

Business Development Resources

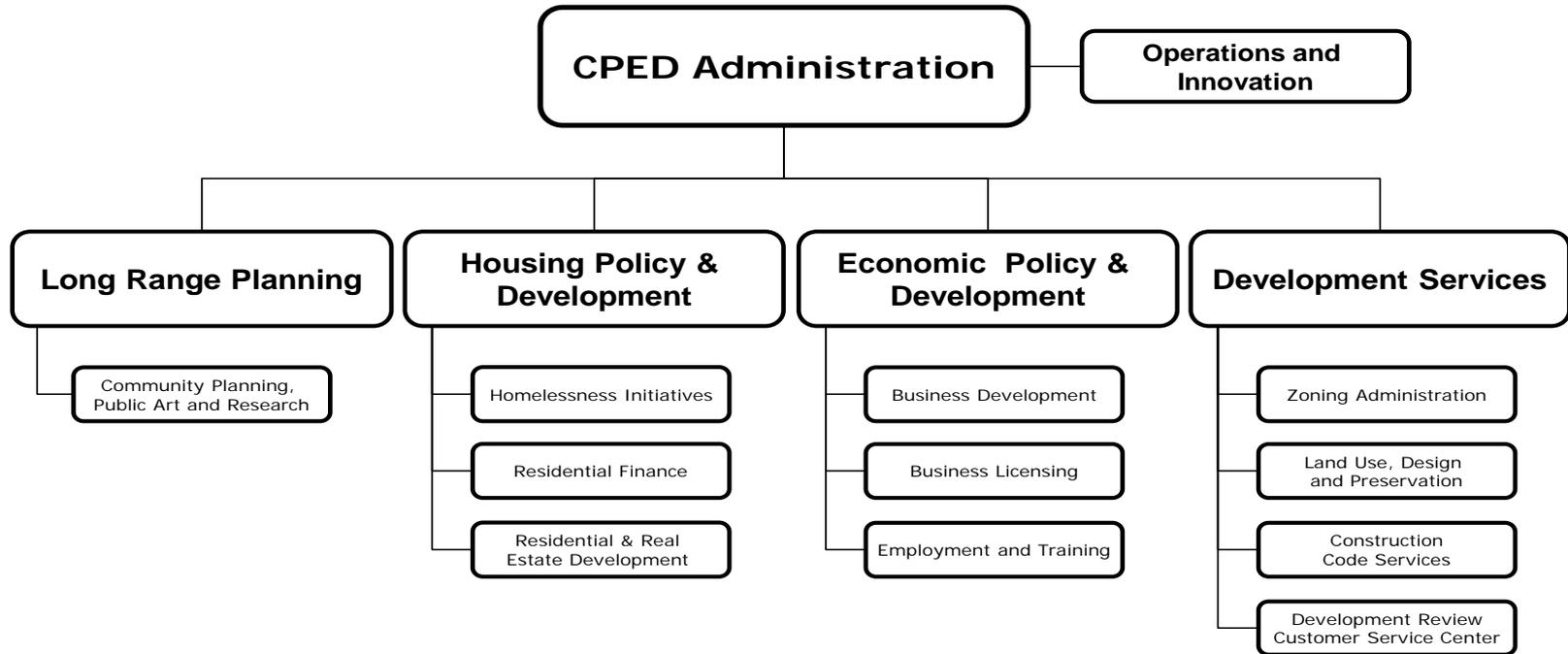
Kevin Carroll

Business Development, CPED



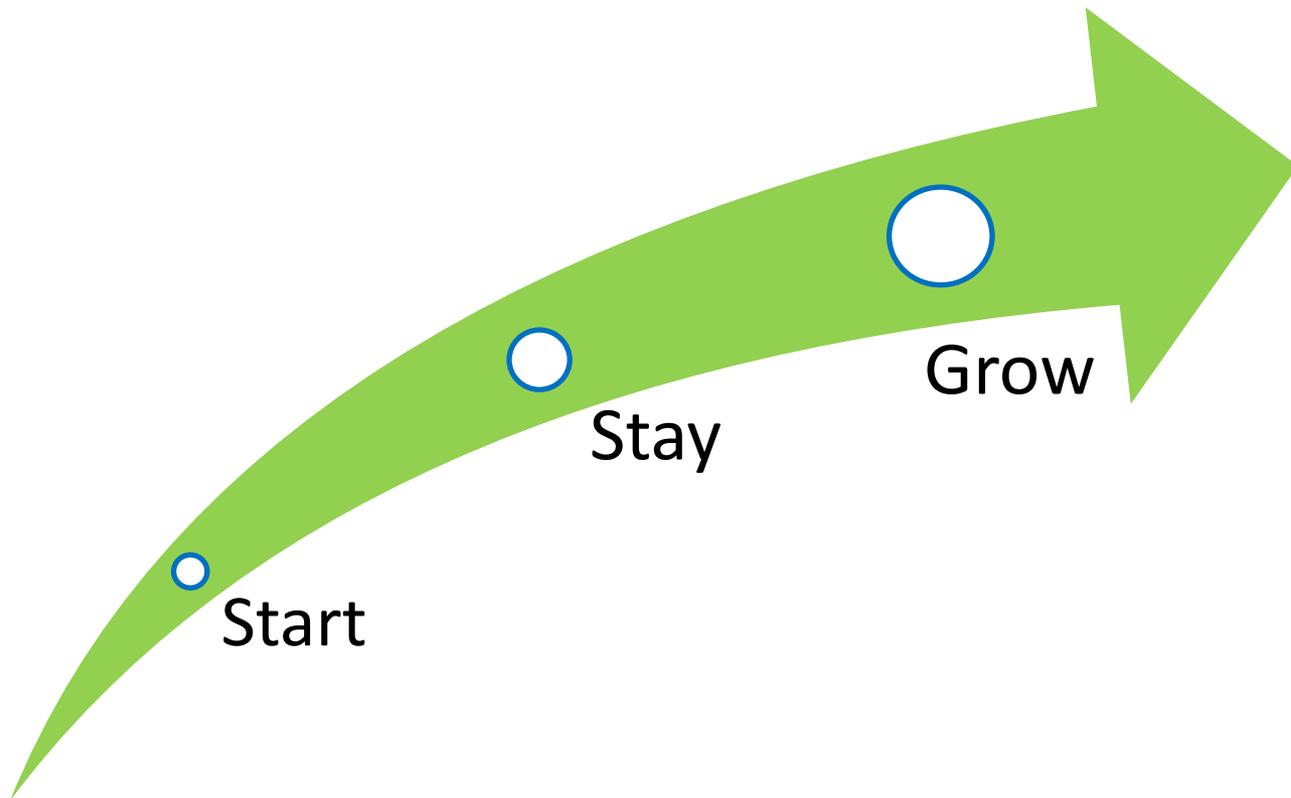
B-TAP + 101 Business Series

