



# 2013 Open to Business and Lending Report

## 2013 Highlights

- *MCCD helped 51 entrepreneurs secure capital to start, expand or improve their businesses.*
- *These 51 entrepreneurs were located in 20 communities throughout the metro area.*
- *MCCD support enabled our entrepreneurs to access over \$17.4 million in capital for their business projects.*
- *MCCD staff provided valuable technical assistance to 465 entrepreneurs.*
- *Seventy-five metro-area residents received credit building loans.*
- *Credit building borrowers who completed the program saw their credit scores increase an average of 35 points.*

## Open to Business Impact

When MCCD launched the Open to Business Program in 2011, we knew it would benefit metropolitan communities. What we didn't realize was how big an impact it could have.

Open to Business describes our on-going efforts to provide business advice and financing to both emerging and maturing small businesses in partnership with metro-area municipalities. Through these partnerships, we help local governments create their own business support programs targeted at residents and entrepreneurs in their communities.

The original four municipalities served in 2011 have expanded to 48 by the end of 2013. More importantly, Open to Business has helped hundreds of entrepreneurs with technical assistance and provided scores of them with financing.

In 2012, we started targeting some of our lending to help second stage busi-



Teresa Fox and Arwyn Birch, owners of **Glam Doll Donuts LLC**, show off two kinds of their outrageously good donuts. Read more about Glam Doll Donuts on page 3.

nesses succeed. Those second stage businesses that received MCCD loans in 2012 were already showing average sales growth of 10% in 2013 and were contributing over \$5 million in payroll to their communities.

In 2013, Open to Business continued our work of helping the newest entrepreneurs along with seasoned businesses to build strong communities.



### MCCD's Mission:

**To work collectively to build strong communities by leveraging resources for the development of people and places.**

## Lending and Technical Assistance Impact

MCCD's Lending Program provides a continuum of products tailored to the needs of small business. We provide micro-loans to help a brand new entrepreneur start a business to loans of \$150,000 or more to help a growing business fill a financing gap on a multi-million dollar real estate project, and anything in between.

In 2013, MCCD helped 51 entrepreneurs obtain capital to start, expand or improve their businesses.

Forty-seven of these entrepreneurs also received nearly \$1.5 million in direct loans from MCCD. While most of MCCD's borrowers were new and emerging entrepreneurs receiving loans of \$25,000 or less, one-third of our loans were made to second stage businesses that received larger loans averaging nearly \$70,000.

MCCD's \$1.5 million in direct loans to businesses leveraged another \$14.6 million in capital from oth-

er sources including banks, our community lending partners and owner equity.

Starting a small business is not easy. Often the technical assistance that MCCD offers is as valuable as financing. In 2013 our staff provided over 3,500 hours of technical assistance to 465 entrepreneurs in the metropolitan area, helping them improve their planning, marketing, and financial management skills.

## Credit Building Program

Poor credit can be a terrible burden and a cause of great stress. Partnering with five nonprofit credit counseling agencies, MCCD offers credit building loans to help their clients immediately begin improving their credit scores.

In 2013 we made 75 credit building loans, bringing the total to 200 since the program started in 2009.

The typical credit building loan applicant is low income and a minority. About 41% have no credit score and another 28% have scores under 600.

Despite facing many challenges, most borrowers work hard to pay their credit builder loans on time. On average they are increasing their scores by 35 points, with some borrowers seeing even larger gains.



## Hilltop Family Chiropractic Clinic, P.A.

Chiropractor Marla Faye has owned and operated Hilltop Family Chiropractic Clinic since 1989. Dr. Faye recently had the opportunity to move her clinic to a larger and more attractive space in Eagan that also offered more affordable rent.

While Sunrise Banks provided a portion of what Dr. Faye needed to relocate her clinic, MCCD's \$25,000 loan completed the financing for leasehold improvements and new equipment.

### Glam Doll Donuts, LLC

Since opening its vintage, 1950s style shop at 26th and Nicollet in Minneapolis in February 2013, Glam Doll Donuts has sold lots and lots of colorful donuts in outrageous flavor combinations (peanut butter and siracha donuts anyone?) The brain-child of Teresa Fox and Arwyn Birch, the café has received rave reviews in the local press.

Every daring and delicious recipe comes direct from Teresa’s imaginative brain and every donut is made from scratch. No mixes are allowed at Glam Doll.

MCCD provided technical assistance along with a \$30,000 loan for working capital, which helped leverage additional financing.



