliance Meeting - A meeting held between city staff and the entities that have been awarded STAR funds to discuss city requirements that must be met as a condition of city funding.

Private Open Space Improvement - An outdoor area (i.e. gardens, park, playground, parking lot etc.) that is open and available to the public on a regular basis.

Program - An activity by which funds are passed through an organization to an end user.

Project - A one-time capital improvement to a specific property.

Project Management - The activity of coordinating and overseeing the development and completion of a funded project or program.

Performa - A realistic projection of income and expenses for a typical year of operation, and a balance sheet that reflects the post-loan closing conditions.

Proposal - An application to fund a project or program.

Revolving Loan Program - An activity that makes loans for physical improvements, then recycles the repayments to make new loans for the same purpose.

Risk Rating - An estimate of the likelihood that a loan will be repaid based on an analysis of the applicant's repayment capacity, capital and collateral position and conditions of loan approval.

Section 3 - provides economic opportunities to low and very-low income persons and Section 3 businesses.

Site Control – Authority to perform capital improvements to a site through ownership, long-term lease or signed purchase agreement.

Small For-Profit Businesses - entities with under \$1 million in gross sales or fewer than 20 Full Time Employees.

Small Area Plan - A plan adopted by City Council for the redevelopment or improvement of a defined geographic area within the city.

Sources and Uses - A financial document that details all sources of program and project funds, and purpose for which the funds will be used.

Statement of Work/Scope of Services - A description of the activities that will be performed in the implementation of a project or program, including person(s) responsible, a timeline, and detailed budget.

Status Reports - Periodic statements made to the city by the participants on the progress of projects or programs.

Sweat Equity - Work a property owner performs to complete a capital improvement on their own property. The value of this work may be used as a partial match for STAR funds.

Underwriting standards - Credit requirements (including financial ratios) that must be met before a loan can be approved.

Vendor Outreach Program - A city program that assists in ensuring that a percentage of goods and services purchased by the city or by city-funded entities is purchased from small,

minority-owned and/or women-owned businesses.

Neighborhood Sales Tax Revitalization (STAR) Program

Thank you for your interest in the Neighborhood STAR Program.

Whether you are an active citizen, a program applicant, or a successful Neighborhood STAR partner, your input and participation is critical to the program.

For more information on Neighborhood STAR, as well as application forms, please visit **stpaul.gov/STAR**

If you have any questions or comments, please do not hesitate to reach out to City staff:

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Written comments or questions can be sent to:

Neighborhood STAR Program
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Saint Paul, Minnesota 55102-1622

or

FACSIMILE: 651-266-6549



stpaul.gov/STAR