

Community Impact (Summarize below)

Ward: City-wide small business loan programs.

Neighborhood Notification: Activity is not neighborhood-specific.

City Goals: Goals 1 & 4 of building communities and creating the environment that maximizes economic development opportunities in Minneapolis.

Comprehensive Plan: Not applicable.

Zoning Code: Not applicable.

Living Wage/Job Linkage: Not applicable.

Background/Supporting Information

The Minneapolis Consortium of Community Developers (MCCD), in cooperation with the City of Minneapolis Department of CPED, operates the micro loan program to provide loans to small neighborhood businesses. Many of the micro loans have been under \$10,000. The micro loan program is just one of a number of small business assistance programs that the MCCD operates. In addition to the funding from the City, MCCD uses other resources including state, federal and private foundation funds to further capitalize the various loan programs it operates, thereby leveraging the funds provided by the City of Minneapolis.

The small business programs are operated by member community development organizations of the Consortium that now include:

- African Development Center
- Latino Economic Development Center
- Metropolitan Economic Development Association (MEDA)
- Neighborhood Development Center (NDC)
- Northeast CDC
- Northside Residents Redevelopment Corporation
- Phillips CDC
- Project for Pride in Living (PPL)
- Seward Redesign
- The Green Institute
- Urban Ventures
- West Bank CDC
- Whittier CDC

In late 2005 the City expanded its partnership with MCCD through the creation of the Emerging Small Business Loan Guarantee Program. This program should increase access to capital for small businesses that face challenges in obtaining credit from conventional sources. The program provides a matching guaranty from MCCD and the City up to the maximum of \$25,000 for working capital term loans or revolving lines of

credit. This program will be up and running in 2006 and will be a source of financing for many of our new emerging small businesses.

Through the micro loan program the City of Minneapolis has assisted M CCD in providing financing for more than 400 target area businesses during the last fifteen years. See the attached exhibit for the 36 small businesses that have been assisted in the first nine months of 2005. The M CCD loans represent one of the only sources of city-assisted financing for start-up and home-based businesses in Minneapolis. M CCD has initiated an intensive and on-going technical assistance program for its borrowers, in an effort to strengthen their financial, marketing and business management skills. The advise, counseling and technical assistance can often mean the difference between success and failure. The M CCD small business programs help new and early stage businesses access the capital and technical assistance they need to grow and prosper.

City staff is proposing to allocate the \$135,000 as a grant to M CCD so it can further leverage these funds with other funding sources. City funds will be used to capitalize the micro loan program, to provide guarantees for the emerging small business loan guarantee program, to support program operations including loan origination and servicing, and to provide technical assistance for loan recipients. The \$135,000 for support of M CCD was included in CPED's 2006 budget in Fund SED0 – Small Business Finance.

Small Business Loans Closed in First Nine Months of 2005
Under the City's Partnership with MCCD

<u>Project/ Address</u>	<u>Loan Amount</u>	<u>Date Closed</u>	<u>Ward</u>	<u>Neighborhood</u>
Spanish Wines Importers 1403 Dupont Ave. N.	\$17,500	01/7/2005	5	Near North
Mind Body Fitness, LLC 4305 Upton Ave. S.	\$25,000	03/04/2005	13	Linden Hills
Taco El Paso 2845 Harriet Ave. S.	\$25,000	03/08/2005	6	Whittier
Minnesota Professional Health Services 2522 8 th St. S.	\$9,500	03/21/2005	2	Cedar-Riverside/West Bank
Vintage Touch Barber Salon 4649 Bloomington Ave. S.	\$28,750	03/29/2005	11	Northrup
Innovation Magazine, Inc. 2845 Harriet Ave. S.	\$15,000	03/31/2005	6	Whittier
Three Branch Press, LLC 3641 Park Ave. S.	\$2,500	04/07/2005	8	Central
The Furniture Man 1800 Winter St. N.E.	\$11,000	04/04/2004	1	Como
Williams Jan Pro 4139 Irving Ave. N.	\$12,600	06/13/2005	4	Camden
Healing Source, Inc. 3003 Hennepin Ave.	\$3,750	06/22/2005	10	CARAG
Richard White, LLC 1616 Emerson Ave. N.	\$12,500	04/26/2005	5	Near North
Al-Najax Store 2940 Pillsbury Ave. S.	\$12,000	05/03/2005	6	Whittier
Salaam Barber Shop 2213 Central Ave. N.E.	\$2,500	05/03/2005	1	Windom Park
La Fortaleza, LLC 2516 Central Ave. N.E.	\$22,500	05/16/2005	3	Holland
Black Cat Natural Foods 2015 Talmage Ave. S.E.	\$20,000	05/17/2005	1	Como
Hikma Transportation, Inc. 1530 6 th St. S.	\$25,000	05/23/2005	2	Cedar-Riverside/West Bank
Habil Transportation, LLC 2940 Pillsbury Ave. S.	\$25,000	05/24/2005	6	Whittier
A-Sign and Screen Company 710 Lowry Ave. N.	\$29,250	05/25/2005	3	McKinley
Fireroast Mountain Café 3802 37 th Ave. S.	\$25,000	06/13/2005	9	Howe
Blue's Barber Shop 2729 25 th St. E.	\$15,000	06/15/2005	9	Seward
Africk Grocery Store, Inc. 613 ½ Cedar Ave. S.	\$42,000	06/17/2005	2	Cedar-Riverside/West Bank
Ilmi Transportation, Inc. 2949 Russell Ave. N.	\$25,000	06/24/2005	4	Jordan
Spectrum Cleaning Services 3331 Morgan Ave. N.	\$25,000	06/29/2005	4	Folwell

<u>Project/ Address</u>	<u>Loan Amount</u>	<u>Date Closed</u>	<u>Ward</u>	<u>Neighborhood</u>
Glenwood Halal Market, Inc. 1501 Glenwood Ave. N.	\$6,000	07/05/2005	5	Harrison
Bruck's Coffee 1810 Riverside Ave. S.	\$12,500	07/08/2005	2	Cedar-Riverside/West Bank
Lucky Fashion 912 East 24 th Street	\$5,000	08/01/2005	6	Phillips
Cafeteria La Loma, Inc. 1837 East 38 th Street	\$11,500	07/13/2005	9	Standish
Las Petacas Luggage 1501 East Lake Street	\$7,500	08/03/2005	9	Powderhorn Park
Taqueria La Hacienda 2, Inc. 334 East Lake Street, #101	\$20,000	07/26/2005	8	Phillips
Ubah Beauty Store, LLC 912 East 24 th Street	\$10,000	08/19/2005	6	Phillips
Vintage Touch Barber Salon 4649 Bloomington Ave. S.	\$3,500	09/13/2005	11	Northrup
Hennepin Halal Supermarket 206 Elroy Street	\$20,000	08/25/2005	6	Whittier
Sambusa Halal Pizza and Bakery 206 Elroy Street	\$20,000	08/26/2005	6	Whittier
Michael's Hip Hop Shop 730 East Lake Street	\$7,500	09/30/2005	8	Phillips
Eduarfo's Fashion 334 East Lake Street	\$20,000	09/30/2005	8	Phillips
Divya's Hair Studio, LLC 701 East Lake Street	\$7,500	09/30/2005	8	Central