Department of Employment and Economic Development

07 - 0196

URBAN INITIATIVE BOARD

2006 Report to the Minnesota Legislature

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Minnesota Statutes 116M.17, subd. 4, requires the Urban Initiative Board to submit an annual report to the Legislature that details loans made and includes information on loans to minority business enterprises, the economic impact on low-income areas, and makes recommendations concerning minority business development. The Department of Employment and Economic Development (DEED) provides administrative support to the board and the program.

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 Anoka, Blaine, Bloomington, Brooklyn Center, Brooklyn Park, Columbia Heights, Crystal, Fridley, Hopkins, Lauderdale, Lexington, New Hope, Osseo, Richfield, St. Anthony, St. Francis, St. Louis Park, Spring 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 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 state may lend $1,000 to $150,000 to qualifying businesses. The state's funds must be matched with private funds if the business is seeking more than $25,000. Businesses eligible for loans include technologically innovative industries, value-added manufacturing, and information industries. Micro enterprises, which generally employ fewer than five people, are also eligible for loans up to $25,000. Micro enterprises may include retail businesses.

Individuals and businesses operating in one of targeted cities 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.

Lending Activity in 2006

During fiscal year 2006, DEED received 84 loan applications from 83 businesses. A detailed listing of the projects is included in **Appendix 2.** DEED reviewed and approved 77 of the applications for a total of $1,427,219. The average loan amounted to $26,143. The state contributed an average of $18,535 to each of the loans, ranging from a minimum of $2,425 to the maximum of $150,000. The median amount of state funds invested was $16,667. The loans helped to attract about $5.56 million in additional investment. **Table 1** shows a breakdown of the state's investment by type and number of business, as well as total project costs, wages and projected job creation.

Table 1. FY 2006 Urban Initiative Projects

Business Sector	No. of Projects	State Investment	Avg. Investment	Project Cost	Projected Jobs	Projected Wages
Construction	3	$205,000	$68,333	$460,000	21	$13.26
Manufacturing	5	$112,500	$22,500	$2,036,095	49	$10.39
Transportation	18	$409,000	$22,722	$818,000	25.5	$11.13
Wholesale	1	$25,000	$25,000	$100,000	1.5	$10.00
Retail	43	$615,794	$14,321	$3,278,584	99	$8.13
Service	7	$59,925	$8,561	$302,600	30	$13.76
Total	**77**	**$1,427,219**	**$18,535**	**$6,995,279**	**226**	**$10.20**

The businesses receiving loans **expect to create** a total of 226 jobs over the next year and will pay an average of $10.20 per hour, excluding benefits.

The retail and transportation sectors represent the largest number of projects, both in the number of projects and state investment. All but two loans made in the transportation sector were to a trucking business.

The 16 trucking businesses are all startups that received funding through the African Development Center and/or the Minneapolis Consortium of Community Developers. Each of the new companies was financed through what is known as a "Reba-free" or profit-based loan. These loans are structured in a way that provides for the repayment of principal plus a share of the business profits in lieu of interest.

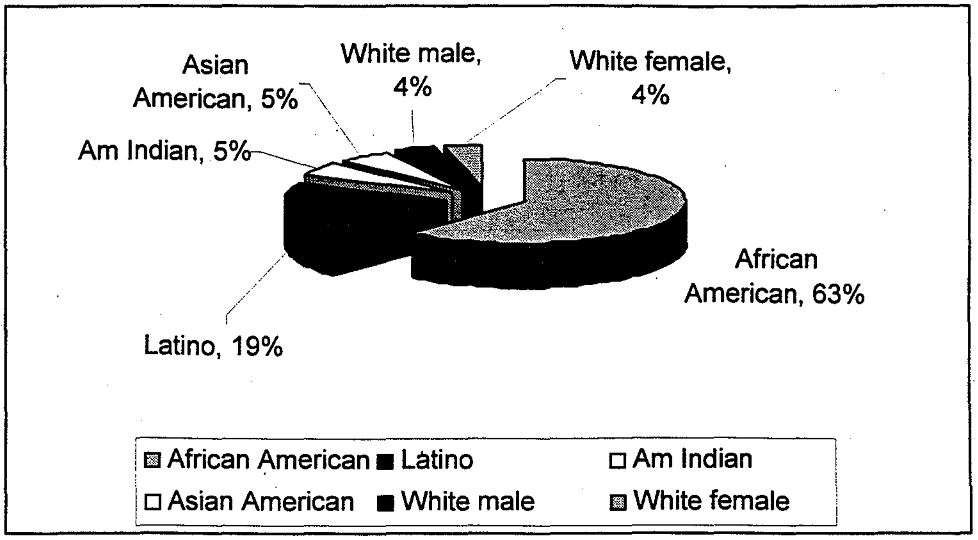
The manufacturing and service sectors received a smaller amount of state investment than has been typical in past years – only $112,500 and $59,925, respectively. At the same time, manufacturing projects attracted the second-largest amount of total project funds and are expected to create the second-largest number of jobs. Businesses in the service sector would pay the highest average wages at $13.76 per hour.

