Minneapolis Business Toolbox

City of Minneapolis
Department of Community Planning and Economic Development
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401
612-673-5095
cped@ci.minneapolis.mn.us

Employment and training tools
jobs@ci.minneapolis.mn.us

Business finance loans
business.finance@ci.minneapolis.mn.us

Business expansion and relocation resources
business.development@ci.minneapolis.mn.us

One Stop
612-673-5800
www.ci.minneapolis.mn.us/inspections

Minneapolis has the right tools to help business grow and expand.

If you do business in Minneapolis or if you plan to in the future, the City's new Business Toolbox has a range of resources and services that can help your business get started and thrive. Minneapolis' Business Toolbox can help you access capital for expansion, find skilled employees, train your employees, lower your taxes and more. We offer:

- employee placement and training programs
- business finance loans
- business development programs
- employment tax incentives
- streamlined development project review services and
- federal income tax credits to employers for hiring qualified residents

Minneapolis' Business Toolbox includes these major components:

Workforce, Employment and Training Tools

We can find employees and train them for careers with your business. Hiring some of these employees can even help you save on your federal taxes.

In 2004, the Minneapolis Employment and Training Program placed more than 3,000 workers in companies like yours. We are one of the largest and most experienced workforce and training providers in Minnesota.

And now our employment and business development activities are combined to make things easier for you.

We can help you:

- Find new workers for your business – and retain them
- Train your existing employees
- Develop customized training that suits the particular needs of your business
- Provide training and support services for your employees with disabilities
- Provide your business with student interns
- Help your business make partnerships with your neighborhood schools
- Determine appropriate salary levels though the latest labor market information
- Arrange English proficiency classes for your employees who are recent immigrants
- Get information on employment tax credit programs

For more information call 612-673-5095 or e-mail us at jobs@ci.minneapolis.mn.us.

Business Finance Loans

We have almost any business loan you can imagine. We can help you expand your production space or increase your productivity with the latest machinery. Our loan programs are customized and specialized – occasionally one company will even use two of our loan programs to get the right fit.

Most loans start at $75,000 and can exceed $10 million.

Most important, our low interest rates will help your balance sheets!

We offer these business loans:

- Revenue bonds for new construction, expansion, and modernization
- Loans for production equipment and building improvements with half of the loan at an interest rate of just 2 percent
- Loans up to $75,000 to finance working capital needs and general business operations
- Loans to acquire owner-occupied and mixed-use (commercial and residential) properties including paying off contracts-for-deed
- Business development loans for commercial and industrial properties with prepayment credits for every Minneapolis resident hired at a living wage who remains employed at your business for at least one year
- Smaller loans – Micro Loans – of up to $15,000 for inventory, working capital and equipment

For more information call 612-673-5095 or e-mail us at business.finance@ci.minneapolis.mn.us.

Business Expansion and Relocation Services

How can you clean your polluted industrial or commercial land?

Do you need a larger location in Minneapolis for your business?

Are you worried about infrastructure costs?

We can help.

Our tools include site location assistance and financing.

- We can access pollution cleanup funds for vacant land or buildings.

- We locate and prepare vacant land for new construction.
- We will provide technical assistance to you during development.

For more information call 612-673-5095 or e-mail us at business.development@ci.minneapolis.mn.us.

Minneapolis One Stop

Finally, there is one location for construction and building permits, licenses, and zoning reviews. Businesses throughout Minneapolis have urged us to make government friendlier and easier to work with. Minneapolis One Stop will make things easier and faster for your business licenses and permits.

Minneapolis One Stop currently offers:

- Zoning review
- Construction plan review
- Business licensing
- Building permit issuance services
- Validated free parking to One Stop customers

For more information call 612-673-5800 or use our Web site: www.ci.minneapolis.mn.us/inspections.

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Employment Placement and Training Programs

Minneapolis works!

Need help finding qualified workers and retaining good employees?

Q: Who can help your business with recruitment and retention?

A: The Minneapolis Workforce Center System, where you can get:

- Hundreds of screened and qualified candidates
- Certified career development professionals to help match job candidates to your needs
- Up to one year of retention services for Job Bank candidates you hire
- Free training dollars for new Job Bank employees (based on fund availability)
- Access to a wide array of community resources to help these new employees continue to grow and develop with your business

Services are FREE for employers.

For more information, please contact the Minneapolis Employment and Training Programs at jobs@ci.minneapolis.mn.us or call 612-673-5095.

Minneapolis works!

Need help hiring and keeping a diverse workforce?

Q: Who can help your business hire and train recent immigrants?

A: Community-based job banks, where you can get:

- Multilingual staff to assist your new employee
- A full range of cultural acclimation services for recent immigrants
- English Language Learners (ELL) training at your workplace (fees may apply)
- Access to a full network of services for businesses that hire recent immigrants
- Experienced staff to work with you to ensure that the new employee's transition to work is as smooth and stress-free as possible

Most services are FREE for employers.

For more information: The Neighborhood Employment Network (NET) has prepared a guide book titled "A Supervisor's Guide to Managing a Diverse Workforce" that can be downloaded from the reports section of the Minneapolis Employment and Training Program's Web site at:

www.ci.minneapolis.mn.us/metp

or accessed directly at: www.ci.minneapolis.mn.us/metp/docs/Supervisor_Guide.pdf

Minneapolis works!

Looking for labor market information and trends?

Q: Who can help your business with labor market information?

A: The Minnesota Department of Employment and Economic Development

Minnesota Workforce Center services include:

Labor Market Information Helpline

Get assistance from a professional Labor Market Information analyst who can help you find or understand labor market data, information or analysis. You can contact us by e-mail at deed.lmi@state.mn.us or call 651-282-2714 or 888-234-1114. The hotline is available Monday through Friday from 9 a.m. to 11 a.m. and 1 p.m. to 3 p.m.