Department of Community Planning and Economic Development - CPED



Our Mission

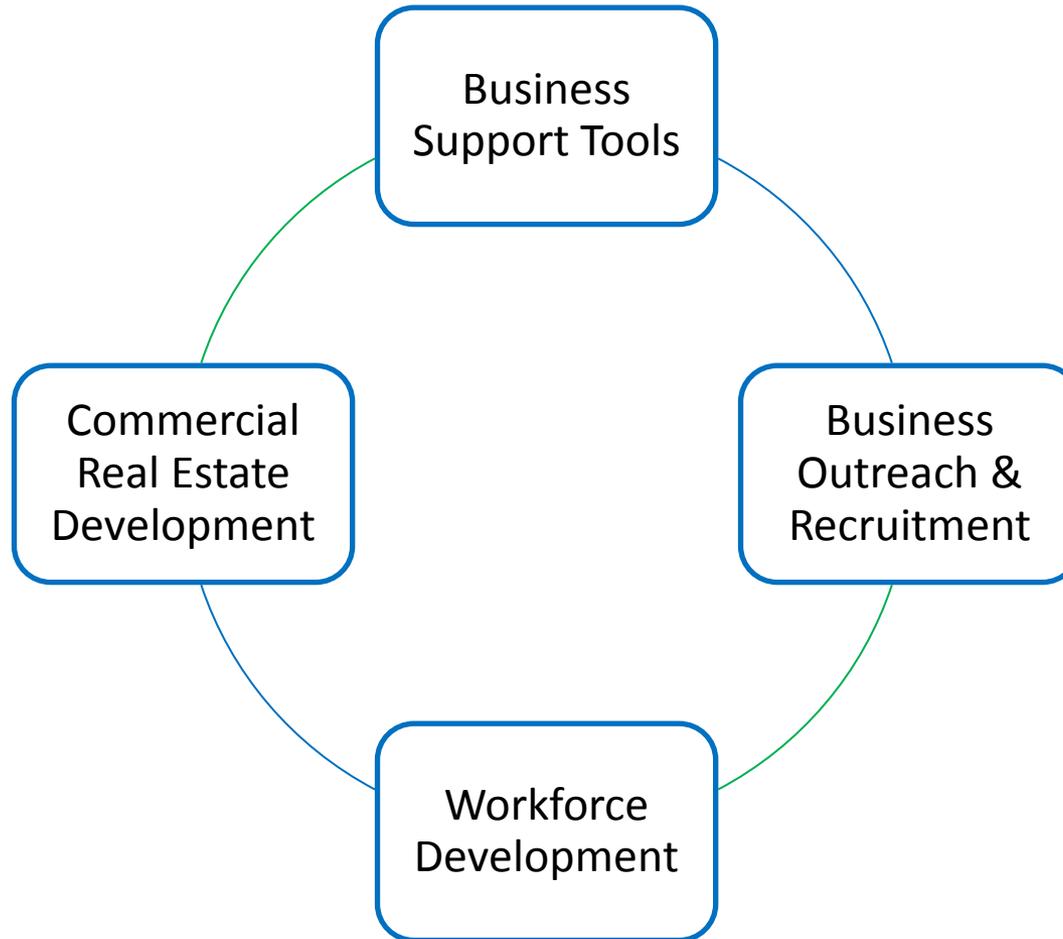
Help businesses in Minneapolis...



Why?



How do we help?



