



# Business Development and Financing Resources for Micro and Small Urban Agriculture and Local Food Entrepreneurs

Homegrown Minneapolis is an initiative of the City of Minneapolis to improve the growth, sales, distribution, and consumption of healthy, locally grown foods within the city and the surrounding region. Under the leadership of Mayor R.T. Rybak and the Minneapolis Department of Health and Family Support, Homegrown Minneapolis is bringing together key partners from local government, area businesses, community organizations, non-profits, and residents to build a healthy, local food system.

This inventory was created in response to one of the recommendations that emerged from the first phase of the Homegrown Minneapolis initiative:

*Expand and promote existing City-sponsored small business financing opportunities and training/business development services to entrepreneurs interested in urban agriculture.*

For more information about Homegrown Minneapolis, please visit  
<http://www.ci.minneapolis.mn.us/dhfs/homegrown-home.asp>

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A local, healthy, and sustainable food system supports the local economy, health of our citizens, and environment. That's why the City of Minneapolis is here to help you join the growing number of local food entrepreneurs in the City of Lakes.

## Where do I start?

The Minneapolis Development Review and Department of Community Planning and Economic Development (CPED) are your business development resources at the City of Minneapolis. You can reach them by calling Minneapolis 3-1-1 or visiting one of the following sites.

- Minneapolis 3-1-1  
[www.ci.minneapolis.mn.us/311](http://www.ci.minneapolis.mn.us/311)
- Minneapolis Development Review for Businesses  
[www.ci.minneapolis.mn.us/mdr/BusinessMoreTopics.asp](http://www.ci.minneapolis.mn.us/mdr/BusinessMoreTopics.asp)
- CPED Business Assistance  
[www.ci.minneapolis.mn.us/cped/business\\_assistance.asp](http://www.ci.minneapolis.mn.us/cped/business_assistance.asp)

Local Food is one of the City of Minneapolis' Sustainability Indicators – general, high level, forward looking measurements centered on a vision for the community's long-term future.

- Local Food Sustainability Indicator  
[www.ci.minneapolis.mn.us/sustainability/local-foods.asp](http://www.ci.minneapolis.mn.us/sustainability/local-foods.asp)
- Why Eat Local?  
[www.ci.minneapolis.mn.us/sustainability/why-eat-local.asp](http://www.ci.minneapolis.mn.us/sustainability/why-eat-local.asp)
- Local Food Policy  
[www.ci.minneapolis.mn.us/sustainability/local-food-policy.asp](http://www.ci.minneapolis.mn.us/sustainability/local-food-policy.asp)
- Buy Local  
[www.ci.minneapolis.mn.us/sustainability/buy-local.asp](http://www.ci.minneapolis.mn.us/sustainability/buy-local.asp)

# Business Development

The City of Minneapolis offers a number of resources for starting a business.

- Starting a Business in Minneapolis: A Practical Guide – CPED's guide to starting small, neighborhood-based businesses in Minneapolis. Includes tips on getting started, where to go for help, finding money, and a regulatory road map.

[www.ci.minneapolis.mn.us/cped/docs/starting\\_a\\_business.pdf](http://www.ci.minneapolis.mn.us/cped/docs/starting_a_business.pdf)

Minneapolis 3-1-1

- Also from CPED –

- Why do Business in Minneapolis

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

- Minneapolis Employment and Training Program (METP)

[www.ci.minneapolis.mn.us/cped/business-services.asp](http://www.ci.minneapolis.mn.us/cped/business-services.asp)

A number of public and nonprofit entities offer business development assistance that complements that offered by the City of Minneapolis.

- Minnesota Department of Employment and Economic Development Starting a Business in Minnesota website – Organizing your business; legal, regulatory, and tax information; and business planning assistance

[www.positivelyminnesota.com/Business/Starting\\_a\\_Business/index.aspx](http://www.positivelyminnesota.com/Business/Starting_a_Business/index.aspx) or 651-259-7114

- WomenVenture – Microenterprise development information and courses, career consulting, and customized training

[www.womenventure.org](http://www.womenventure.org) or 651-646-3808

- Neighborhood Development Center – Microentrepreneur training, business consulting, and business resource centers

[www.ndc-mn.org](http://www.ndc-mn.org) or 651-291-2480

- Latino Economic Development Center - Microentrepreneur training

[www.ledc-mn.org](http://www.ledc-mn.org) or 612-724-5332

- African Development Center – Business Development workshops and technical assistance  
[www.adcminnesota.org](http://www.adcminnesota.org) or 612-333-4772

- MicroEntrepreneur Resource Center – Lists local business resources and provides tools for planning your business  
[www.mercmpl.org](http://www.mercmpl.org)

## Financing

The Department of Community Planning and Economic Development offers a number of helpful documents detailing City-sponsored as well as external loans.