Informational Seminars, Special Requests and Projects

Research staff can help you with targeted services, including customized training, survey design and analysis. The cost varies. For more information, go to www.deed.state.mn.us/lmi/Home.htm or call 651-282-2714.

Get local economic information reported by geographic area, including projected job growth, occupational salaries, demographics, unemployment rates, occupational and industrial job vacancies and more.

Minneapolis – Saint Paul Area Regional Analysts

612-821-4072

651-296-8713

Publications

Find online publications on wages, benefits, employment, hot jobs now and in the future, career planning and skill information, and economic trends and analysis at: www.deed.state.mn.us/lmi/publications/index.htm

Order by calling: 651-282-2714 or 888-234-1114 or order by e-mail: deed.pubs@state.mn.us.

Other Products

- Affirmative action data packets for employers completing their Equal Opportunity certifications $3 per packet. Free annual updates are available at: www.deed.state.mn.us/lmi/publications/app.htm or www.humanrights.state.mn.us/employer_affiract.html
- Census 2000 Regional Reports are available at: www.deed.state.mn.us/lmi/regional.htm

Minneapolis works!

Looking to increase your bottom line?

Q: Who can help your business with federal tax credits for employers?

A: The Minnesota Department of Employment and Economic Development (DEED), through the Work Opportunity Tax Credit (WOTC) and Welfare-to-Work Tax Credit (WTW) programs. These two programs and an Empowerment Zone program can help you increase your bottom line by lowering your tax bill. Here's how:

- Hire a long-term welfare recipient and you may get a tax credit as much as $8,500 per new hire through WTW.
- Reduce your tax by up to $2,400 for each new hire through WOTC.
- Hire new employees who live and work in a designated Empowerment Zone area and get up to $3,000 through the Empowerment Zone program.

Employers may use these tax credit savings programs for every new hire that meets federal guidelines. These programs apply only to new, first-time hires for that employer.

An employer may qualify for the tax credit if a new hire meets one of the following criteria:

- Welfare, Temporary Assistance for Needy Families (TANF) recipient
- Rehabilitation Services recipient
- Empowerment Zone or Enterprise Communities resident age 16 or 17 hired as a summer youth employee
- Ex-felon and member of a low-income family
- 18- to 24-year-old food support recipient
- Supplemental Security Income recipient
- Veteran and a member of a family receiving food stamps
- Resident age 18 to 24 of an Empowerment Zone or Enterprise Communities. In Minnesota, these are located only within Minneapolis and Saint Paul.

Empowerment Zone Employment Tax Credits provide business people with a federal income tax credit up to $3,000 per year per employee for every existing and newly hired employee who lives and works in the Empowerment Zone.

Minneapolis works!

The paperwork is minimal! The tax savings are huge!

- Complete the IRS Form 8850 and the U.S. Department of Labor Form ETA-9061. (Be sure your new hire completes the appropriate sections.) These forms can be downloaded from: www.deed.state.mn.us/wotc/page5.htm.
- Mail these forms to the Minnesota Department of Employment & Economic Development, WOTC Unit, no later than 21 days after the new employee's start date.
- Record the credit using IRS Form 8844.

For more information contact:

Minnesota Department of Employment and Economic Development (DEED)
Tax Credit Unit
1st National Bank Building
332 Minnesota Street, Suite E 2000
Saint Paul, MN 55101

Twin Cities metro: 651-297-2219
Toll free: 888-234-5521
E-mail: deed.wotc@state.mn.us
www.deed.state.mn.us/wotc/index.htm

Or

Contact the Minneapolis Empowerment Zone at empowerment@ci.minneapolis.mn.us or call 612-673-5017.

Minneapolis works!

Looking for training for your employees?

Q: Who can help your business with training for your current employees?

A: The Minnesota Department of Employment and Economic Development (DEED)

Businesses seeking to upgrade the skills of their employees may qualify for financial assistance for training. This includes:

- up to $400,000 grants for educational institutions with businesses as partners to develop training programs specific to business needs through the Minnesota Job Skills Partnership Program
- up to $250,000 in short-term no-interest loans for Minnesota businesses to help get training for their new or current employees through the Hire Education Loan Program (HELP)

For more information contact:

Job Skills Partnership Board at:
651-282-9814 or 800-657-3858 or visit this Web site: www.deed.state.mn.us/mjsp/index.htm

Minneapolis works!

Looking for customized training for your business?

Q: Who can help your business develop customized training?

A: ISEEK, the Internet System for Education and Employment Knowledge, is a Web-based gateway to Minnesota career, employment, education, and business development information and services.

You can get connected quickly with customized training opportunities from educational providers around the state through ISEEK.

There are **five easy steps** to request customized training information:

1. Go to the Web site: www.iseek.org/sv/60525.jsp
2. Select a customized training topic.
3. Choose a training provider or select “all providers.”
4. Enter your contact information and training needs on the form.
5. Click on “find a provider.”

Your customized training request will be sent to ISEEK’s network of providers who will respond directly to you via e-mail or phone.

Minneapolis works!

Looking for resources to hire job candidates who have disabilities?

Q: Who can help your business with employment opportunities for people with disabilities?

A: The Minnesota Vocational Rehabilitation Program

The Minnesota Vocational Rehabilitation Program can help your business with:

- Screening and referring qualified candidates for job openings
- Ongoing assistance for you and new employees
- Providing information on the Americans with Disabilities Act (ADA)
- Identifying resources to meet ADA requirements

Additional services available:

- Arranging on-the-job training and support
- Recommending work-site modifications
- Locating specialized training and equipment

Your business will save time and money because the program:

- Screens and refers qualified candidates
- Offers free referral, placement and follow-up services
- Provides on-the-job training funds
- Assists in locating and arranging for adaptive equipment if the employee needs it to perform the job

Tax incentives are available to businesses that hire people with disabilities.