Business Technical Assistance Program B-TAP

	Program name	Use of Proceeds	Size	Terms	CPED Contact
Business Loans	2% Loan	Small business loans for building improvements, equipment	up to \$150,000 (City portion at 2% up to \$75,000)	2% interest, up to 10 years	call 612-673-5072
	Energy Efficiency Loans	Several programs to finance investments to improve energy efficiency in commercial properties.	varies by program – from \$1,000 - \$2 million	4-4.5% interest	Becky Shaw 612-673-5066
	Health & Safety Loan Program	Financing for code compliance investments including physical improvements such as grease traps, floor drains, and food service equipment	up to \$10,000	7% interest, up to 5 years	Kris Maritz (MCCD) 612-789-7337
	Alternative Financing	Small business financing for building improvements or equipment, Islamic-law compliant structure	up to \$100,000 (City portion - \$50,000 at a 2% rate of return)	up to 10 years	call 612-673-5072
	Business Development Fund	Small business loans for building improvements, equipment	up to \$75,000	prime, up to 10 years, credits for local hiring up to \$37,500	call 612-673-5072
	Export Order Financing and Insurance	Loans for export orders as well as marketing and promotion. Export payment insurance.	various products - several thousand to tens of millions	varies	MN Trade Office Helpline 651-259-7498
	Homegrown Business Development Center	Costs associated with the processing, manufacturing, distribution and marketing of local food products.	up to \$10,000	2% interest, up to 5 years	Casey Dzieweczynski (Jevachensky) 612-673-5070

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Site selection, business consulting and business district support	Site selection and systems navigation	Assistance in finding a Minneapolis location and navigating licensing and other regulatory requirements			Miles Mercer 612-673-5043
	Technical Assistance Program	Contracts with local non-profit organizations to provide direct business consulting services to new and existing businesses located in Minneapolis	Contracts with non-profits from \$5,000 to \$125,000	2 year contract, through annual RFP solicitation	Daniel Bonilla 612-673-5232
	Export assistance	Small grants for international trade marketing, trade missions, guidance on global market opportunities, logistics, regulatory compliance	N/A	N/A	MN Trade Office Helpline 651-259-7498
	Great Streets Business District Support Grants	District revitalization projects including business recruitment and district-wide marketing	grants of up to \$50,000 to business associations, community development organizations and CDCs	1 year contract, through RFP solicitation	Rebecca Parrell 612-673-5018
	Great Streets Façade Matching Grants	Façade improvements including windows, doors, signage, awnings, lighting, murals	façade matching grants to businesses of up to \$5,000		Judy Moses 612-673-5026

	Program name	Use of Proceeds	Size	Terms	CPED Contact
Commercial/Industrial Real Estate Development Financing	Great Streets Gap Financing	Commercial real estate development loans for catalytic commercial corridor and station area projects	\$100,000 - \$500,000 gap financing	up to 15 years	Rebecca Parrell 612-673-5018
	Grow North	Capital improvement loans to jobs-intensive businesses expanding in, or relocating to North Minneapolis, eligible for prepayment credits based on hiring North Minneapolis residents	up to \$200,000	up to 10 years	Casey Dzieweczynski 612-673-5070
	Tax Increment Finance	Significant commercial/industrial development	\$300,000 and up, depending on revenue generated	up to 25 years (15 more common)	Kristin Guild 612-673-5168
	Bank Qualified Bank Direct (BQ) Tax Exempt Bonds	Real estate development for non-profit user	\$500,000 - \$10 million	10-30 years	multiple staff, call 612-673-5072
	Brownfield Remediation Grants	Grants to investigate and clean up environmental contamination as part of a real estate development project	\$20,000 - \$900,000	grant, 5 year reporting on development, tax base and job growth outcomes	Kevin Carroll 612-673-5181
	DEED Redevelopment Grants	Grants supporting real estate redevelopment	\$50,000-\$1 million	grant	Kevin Carroll 612-673-5181
	Revenue Bonds (taxable and tax exempt)	Commercial/industrial real estate development, equipment	\$1 - \$100 million	10-30 years	Charles Curtis 612-673-5069
	Hennepin County Transit Oriented Development Grants	Grants to real estate development projects on transit lines that will enhance transit usage	\$50,000 - \$1 million		David Frank 612-673-5238
	Liveable Communities Demonstration Account Grants	Grants for land assembly and public infrastructure for development projects that maximize benefits of regional infrastructure	\$100,000 - \$800,000	grants	Carrie Flack 612-673-5240
	New Markets Tax Credits	Real estate development financing - allocations of tax credits to limited financing entities	\$500,000 - \$20 million	7 years	Miles Mercer 612-673-5043
	DEED Job Creation Fund	Rebate for job creation and real estate investment	up to \$1 million	rebate associated with job creation	Kristin Guild 612-673-5168
	Minnesota Investment Fund	Loans for real estate development or significant equipment purchase supporting MN job creation	up to \$500,000	flexible terms	Kristin Guild 612-673-5168

Business Technical Assistance Program B-TAP

	Program name	Use of Proceeds	Size	Terms	CPED Contact
Workforce Programs	Qualified Staff	Through career fairs and free posting services, the City can help businesses identify qualified staff.			Mark Brinda 612-673-6231
	Customized Training	City partners, including MCTC and Dunwoody, are available to develop customized training programs for Minneapolis employers. Also, Minneapolis occasionally secures grants to support training in key growth fields.			Mark Brinda 612-673-6231
	Step Up Youth Interns	"Step Up" is a summer internship program that links Minneapolis businesses with young people trained for work readiness and overseen by program advisors.			Tammy Dickinson 612-673-5041

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2% loan to Tiny Diner to finance building improvements 1024 38th Street E.



Permaculture and solar:

Kim Bartmann has long had an interest in green building (the Red Stag was the first LEED-CI certified restaurant in Minnesota, for instance), and this new venture is affiliated with the Permaculture Research Institute. The nonprofit helped design the Tiny Diner's gardens, and will eventually teach urban gardening and other classes at the site. The new diner has a massive solar array on top.

2% CC Loan to Brave New Media to finance building improvements at 2110 Nicollet

- Before



- After



2% loan to Butter Bakery Café --- 3700 Nicollet Avenue S.

