

## Small Business Assistance Programs

## Financial Assistance

## For More Information

There's NO business



like YOUR  
Business!



Let Minneapolis  
Help make it a hit.

The City of Minneapolis offers a variety of financing programs for small businesses.

The City provides loans for small- and medium-sized companies and organizations that are growing and need financing at affordable rates. By partnering with private lenders, the City is able to provide financing for acquisition and renovation of commercial buildings, for leasehold improvements and for production equipment. The City also works closely with community business-assistance agencies or includes their financing programs in a package to meet small businesses' credit needs.

City business loans are secured primarily by business assets, usually equipment or real estate. Personal guarantees are usually required and interest rates vary, depending upon the program.

These loans are designed to help individual small businesses and to help the economy of Minneapolis by maintaining and increasing the tax base, preserving and creating more jobs and keeping money circulating in our local economy by providing locally based goods and services.

For more information or to apply for any of these programs, call 612-673-5072  
TTY 612-673-5154

All programs and guidelines are subject to change without notice.

This brochure is available in alternate formats.

June 2006



**City of Minneapolis**  
Community Planning and  
Economic Development

105 Fifth Ave. S. Suite 200  
Minneapolis MN 55401-2534

[www.ci.minneapolis.mn.us/cped](http://www.ci.minneapolis.mn.us/cped)

## INDUSTRIAL REVENUE BOND PROGRAMS

The City of Minneapolis offers four distinct programs involving industrial revenue bonds. Industrial revenue bonds offer low-interest, long-term, fixed-rate financing to businesses for land acquisition, construction or equipment purchases.

### INDUSTRIAL REVENUE BONDS

- Loans can range from \$500,000 to \$10 million
- Bonds issued for industrial/manufacturing, medical facilities, 501 (c)(3) nonprofit or nursing-home projects are generally tax-exempt; those for commercial projects are taxable
- Bars, restaurants, entertainment facilities and start-up firms are not eligible

### COMMON BOND FUND PROGRAM

- Equity requirement can be as low as 10 percent
- Available to owner-occupied manufacturing companies **anywhere in Hennepin County**
- Bonds issued for 501 (c)(3) nonprofit organizations are generally tax-exempt; commercial projects will use taxable bonds
- Bars, restaurants, entertainment facilities and start-up firms are not eligible

### BANK QUALIFIED/ BANK DIRECT TAX-EXEMPT BOND PROGRAM

- This program can finance capital projects with loans in the \$1- to \$2-million dollar range for smaller 501 (c)(3) nonprofit organizations in Minneapolis
- Either a fixed or variable interest rate, determined by the lender
- Fees are lower than standard tax-exempt bond financing

### 501 (C)(3) REVENUE BOND PROGRAM

- Typical borrowers include hospitals, nursing homes, health care providers, educational institutions, museums and performing arts organizations located in Minneapolis
- Bond financing can be at a fixed rate with terms of 20 to 30 years, often at interest rates equal to or below market value

## TWO-PERCENT LOAN PROGRAM

Two-percent loans offer Minneapolis businesses affordable financing at low interest rates. In addition to helping individual businesses, these loans are designed to help stabilize commercial areas and create more job opportunities for neighborhood residents.

### Program Guidelines

- Loan funds may be used to purchase production equipment and make building improvements
- Improvements can be to the exterior and/or interior of the building
- Loans are available to building owners and/or tenants
- Businesses can be located anywhere in Minneapolis
- Lender provides half the loan at market rate; the City provides the other half, up to \$40,000 at 2 percent interest
- Terms can be up to 10 years

## COMMERCIAL CORRIDORS/ COMMERCIAL NODES LOAN PROGRAM

Commercial Corridors/Commercial Nodes loans are targeted to businesses located on corridors and nodes identified in The Minneapolis Plan (the City of Minneapolis' comprehensive plan). This program is designed to stabilize commercial areas and have a focused impact along designated commercial corridors.

### Program Guidelines

- Loan funds may be used to purchase production equipment and make building improvements
- Improvements can be to the exterior and/or interior of the building
- Loans are available to building owners and/or tenants
- Businesses must be located in the designated areas
- Lender provides half the loan at market rate; the City provides the other half, up to \$75,000 at 2 percent interest
- Terms can be up to 10 years

## LOAN GUARANTY PROGRAM

This program helps newer businesses access additional lines of credit or term loans, for working capital. The City guarantees 33% of a bank's loan up to a maximum of \$25,000. The borrower agrees to accept technical assistance or mentoring from the MCCD (Minneapolis Consortium of Community Developers). Loans cannot refinance existing business or personal loans. Permitted uses are:

- Working capital
- Production contracts
- Receivables
- General business operations

## BUSINESS DEVELOPMENT FUND

Business Development Fund loans provide gap financing to businesses, with an opportunity for partial forgiveness for hiring Minneapolis residents.