For more information contact:

Minnesota Vocational Rehabilitation Program

390 N. Roberts, Saint Paul, MN 55101

651-296-5616 TTY: 651-296-3900

Minneapolis works!

Looking for opportunities to employ students?

Q: Who can help your business become involved with young workers?

A: Achieve Minneapolis

Achieve Minneapolis offers the following ways for businesses to get involved with students:

- **Apprenticeship:** This offers employers an opportunity to gain young workers, and it offers young people the opportunity to learn about an occupation in a structured program. Apprenticeships may be sponsored jointly by employers, labor unions or employer associations.
- **Classroom Simulation:** Employers can collaborate with a teacher to recreate key elements of a task or work-site situation in the classroom. It gives students the opportunity to work through the task or process and gain experience with the work involved.
- **Classroom-based Project:** Employers can work with a student or entire class to develop a collaborative project that produces a “real-world” result or product. Much of this work is done in the classroom.
- **Curriculum & Standards Assistance:** Business people participate as members of a school planning team developing courses and activities that let students explore careers.
- **E-mentor:** Students learn about a mentor’s business and his or her career development – all via e-mail, which is convenient for the student and the mentor.
- **Internship:** A student works for an employer for a specified period of time to learn about a particular industry or occupation. Activities may include special projects, a sample of tasks from different jobs or tasks from a single occupation. This may or may not include financial compensation.
- **Job Shadowing:** A student follows an employee at a firm for several hours to learn about a particular occupation or industry. This experience can help students explore a wide range of career objectives. It may also aid younger students in selecting courses of interest for the latter part of high school.
- **Work Place Tours:** A group of students or educators visits a work site to learn about the site's activities and way of working. This is typically an introductory activity in career exploration and preparation.

For more information, call 612-455-1562 or e-mail arupert@achieveminneapolis.org.

Minneapolis works!

Looking for resources to help laid off workers?

Q: Who can help your business with employment and training services for dislocated workers?

A: The Minneapolis Employment and Training Program (METP) in partnership with community-based organizations.

METP provides services to workers who lose their jobs due to closings, reorganizations or other permanent layoffs and need assistance with the transition to new employment. Services include:

- Job search assistance
- Career counseling
- Updating skills and retraining as needed to secure comparable employment

For more information, please contact the Minneapolis Employment and Training Programs at jobs@ci.minneapolis.mn.us or call 612-673-5095.

Services are FREE to qualified workers and can begin before workers are laid off whenever feasible. Information sessions and intake for dislocated worker services may be performed on-site at area businesses, if desired, and are also available at the following locations in Minneapolis:

Employment Action Center	900 20th Ave. S.*	612-752-8809
Goodwill/Easter Seals–US Bank Building	919 E. Lake St.	612-824-7810
HIRED		
South	310 E. 38th St.	612-822-9071
North	1200 Plymouth Ave. N	612-529-3342
Minneapolis Workforce Centers		
South	777 E. Lake St.	612-821-4045
North	1200 Plymouth Ave. N.	612-520-3553

*Staff can also arrange meetings at 3200 Penn Ave. N.

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Business Finance Loans

City of Minneapolis Business Finance Programs					
Program/ contact phone	**Eligible uses of financing**	**Project size**	**Interest rates**	**Terms**	**Eligibility**
Revenue Bond Programs - **business.finance @ci.minneapolis.mn.us or 612-673-5095**	Secure capital at affordable rates for construction, expansion and modernization.	$1 million to $10 million	Below-market interest rates for tax-exempt eligible projects. Current rates about 5-6%.	10-25 years	Industrial/manufacturing, medical facilities, nonprofits or nursing home projects are generally tax-exempt; commercial projects are taxable. Small nonprofits may qualify for our bank qualified bank direct revenue bonds.
2% Revolving Loan Fund - business.finance @ci.minneapolis.mn.us or 612-673-5095	Purchase production equipment and make building improvements.	Target borrowing need of up to $150,000	City provides 50% of the project costs at 2% interest up to $40,000, and in some cases up to $75,000 when along commercial corridors or commercial nodes. Lender provides 50% or more of loan at market rate.	Up to 10 years	Citywide and includes for-profit and nonprofit businesses. ***Start-up OK***
Working Capital Consortium – 612-789-7337 Ext. 14	Finance working capital, inventory, receivables and general business operations.	Target borrowing need of up to $75,000	City works through the Consortium on guarantees up to 75% of the loan or the first $40,000 whichever is less.	Term or Revolving	Cannot be used to refinance existing debt or finance bars or restaurants. ***Start-up OK***
Capital Acquisition Loans (CAL) - business.finance @ci.minneapolis.mn.us or 612-673-5095	Finance acquisition of owner-occupied and mixed-use commercial/residential properties and refinance contracts for deed.	$50,000 to $700,000	City finances up to 40% of project cost at prime rate or slightly below prime up to $300,000. Lender provides 50% at market rate.	Up to 20 years	Small commercial-industrial buildings Non-profit facilities Mixed residential/commercial
Micro Loans Consortium – 612-789-7337	Loans can be used for inventory, equipment or working capital.	Up to $15,000	Market Rate	Generally up to 5 years	Management assistance available to all loan recipients. ***Start-up OK***
Business Development Fund (BDF) - business.finance @ci.minneapolis.mn.us or 612-673-5095	Incentive for Mpls businesses to provide living wage jobs with prepayment credits for each resident that is hired and remains employed for one year. Credits are earned during the first 3 years of the loan.	Up to $75,000	Prime Rate - Maximum Prepayment Credits $37,500	Generally up to 10 years Prepayment Credits reduce term of the loan.	Commercial and industrial companies. Loan prepayment credits available for new Mpls. resident hires.