- Old location of Butter Bakery



- New location



2% Loan for Art Materials 2724 Lyndale Ave S

- Interior Improvements
- ADA ramps
- ADA restrooms
- Lighting
- Windows
- Flooring
- Signage



2% Loan to Boom Island Brewing for equipment 2014 Washington Avenue N.

- After months of brewing beer almost around the clock from their small North Minneapolis brewery, Kevin and Qiuxia Welch have moved Boom Island Brewing Co. a few blocks to a spot five times larger that will soon have a taproom.
- The extra space and new equipment at 2014 N. Washington Ave. allowed Boom Island to double production from 1,000 barrels in 2013 to 2,000 barrels in 2014, plus left room to brew as many as 6,000 barrels per year when demand reaches that level.
- The couple had been brewing out of a 750-square-foot room in a small building on North Second Street.
- Ms. Welch's retired parents moved to Minneapolis from China to help open the brewery in spring 2012, and the four of them had been working long hours to keep up with demand.
- Boom Island started brewing beer at the new location in 2013, and the 49-seat taproom opened in January of 2014; an adjoining back patio will seat another 23.



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CITY FOOD STUDIOS

Business Technical Assistance Program B-TAP

- City Food Studios, a commercial kitchen located at 3722 Chicago Avenue filled up quickly by word of mouth alone after opening in January of 2014. The model is simple -- each tenant leases the kitchen for few hours, a few days a week. Currently there are about 20 tenants sharing the space, ranging from catering companies to food truck owners to farmer's market vendors to food producers who sell to co-ops.

- The kitchen's owner knew that the building needed some work, but felt the neighborhood was a good fit for a "food art studio." The City of Minneapolis provided two 2% loans totaling \$71,790 and a \$10,000 Homegrown loan to help with the building purchase, improvements, equipment, working capital and other start-up costs. Through the City's Great Streets program, a matching grant of \$6,284 was also given to help with the purchase of new doors and windows.



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- “CoCo Minneapolis” – Co-working space in the historic Grain Exchange Building at 400 S. 4th Street

- **Surly Brewery**
- 520 Malcolm Ave SE
- Company considered dozens of potential sites in the metro area and in the suburbs
- Ultimately chose a site recommended by City staff
- Former industrial site, midway between Mpls and St. Paul, close to U of M campus and Transitway, and the Prospect Park stop on the LRT (Green Line)





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2015 Year-end Performance Report

Jan-Dec, 2015

Funds

Total Available Funds: \$647,800
Amount paid up-to-date: \$414,250 (64%)
Contract included: 2014-2016 & 2015-2017
Grantees: 16 Non- Profit Organizations

Services Provided

Business Technical Assistance hours: 2832 approx.

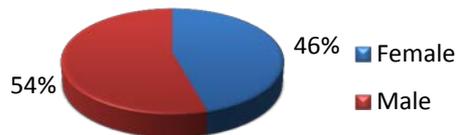
Service Recipients

Clients Served: 175
Business Start-ups: 51 (29%)

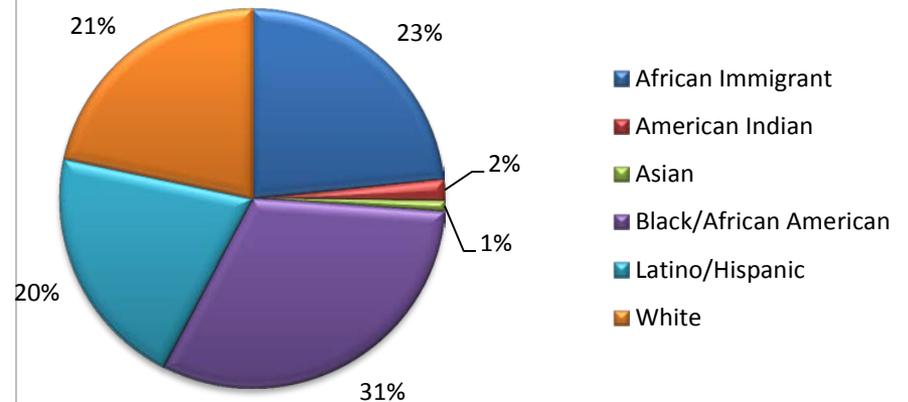
Jobs

Jobs Created: 192
Jobs Retained: 648

Gender (all categories)



B-TAP 2015 Service Recipients Cultural Background



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City of Minneapolis
Great Streets

NEIGHBORHOOD BUSINESS
 DISTRICT PROGRAM

Business District Support Grant Program

The Lake Street Council

WELCOME TO LAKE

Superb attractions, outdoor activities, and bustling markets on Lake Street have something for everyone. Vibrant neighborhoods, historic properties, and much more will make your visit as energetic or as relaxed as you like.

It's Greek to Me
 636 West Lake Street
 A relaxed atmosphere with a great selection of Greek salads, entrees, and wines.
www.itsgreektoemn.com

Midtown Global Market at Lake and Chicago
 An internationally-themed public market with more than 50 independent locally-owned businesses at the Midtown Exchange.
www.midtonglobalmarket.org

In the Heart of the Beast Puppet and Mask Theatre
 1500 East Lake Street
 Internationally renowned for its plays, puppets, and parades.
www.hobt.org

LRT Station
 Hiawatha & East Lake
 The Hiawatha Line offers fast, quiet light-rail service to seventeen stations between downtown and Mall of America. Your favorite will be the Lake Street Station.
www.metrotransit.org

Midtown Greenway
 This 5.7-mile trail gives cyclists an opportunity to safely travel near and along the bustling Lake Street corridor, while enjoying community gardens and public art along the way. Green line depicts routes. Yellow dots are trail entrances.
www.midtongreenway.org

The Craftsman Restaurant and Bar
 4300 East Lake Street
 Organic quality and European cooking.
www.thecraftsmanrestaurant.com

Longfellow Grill
 2990 West River Parkway
 Savory unexpected delights for breakfast, lunch, dinner or get drinks.
www.longfellowgrill.com

Lake Calhoun
 Lake Calhoun is part of the Minneapolis Chain of Lakes and is a popular destination site for fishing, wind surfing, swimming, sailing, canoeing, walking, jogging, biking, rollerblading, or in-line skating.

