

URBAN INITIATIVE BOARD
Report to the Minnesota Legislature, 2013

Minnesota Statutes 116M.17, subd. 4, requires the Department of Employment and Economic Development (DEED) to submit an annual report to the Minnesota Legislature "...of an accounting of loans made under section [116M.18](#), including information on loans to minority business enterprises, and the impact on low-income areas."

Urban Initiative Loan Program

The Urban Initiative Program was created in 1993 to strengthen minority enterprise development, encourage private investment, create jobs and promote economic development in low-income areas of Minneapolis, St. Paul, and the suburbs of Bloomington, Brooklyn Center, Brooklyn Park, Burnsville, Columbia Heights, Coates, Coon Rapids, Fridley, Lauderdale, Lexington, Mendota, Miesville, New Germany, New Brighton, New Hope, Newport, Richfield, Spring Lake Park, South St. Paul and West St. Paul. The program accomplishes these goals by making loans to new and expanding businesses in these targeted cities.

Urban Initiative (UI) loans are made through a network of certified nonprofit organizations. **Appendix 1** includes a list of current participants. The nonprofits receive grants, which they use to make loans to qualifying businesses. In most cases, the state's funds must be matched with funds from private, non-government sources. The participating organizations may lend between \$1,000 and \$150,000 in Urban Initiative funds to qualifying businesses. Repayments are forwarded to the state, while any interest collected remains with the lending partner.

A wide variety of businesses are eligible for loans including technologically innovative, value-added manufacturing, and information industries. Some business types are not eligible for loans including liquor stores, taverns or saloons, businesses primarily selling tobacco products, or adult entertainment businesses. Micro enterprises, which generally employ fewer than five people and which may include retail businesses, are eligible for loans up to \$25,000.

Individuals and businesses located in an eligible city apply directly with one of the participating organizations. The organizations carefully consider the application, the nature of the business and management, its potential for success and repayment, and its projected impact on the community. If the application is given initial approval, it is forwarded to DEED for final consideration. Funds are disbursed on a project by project basis.

This report provides information on program activity since the program was launched in 1995 and for the 2013 fiscal year.

Program Activity since Inception

Between January 1995 and June 30, 2013, the Urban Initiative Program has made 766 loans to businesses in the Urban Initiative service area. It has committed a total of \$16.729 million in state funds and helped generate an estimated \$71.4 million in additional business investment.

The average state investment per loan is \$21,677, while the median investment is \$12,300. The average total loan, including the private funds used to match the state’s investment, was \$43,243, while the median total loan was \$20,000.

Businesses Assisted. Table 1 below shows the distribution of the state’s investment in these businesses using Standard Industrial Classification (SIC) codes. The “FIRE” category refers to businesses that provide financial, insurance and real estate services. The “Trans./Comm” category refers to businesses engaged in transportation, communications and utility services.

**Table 1. State UI Funds by Business Sector
January 1, 1995 – June 30, 2013**

Business Sector	Total \$ Loan	# of Loans	Average Loan	Median Loan	% of Total \$
Agriculture	\$241,625	9	\$26,847	\$25,000	1.4%
Construction	\$1,412,783	40	\$35,320	\$20,000	8.4%
FIRE	\$341,850	17	\$20,109	\$45,418	2.0%
Mfg.	\$3,278,345	89	\$36,835	\$101,903	19.6%
Retail	\$3,802,431	309	\$12,306	\$19,629	22.7%
Services	\$5,051,952	206	\$24,524	\$43,839	30.2%
Trans./Comm	\$1,435,152	60	\$23,919	\$43,510	8.6%
Wholesale	\$1,190,966	36	\$33,082	\$71,610	7.1%
<i>Total</i>	\$16,755,102	766	\$21,874	\$12,500	100.0%

Businesses in the retail and service sectors received both the largest number of loans and the largest total state investment of any sectors. The fewest loans have been made to businesses in the agricultural (9) and financial (17) services sectors. Manufacturing businesses received the third largest total state investment (\$3,278,345). Businesses in the manufacturing and construction sectors received the largest average state investments (\$36,835 and \$35,320 respectively).

The Urban Initiative Program often lends to individuals who want to start up a business and to businesses that need continuing financing. Table 2 provides information about the performance of businesses that are starting up, expanding their operations, or working to remain in business.