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What is the 2-Percent Loan program?

Small Minneapolis businesses (neighborhood retail, service or light manufacturing) can use the 2-Percent Loan program to finance equipment purchases and/or building improvements. A private lender provides half the loan at market rate, and the City provides the rest, up to $40,000, at 2-percent interest. The loan term (up to 10 years) is set by the lender. Bank fees vary, and the City charges an origination fee of 1 percent of the City's principal loan amount (a minimum of $150), due at closing.

If your business is located along a designated commercial corridor or node, the City's loan amount can be up to $75,000.

Preliminary approval takes about one week after an application and lender-commitment letter are received, with an additional two weeks to close the loan. The City cannot finance any work started before the loan closing.

Who is eligible?

The City of Minneapolis gives priority to businesses unable to improve their property or expand without a 2-Percent Loan. Priority is also given to businesses 1) located in target areas of Minneapolis; 2) benefiting low- to moderate-income people by creating jobs or improving services; 3) rehabbing or reusing a vacant structure; and 4) whose owner has a personal net worth less than $1 million.

All eligible applicants must:

- Repay the loan and be an acceptable credit risk (determined by the lender)
- Comply with Minneapolis zoning ordinances
- Make efforts to hire Minneapolis residents by working with the City's workforce coordinator
- Use contractors licensed in Minneapolis

How can the loan be used?

All rehabilitation work or equipment installations must meet Minneapolis City codes.

Interior improvements

- Lighting
- Architectural changes
- Electrical
- Walls, ceilings and floors
- Plumbing
- Air conditioning
- Mechanical
- Energy efficiency

Exterior improvements

- Roofing
- Accessibility
- Masonry
- Cleaning, painting and staining
- Streetscape and parking lot
- Entrances, doors, awnings, windows, cornices, decorative details and signs

Production equipment

Businesses must have no health, safety or building-code violations. Loans cannot fund replacement equipment.

- Equipment must provide new jobs to run or manage equipment.
- Equipment must be fixed—computers are approved on a case-by-case basis only.

For more information, please contact the Business Finance Division at business.finance@ci.minneapolis.mn.us or call 612-673-5095.

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What is the 501(c)(3) Revenue Bond Program?

Minneapolis nonprofit organizations can use the City's Revenue Bond program for low-cost, tax-exempt bond financing for capital improvement projects. Projects can include land acquisition, new facility construction, additions to existing facilities, purchase and renovation of existing structures and purchase of fixed equipment.

Typical borrowers include hospitals, nursing homes, health care providers, educational institutions, museums, performing arts organizations and other community organizations that are tax exempt under Section 501(c)(3) of the Internal Revenue Code.

How does the program work?

- The complete public approval process takes about 90 days.
- A staff person will handle the revenue bond request from initial inquiry through post-closing monitoring.
- The City of Minneapolis approves revenue bond projects based on financial strength, creditworthiness and public purpose served by the proposal.
- Free-standing revenue bonds are issued with the strength of the project dictating terms, conditions of financing and interest rate.
- Bonds issued through the Common Bond Fund are investment-grade instruments with an "A-" municipal-bond rating based on the security provided by the Common Bond Fund, resulting in lower interest rates for the borrower.
- Revenue bonds are marketed to either institutional investors (insurance companies, banks and pension funds) through private placement or sold to the general public through a public offering of the bonds.

What are the rates, terms and fees?

- Tax-exempt revenue bonds can be issued below commercial-market interest rates because the purchaser's interest earnings are generally exempt from federal, state and local income taxes.
- Costs for issuing the bonds (such as bond counsel, underwriter, corporate counsel, inspecting architect, title insurance and other fees) may be financed through the revenue bond up to certain limits.
- Revenue bond financing can be fixed rate, with terms of 20 to 30 years, often at interest rates below or equal to market interest.

What is needed to apply?

- Narrative on the organization
- Financial statements for the past three years, any interim statements and projections for the next two years
- A description of the proposed project, plans and estimates of project costs
- Description of funding sources
- Appraisals and environmental reports about the proposed project
- Proof of 501(c)(3) status

For more information, please contact the Business Finance Division at business.finance@ci.minneapolis.mn.us or call 612-673-5095.

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What is the Bank Qualified Bank Direct Tax-Exempt Loan Program?

Small manufacturing companies and nonprofit organizations can get tax-exempt financing for capital projects that range from $1 million to $2 million through the City's Bank Qualified Bank Direct Tax Exempt Loan Program. The City has streamlined the application and documentation process so there is less red tape involved than there is traditionally with tax-exempt revenue bonds. That means lower borrowing costs.

What are the benefits?

- Interest rates are lower than typical conventional rates
- Lower cost of issuance and less lead-time from application to funding because the City and its bond counsel already have pre-approved the program documents
- A streamlined and efficient process from application to approval
- Reduced fees compared to standard tax-exempt bond financing

What are the rates, terms and fees?

- The interest rate can either be variable or fixed, with a maximum term determined through the application process.
- All documentation is prepared by bond counsel and all parties are represented by their respective counsels.
- Fees include costs for bond counsel and occasionally a financial advisor. Fees may be financed through the bonds up to certain limits.

What is the application process?

- Return a completed Bank Qualified Bank Direct Loan Program application to the City with the following information:
  - Financial statements for the past two years and any interim statement
  - Appraisals and environmental reports about the proposed project
- A Business Finance staff person will handle your loan application from initial inquiry through post-closing monitoring.
- The complete public approval process takes 45-60 days after the application is received, if a bank has committed to purchasing the bonds.

- The City approves bank direct loans based on the public purpose served, such as preserving and creating jobs, increasing the real estate tax base and providing community services.