- Loans and Grants for Minneapolis Businesses – CPED's detailed list of financing opportunities offered through public agencies and community organizations, organized by provider and neighborhood

\* A very useful document

[www.ci.minneapolis.mn.us/cped/docs/Loans\\_and\\_Grants\\_for\\_Minneapolis\\_Businesses.pdf](http://www.ci.minneapolis.mn.us/cped/docs/Loans_and_Grants_for_Minneapolis_Businesses.pdf)

- Business Finance Loan Program Matrix – Outlines all city-sponsored business loans.

[www.ci.minneapolis.mn.us/cped/docs/BF\\_Matrix\\_Loan\\_Programs.pdf](http://www.ci.minneapolis.mn.us/cped/docs/BF_Matrix_Loan_Programs.pdf)

Call Minneapolis 3-1-1 for more information

The following loans may be appropriate for local food and urban agriculture entrepreneurs.

- Two Percent Loans  
[www.ci.minneapolis.mn.us/cped/two\\_percent.asp](http://www.ci.minneapolis.mn.us/cped/two_percent.asp)

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.

- Two Percent Commercial Corridor/Node Loans  
[www.ci.minneapolis.mn.us/cped/two\\_percent\\_commercial.asp](http://www.ci.minneapolis.mn.us/cped/two_percent_commercial.asp)

Two-Percent loans provide financing to small Minneapolis businesses (retail, service or light manufacturing) to purchase equipment or to make building improvements on commercial properties located in designated Commercial Corridors and Commercial Nodes. A private lender provides half the loan at market rate and the City provides the rest, up to \$75,000 at 2-percent interest. The loan term is set by the private lender and can be up to 10 years. Bank fees vary, but the City charges a 1 percent origination fee with a minimum of \$150 due at closing.

- Working Capital Program  
[www.ci.minneapolis.mn.us/cped/working\\_cap\\_fact.asp](http://www.ci.minneapolis.mn.us/cped/working_cap_fact.asp)

The Working Capital Guarantee Program is designed to help small businesses secure financing through private banking institutions. A private lender funds the loan, and the City of Minneapolis (CPED) guarantees a portion of the financing up to 80% of the first \$50,000 and up to 50% of the remainder. Although there is no limit to the amount of financing provided by the bank, the City's maximum guarantee is \$75,000.

- Capital Acquisition Loans  
[www.ci.minneapolis.mn.us/cped/capital\\_acquisition.asp](http://www.ci.minneapolis.mn.us/cped/capital_acquisition.asp)

The Capital Acquisition Loan Program enables small business owners to purchase and rehabilitate small commercial and industrial properties. The City of Minneapolis, through this program provides financing in tandem with private banks for projects of up to approximately \$1 million. The lender finances at least 50 percent of the project, the City finances up to 40 percent, and the business borrower provides the remaining funds in the form of equity. The City's participation is capped at \$400,000, but there is no limit on the bank's share.

- Emerging-Entrepreneur Capital Acquisition Loans  
[www.ci.minneapolis.mn.us/cped/emerging\\_entrepreneur.asp](http://www.ci.minneapolis.mn.us/cped/emerging_entrepreneur.asp)

The City of Minneapolis is partnering with the Community Reinvestment Fund(CRF) and banks, to help newer businesses (two years or newer) purchase and rehabilitate small commercial, multi-use or industrial properties in the City. Large production or research equipment may also qualify. The City may lend up to \$400,000, or 40 percent of the appraised value. A bank finances 50 percent (or greater) and holds a first mortgage. Equity of 10 percent is required. Underwriting standards are slightly more lenient than conventional commercial loans. A minimum debt service ratio of 1.1 to 1 for the last two years is required. There can be no late payments by the business or any of the owners for the past year.

- Bank Qualified Bank Direct Loans  
[www.ci.minneapolis.mn.us/cped/bank\\_qualified.asp](http://www.ci.minneapolis.mn.us/cped/bank_qualified.asp)

The City of Minneapolis offers a financing program to provide cost-effective tax-exempt financing for capital projects for smaller 501 (c)(3) organizations for projects in the \$1 million to \$2 million range. Traditionally, tax-exempt revenue bonds have often not been a practical financing option for small organizations or companies' projects in the past. By providing a streamlined application and documentation process, the red tape is significantly reduced resulting in lower borrowing costs when using this program.

A number of other agencies and organizations offer related financing as well.