Calhoun Square at Lake & Hennepin
 Your one stop to eat, shop, and people watch in the heart of the famous Uptown area.
www.calhousquare.com

Falafel King
 701 West Lake Street
 The Mediterranean and Middle Eastern restaurant was voted best gyros and best falafel in town.
www.falafelking.com

Lake Street Museum in the Streets
 See the 40 panels along Lake Street that single out historic sites from Lake Calhoun to the Mississippi River.
www.visitlakestreet.org

Mercado Central
 1515 East Lake Street
 Latino restaurants, groceries, service shops, and stores with an eclectic mix of cultural artifacts, jewelry, books, and music.
www.mercadocentral.net

Ingebretsen's Scandinavian Gifts and Foods
 1601 East Lake Street
 A selection of gifts, jewelry, clothing, needlework, and food from the whole of Scandinavia.
www.ingebretsens.com

Midori's Floating World Café
 2629 East Lake Street
 Serving exceptional sushi, superior tempura, beer, wine, sake, over thirty varieties of tea, home-style specials, and contemporary favorites.
www.floatingworld.com

Gandhi Mahal
 3009 East Lake Street
 Gandhi Mahal is a full-service, Bangla-Indo Indian restaurant that has been awarded the Best Indian Food in the Twin Cities many times over.
www.gandhimahal.com

El Nuevo Rodeo
 2709 East Lake Street
 Minnesota's hottest Latin nightclub, presenting the biggest name artists in Latin music and featuring a full service casual Mexican restaurant.
www.elnuevoroedo.com

Photos: Bruce Sisson, Ted Uhl, Kevin Day, Rosemary Lake, Michael Daniels, and Shari Albano
 Design & map illustrations: Shari Albano

The Lake Street Council has pursued a variety of marketing strategies to drive customer traffic and sales to support businesses along the entire length of Lake Street across south and southwest Minneapolis, including:

- 10,000 *Visit Lake Street* marketing brochures (snapshot shown)
- 25,000 coupon books with 88 businesses represented
- www.VisitLakeStreet.com
- Radio ad campaigns
- MSP Airport marketing campaign
- Way-finding signage from the Midtown Greenway up to Lake Street

Stadium Village Commercial Association



With Great Streets grant funding in 2012 and 2013, the Stadium Village Commercial Association (SVCA) implemented a variety of marketing and promotional activities to help attract visitors and customers to the area, mitigate impacts caused by the Green Line Light Rail construction, and work to establish new buying and entertainment habits with Green Line riders. The marketing components have included the development and production of a television commercial that aired on 300 network TV spots and the design, production, and distribution of Stadium Village promotional products and materials, including mailers/flyers with business ads and coupons, cups, t-shirts, and other marketing collateral giveaways.

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City of Minneapolis
Great Streets

NEIGHBORHOOD BUSINESS
DISTRICT PROGRAM

Façade Improvement Matching Grant Program

1112 - 1120 Lowry Avenue N.

Al-Bosaad, Inc.

BEFORE



AFTER



New brick and stucco on all five storefronts along with new windows, doors, lighting and awnings for the businesses from 1112 to 1120 Lowry Avenue North transformed this façade. The property owner received a \$7,500 façade grant, matched by \$19,920 in private funds for each storefront. For every \$1 in public funds, he invested \$2.65 in private funds.

BEFORE



AFTER



A new full - glass garage door gives this storefront a clean, uncluttered look and allows for open air seating in the warmer months. The business owner received a \$5,000 façade grant, matched by \$5,667 in private funds. For every \$1 in public funds, he invested \$1.13 in private funds.

