Great Streets - Neighborhood Business District Program

The Minneapolis Great Streets program supports business investment and vibrant neighborhood commercial districts throughout the city.

Program Elements
The program has four primary components which are designed to be utilized alone or in concert:

- Real estate financing
  Subordinate financing of up to $450,000 for commercial real estate development projects with clear public benefit and the potential to catalyze significant private investment or business district revitalization.

- Façade improvement matching grants
  Matching grants of up to for façade improvements including signage, window and door replacement, lighting, and awnings as well as painting and tuckpointing.

- Business district support grants
  One-year contracts for a variety of activities designed to support business growth and stability including such activities as business recruitment, district marketing initiatives, business workshops on tax code changes and social media, and art in vacant windows programs. Past contracts have supported technical assistance to businesses and entrepreneurs including instruction in bookkeeping, marketing and regulatory requirements. In 2012, we plan to spin that function off into a new program without geographic restrictions. The maximum grant amount is $50,000.

- Business loans
  Below market loans from $5,000 to $75,000 for working capital, building improvements or equipment.
This building renovation opened up a boarded building with new storefront and transom windows, skirt board panels, and signage. The property owner received $5,000 in façade grant funds and the new tenant received $2,500 in grant dollars. The project leveraged $36,280 in private matching funds. Together, for every $1 in public funds invested, the private property owner and tenant invested $4.84.
City of Minneapolis
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (CPED)

Business Assistance

By the Numbers: City of Minneapolis Business Investments since 2006

573  Minneapolis businesses received City-involved business loans since 2006
     (includes 2% loans, Alternative Financing, microloans, working capital
     guaranty, energy efficiency loan program, tornado recovery loan program, and
     Business Development Fund loans)
     City investment (revolving loan fund): $16,880,496
     Private investment leveraged: $68,680,229,616

174  Minneapolis businesses have received Great Streets façade matching grants
     since 2008 (when the program began)
     City investment: $538,729
     Private investment leveraged: $1,515,319

32   Minneapolis businesses have received City financing for commercial real
     estate projects since 2006 (includes Great Streets real estate loans and
     Capital Acquisition Loans)
     City investment: $7,594,829
     Private investment leveraged: $21,964,315

52   Minneapolis commercial and industrial real estate development projects
     have received City-issued bonds since 2006 (including Industrial Revenue
     Bonds, Bank Qualified Bank Direct Bonds and 501(c)(3) bonds)
     Private investment leveraged: $2,636,045,502

24   City-owned commercial properties have been sold since 2006
     Assessed value returned to tax rolls: $53,211,500

422  Businesses and entrepreneurs received consulting services and training in
     2011 through contracts with non-profit technical assistance providers
     including the Metropolitan Consortium of Community Developers and
     their members

22   Minneapolis businesses received intensive consulting and mentoring in
     2011 through the Small Business Administration’s e200 Emerging
     Entrepreneurs program and the Economic Gardening program sponsored
     by Hennepin County

642  Visits to Minneapolis businesses by Economic Development staff since
     2009 when business calling program began

6,872 Welcome postcards mailed to new Minneapolis businesses registered with
     the Secretary of State as reported in the Business Journal since 2009
City of Minneapolis
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (CPED)

Business Assistance

Alternative Finance Program
The Alternative Financing program provides small Minneapolis businesses (neighborhood retail, service or light manufacturing) an alternative financing to the interest-based system that is in accordance with Islamic law, or Sharia. The program provides financing to purchase equipment and/or make building improvements. A private lender provides half the financing at their rate of return, and the City provides the rest, up to $50,000, at a 2 percent rate of return. The term (up to 10 years) is set by the lender. Private lender fees vary, and the City charges an origination fee of 1 percent of the City’s principal amount with a minimum of $150, due at closing.

After an application and a lender-commitment letter are received, preliminary approval takes about one week, with an additional two weeks to close the financing. The city cannot finance any work started prior to the closing.

Who is eligible for the Alternative Financing Program?
- All businesses in the City of Minneapolis
- The applicant may be individual owners, partnerships, corporations, tenant operators or contract for deed partners.
- Businesses that benefit low-to-moderate income persons by creating jobs or improving services

All eligible Alternative Finance applicants must
- Repay the funds and be an acceptable credit risk
- All rehab work and equipment installation must meet Minneapolis city codes
- Comply with the Minneapolis zoning ordinances.
- Make efforts to hire Minneapolis residents by working with the City’s Workforce Coordinator.
- Use contractors licensed in Minneapolis.
- Proceeds cannot be used for billboard advertising.

Eligible Improvements include:
- Lighting
- Windows
- Walls, ceilings, floors
- Roofing
- Plumbing
- Electrical
- Mechanical Systems and Air Conditioning
- All work on the front and sides of business buildings facing public streets
- Cleaning, painting and staining of exterior surfaces
- Masonry repairs
- Repairing or replacing of cornices, entrances, doors, windows, decorative details and awnings
- Sign removal, repairing or replacement
- Architectural design services for plans and specifications
- Parking lots, including lighting, surfacing and landscaping
- Building identification
- Other items that are viewed necessary to complement the exterior of the building

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City of Minneapolis
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (CPED)
Business Assistance

Two Percent Loan Program

Two Percent Loans provide financing to small Minneapolis businesses (retail, service or light manufacturing) to purchase equipment and/or to make building improvements. A private lender provides half the loan at market rate and the City provides the rest, up to $50,000 at 2 percent interest. The loan term is set by the private lender and can be for up to 10 years. Bank fees vary, but the City charges a 1 percent origination fee with a minimum of $150 due at closing.

After the Business Finance Division of the Department of Community Planning and Economic Development receives an application with supporting financial information and a lender-commitment letter, preliminary approval takes about one week, with up to two weeks to close the loan. The City cannot finance any work started prior to the loan closing.

Who is eligible for a Two Percent Loan?

- All businesses located in the City of Minneapolis
- The applicant may be individual owners, partnerships, corporations, tenant operators or contract for deed partners.
- Businesses that benefit low-to-moderate income persons by creating jobs or improving services.

All Two Percent Loan recipients must:

- Repay the loan and be an acceptable credit risk
- Use contractors licensed in Minneapolis
- Meet Minneapolis city codes for all rehab work or equipment installations
- Comply with Minneapolis zoning ordinances
- Make efforts to hire Minneapolis residents through cooperation with the CPED Workforce Coordinator, the Minneapolis Employment and Training Network as well as JobLink.
- Not use funds for billboard advertising

Eligible improvements include:

- Lighting
- Windows
- Walls, ceilings, floors
- Roofing
- Plumbing
- Electrical
- Mechanical Systems and Air Conditioning
- All work on the front and sides of business buildings facing public streets
- Cleaning, painting and staining of exterior surfaces
- Masonry repairs

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