For more information, please contact the Business Finance Division at business.finance@ci.minneapolis.mn.us or call 612-673-5095.

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What is the Business Development Fund?

Through the Business Development Fund, businesses can get financing for redevelopment projects that have the potential to create jobs for Minneapolis residents. The fund provides Minneapolis-based businesses with loans of up to $75,000 and the opportunity to receive prepayment credits for each Minneapolis resident the business hires during the first three years of the loan. Those hired must be employed for at least one year.

Business Development Fund loans, provided by the City of Minneapolis through participating lenders, can be used in tandem with other City business assistance programs, such as Industrial Revenue Bonds and SBA 504 Loans. Business Development Fund loans are also provided to companies building or expanding on City industrial sites. The loans are intended to provide gap financing and must be used to leverage other financing.

Who is eligible?

Businesses located in Minneapolis or those moving into Minneapolis may apply. Business Development Fund loans are targeted at companies that pay employees $11 to $15 per hour plus benefits. Most participating Business Development Fund businesses have at least 20 employees and expect to add 10 jobs within two years.

Business Development Fund loans cannot exceed $75,000 or 50 percent of total project costs, whichever is less, and cannot be used to finance existing debt.

Business Development Fund Loans may be used for:

- Inventory
- Production equipment
- Acquisition of business assets
- Move-in costs
- Leasehold improvements
- Working capital
- Real estate or building expansion

Loan guidelines, terms and conditions

Businesses must sign an agreement stating that the business will attempt to fill vacant positions with Minneapolis residents. The business may receive a prepayment credit toward the principal balance of the loan for each Minneapolis resident hired during the first three years of the loan (they must be employed full-time for a year).

- A business with a $75,000 loan may receive a maximum of $37,500 in prepayment credits.
- Prepayment credits are based on the amount of the loan.
- Prepayment credits earned during the first three years of the loan are credited to the back end of the loan, reducing the principal balance owed.
- Interest rates shall not exceed the participating lender's interest rate.
- Maximum loan term is 10 years.
- Interest and terms are determined on an individual basis.

For more information, please contact the Business Finance Division at business.finance@ci.minneapolis.mn.us or call 612-673-5095.

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What is the Capital Acquisition Loan Program?

Small businesses can get assistance buying and rehabilitating small commercial and industrial properties through the City's Capital Acquisition Loan Program. The City administers the program and provides financing in tandem with private banks for projects of up to approximately $700,000. The lender finances at least 50 percent of the project, the City finances up to 40 percent (no more than $300,000) and the business provides the remaining funds in the form of equity.

Who is eligible and how can the loans be used?

Small commercial and industrial businesses and nonprofit organizations located in or moving to any Minneapolis location are eligible for financing through this program. The business must occupy at least 20 percent of the building's space.

Loans can be used to:

- Acquire commercial and/or industrial properties
- Finance rehabilitation of commercial/industrial properties in conjunction with property acquisition
- Acquire and rehabilitate mixed commercial/residential buildings when at least 50 percent of the floor space is used for commercial purposes
- Refinance contracts-for-deed for commercial/industrial properties

Loan terms and conditions

- Up to 20-year amortization
- Interest rates vary, depending on market conditions
- All loans are secured with a shared first mortgage on the property. The City's portion is subordinated to the lender.
- 1 percent origination fee on the City's portion of the loan is due at the time of closing.

Application process

Return a completed loan application with the following information:

- Tax returns for the business's previous two years
- Personal financial statements and previous two years tax returns for the business owner
- 12-month cash flow projection
- Business plan (if available)

How is the program funded?

The Capital Acquisition Loan program is funded through a loan purchase agreement with the Community Reinvestment Fund.

For more information, please contact the Business Finance Division at business.finance@ci.minneapolis.mn.us or call 612-673-5095.

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What is the Revenue Bond Program?

State and local government agencies may issue tax-exempt or taxable revenue bonds on behalf of private borrowers to provide lower interest rates on long-term financing. In general, industrial/manufacturing, medical facility, nonprofit or nursing home projects are eligible for tax exempt revenue bonds and those issued for commercial projects are taxable.

Revenue bonds can finance:

- industrial, commercial and medical facilities
- multifamily rental housing
- nursing homes
- some nonprofit activities

Projects can include:

- land acquisition
- new-facility construction
- additions to existing facilities
- purchase and renovation of existing structures
- the purchase of production equipment

Who can apply?

- Any business owner in Minneapolis
- Any business owner or developer planning to locate in Minneapolis
- Businesses with facilities outside Minneapolis, primarily if they are Minneapolis-based firms with facilities both in and outside the city, or for projects that serve a public purpose
- *Bars, restaurants, entertainment facilities and start-up firms are* **not** *eligible*

How does the program work?

- Revenue bonds are either marketed to institutional investors such as insurance companies, banks and pension funds or sold to the general public through a public offering. This results in interest-cost savings to borrowers.
- Bond underwriting firms will prepare an official statement to market the bonds to the public.
- Revenue bonds are issued either free-standing or through the Minneapolis Common Bond Fund.
- Free-standing revenue bonds are issued with the strength of the project dictating terms of financing, conditions of financing and interest rate.
- Bonds issued through the Common Bond Fund are investment-grade with an "A-" municipal-bond rating based on the security provided by the Common Bond Fund, resulting in lower interest rates.

What are the rates, terms and fees?

- Costs for issuing the bonds (such as bond counsel, underwriter, corporate counsel, inspecting architect, title insurance and other fees) may be financed through the revenue bond up to certain limits.
- Tax-exempt revenue bonds can be issued below commercial market interest rate because interest earnings to the purchaser are generally exempt from federal, state and local income taxes.
- Revenue bond financing can be fixed rate, with terms of 20 to 30 years, often at interest rates equal to or below market interest rate.

