

## **DEED awards funding for entrepreneurial loans**

Written by  
Tuesday, 17 April 2012 13:56

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The Minnesota Department of Employment and Economic Development (DEED) has awarded \$4.5 million under its Emerging Entrepreneurs Fund to support micro-enterprises and small businesses in the state.

The money was awarded to 13 Minnesota nonprofit organizations, which typically will distribute loans to businesses with fewer than 50 workers.

The majority of the businesses receiving loans through the program will be owned and operated by women or members of minority groups, or they will be located in areas identified by DEED as economically distressed. The criteria for determining if a region is economically distressed include population loss, higher than statewide average unemployment rates and lower than statewide median household incomes. "Promising small businesses often face funding challenges in the early stages of their development," said DEED Commissioner Mark Phillips. "This program will improve the chances that these businesses survive and create jobs that contribute to the economic health of their communities."

The funds may be used for startup costs, working capital, business procurement, franchise fees, equipment and inventory, or to purchase, renovate or make tenant improvements at an eligible place of business that is not a passive real estate investment. Financing of existing debt is not permitted.

Under the program, each lender has the authority to determine interest rates and collateral requirements within program guidelines.

### **The following organizations were awarded funding:**

Milestone Growth Fund Inc., Minneapolis, \$233,000: Milestone focuses on providing funding to early-stage minority-owned businesses in the Twin Cities.

Metropolitan Consortium of Community Developers, Minneapolis \$295,000: The consortium has a variety of programs designed to improve the wealth and resources of Minneapolis neighborhoods, including funding for entrepreneur development and business assistance.

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Neighborhood Development Center, St. Paul, \$266,000: The group provides funding for small businesses to help revitalize inner-city neighborhoods.

WomenVenture, St. Paul, \$112,000: The organization has a variety of financial services for women, including a microloan fund to help them start or expand small businesses.

Northeast Entrepreneur Fund, Virginia, Minn., \$515,000: The group offers consulting and training programs and financing opportunities to help entrepreneurs launch businesses in northeastern Minnesota.

Sparc, St. Paul, \$135,000: Sparc's mission is to improve the residential and commercial vitality of the Hamline Midway, South Como and North End neighborhoods of St. Paul.

Midwest Minnesota Community Development Corp., Detroit Lakes, \$628,000: The group offers business lending services, community development and technical assistance, affordable housing help and home loans in communities statewide.

African Development Center of Minnesota, Minneapolis, \$272,000: The organization, with offices in Minneapolis, Rochester and Willmar, works with African immigrant communities in Minnesota to start and sustain businesses, build wealth, and promote community reinvestment. The group's services include micro-lending to small businesses.

Metropolitan Economic Development Association (MEDA), Minneapolis, \$309,000: MEDA provides consulting, training, planning and financial services to help minority-owned businesses start or expand in the Twin Cities.

Southern Minnesota Initiative Foundation, Owatonna, \$926,000: The foundation provides grants, loans, technical expertise and other services to encourage economic growth in 20 counties in southern Minnesota.

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Initiative Foundation, Little Falls, \$407,000: The group's mission is to build healthy communities in central Minnesota. Its list of programs and services includes the Microenterprise Loan Guaranty Fund, designed to increase local ownership of small businesses, especially among underserved populations.

Latino Economic Development Center, Minneapolis, \$325,000: The center offers a variety of projects and services to create economic opportunities for Latinos statewide, including loan assistance for small and medium-sized businesses.

Headwaters Regional Development Commission, Bemidji, \$77,000: The group is a regional development organization serving Beltrami, Clearwater, Hubbard, Lake of the Woods and Mahnomen counties in north-central Minnesota. Its services include a revolving loan fund for new and expanding businesses.

More details on the program are available at [www.PositivelyMinnesota.com/ssbci](http://www.PositivelyMinnesota.com/ssbci).

DEED is the state's principal economic development agency, promoting business recruitment, expansion and retention, workforce development, international trade and community development. For more details about the agency and our services, visit us at [www.PositivelyMinnesota.com](http://www.PositivelyMinnesota.com). Follow us on Twitter at [www.twitter.com/PositivelyMN](http://www.twitter.com/PositivelyMN).