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CTORIA THEATER
RTS CENTER

CITY OF SAINT PAUL

2023 STAR Program Guidelines

Organizational Committee – June 7, 2023



Background

In examining the STAR program over several years, a few things have become apparent:

- The administrative lift for each round of application process is very high
- The administrative lift for small awards is just as much as for larger awards, and the cost of staff time across several departments over several years is far more than the amount of the smaller awards, especially for loans
- Many of the STAR loans are the loans that become past due, need restructuring or end up being written off. STAR loans comprise a large portion of our outstanding loan portfolio.
- The required match presents significant challenges for applicants or potential applicants
- Compliance requirements present significant challenges for awardees

Based on these findings, we are recommending several adjustments to STAR program guidelines for 2023. We will continue to evaluate the program for possible improvements.



Neighborhood STAR Program – Proposed Guideline Changes for 2023 Round

- Grants only program
- ~~Increase minimum grant request to \$15,000 from \$5,000~~
- Eliminate match requirement for grant requests up to \$50,000



Cultural STAR Program – Proposed Guideline Changes for 2023 Round

- Hold only one funding round per calendar year
- ~~Increase minimum grant request to \$10,000 from \$5,000~~
- Eliminate match requirement for grant requests up to \$50,000
- Project eligibility dates:
 - Special Projects/ Organizational Development: One-year contract term
 - 2023: August 1, 2023 - July 31, 2024
 - 2024: Proposing June 1, 2024 - May 31, 2025
 - Capital Projects: Two-year contract term
 - 2023: August 1, 2023 - July 31, 2025
 - 2024: Proposing June 1, 2024 - May 31, 2026



City Compliance Ordinance Changes for STAR projects

- PED staff found that peer cities have much higher thresholds for prevailing wage and programs similar to VOP for economic development projects than the City of Saint Paul.
- PED staff and CAO have met regularly over the past year and half to discuss and evaluate potential changes to exempt STAR projects from certain compliance areas.
- We will continue to evaluate this and bring recommendations at a later date



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