**Table 2. UI Loan Status by Type of Business Project
January 1, 1995 – June 30, 2013**

Loans	Retained	Expansion	Startup
# of Loans	147	303	316
Total State Investment	\$2,851,246.99	\$9,519,874.62	\$4,383,980.72
\$ Repaid	\$1,075,705.70	\$3,938,588.89	\$1,887,664.65
\$ Written Off	\$378,317.71	\$1,969,709.29	\$838,553.20
No. of Projected Jobs	148	279.5	121.5
No. of Actual Jobs	187.5	216.5	148.5

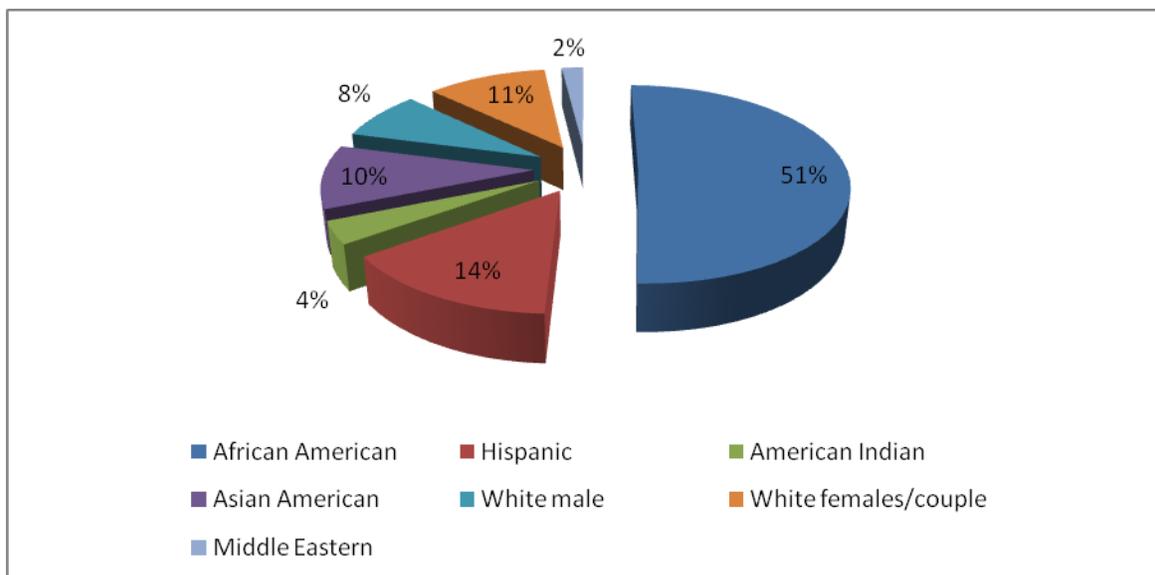
Although expanding and startup businesses have received an almost equal number of loans, expanding businesses have received more than double the amount of state funds. Expanding businesses have repaid about 41 percent of the state’s loans, while startups repaid 43 percent. Businesses that received funding in or to continue their operations have repaid 38 percent.

The amount of loans written off by expanding businesses is higher than for the other two types of businesses. At the same time, the number of loans to “Expansions” and “Startups” that have been written off are about the same – 93 and 99 respectively – while the number of write offs for “Retained” businesses was only 33.

Both existing and startup businesses outperformed their projected job creation as reported to us by the lending organizations. The expanding companies fell far short of their projections, by just over 50 jobs. All tolled job creation by all “active” businesses, i.e., those businesses which still have outstanding loans, created about as many jobs as they projected, 552 vs. 549. These numbers should be taken with a large grain of salt. Many businesses did not report or did not provide information about the jobs they had in place at the end of the fiscal year. Additional information regarding job creation by “active” businesses (i.e., those repaying Urban Initiative loans at the end of the 2013 fiscal year) is provided on **Table 3** below.

Ownership. The Urban Initiative Program is intended to support the development of non-traditional entrepreneurs, especially minorities and women. The ownership of the businesses that have received loans through the program reflects that focus. As shown below in **Figure 1** which provides a percentage breakdown of all the loans made through the program, 81% of the loans made have been made to minority-owned businesses.

**Figure 1. Loans Made by Business Ownership Demographic
January 1, 1995 – June 30, 2013**



From a loan value perspective, as of June 30, 2013, 79 percent of all Urban Initiative funds had been lent to minority entrepreneurs. African-American business owners have received \$7.52 million of loan funds, followed by Hispanic (\$2.53 million), Asian-American (\$2.3 million) and American Indian (\$727,500) business owners. In terms of gender, women-owned businesses have received 23 percent of the program’s funds (\$3.8 million) while businesses owned by men received 62 percent of the state’s investment (\$10.3 million). Businesses owned by two or more individuals, generally a married couple or family, have received \$2.4 million.

Employment. The Urban Initiative Program is also intended to support the creation of job opportunities in its targeted cities. Accordingly, DEED asks for information about the businesses that have received Urban Initiative loans, including the total number of jobs created by the business, including the owners.

The information shown in **Table 3** below reflects information about 147 “active” businesses, i.e., those businesses operating and repaying Urban Initiative loans at the end of the 2013 fiscal year. A total of 68 businesses either reported no jobs created or did not respond to the question. Once a business repaid its loan or defaulted on the loan, it is no longer asked to report on its jobs performance.