### Location of Businesses that Received Financing

County	# of Businesses Financed	MCCD Financing	Total Project Cost
Anoka	2	33,350	693,900
Carver	2	30,000	81,000
Dakota	4	195,000	841,873
Hennepin	40	1,157,106	15,757,484
Ramsey	3	55,000	55,365
<b>Total</b>	<b>51</b>	<b>\$1,470,456</b>	<b>\$17,429,622</b>

**“We honestly could not have gotten this far without all the help from Open to Business.”**

**Robbinsdale Entrepreneur**

### Get Happy Oriental Food, Inc.

Nick Her and his wife Paldy have operated their Oriental grocery store in north Minneapolis since 2001. They have survived the reconstruction of Lowry Avenue, which blocked access to their building, and the May 2011 tornado, which caused significant damage.

The business is an important asset to north Minneapolis and MCCD’s small loan of \$5,900 helped the Hers comply with Minneapolis building code requirements.



**Metropolitan Consortium  
of Community Developers**

3137 Chicago Avenue  
Minneapolis, MN 55407

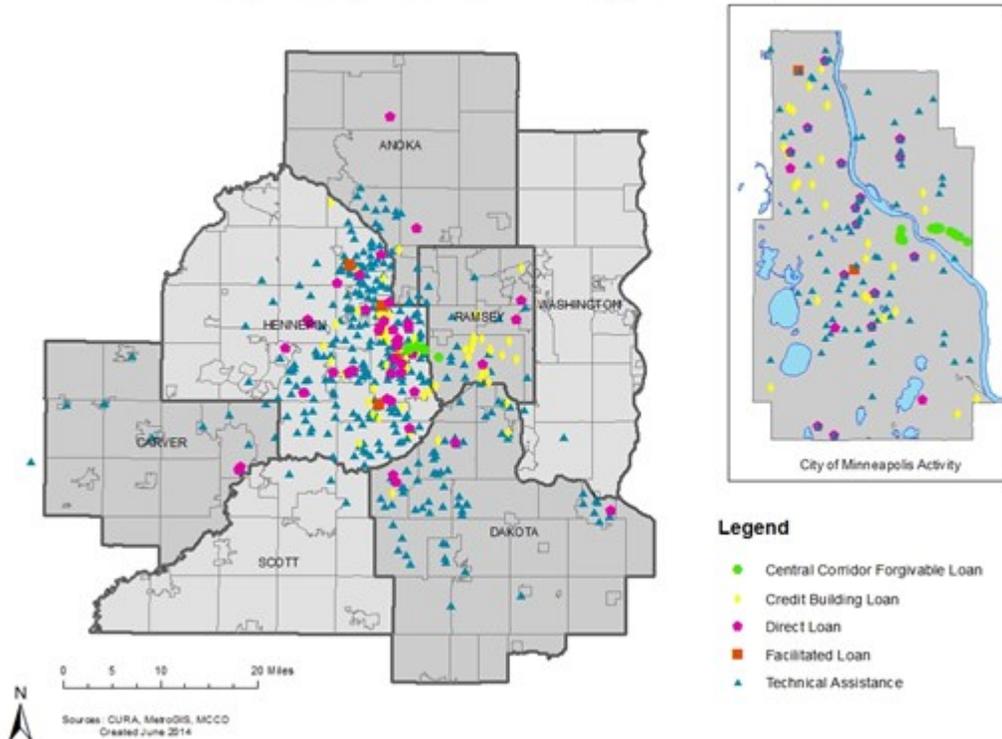
612-789-7337  
www.mccdmn.org  
www.opentobusinessmn.org

For more information:

Open to Business Program  
Rob Smolund,  
612-789-7337, ext. 260

Credit Building Program  
Greg Gramza  
612-789-7337, ext. 815

**2013 MCCD Open to Business Program Activity**



**Partnerships**

- BankCherokee
- Brooklyn Park Development Corporation
- BuildWealth Minnesota
- Central Bank
- CommonBond Communities
- Community Development Financial Institution (CDFI) Fund
- Highland Bank
- Infinia Bank
- Latino Economic Development Center
- Lutheran Social Services East Side Financial Center
- Minneapolis Department of Community Planning and Economic Development
- Minnesota Department of Employment and Economic Development
- Neighborhood Development Alliance
- Neighborhood Development Center
- Northside Economic Opportunity Network (NEON)
- Northeast Bank
- Project for Pride in Living Center for Working Families
- Security Bank Waconia
- Sunrise Banks
- U.S. Bancorp Community Development Corporation
- Venture Bank
- Vision Bank
- Wells Fargo Community Development Corporation
- Wells Fargo SBA Lending
- William C. Norris Institute