1500 W. Lake Street
Jersey Mike's Subs

BEFORE



AFTER

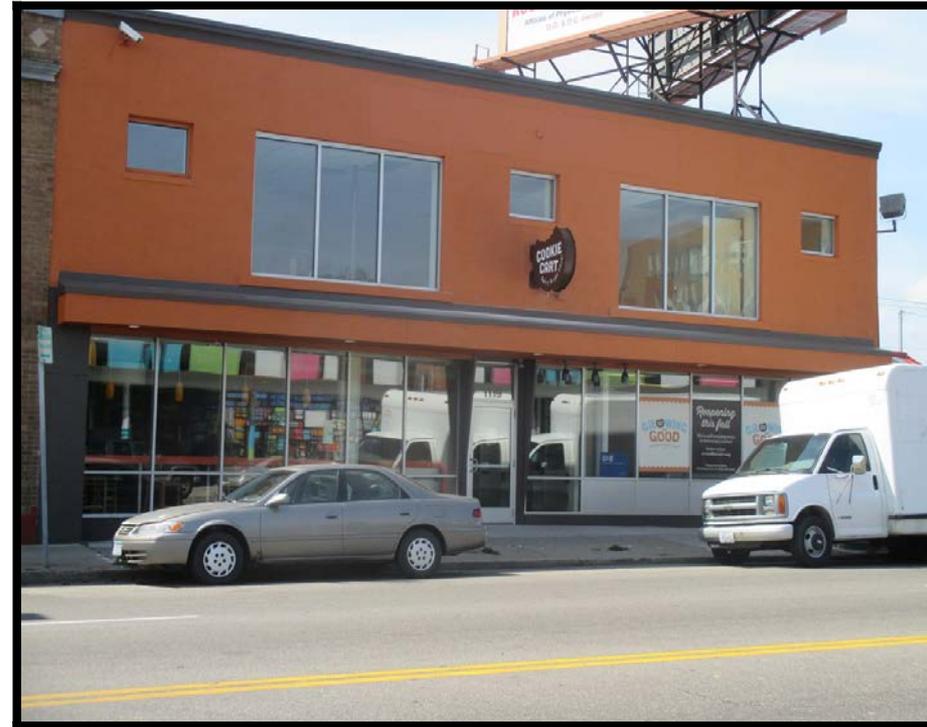


A newly painted exterior, awnings and signage enhance the façade at 1500 W. Lake Street. The business owner received a \$4,350 façade grant, matched by \$8,700 in private funds. For every \$1 in public funds, he invested \$2 in private funds.

BEFORE



AFTER



New signage, lighting, stucco repair and a freshly painted exterior has given the building at 1119 W. Broadway Avenue a whole new look. The Cookie Cart received a \$7,500 façade grant, matched by \$8,784 in private funds. For every \$1 in public funds, they invested \$1.17 in private funds.

The Link
1210 Glenwood Avenue

BEFORE

AFTER



A beautiful mural makes a big visual impact on Glenwood Avenue. Marilyn Lindstrom was the principal muralist leading the project. She held multiple community design workshops to develop the mural. The Link not-for-profit organization received a \$5,000 façade grant that they matched with \$5,000.

BEFORE

AFTER



New storefront windows and doors and the removal of overhead air conditioning units for the businesses from 5009 to 5015 Penn Avenue South create a fresh, uncluttered look. The property owner received a \$5,000 façade grant, matched by \$24,686 in private funds. For every \$1 in public funds, he invested nearly \$5 in private funds. Additionally, multiple tenants updated their signage. Shown here is Lake Harriet Floral. They received a \$1,405 façade grant, matched by \$2,810 in private funds.

1851 Central Avenue NE
The Mill NE

BEFORE



AFTER



The owners of The Mill NE used the façade grant program to repaint the building and install new awnings with dramatic results. They received a \$3,740 façade grant, matched by \$4,562 in private funds. For every \$1 in public funds, they invested \$1.22 in private funds.

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Total Grant Funds Awarded, 2008-2013



FINANCIAL ASSISTANCE “STRATA”

- \$1.00 - \$100,000
 - 2% Loan
 - Business Development Fund Loan
 - Façade Improvement Grants
- \$100,000 - \$1 Million
 - Grow North Loan
 - Tax Increment Financing
 - Great Streets Gap Financing Loan
- \$1 Million +
 - Bond Financing
 - New Markets Tax Credits

- Build relationships with existing businesses
- Help address business needs
 - Workforce recruitment
 - Financing for expansion
 - Site search assistance
- Help navigate the “red tape” – permitting, licensing, zoning...
- Recruit new businesses to the City



Addressing market failure by:

- Strategic acquisitions
- Filling financing gaps
- Recruiting owners/users
- Partnering with the community to create vibrant commercial activity



5 Points

2119 West Broadway

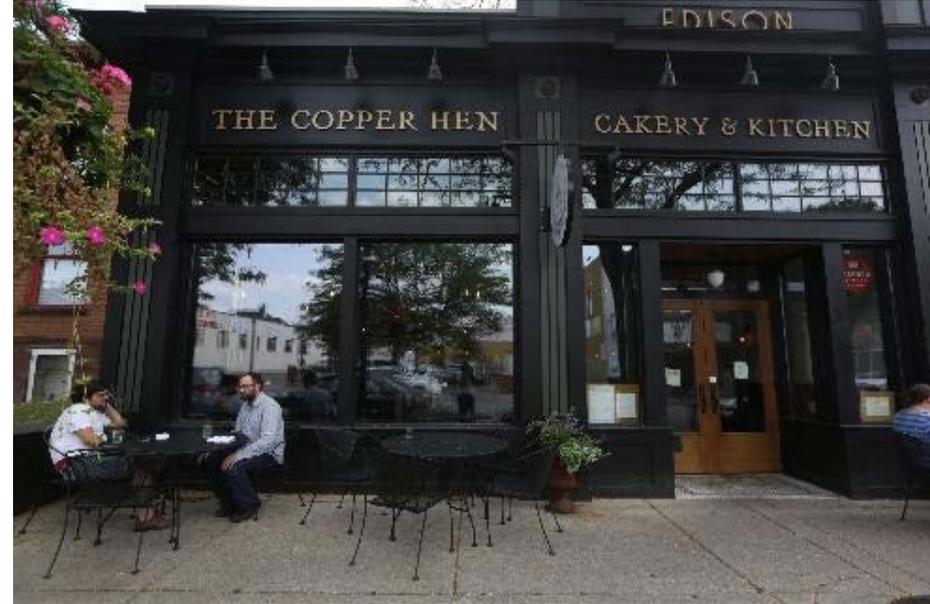
- **City-wide small business lending, since 2008**
 - 708 businesses
 - \$18 million for property improvements and equipment
 - Leveraged \$95 million in private investment
- **Façade Improvement Grants, since 2008**
 - 533 façade improvement projects
 - \$1.5 million
 - Leveraged \$3.6 M in private investment
- **Great Streets Gap Financing**
 - 8 high-impact projects
 - \$3 million
 - Leveraged \$21.6 million in private investment
 - 350 new and retained jobs