**Table 3. Jobs Created by UI Loan Recipient Industry Sector
January 1, 1995 – June 30, 2013**

Business Sectors	# Active Projects	Projected Jobs	Projected Wages	Actual Jobs	Actual Wages	Total \$ Disbursed	\$/ Job Created
Agriculture	1	3	\$10.00	10	\$12.50	\$25,000.00	\$2,500
Construction	6	185	\$20.98	121	\$22.62	\$505,000	\$4,174
FIRE	6	7	\$11.64	0	\$0.00	\$129,000	\$0
Manufacture	11	338	\$13.86	306	\$12.14	\$718,000	\$2,346
Retail	67	211.5	\$9.39	180.5	\$9.78	\$1,094,752	\$6,065
Services	36	327.5	\$14.43	316.5	\$15.21	\$1,464,100	\$4,626
Trans/Com	14	91	\$14.55	79	\$15.58	\$442,000	\$5,595
Wholesale	7	51.5	\$9.18	37	\$15.09	\$268,950	\$7,269
<i>Total/Average</i>	147	1211.5	\$13.82	1040	\$14.23	\$4,621,802	\$4,444

Overall, these “active” businesses reported creating or retaining 1040 jobs that paid actual wages between \$9.78 and \$22.62 per hour. When these businesses applied for loans, they projected creating or retaining 1211 jobs. Businesses in manufacturing, retail, and service supported the largest number of jobs. On the other hand, the businesses in the financial sector reported creating no jobs.

The businesses in the construction sector reported the highest average wage, followed by the transportation sector. Most of the loans made to businesses in the transportation sector were to trucking businesses and many of the employees of those businesses are paid on a per mile

basis. The actual wages for the retail and wholesale sectors are the lowest which may not be surprising. Most of the retail businesses are restaurants or food service providers which typically pay low wages, anticipating that tips will increase employees take home pay.

Loan Performance. Table 4 below provides a breakdown of loans that have been repaid or written off by business sectors. Since lending activity started in 1995, a total of 355 loans have been repaid for a total of \$7 million. During the same 18-year period, a total of 229 loans have been written off for a total of \$3.25 million. The remaining loans are either being repaid, in collection or are being restructured. The average amount lost for each loan written off was \$14,195. This represents 19.4 percent of the total state funds invested by the Urban Initiative Program.

**Table 4. UI Loans Written off and Paid
January 1, 1995 – June 30, 2013**

Business Sector	Total \$ Loan	# of loans	# of Loans Written Off	Total \$ Written Off	# of loans Paid Off	Total \$ Paid Off
Agriculture	\$241,625	9	4	\$71,973	3	\$100,000
Construction	\$1,412,783	40	17	\$156,560	16	\$511,175
Mfg.	\$3,278,345	89	30	\$660,692	47	\$1,704,541
Trans/Comm	\$1,435,152	60	13	\$159,568	33	\$769,442
Wholesale	\$1,190,966	36	11	\$399,508	17	\$340,618
Retail	\$3,802,431	309	74	\$451,345	147	\$1,653,989
FIRE	\$341,850	17	1	\$10,774	9	\$172,250
Services	\$5,051,952	206	79	\$1,340,175	83	\$1,801,044
Total	\$16,755,104	766	229	\$3,250,594	355	\$7,053,059

The losses experienced by the program are not altogether surprising given the nature of the program and the entrepreneurs participating in it. One of the principle objectives of the Urban Initiative program is to support entrepreneurs who cannot get financing from conventional sources. Many of these businesses are undercapitalized and have very small margins for error if problems occur.