- Metropolitan Consortium of Community Developers – Loans range from \$2,000 to \$25,000  
[www.mccdmn.org](http://www.mccdmn.org) or 612-789-7337 x 11
- Neighborhood Development Center – Loan amounts vary, terms up to five years. Available to new and existing businesses.  
[www.ndc-mn.org/services/loans/index.html](http://www.ndc-mn.org/services/loans/index.html) or 651-291-2480
- WomenVenture – Loan amounts between \$500 and \$35,000  
[www.womenventure.org](http://www.womenventure.org) or 651-646-3808
- Latino Economic Development Center – Most loans between \$2,000 and \$25,000  
[www.ledc-mn.org](http://www.ledc-mn.org) or 612-724-5332
- African Development Center – Financing packages range from \$5,000 to more than \$200,000  
[www.adcminnesota.org](http://www.adcminnesota.org) or 612-333-4772
- Minnesota Department of Agriculture – Grants, loans, and financing  
[www.mda.state.mn.us/grants.aspx](http://www.mda.state.mn.us/grants.aspx) or 651-201-6000
- USDA Specialty Crop Grants  
[www.nifa.usda.gov/funding/rfas/specialty\\_crop.html](http://www.nifa.usda.gov/funding/rfas/specialty_crop.html)
- Northside Economic Opportunity Network (NEON) – Assists with financing in partnership with the City, banks, and others community organizations in North Minneapolis.  
[www.minneapolisneon.net](http://www.minneapolisneon.net) or 612-302-1505
- Peer-to-Peer and Social Lending  
<http://www.kickstart.org/> and Google P2P or social lending
- USDA North Central Region Sustainable Agriculture Research and Education (NCR-SARE) program – Grant programs focus on research and education and are available to farmers, nonprofits, educators, public and private institutions, and others.  
[www.sare.org/NCRSARE](http://www.sare.org/NCRSARE)

# Employment Training

The City of Minneapolis offers general employment training and assistance programs, and a number of community organizations offer food- and agriculture-specific education and training.

- The Minneapolis Employment & Training Program (METP) administers a variety of employment and training programs designed to assist Minneapolis youth, adults and area employers. METP evaluates and selects providers for certain programs and directly administers others.

[www.ci.minneapolis.mn.us/cped/metp.asp](http://www.ci.minneapolis.mn.us/cped/metp.asp) or Minneapolis 3-1-1

- Land Stewardship Project Farm Beginnings program – Trains new farmers in low-capital, environmentally-sound farming practices. A zero interest livestock loan is also available to eligible Farm Beginnings graduates.

[www.landstewardshipproject.org/fb/whatisfb.html](http://www.landstewardshipproject.org/fb/whatisfb.html)

- The Minnesota Project Urban Farm Incubator – Goal is to graduate six to eight women per year

[www.mnproject.org/food-UrbanFarmIncubator.html](http://www.mnproject.org/food-UrbanFarmIncubator.html) or 651-645-6159

- Permaculture Research Institute Cold Climate – Garden education for homeowners and neighborhoods as well as entrepreneurial and small scale food production training

<http://www.pricoldclimate.org> or 612-481-5229

- Summit Academy – Education and vocational training center

[www.saoic.org](http://www.saoic.org)

- Emerge – Training, career counseling, job placement and ongoing support

[www.emerge-mn.org/workforce.html](http://www.emerge-mn.org/workforce.html)

# Want to learn more about Local Food?

The Twin Cities is home to a number of organizations working to make local food more accessible and affordable to area residents.

- Institute for Agriculture and Trade Policy (IATP) Local Foods program – Works on healthy foods in corner stores, mini-farmers markets, and farm to school efforts. Also an excellent source for news, research, and commentary.

[www.iatp.org/localFoods](http://www.iatp.org/localFoods)

- Land Stewardship Project (LSP) Community Based Food and Economic Development program – Promotes sustainable agriculture and sustainable communities. Active in local policy and organizing.

[www.landstewardshipproject.org/foodfarm-main.html](http://www.landstewardshipproject.org/foodfarm-main.html)

- Twin Cities Urban Ag Connection (TCUAC) – A web-based networking tool for those working on local food and urban agriculture.

[www.tcurbanag.com/about-tcuac.html](http://www.tcurbanag.com/about-tcuac.html)

- Minnesota Institute for Sustainable Agriculture (MISA) – Local food publications and home of the Sustag listserv.

[www.misa.umn.edu/home.html](http://www.misa.umn.edu/home.html)

- Women's Environmental Institute (WEI) – A CSA farm and retreat center working on sustainable agriculture and local food.

[www.w-e-i.org/about-womens-environmental-institute](http://www.w-e-i.org/about-womens-environmental-institute)

- Yards to Gardens – Connects people who are looking for gardening space with people who have available space

[www.y2g.org](http://www.y2g.org)

- Gardening Matters – Connects community gardeners across the Twin Cities and Minnesota

[www.gardeningmatters.org](http://www.gardeningmatters.org)