



CITY OF SAINT PAUL
Melvin W. Carter III, Mayor



Neighborhood STAR Program
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MEMORANDUM

TO: Mayor Carter
Council President Brendmoen
Members of the City Council

FROM: Derek Anders-Turner, Vice Chair *DAT*
Neighborhood STAR Board

DATE: September 14, 2018

SUBJECT: Requests for Neighborhood STAR Funding Change

Background

On September 12, 2018, the Neighborhood STAR Board reviewed requests from two non-profit entities seeking changes to their current Neighborhood STAR Program award. First was a proposal from African Economic Development Solutions (AEDS) requesting to change their 2014 sub-loan program guidelines in order to make these dollars more accessible to the community at large. Next, was a request from North East Neighborhoods Development Corporation (NENDC) to expand the scope of their Rice Street Business Improvement Sub-Grant Program to include eligible expenditures by public facilities and waive the \$1 for \$1 match requirement.

Presentations

Gene Gelgelu, Executive Director of AEDS presented their request to change sub-loan program guidelines on their 2014 STAR award of a \$25,000 loan and a \$25,000 grant by reducing the interest rate on their STAR loan from 2% to 0%, enlarge their sub-loan program boundaries, expand the use of the STAR funds to include interior improvements, eliminate the required \$1 to \$1 match on STAR loan dollars and extend their STAR loan and grant agreements one additional year in order to fully expend the funding. Mr. Gelgelu added that a building with five (5) businesses was recently identified to utilize the remaining \$40,000 in this program.

Next, Chuck Repke, Executive Director of NENDC presented their proposal to expand the scope of their 2016 Neighborhood STAR Year-Round Program award of a \$50,000 grant for the Rice Area Small Business Program to include two community centers seeking improvement dollars for their facilities. If approved, Mr. Repke explained that the majority of STAR dollars in this program would still be invested in area small businesses.

Recommendation

After discussion on the merits of these types of sub-loan/sub-grant programs being offered in our community, the STAR Board voted to recommend these changes be allowed as requested.

Thank you for your continued support and assistance. If you have questions, or if staff can provide you with additional information, please call: Michele Swanson, x66574 or Austria Castillo, x66691

CC: Gene Gelgelu, Executive Director of AEDS
Chuck Repke, Executive Director of NENDC

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