EXAMPLES:

- The Copper Hen Cakery & Kitchen
- The DC Group
- New Horizon Academy

- New Restaurant on Eat Street – 25th & Nicollet
- Leveraging variety of resources
 - Bank
 - City
 - Crowdfunding
 - Owner equity

- Business Development Work
 - 2% Loan for construction & equipment
 - Façade Improvement Grant
 - Navigating the business licensing process



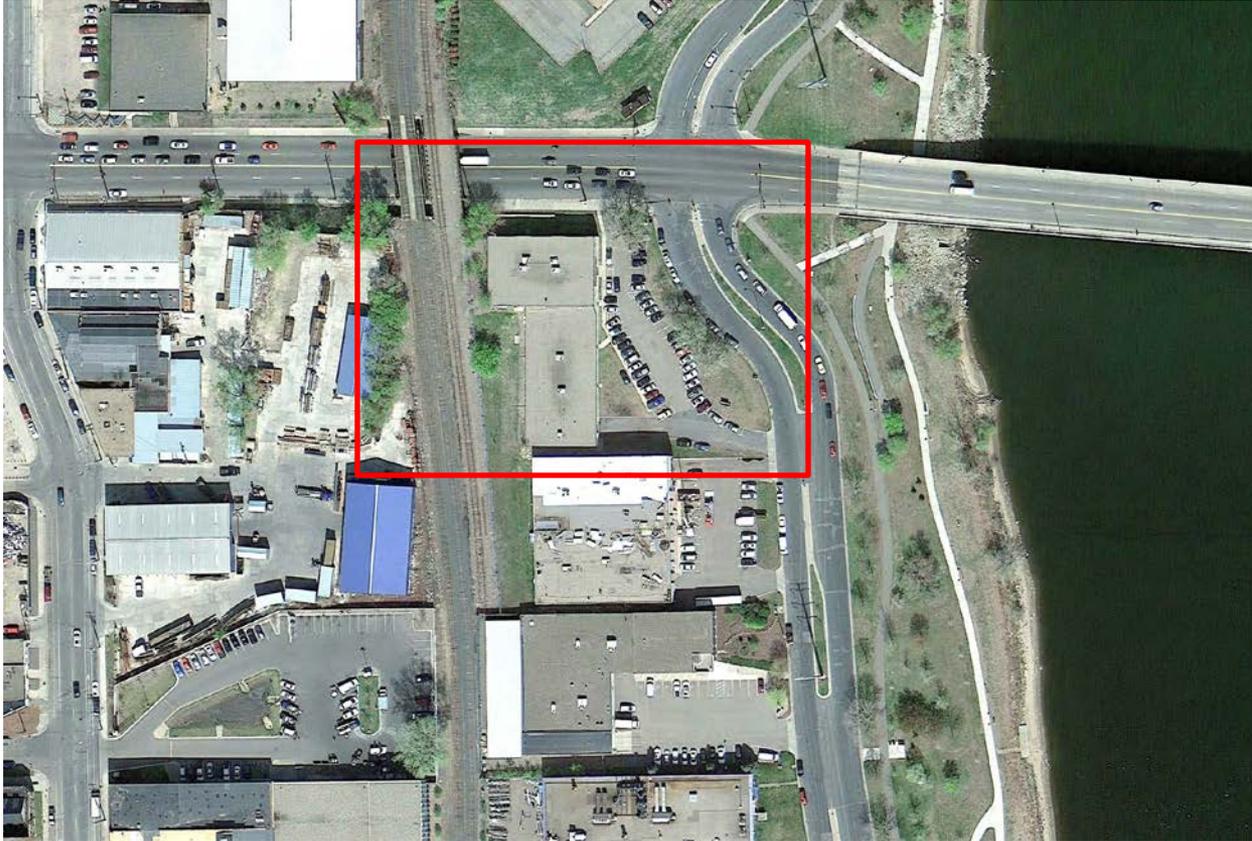
The DC Group



- Provides uninterruptible power supply service and maintenance
- Minneapolis HQ – founded 1969
- Located at 1977 West River Road North (West Broadway & West River Rd)
- 60+ employees, 30+ additional jobs in the next 3 years
- Issues
 - Not enough space to support continued growth
 - Poor building condition
- Solutions:
 - Move to the suburbs
 - Renovate existing structure – on a compressed site

- Challenges
 - Not enough space to support continued growth
 - Poor building condition
- Options
 - Move to the suburbs
 - Renovate existing structure – on a compressed site
- City Objectives
 - Eliminate blighting influences by renovating and expanding a structurally substandard building
 - Redevelop unused railroad property
 - Retain an existing business and employer
 - Provide increased employment opportunities
 - Increase property tax base