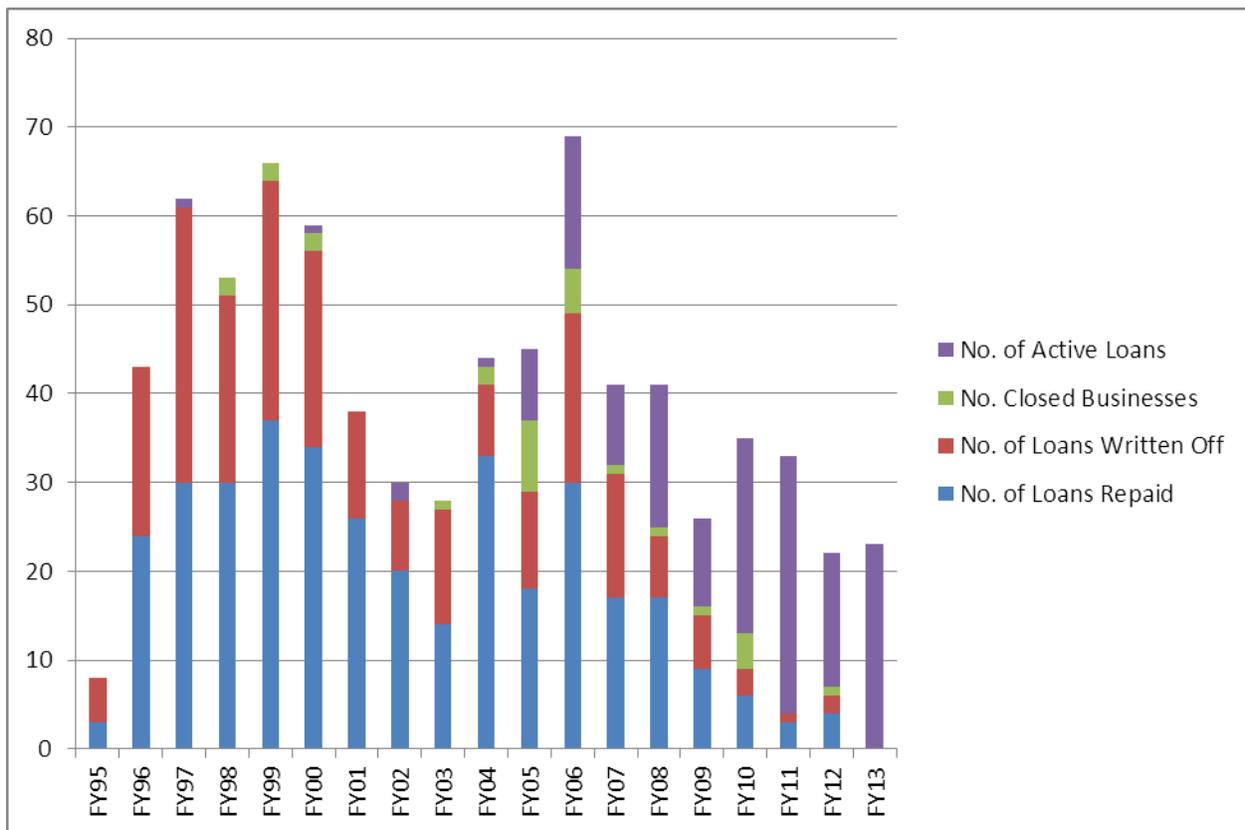
Participating lending partners have repeatedly pointed out that many of the applicants benefit from technical assistance both before and after loans are made. Business planning before a loan is made is an important factor in “failure avoidance”, and in some cases the decision not to start a business should be seen as a success. The technical assistance provided to businesses after a loan can be crucial to the long term success of many new entrepreneurs that struggle with the wide variety of demands involved in operating a business.

In considering the program’s loan losses small changes in the loan portfolio can have a significant impact. For example, if the loans made to **10 companies** are removed from the program’s portfolio, the losses it experienced drops to a total of \$1,935,055 and the percentage

of loss drops to 9%.

Figure 2 below provides another perspective of the loans that were made for each fiscal year through June 30, 2013. As noted previously, a total of 229 UI loans had been written off by the end of June 2013, just over 28% of all the loans made (766). On the other hand, if you measure the **amount** of money that has been written off, 19% of all of the state’s investment has been lost.

**Figure 2. Status of UI Loans by Fiscal Year
January 1, 1995 – June 30, 2013**



Lending Activity in 2013

During fiscal year 2013, DEED received 23 loan applications for 22 businesses. It reviewed and approved all of these applications, which totaled \$624,000 in loan requests. This investment helped to leverage just over \$3.88 million in additional investment. The state contributed an average of \$27,130 to each of the proposed business loans, ranging from \$5,000 to \$150,000. The median amount of state funds invested was \$20,000. A detailed listing of the approved projects is included in **Appendix 2**.

The number of loans made for FY 2013 was only one more than the number made in FY 2012 which was the lowest number of loans made since the program began lending in 1995. The

total amount loaned did increase to \$624,000. As noted in the 2012 report, there are two factors which might explain this drop in activity. First, many businesses are still recovering from the recent recession and are only slowly increasing their borrowing. Second, five of the current Urban Initiative lenders are participating in a complementary, federal loan program funded through the U.S. Treasury called the State Small Business Credit Initiative (SSBCI). One of Minnesota SSBCI programs is the Emerging Entrepreneur Fund which supports many of the same types of businesses as the UI program. The Entrepreneur Fund provided loans to 43 businesses for a total of \$1,570,250 since the program was started in June 2012. These additional loans were made to business that would have also been eligible for the Urban Initiative Program.

Businesses Assisted. Table 5 below shows a breakdown of the state’s investment by type and number of businesses, as well as total project costs, wages and projected job creation. The businesses receiving loans projected that they would create or retain a total of 49 jobs over the next year and would pay employees an average of \$11.99 per hour, excluding benefits. The average state investment per job created would be \$12,735.

**Table 5. Urban Initiative Project by SIC*
FY 2013**

Business Sector	No. of Projects	State Investment	Ave. Investment	Project Cost	Projected Jobs	Projected Wages
Agriculture	1	\$12,500.00	\$12,500.00	\$12,500.00	0	\$0.00
Manufacturing	1	\$77,000.00	\$77,000.00	\$192,500.00	1	\$17.00
Wholesale	1	\$51,500.00	\$51,500.00	\$1,036,904.00	4	\$10.00
Retail	9	\$168,770.00	\$18,752.22	\$1,000,759.00	19	\$11.03
Finance/ Real Estate	3	\$56,500.00	\$18,833.33	\$768,000.00	1	\$14.40
Services	8	\$257,730.00	\$32,216.25	\$1,495,504.00	24	\$12.35
Total	23	\$624,000.00	\$27,130.43	\$4,506,167.00	49	\$11.99

* Classifications used in this report are the Standard Industrial Classification codes rather than the North American Industry Classification System.