What is the process?

- The complete public approval process takes about 90 days.
- The City of Minneapolis approves revenue bond projects based on financial strength, creditworthiness, public purpose served (such as preserving and creating jobs and increasing the real estate tax base).
- A City staff person will handle your revenue bond request from initial inquiry through post-closing monitoring.

What is needed to apply?

- Narrative on the company and owner(s)
- Financial statements for the past three years and any interim statements
- Personal financial statements of anyone who owns more than 20 percent of the company
- General description of the proposed project, plans and estimates of project costs
- Appraisals and environmental reports about the proposed project

Projects that have used the Revenue Bond Program

Greater Minneapolis Crisis Nursery: $1.8 million in Bank Qualified Bank Direct Tax-exempt Revenue Bonds to purchase and renovate its facility

7-Sigma, Inc.: $2.5 million in Common Bond Fund Tax-exempt Revenue Bonds and $800,000 in Common Bond Fund Taxable Revenue Bonds to acquire and renovate a facility and purchase production equipment

Mt. Olivet Nursing Home: $7.5 million in tax-exempt revenue bonds to construct an addition to its facility and renovate existing facilities

Minneapolis Institute of Arts: $40 million in tax-exempt revenue bonds to construct an addition to the museum.

For more information, please contact the Business Finance Division at business.finance@ci.minneapolis.mn.us or call 612-673-5095.

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What is the Economic Development Common Bond Fund Program?

State and local government agencies may issue tax-exempt or taxable revenue bonds on behalf of private borrowers to provide lower interest rates on long-term financing. In general, industrial/manufacturing, medical facility, nonprofit or nursing home projects are eligible for tax exempt revenue bonds and those issued for commercial projects are taxable.

Minneapolis manufacturing companies have used the City's Common Bond Fund Revenue Program for financing since 1982. In 2004 the program expanded and manufacturing companies throughout Hennepin County are eligible, through a joint partnership between the City of Minneapolis and the Hennepin County Housing and Redevelopment Authority (HRA).

Projects can include:

- land acquisition
- new-facility construction
- additions to existing facilities
- purchase and renovation of existing structures
- purchase of production equipment

What are the benefits of the program?

- Long-term fixed-rate financing at below-market interest rates
- Financing for industrial, commercial and medical facilities and for some nonprofits through Common Bond Fund revenue bonds (either tax-exempt or taxable)
- Bonds issued through the Common Bond Fund are investment-grade instruments with an "A-" municipal bond rating from Standard & Poor's based on the security provided by the Common Bond Fund
- Lenders find that the Common Bond Fund revenue bonds help them avoid credit concentrations while still making it possible to handle short term, working capital and other banking needs.

Who can apply?

- Any owner-occupied manufacturing business in Hennepin County
- Established owner-occupied manufacturing facilities with a history of profitability, whose owners provide personal guaranties
- *Bars, restaurants, entertainment facilities and start-up firms are* **not** *eligible*

What are the rates, terms and fees?

- Below commercial-market interest rates because the purchaser's interest earnings are generally exempt from federal, state and local income taxes.
- Fixed-rate, with terms of 20 to 30 years, often at interest rates below market-interest rate
- Competitive rates and terms on taxable revenue bonds
- Costs for issuing the bonds (such as bond counsel, underwriter, corporate counsel, inspecting architect, title insurance and other fees) may be financed through the revenue bond up to certain limits.
- Businesses can finance up to 90 percent of the value using the Common Bond Fund, with the borrower providing a minimum of 10 percent equity.

How does the revenue bond program work?

- Lower interest rates result because bonds issued through the Common Bond Fund are investment-grade instruments with an "A-" municipal-bond rating based on the security provided by the Common Bond Fund.
- Common Bond Fund bonds are marketed to either institutional investors such as insurance companies, banks and pension funds or sold to the general public through a public offering. This results in interest-cost savings to borrowers.
- Bond underwriting firms will prepare an official statement to market the bonds to the public.

What is the CBF revenue bond process?

- The complete public approval process takes about 90 days.
- The City of Minneapolis and Hennepin County Housing and Redevelopment Authority (HRA) approve Common Bond Fund revenue bond projects based on financial strength, creditworthiness, and public purpose served (such as preserving and creating jobs and increasing the real estate tax base).
- A City of Minneapolis and a Hennepin County HRA staff person will handle your revenue bond request from initial inquiry through post-closing monitoring.

What information is needed to apply?

- Narrative on the company and owner(s)
- Financial statements for the past three years and any interim statements
- Personal financial statements of anyone who owns more than 20 percent of the company
- General description of the proposed project, plans and estimates of project costs
- Appraisals and environmental reports about the proposed project

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Minneapolis Empowerment Zone Business Financing Tools

Business Loans

Businesses located in the Empowerment Zone can get loans and technical assistance. See map for locations.

Minneapolis businesses in the Empowerment Zone can apply for capital loans, interest-free deferred loans and technical assistance through the Minneapolis Empowerment Zone. The loans and technical assistance are available through five community lenders and technical assistance providers. People who live in the Empowerment Zone and want to start a business in Minneapolis and those who have businesses in the Empowerment Zone are eligible.

Community lenders and technical assistance providers:

- **loans** Women Venture
  www.womenventure.org 651-646-3808
- **loans and technical assistance** Minneapolis Consortium of Community Developers
  Neighborhood Development Center, Inc.
  www.mccdmn.org 612-789-7337 ext. 13
- **loans and technical assistance** Neighborhood Development Center www.windndc.org
  651-291-2480
- **technical assistance** Whittier Community Development Corporation www.webcenter.org
  612-879-0109 ext 7
- **technical assistance** Northside Residents Redevelopment Council
  www.nrrc.org 612-277-1137. For REBA Free Loans, please call 612-501-5122.