Finally, businesses in the construction and wholesale sectors received a combined total of just four loans. The three loans to construction businesses represent the largest average state investment, although this is because one loan reached the $150,000 maximum. The three construction businesses would also pay the second-highest average wages in this year's group.

No Urban Initiative loans were made to businesses in the financial, insurance, and real estate sector or the agriculture sector. The sectors have not been strong users of the program and have received 11 and seven loans respectively since the program's inception.

As shown in **Figure 1**, minority business owners received 82 percent of program loans in 2006. As shown below, 63 percent of the loans went to businesses owned by African Americans. In many of these cases, recipients were recent immigrants to the United States, primarily coming from East Africa. Most of the owners (57 percent) were men while 31 percent of the businesses were owned by women. The remaining 12 percent of businesses were owned by two or more people.

Figure 1. FY 2006 Business Ownership



Program Since 1995

Between January 1995 and June 30, 2006, the Urban Initiative Program has made 574 loans to 447 businesses. It has committed a total of $11.1 million in state funds and helped generate an estimated $45 million in additional business investment. The average state investment per loan is $19,396, while the median investment is $10,000. The average total loan, including the private funds used to match the state's investment, was $38,120, while the median total loan is $20,000.

Financial Position. Appendix 3 shows the program's balance sheet and cash flows for each of the last 10 years. The cash fund balance of the Urban Initiative Fund as of June 30, 2006 was $1.71 million, of which $1.49 million has been committed to the participating organizations. The remaining $226,114 is available for further allocation to existing or new organizations.

Since its inception, the program has received a total of $5.18 million in principal repayments, as well as $1.79 million in interest earned through investment of program funds. In addition, the program has received $8,942 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.

On average, the state has disbursed $1,035,000 annually, while it has received $670,275 in principle loan payments. The program has received more in loan repayments than it disbursed only in 2001 and 2002.

Businesses Assisted. The program lends to wide variety of small businesses that are headquartered in an eligible low-income area. It will not, however, make loans to liquor stores, taverns or saloons, smoke shops, or adult entertainment businesses. **Table 2** below shows the distribution of the state's investment in these businesses using Standard Industrial Classifications (SIC) codes.

