



STARS Sister Cities for Sustainability

International Strategy for Addressing Common Challenges

Mission Statement

Create, cultivate and/or identify community capital for value and value-added exchange in a sustainable mutually-owned supply and demand Services Delivery Exchange with member communities, sister communities, operating as traders of vertical and horizontal contracts of community goods and services. STARS Sister Cities for Sustainability goes beyond cultural exchange to commercial exchange.



Vision Statement

Socioeconomically-challenged states, cities, and neighborhoods will be able to leverage one-time investments to create a sustainable economic ecosystem by converting a successful cultural nonprofit exchange model, Sister Cities, into a sustainable for-profit commerce model leading to social, economic, and technical independence for participating and member communities.

Model Overview

The program was inspired by a nonprofit model widely used by hundreds of cities around the world for culture exchange, educational exchange, healthcare, tourism, and economic development. The model is called sister cities, and there is an organization dedicated to forming and promoting sister cities, Sister Cities International, <https://sistercities.org/>.

Most sister cities are large prosperous and progressive cities with significant community capital for cultivating relationships with international counterparts. STARS Sister Cities for Sustainability hopes to bring the economic and social benefits of leveraged public and private funding and new income streams to frontline and socially-disadvantaged low median income (LMI) cities regardless of population or geographic size.



Primary Barrier-Funding

Three organizations with the ability to seriously impact LMI communities are the United Nations, the International Financial Institutions, and the Impact Investment Funds. They all have or influence capital grants, loans, and bonds for pursuing social and economic goals. They fund governments and private sector projects around the world and they have been very successful working with metro or medium-size cities.

However, when it comes to LMI cities they have been less successful due to bureaucratic constraints that prohibits strategies and solutions that are prone to fraud and corruption. Additionally, LMI cities generally don't have the political clout to attract public or private investment.



Program Goals

This program will bring the necessary entities together to build strong, sustainable, and resilient communities through an ongoing sharing and collaboration of the major sectors that impact the quality of life on a hyperlocal basis.

The program will overcome persistent barriers and restrictions using the proprietary STARS model to development solutions, train and educate local talent in the matched cities, and transition control and management to the local government or leadership. Key sector partners are government, education, and medical. All partners are passively supportive of international relationships.



Structural Overview

The Shared Technology and Resources Solutions (STARS) program and Services Delivery Platform (SDP) will deliver turn-key strategies and solutions based on hyperlocal considerations for the exchange members with a focus on the matched Sister City and/or their Sister Neighborhoods.

A basic holding company-subsidary relationship will provide capitalization for the capital expenses. A dual Special Purpose Vehicle (SPV) relationship between the two sister cities will serve as operating entities for their respective communities.

An SPV/LLC will have private label rights-to-use the STARS strategies and solutions and an SPV/P3 (Public-private Partnership) will use STARS' use cases and business cases to cultivate local relationship and enhance or create new recurring revenue streams. A Charts of Services, selected use cases, business plans, and other community-specific deliverables are part of the STARS model.



Operational Overview

The STARS Sister Cities for Sustainability will be scalable for any size city/community with a focus on addressing the persistent challenges and struggles of Low-moderate Income (LMI) states, cities, or neighborhoods by leveraging the current funding and capitalization available for sustainability and social goals such as ESG (Environmental, Social, Governance), DEI (Diversity, Equity, and Inclusion), and SDGs (Social Development Goals). The SPV/P3s will facilitate active and passive community collaboration, alliances, aggregation points, participation, etc. without the red tape or bureaucratic barriers that have traditionally stifled local development.

Each community's service area or market, depending on business model, will be identified and profiled by the zip code, postal code, or locally-defined coordinates. Existing databases and publicly available information will be use to match communities for complementary, supplemental, or complete goods, services, or needs.

A minimum three-component STARS solution with the program and all the applicable use case, strategies and solutions, the services delivery platform with all the technical infrastructure and technologies, and community-relevant business units. Incumbent businesses will also benefit from enhancing and supplemental strategies and solutions.



Funding and Capitalization

Initial capitalization and first-year funding can come from the many public and private funding sources such as loans and grants from Impact Investors such as conservation foundations, green revenue bonds from commercial and public entities, loan and grants from the International Funding Institutions (IFIs). The available funds and assets under management are in the trillions of dollars.

The funding and revenue projections will provide several funding options based on the particular initial project parameters, business cases, strategies and solutions which will be defined by STARS. For example, a \$100M (US\$) green bond would fund ten (10) communities with 5-15 thousand in population with less than 100 square miles of service area/market. The target project capital cost of less than \$10M can conservatively generate a minimum of \$250K/month by the end of the first-year revenue ramp.

Risk Management



All programs, platforms, and business units will be subject to third-party operational and financial oversight for a performance period determined on a project-by-project basis. Only Licensed STARS Program Partners will have full access to all proprietary information pertinent to the project.

All Sister City for Sustainability exchange members will be required to sign agreements defining roles and responsibilities. There will be non-contractual roles for certain members operating on a purely transactional basis.

Impact and Outcomes

Public and private social and economic goals can be attained and sustained through the locally focused SPV (special purpose vehicle) or another subsidiary.

Roles and relationships are determined on an individual project or community basis.



Engagement and Initiation

Any prospective entity, company, community, or individual may initiate a preliminary assessment by contact any STARS partner, associate, or affiliate. The assessment and review are free. The deliverable is high-level preliminary research and projections provided in various forms depending on the goals and objectives of the prospective teaming or collaboration.

Commitment

If the project moves forward there are fees for the Project Definition and Business Case Development. The project-specific deliverables are determined by the contracting parties but will always include the initial research, a teaming overview, prelim projections, and a business case summary including proposed funding solutions.

Questions and requests for more information about the solution or strategy may be directed to Advanced Technology Group LLC. (www.atg4u.com or edhudson@atg4u.com)