Business Development Programs

Locating or expanding your business in Minneapolis?

If you're thinking about locating your business in Minneapolis or expanding your current location, the City of Minneapolis can help. We offer a range of services to help businesses find an existing building or available land and can help acquire and prepare properties for a new building or expansion.

Available buildings

You can find information on business space for lease and purchase throughout Minneapolis through our contacts with local real estate brokers and property owners.

Vacant land

Minneapolis owns parcels of land that the City has prepared for development. If these parcels do not meet your needs, we will work with our real estate and property owner contacts to find a suitable site.

Land assembly and preparation

In certain circumstances, the City will assist businesses with land assembly and preparation.

This may include:

- assistance with rezoning and other regulatory processes
- relocating existing businesses or tenants
- installing infrastructure improvements
- cleanup of contaminated land
- acquiring land through the City's powers of eminent domain

For more information, contact the Business Development Division at business.development@ci.minneapolis.mn.us or call 612-673-5095.

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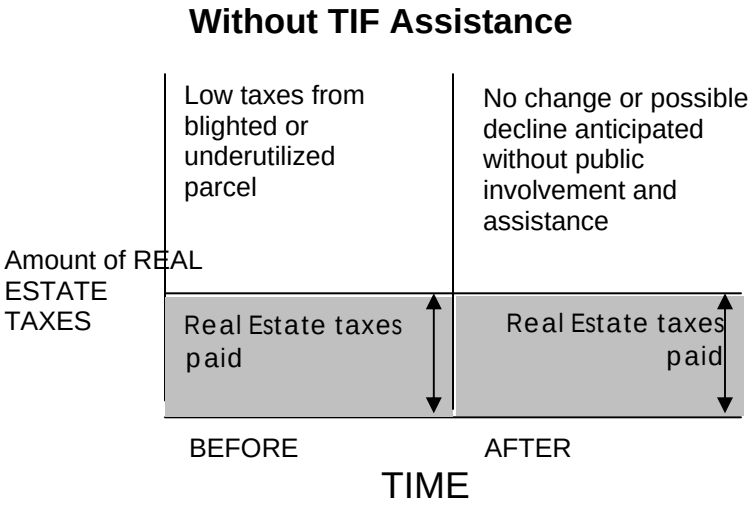
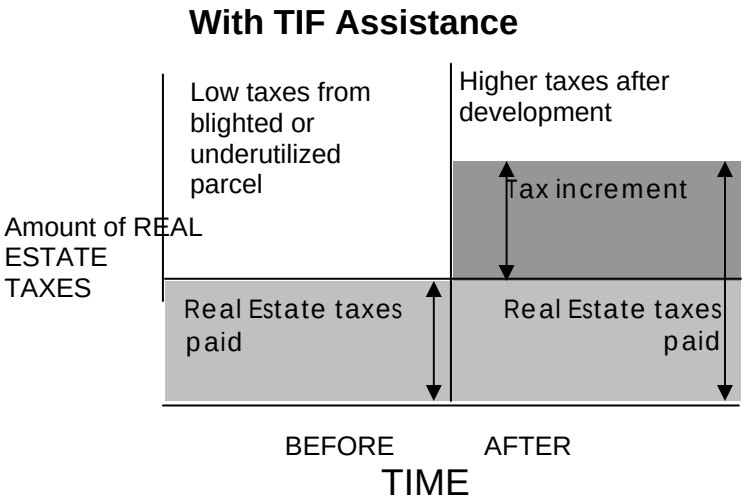
What is Tax Increment Financing?

Tax Increment Financing (TIF) is a redevelopment tool authorized by state law. It allows cities and development authorities to finance certain public redevelopment costs. Projects financed with TIF must serve a public purpose, such as redeveloping blighted areas, constructing low- and moderate-income housing, providing employment opportunities and improving the tax base. In Minneapolis, decisions regarding the use of TIF are guided by a tax increment policy, which outlines the process the City uses to analyze and evaluate such proposals.

How does Tax Increment Financing work?





When a TIF district is established, the tax capacity of the properties located within the district is "frozen." For the district's duration (which varies depending on the type of district), the property taxes resulting from any increase in the tax capacity above the frozen level are available to the City or development authority to finance public project costs. Property taxes generated from the frozen tax capacity continue to be paid to the various taxing jurisdictions (City, county, school district, etc.).

The criteria for using Tax Increment Financing

For a City or development authority to use TIF to help finance a redevelopment project, it must be determined that but for TIF, the project would not be undertaken by a private developer and would not occur within the reasonably foreseeable future. Projects that pass the "but for" test are deemed to have no negative impact on the taxing jurisdiction, since they use only tax revenues that – but for TIF – would not have been generated.

What are the benefits?

TIF allows cities and development authorities to support revitalization efforts that the private sector is unwilling or unable to do. By using TIF, cities and development authorities have tools for enhancing the tax base, creating and retaining jobs and cleaning polluted land for productive use and reusing existing infrastructure. TIF can also help provide a broad range of housing opportunities while enhancing neighborhood stability and commercial enterprises.

How may TIF be used?

The Minnesota Tax Increment Financing Act, which has been modified repeatedly since its adoption in 1979, governs TIF uses. There are six different types of TIF districts, each with its own qualifying criteria and expenditure parameters:

1) Redevelopment
2) Renewal and renovation
3) Soil condition
4) Housing
5) Economic development, and
6) Hazardous substance subdistricts.

Residents' incomes in housing districts are monitored to ensure that the project is providing low- and moderate-income housing. Tax increment revenues must be spent for approved public redevelopment costs within geographic areas referred to as project areas.