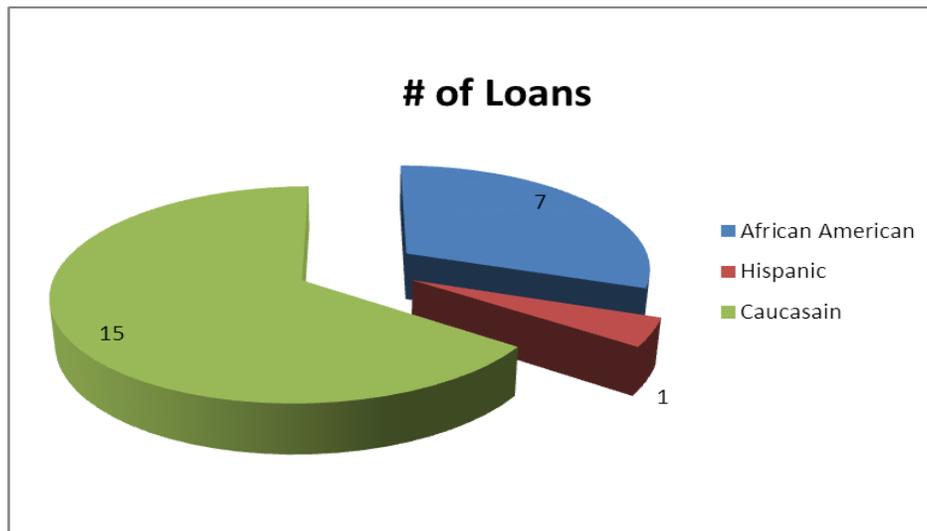
As Table 5 shows that loans to the businesses in the retail and service sectors made up the majority of loans made through the program. The amount and number of loans made to these sectors are consistent with the general history of the program although the average amount of state investment in “retail” businesses is higher. Five of the nine “retail” businesses were restaurants and three others were food related businesses – a donut shop, food market, and food truck.

The lone manufacturing company was Partner’s Woodcraft located in Fridley. The loan made to this firm and its real estate holding company supported the retention of this cabinet maker which employs four people and projected creating one additional job.

The largest single state investment, \$150,000, was to the Perspectives Optometrics, a new eye care clinic to be located in Minneapolis. Two businesses – Boolaay Restaurant, Luther Property - received an Urban Initiative loan of \$5,000 each, the smallest investment made during the year. Thirteen of the funded projects supported the startup of the businesses, while eight loans supported business retentions. Only two loans were made to expanding businesses in FY2013.

Ownership. The Urban Initiative Program is intended to support the development of non-traditional entrepreneurs, especially minorities and women. Through the history of the program the ownership of the businesses that have received loans through the program reflects that focus. However, unlike previous years the majority of the loans made by the program lenders in FY 2013 were to white owned businesses. As shown in **Figure 3** below, these business owners received 65 percent of program loan funds in FY 2013.

**Figure 3. UI Loans Made by Business Ownership Demographic
FY 2013**



Caucasian owned businesses received a total of \$503,000 in UI funds, African American owned businesses received \$96,000 and one Hispanic owned business received \$25,000. The percentage of loans made to Caucasian owned businesses in FY2013 was much higher than has been the case through the life of the program – see **Figure 1** on page 3. This historical data shows that 81% of the loans made by the Urban Initiative (UI) Program were made to minority-owned businesses.

In terms of gender, male owned businesses received nine of the loans made in FY 2013, while the remainder went to women – seven - and to businesses owned by two or more people – seven - in most cases married couples. Male owned businesses received \$256,000, female owned businesses received \$245,230, and group owned businesses received \$122,770 in UI funds.

The Department and the Urban Initiative Board believe that this recent change in the number of minority entrepreneurs receiving support is due to two short-term circumstances. First is the creation of the State Small Business Credit Initiative (SSBCI) and the Emerging Entrepreneur Fund discussed above. Six of the seven Urban Initiative Fund lenders which specialize in minority business lending have been using the Entrepreneur Fund. These six lenders have used the Entrepreneur Fund for loans to 43 businesses and a total of \$1,570,250 since June 2012. While federal grants do not require the applicant to identify ethnic or racial identification, it is likely that a majority of SSBCI loans are to minority populations. When the Emerging Entrepreneur Fund is fully dispersed, the Department expects the lenders to resume their use of Urban Initiative funds.