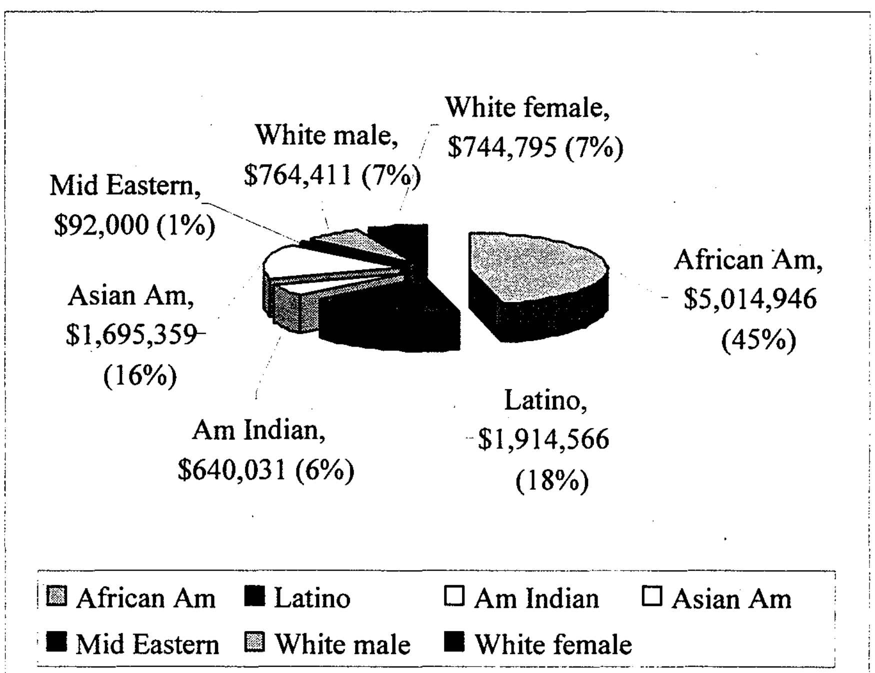
Table 2. State Funds by Business Sector

	Total $ Lent	# of loans	Median Lent	Average Lent	% of Total $ Lent
Services	$3,126,257	151	$10,000	$20,704	28.1%
Retail	$2,318,165	202	$15,000	$18,316	20.8%
Wholesale	$748,076	23	$50,000	$70,962	6.7%
FIRE	$229,850	11	$25,000	$20,895	2.1%
Trans/Com	$1,219,652	48	$12,500	$19,360	11.0%
Mfg.	$2,316,370	72	$25,000	$31,731	20.8%
Construction	$970,614	34	$20,000	$28,547	8.7%
Agriculture	$204,125	7	$35,000	$29,161	1.8%
Total	**$11,133,108**	**548**	**$10,000**	**$20,315.89**	**100.0%**

Businesses in the service and retail sectors lead the pack in terms of the number of loans made, while businesses in the agricultural and financial services sectors have the fewest. Businesses in the service and manufacturing sectors received the largest total amount of state investment. It is noteworthy that retail businesses received 21 percent of the state funds, but represented 37 percent of the total number of the projects. This is largely because statute limits to $25,000 the amount of state funds that may be invested in retail businesses.

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 of June 30, 2006, 86 percent of all Urban Initiative funds had been lent to people of color. African-Americans have received a total of 276 loans, followed by Latino (91) and Asian-American (64) business owners. White males have received 40 loans. **Figure 2** below provides a percentage breakdown.

Figure 2. Percent of Loan Dollars by Racial Group



In terms of gender, 336 loans (58 percent) have been made to male-owned businesses, while female-owned businesses have received 165 loans (29 percent). Businesses owned by two or more individuals, generally a married couple or family, have received 72 loans.

Table 3. Business Startups/Expansions

Loans	Retained	Expansion	Startup
Number of Loans	70	240	264
Total State Investment	$1,356,957.50	$6,601,091.76	$3,175,058.00
Amount Repaid	$718,470.00	$2,513,773.11	$774,891.50
Amount Written Off	$224,554.40	$1,203,192.60	$539,236.36
Average Amount Written Off	$14,034.65	$19,098.30	$8,559.31
Number of Projected Jobs	53.5	464	189
Average Wages of Projected Jobs	$10.35	$11.51	$9.84
Number of Actual Jobs	40.5	388	151
Average Wages of Actual Jobs	$10.87	$11.80	$10.57

Table 3 provides information about the performance of businesses that are starting up or less than one year old, expanding their operations, or working to remain in business. Startup businesses have received the largest number of loans (264), while existing businesses received the largest amount of state funds – double the amount provided by startups. The amount of loans lost by expansions is also double the amount lost by startups. Expansions also have created more than double the number of jobs created by startups and retained businesses and, on average, they pay a $1.00 an hour more than the other two.

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 total number of jobs created with the support of the program, excluding the owners of the businesses.

Table 4. Jobs Created by Industry Sector

	# Active Projects	Projected Jobs	Projected Wages	Actual Jobs	Actual Wages	Total State $ Disbursed	$ per Job Created
Services	29	232.5	$12.34	228	$13.36	$735,281.00	$3,224.92
Retail	82	211.5	$8.28	205	$8.62	$1,266,328.00	$6,177.21
Wholesale	7	16.5	$16.49	11	$13.35	$286,250.00	$26,022.73
FIRE	4	9	$10.48	0	$0.00	$100,100.00	$0.00
Trans/Com	27	46.5	$11.18	31.5	$10.64	$681,860.00	$21,646.35
Mfg.	14	132.5	$10.30	87	$10.19	$674,350.00	$7,751.15
Construction	7	40	$17.09	16	$26.43	$396,826.00	$24,801.63
Agriculture	2	18	$10.91	1	$9.00	$97,500.00	$97,500.00
Total	**172**	**706.5**	**$10.97**	**579.5**	**$11.41**	**$4,238,495.00**	**$7,314.06**