The DC Group



Construction Budget: \$8 Million

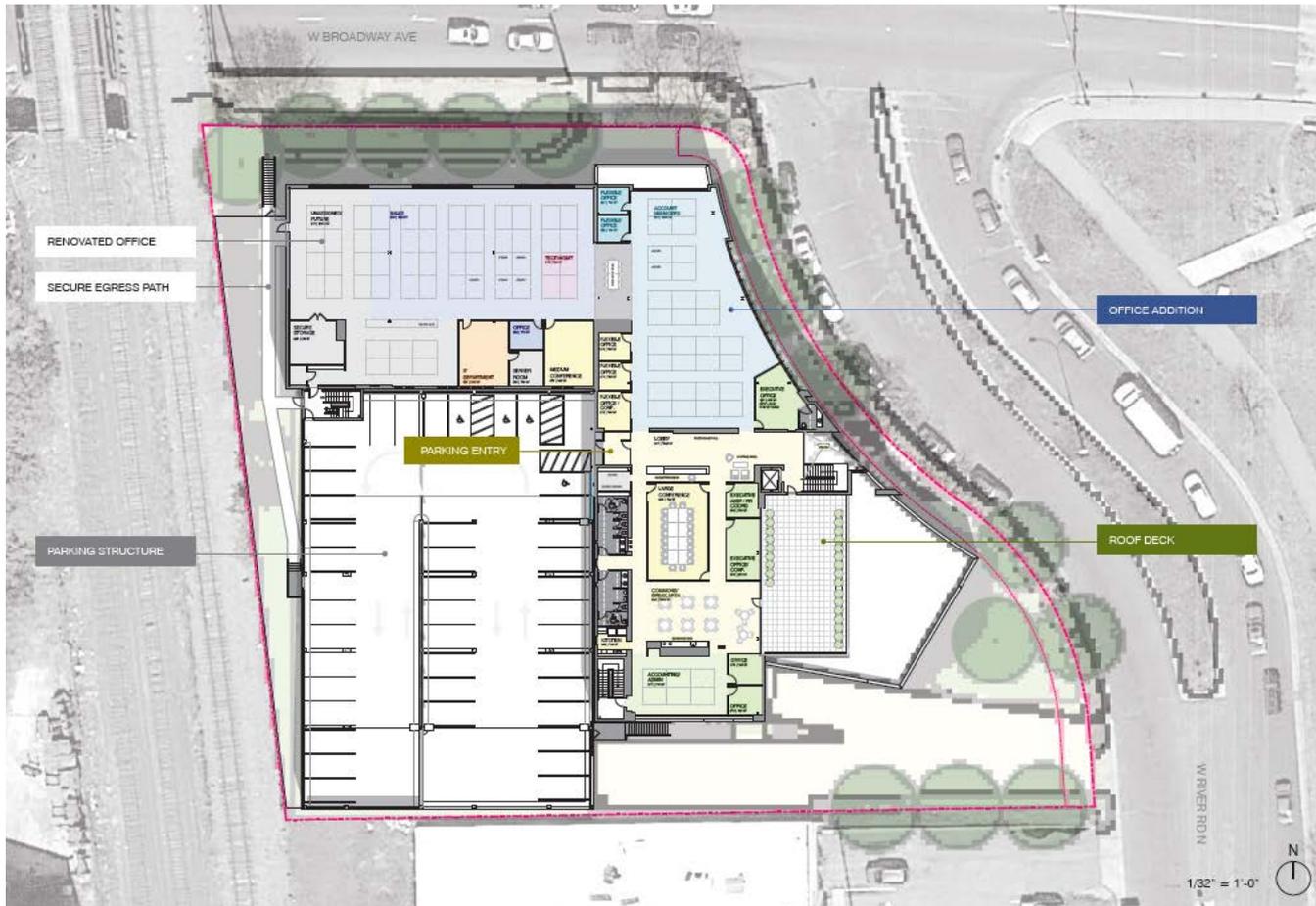
- Renovate 16,000 sf of existing office/warehouse space
- Demolish 10,000 sf of obsolete space
- 24,000 sf addition
- Build 86-stall parking structure

Funding Sources

- Private
 - Business Equity
 - New Market Tax Credits (additional equity)
 - Bank debt
- Public
 - Tax Increment Financing
 - CPED Small Business Loans (partial forgiveness for local hiring)
 - State Environmental Grant Funds
 - Hennepin Co. Transit Oriented Development (TOD) Grant



The DC Group



The DC Group



New Horizon Academy

Opportunity

- Well respected child care provider, over 60 facilities in MN
- Desired new center in North Minneapolis
 - Northside Achievement Zone (NAZ) partnership
 - Valuable resource for ENTIRE community
- Site requirements
 - Commercial building or vacant land
 - Within NAZ borders
 - 10,000 – 15,000 sq. ft. facility
 - Close to transit

New Horizon Academy

Site Search

- Lack of move-in-ready buildings in North Minneapolis
- Renovation costs can be as much as building new
- Lack of vacant land in targeted area
- Desire to move quickly

3354 Penn Ave N

- Right size
- On a bus line
- In NAZ
- “Tucked away” in the neighborhood
- Next to an elementary school
- City owned property



Site Issues

- Former gas station
- Petroleum tanks were removed, but contamination remained on site
- Required significant clean-up costs to prepare for development (esp. for a daycare)
- Est. cleanup costs: \$600,000 - over 20% of total development costs
- 5,200 cubic yards of contaminated soil needed to be removed

Current Status

- In November 2014, City applied (on project's behalf) for environmental cleanup grants to assist in site remediation
- \$381,386 in grants funding was awarded in January 2014: **DEED, \$242,876; Met Council, \$35,900; Hennepin County, \$102,610**
- Projected opening = fall 2015



New Horizon Academy
St Paul, Highland Park facility

Questions or Comments?

Google: “City of Minneapolis Business Assistance”



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B-TAP + 101 Business Series