In addition, the Department discussed the decline in the number of loans to minority owned businesses with the Program's participating lenders. These lenders indicated that the change in loan clients is largely a result of the recent recession. The financial condition of a majority of people who are seeking startup capital was negatively affected by the recession. At the same time, the recession has put additional pressure on both commercial and non-traditional lenders. Lenders have had to tighten their lending standards at the same time that the financial resources of many potential borrowers have declined. As a result, many applicants – especially low income applicants – that would have previously been approved were being rejected.

Financial Position. Appendix 3 shows the program's balance sheet and cash flows for the life of the program. The program's total assets as of June 30, 2013, were \$6,030,119.04. These assets are made up of cash in the Urban Initiative account – \$1,588,341.06 – and loans receivable – \$4,441,777.98. On average the program has disbursed \$896,331 each year and has received \$537,420 in principal repayments. Since its inception, the program has received a total of \$9.1million in principal repayments, as well as \$2.117 million in interest earned through the investment of program funds. In addition, the program has received \$20,602 in loan interest repayments. The interest repayments are nominal because the program allows the participating organizations to retain repaid interest to cover a portion of their operating expenses.

Administration. Recent developments will likely affect the Urban Initiative program beginning in 2014 and beyond. During 2013, Sparc (formerly the North End Area Revitalization) withdrew from the Urban Initiative Program. This action was taken as a result of Sparc's decision to close its operations. Sparc reached an agreement with the Metropolitan Consortium of Community Developers to manage Sparc's remaining Urban Initiative loan portfolio.

This is the second lending organization that has closed its operations in as many years. The Riverview Economic Development Association, serving the west side of St. Paul, merged with the Neighborhood Development Alliance in 2012 and withdrew from participation. As mentioned, these closures are, in part, a by-product of the recession from which the country continues to emerge. Because these closings have reduced the reach of the Program, DEED may be soliciting for additional lending organizations to participate in the Program.

The Program's operations have also been under review by the Urban Initiative Board over the last year. The Board consists of eight members appointed by the Governor and the Commissioner of this Department and the Chair of the Metropolitan Council. State statutes provide that the board may "...investigate and evaluate methods to enhance urban development, particularly methods relating to economic diversification through minority business enterprises and job creation for minority and other persons in low-income areas."

The Board has identified concerns with how the program funds are being used to serve minority business growth. Through discussions and analysis the Board has made conclusions as follows:

- 1) Participating lenders are utilizing the SSBCI program to serve these minority populations. While federal grants do not require the applicant to identify ethnic or racial identification, it is likely that a majority of SSBCI loans are to minority populations.
- 2) Participating lenders have explained that minorities are still suffering a greater degree of financial impact from the recession. Therefore, minority applicants have greater difficulty meeting loan criteria for the Urban Initiative program and its matching loan requirements from other institutions.
- 3) New and different approaches with participating lenders may be required to impact economic inequalities in the metro region.

Accordingly, the staff is considering a number of possible new options that may address the unique post-recession conditions and will be proposing options for Board consideration that may help the Urban Initiative Program ability to reach minority entrepreneurs that need special assistance. This initiative is still being developed at this point and will be reported on in the next annual report.

DEED provides administrative support to the Urban Initiative Program. If you have any comments regarding this report or would like additional information, contact Bart Bevins at 651/259-7424 or bart.bevins@state.mn.us. Special thanks to **Scott Johnson** and **Francisca Abbey**, BCD Division Interns, who contributed greatly to the development of this report.

Appendix 1

Urban Initiative Program Certified Partners

African Development Center

Nasibu Savera
1931 South 5th Street
Minneapolis, MN 55454
612/333-4772

Central Minnesota Development Company

Michael J. Mulrooney
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1885 Station Parkway
Andover, MN 55304
763/784-3337