### Program Guidelines

- Loans may be used to finance working capital, production equipment, building expansions and leasehold improvements (improvements made by the tenant on a leased property)
- Maximum loan amount is \$75,000
- Interest rate is at prime with a maximum term of 10 years
- Loans are in participation with local lenders and must leverage other financing

## CAPITAL ACQUISITION LOAN PROGRAM

The Capital Acquisition Loan (CAL) program helps small- and medium-sized businesses and community organizations purchase and renovate commercial and industrial properties. The program provides fixed-rate financing for up to 90 percent of project costs.

### Program Guidelines

- Loan funds may be used to finance owner-occupied and mixed-use commercial/residential properties, including refinancing contracts for deed
- Lenders provide half the loan at market rate and the City provides 40 percent, up to \$300,000
- Most loans are less than \$700,000
- Working capital is not eligible

## MICRO LOANS

Micro Loans are administered by the Minneapolis Consortium of Community Developers, in cooperation with the City of Minneapolis. For more information, call the Minneapolis Consortium of Community Developers at 612-789-7337.

### Program Guidelines

- Loans may be used for inventory, equipment or working capital
- Loan minimum is \$1,000; maximum is \$25,000
- Available to Minneapolis small businesses, including home-based businesses
- Management assistance is available to all loan recipients

## ACCESS TO CITY RESOURCES

The City of Minneapolis also works to make City services accessible to residents who speak limited English. You may contact Minneapolis Multicultural Services at 612-673-3737, or contact interpreters directly at the numbers below:

**Spanish** - Atención. Si desea recibir asistencia gratuita para traducir esta información, llama 612-673-2700

**Somali** - Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la' aan wac 612-673-3500

**Hmong** - Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, hu 612-673-2800

## BUSINESS SERVICES

### Spanish

Para servicio en español, contactar Centro de Desarrollo Economico Latino (LEDC) 1516 E. Lake St., 2<sup>nd</sup> Piso Minneapolis, MN 55407 Telefono: 612-724-5334

### Hmong

Yoj has lug mob hus rau Fu Hang Neighborhood Development Center 633 University Avenue, Suite 200 St. Paul, MN 55104 651-291-2480

### Somali

Haddii aad rabtid in Af-Soomaali lagugu caawiyo la xirii ADC African Development Center 1808 Riverside Ave. Minneapolis, MN 55454 612-333-4772

## MINNEAPOLIS ONE STOP

Minneapolis One Stop creates easier ways for the public to work with the City to get permits and regulatory approvals in one location. If you are starting or expanding a business, you can find out about the City's regulatory requirements for your business by calling:

612-673-5800 (office) 612-673-3300 (TTY)  
[www.ci.minneapolis.mn.us/onestop](http://www.ci.minneapolis.mn.us/onestop)  
Public Service Center Room 300  
250 S. 4<sup>th</sup> St.  
Minneapolis, MN 55415



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105 Fifth Ave. S. Suite 200  
Minneapolis MN 55401-2534  
[www.ci.minneapolis.mn.us/cped](http://www.ci.minneapolis.mn.us/cped)

Office (612) 673-5072  
Fax (612) 673-5111

**INDUSTRIAL REVENUE BOND PROGRAMS**

Bob Lind..... (612) 673-5068  
Charles Curtis ..... (612) 673-5069  
Greg Davidson ..... (612) 673-5070  
Becky Shaw .....(612)673-5066

**TWO-PERCENT LOAN PROGRAM**

Nila McDonald ..... (612) 673-5189  
Judy Moses ..... (612) 673-5283  
Becky Shaw .....(612)673-5066

**COMMERCIAL CORRIDORS/  
COMMERCIAL NODES LOAN PROGRAM**

Nila McDonald..... (612) 673-5189  
Judy Moses ..... (612) 673-5283

*More programs →*

## **CAPITAL ACQUISITION LOAN PROGRAM**

Nila McDonald..... (612) 673-5189

Greg Davidson ..... (612) 673-5070

## **BUSINESS DEVELOPMENT FUND**

Nila McDonald..... (612) 673-5189

Becky Shaw .....(612)673-5066

## **LOAN GUARANTY PROGRAM**

Greg Davidson ..... (612) 673-5070

Becky Shaw .....(612)673-5066

Judy Moses ..... (612) 673-5283

## **MICRO LOANS**

Minneapolis Consortium of Community

Developers ..... (612) 789-7337

**Business Finance programs and online applications are found at: [http://www.ci.minneapolis.mn.us/cped/business\\_finance\\_home.asp](http://www.ci.minneapolis.mn.us/cped/business_finance_home.asp)**