TIF uses:

- Acquiring blighted or underutilized properties
- Rehabilitating publicly owned, non-government structures
- Demolishing buildings
- Relocating occupants
- Constructing affordable housing
- Cleaning up pollution and making other site corrections
- Constructing public improvements such as utilities, streets, bridges, skyways, etc.
- Administrative costs, limited to 10 percent (5 percent in some districts) of actual increment expenditures, as authorized by the TIF plan

For more information, contact the Business Development Division at business.development@ci.minneapolis.mn.us or call 612-673-5095.

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What is the Brownfields Reclamation Program?

What are brownfields?

The Environmental Protection Agency defines brownfields as “abandoned, idled or underused industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination.” The additional costs, time and uncertainty associated with brownfield redevelopment often make businesses and developers hesitant to consider investing in these sites without public involvement.

What is the Brownfields Reclamation Program?

The City and Hennepin County work together to efficiently and creatively clean up environmentally contaminated land in Minneapolis through the Brownfields Reclamation Program, which began in 1994.

What are some examples of success?

Some of the most significant examples are: the Quarry Shopping Center in northeast Minneapolis, former railroad land redeveloped for riverfront housing, contaminated land along Washington Avenue North now known as the Washington Jobs Park, and the conversion of vacant railroad yards to an industrial park in the Seward neighborhood. The City has also helped clean up privately owned sites, including industrial sites in the South East Minneapolis Industrial area and Garelick Steel in north Minneapolis.

What are the goals of the program?

- Provide living-wage jobs to Minneapolis residents
- Increase the City’s tax base
- Improve Minneapolis’ environmental conditions
- Strengthen cooperation among government agencies in order to combine services more efficiently
- Reduce urban sprawl by providing attractive, useable sites in the city for redevelopment

How does the program work?

A Brownfields Review Committee made up of representatives from the City and Hennepin County selects Minneapolis sites to receive public efforts and funding. Sites are selected based on development potential, cost-effectiveness (including new tax generation and job creation potential), and whether or not other funding resources are available. Once a site is selected, the appropriate agency seeks the necessary funding and approvals to implement the plan.

The majority of the cleaned sites are redeveloped for light-industrial use, as the sites are often in industrial areas and it is typically less expensive to clean sites to industrial standards. Some brownfields, however, have been reused for residential or commercial development after cleanup.

How is the program funded?

Eight primary funding sources are used to clean up contaminated sites in Minneapolis:

- Minnesota Department of Employment and Economic Development grants
- Metropolitan Council Livable Communities grants
- State Petrofund
- Tax Increment Financing (TIF)
- Community Development Block Grants (CDBG)
- Minneapolis Industrial Land and Employment Strategy funds
- Parking revenues
- Hennepin County resources

For more information, contact the Business Development Division at business.development@ci.minneapolis.mn.us or call 612-673-5095.

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Business Development Financing for Projects

Minneapolis Empowerment Zone

Funding for financing gaps

Nonprofit organizations can apply for grants to fill financing gaps through the Empowerment Zone's Small Grants Program. To be eligible, applicants must be implementing projects that meet Minneapolis Empowerment Zone strategic plan priorities: primarily economic development and housing with supporting goals in the areas of education, community-based services and safety. Applications and guidelines are available on the Web at www.ci.minneapolis.mn.us/citywork/ez/funding.asp or contact the Empowerment Zone office at empowerment@ci.minneapolis.mn.us or 612-673-5095.

Minneapolis One Stop

How do you get a building or remodeling project approved by the City?

Q: Who can help your business with development review services, permits and licenses information?

A: Minneapolis One Stop

Minneapolis One Stop now offers:

Development project coordination

Get information and assistance in navigating the City's planning, zoning, construction review, permitting, licensing, and inspections processes. Call 612-673-3727.

Apply for permits and licenses

- Apply for permits and licenses at One Stop, located on the third floor of the Public Service Center; 250 S. Fourth St. Free validated parking is available behind the building. Enter the lot from Third Street between Second and Third avenues.
- Contractors can use the Internet to obtain simple permits not requiring plan review for one- and two-family exterior improvements, electrical or plumbing work. www.ci.minneapolis.mn.us/onestop/epermits

Plan Review

Get a preliminary review of your site or construction plans and code analysis from the experts. Call 612-673-5831 for more information or to schedule an appointment. There is a fee, based on the type of project, for a preliminary plan review.

Zoning information and permit status

Look up zoning information or the status of your permit with a click of your mouse. Go to www.ci.minneapolis.mn.us/about/maps for zoning maps of the city, and look up www.ci.minneapolis.mn.us/propertyinfo for permit status.

Publications

Find online publications on building codes related to your project, permit application forms, and links to related sites at www.ci.minneapolis.mn.us/inspections or by visiting or calling One Stop at 612-673-5800.

One Stop Services

- Case managers will guide large projects through the development process.
- Small business assistance information and services will be provided through One Stop.

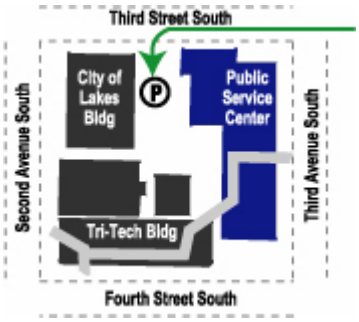
One Stop Development Review Center phone numbers

General: 612-673-5800
Development Coordination: 612-673-3727
Planning and Zoning: 612-673-5836
Construction Plan Review: 612-673-5831
Business Licensing: 612-673-2550
Fire Plan Review: 612-673-3249
Environmental Health – Restaurant Plan Review: 612-673-2170

One Stop, located on the third floor of the Public Service Center

250 S. Fourth St.

Free validated parking is available behind the building:



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Minneapolis
City of Lakes

Community Planning & Economic Development
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