Metropolitan Econ. Development Association

Jan Jordet
Suite 106
250 South Second Ave.
Minneapolis, MN 55401
612/332-6332

Milestone Growth Fund

Judy Romlin
Suite 1915
527 Marquette Ave.
Minneapolis, MN 55402
612/338-0090

Metropolitan Consortium of Community Developers

David Chapman
3137 Chicago Ave. S.
Minneapolis, MN 55407
612/789-7337

Neighborhood Development Center

Brian Singer
663 University Ave. #200
St. Paul, MN 55104
651/291-2480

WomenVenture

Alyssa Samuelson
2324 University Ave.
St. Paul, MN 55104
651/646-3808

**Appendix 2
Urban Initiative Loan Activity, FY 2013**

Project Name	State Amount	Total Loan	Total Project	Location	SIC Code	Race *	Gender **	Start *** /Expand	No./Jobs Projected	Wages Projected	Total Wages	Project Number	Organization
Palumbo's Pizzeria	\$12,000.00	\$12,000.00	\$12,000.00	St. Paul	5812	5	3	3	0	\$0.00	0	UICG-12-0005-a-FY13	MCCD
GIA Development, LLC	\$11,500.00	\$13,500.00	\$13,500.00	St. Paul	6512	5	3	1	1	\$14.40	14.4	UICG-12-0006-a-FY13	Sparc
Northeast Tree, Inc.	\$12,500.00	\$12,500.00	\$12,500.00	Minneapolis	721	5	3	2	0	\$0.00	0	UICG-12-0007-a-FY13	MCCD
North Beach Deli/Hurley Hyde	\$25,000.00	\$25,000.00	\$25,000.00	Minneapolis	5812	5	3	3	1	\$10.00	10	UICG-12-0008-a-FY13	MCCD
Star Foods Market, & Deli	\$20,000.00	\$20,000.00	\$331,500.00	St. Paul	5411	5	3	3	0	\$0.00	0	UICG-12-0009-a-FY13	NDC
Butter Bakery Café, LLC	\$20,000.00	\$20,000.00	\$356,750.00	Minneapolis	5812	5	1	1	4	\$10.50	42	UICG-12-0010-a-FY13	MCCD
Smoke in the Pit, Inc.	\$16,770.00	\$16,770.00	\$54,509.00	Minneapolis	5812	5	3	1	3	\$8.33	24.99	UICG-12-0011-a-FY13	MCCD
HRN Properties/Perspectives Optometrics	\$150,000.00	\$150,000.00	\$370,000.00	Minneapolis	8042	5	2	1	3	\$15.00	45	UICG-12-0012-a-FY13	CMDC
Tech Nick Consulting, LLC	\$10,000.00	\$10,000.00	\$10,000.00	Minneapolis	7379	5	1	3	1	\$20.00	20	UICG-12-0013-a-FY13	MCCD
Glam Dolls Donuts, LLC	\$25,000.00	\$25,000.00	\$131,000.00	Minneapolis	5812	5	3	1	5	\$13.00	65	UICG-12-0014-a-FY13	MCCD
Bevans & Associates, Inc.	\$25,000.00	\$25,000.00	\$25,000.00	Minneapolis	8399	1	1	3	1	\$10.50	10.5	UICG-12-0015-a-FY13	MCCD
Hayes Properties, LLC	\$40,000.00	\$80,000.00	\$738,000.00	Minneapolis	6512	5	2	3	0	\$0.00	0	UICG-13-0001-a-FY13	MCCD
Watson Health & Fitness, Inc.	\$15,000.00	\$50,000.00	\$383,904.00	Minneapolis	7991	1	2	1	2	\$11.50	23	UICG-13-0002-a-FY13	MCCD
Catering Room, LLC	\$25,000.00	\$25,000.00	\$30,000.00	Minneapolis	2599	2	1	1	1	\$10.00	10	UICG-13-0003-a-FY13	MCCD
Lab Drugs & Medical-Trans-Supplies, LLC	\$20,000.00	\$20,000.00	\$52,000.00	Brooklyn Park	5912	1	2	1	2	\$15.00	30	UICG-13-0004-a-FY13	MCCD
Cambium Properties, LLC	\$77,000.00	\$77,000.00	\$192,500.00	Fridley	2434	5	1	2	1	\$17.00	17	UICG-13-0005-a-FY13	CMDC
Angel's Learning Center	\$7,500.00	\$7,500.00	\$11,000.00	Brooklyn Park	8351	1	2	1	5	\$11.50	57.5	UICG-13-0006-a-FY13	WV
Angel's Learning Center	\$7,500.00	\$7,500.00	\$11,000.00	Brooklyn Park	8351	1	2	1	5	\$11.50	57.5	UICG-13-0007-a-FY13	ADC
Luther Property	\$5,000.00	\$14,000.00	\$16,500.00	St. Paul	6513	5	1	3	0	\$0.00	0	UICG-13-0008-a-FY13	Sparc
Cedar Riverside Child Care Center	\$16,000.00	\$20,000.00	\$150,000.00	Minneapolis	8351	1	2	1	6	\$11.00	66	UICG-13-0009-a-FY13	ADC
Boolaay Restaurant	\$5,000.00	\$8,000.00	\$8,000.00	Minneapolis	5812	1	1	1	3	\$12.50	37.5	UICG-13-0010-a-FY13	ADC
Atlas U/Pull, LLC	\$51,500.00	\$51,500.00	\$1,036,904.00	St. Paul	5015	5	1	1	4	\$10.00	40	UICG-13-0011-a-FY13	NDC
Miller Investments, LLC/Crankshaft Supply, Inc.	\$26,730.00	\$240,570.00	\$534,600.00	Minneapolis	7538	5	1	3	1	\$17.00	17	UICG-13-0012-a-FY13	CMDC
Median	\$20,000.00	\$20,000.00	\$52,000.00						49	\$11.99	\$587.39		
Average	\$27,130.43	\$40,471.30	\$195,920.30							\$10.25	Median wages		
Total	\$624,000.00	\$930,840.00	\$4,506,167.00										

Project Name	23 18-Jun-13	State Amount	Total Loan	Total Project	Location	SIC Code	Race *	Gender **	Start/Expair	No./Jobs Projected	Wages Projected	Project Number	Organization
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Race: 1=African American; 2=Hispanic;
3=American Indian; 4=Asian American;
5=European American; 6=Middle Eastern
Gender: 1=male;2=female;3=multiple
Start=1; Expand=2; Retain=3

BS=business sold
BC=business closed
wo= written off
PO=paid off

Urban Initiative Revolving Account

Balance Sheet	FY95-FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Total
Assets											
Cash	\$39,387,046.09	\$2,325,115.17	\$1,711,696.03	\$1,695,998.60	\$2,476,731.47	\$2,584,795.02	\$2,436,806.79	\$1,709,559.77	\$1,588,341.06	\$1,894,953.77	
Loans Receivable	\$27,518,668.74	\$3,888,397.06	\$4,307,368.30	\$4,146,149.89	\$4,196,361.26	\$3,830,371.43	\$3,631,056.85	\$4,311,540.10	\$4,441,777.98	\$4,131,272.26	
Total Assets	\$66,905,714.83	\$6,213,512.23	\$6,019,064.33	\$5,842,148.49	\$6,673,092.73	\$6,415,166.45	\$6,067,863.64	\$6,021,099.87	\$6,030,119.04	\$6,026,226.03	
Fund Balance											
Reserved for Encumbrances	\$31,938,624.33	\$1,655,609.63	\$1,485,582.05	\$1,136,682.05	\$2,086,686.98	\$2,167,366.98	\$2,052,724.77	\$1,427,399.77	\$1,169,829.77	\$1,333,909.63	
Unreserved Retained Earnings	\$34,967,090.50	\$4,557,821.60	\$4,533,482.28	\$4,705,466.44	\$4,586,405.75	\$4,247,799.47	\$4,015,138.87	\$4,593,700.10	\$4,860,289.27	\$4,692,316.40	
Total Liabilities & Fund Balance	\$66,905,714.83	\$6,213,431.23	\$6,019,064.33	\$5,842,148.49	\$6,673,092.73	\$6,415,166.45	\$6,067,863.64	\$6,021,099.87	\$6,030,119.04	\$6,026,226.03	
Statement of Cash Flows											
Operating Activities:											
Loan Repayments:											
Interest	\$7,820.38	\$25.47	\$1,095.82	\$11,238.94				\$421.70			\$20,602.31
Principle	\$4,099,777.76	\$535,654.91	\$546,034.68	\$613,338.22	\$835,224.80	\$706,051.52	\$639,935.65	\$632,802.61	\$527,332.12	\$876,689.80	\$10,012,842.07
Investment Interest	\$1,643,135.87	\$54,867.13	\$89,884.94	\$92,676.72	\$117,390.64	\$71,332.03	\$26,718.33	\$12,028.67	\$9,019.17	\$9,692.91	\$2,126,746.41
Operating Cash Inflows	\$5,750,734.01	\$590,547.51	\$637,015.44	\$717,253.88	\$952,615.44	\$777,383.55	\$666,653.98	\$645,252.98	\$536,351.29	\$886,382.71	\$12,160,190.79
Loans Issued	-\$8,621,807.40	-\$1,094,601.97	-\$1,249,622.08	-\$728,900.00	-\$924,995.07	-\$669,320.00	-\$814,642.21	-\$1,372,500.00	-\$657,570.00	-\$579,770.00	-\$16,713,728.73
Grants	-\$294,456.81	-\$5,300.17	-\$812.50	-\$4,051.31	-\$1,887.50						-\$306,508.29
Operating Cash Outflows	-\$8,916,264.21	-\$1,099,902.14	-\$1,250,434.58	-\$732,951.31	-\$926,882.57	-\$669,320.00	-\$814,642.21	-\$1,372,500.00	-\$657,570.00	-\$579,770.00	-\$17,020,237.02
Net Operating Cash Flows	-\$3,165,530.20	-\$509,354.63	-\$613,419.14	-\$15,697.43	\$25,732.87	\$108,063.55	-\$147,988.23	-\$727,247.02	-\$121,218.71	\$306,612.71	-\$4,860,046.23
Noncapital Financing:											
State Appropriations	\$6,000,000.00				\$755,000.00						\$6,755,000.00
Beginning Cash Balance	\$0.00	\$2,834,469.80	\$2,325,115.17	\$1,711,696.03	\$1,695,998.60	\$2,476,731.47	\$2,584,795.02	\$2,436,806.79	\$1,709,559.77	\$1,588,341.06	
Net change in Cash		-\$509,354.63	-\$613,419.14	-\$15,697.43	\$780,732.87	\$108,063.55	-\$147,988.23	-\$727,247.02	-\$121,218.71	\$306,612.71	
Ending Cash Balance	\$2,834,469.80	\$2,325,115.17	\$1,711,696.03	\$1,695,998.60	\$2,476,731.47	\$2,584,795.02	\$2,436,806.79	\$1,709,559.77	\$1,588,341.06	\$1,894,953.77	\$1,894,953.77