The loans reported in **Table 4** above represent a total of 172 businesses that are operating and repaying Urban Initiative loans at the time of this report. The job information does not include loans to businesses that have repaid loans or businesses that have closed and/or defaulted on loans. Once a business repays a loan, it is no longer asked to report its performance to the DEED. Overall, the average actual wages paid by these companies was $11.41 per hour, and they created 580 jobs. When the businesses applied for loans, they projected creating 706 jobs and paying an average of $10.97 per hour.

Three business sectors – retail, manufacturing, and service – created the vast majority of the jobs. Jobs created by construction related businesses paid significantly higher than any other sector. Job creation by the agricultural and financial services sectors are skewed because the number of active businesses is so small.

Repayment. Since the inception of the program in 1993, a total of 207 loans have been repaid for a total of $3,676,400, or 34 percent of the total state funds lent. During the same 13-year period, a total of 142 loans have been written off for a total of $1,971,340. The average amount lost for each loan written off was $13,786. **Table 5** below provides a simple breakdown of the loans written off and paid as of June 30. The Program has lost 17.7 percent of the state funds invested. Approximately 21 percent of the original amounts of the loans that have been written off have been recovered by the participating organizations.

Table 5. Loans Written-off/Paid

	Amount of Loans Written Off	Total Amount Written Off	Percentage of Loans Written Off	Percentage of Funds Recovered	Number of Loans Paid Off	Total Amount Paid Off
Services	57	$1,041,212.88	33.3	15.7	61	$1,082,313
Retail	34	$213,333.72	9.2	27	73	$593,725
Wholesale	6	$110,501.24	14.8	65.4	8	$111,929
FIRE	0	$0.00	0	0	7	$129,750
Trans/Com	9	$126,127.86	10.3	24.1	11	$359,042
Mfg.	23	$417,995.91	18	21.3	34	$1,073,716
Construction	11	$60,454.76	6.2	41.2	10	$225,925
Agriculture	2	$1,713.99	0.8	74.1	3	$100,000
Total	**142**	**$1,971,340.36**	**17.7**	**21.3**	**207**	**$3,676,400**

Generally, businesses have failed for the same reasons that most others have – a lack of market demand, competition from other businesses, and missteps by management, particularly involving the financial management of the business. In a number of cases, personal events contributed to the closures, including the death of two entrepreneurs, and severe illness in the case of three others.

These losses are not altogether surprising considering that most of the entrepreneurs participating in the program have very limited experience operating a business. Many are undercapitalized and have very small margins for error if problems occur.

Program Administration

During the past fiscal year both the Anoka County Economic Development Partnership (ACEDP) and the Minneapolis Entrepreneurs Fund (now the Nonprofits Assistance Fund) terminated their participation in the program. In both cases, these organizations changed their focus and the as a result they ended all of their business-lending activities. The Minneapolis Entrepreneurs Fund continues to service the few remaining loans in its Urban Initiative portfolio, but we anticipate these will be repaid within the next two years.

The ACEDP on the other hand determined to turn its lending activities over to the Central Minnesota Development Company. The CMDC subsequently applied to become a full participant in the Urban Initiative Program and DEED approved the application in April of 2006. This SBA lender serves primarily the northern tier of the Metropolitan area, although its service territory extends to most of the state.

During the course of 2007, DEED hopes to work with the Minneapolis Federal Reserve Bank to undertake a study to assess the importance of various credit risk characteristics in determining default behaviors of the Urban Initiative loans. The study expects to:

- Review small enterprise financing activities of traditional banks and the program in low-income census tracts in the areas of the Twin Cities that the program targets;
- Review literature on factors that affect the ability and willingness to repay a loan;
- Identify factors that affect the program's loan loss rate, using such variables as the function of lending terms and program design factors, the experience and background of the borrower, and the nature of the technical assistance provided to the entrepreneur.

We hope that this study would provide suggestions to improve the lending practices of all the participating organizations.

Summary

The board and DEED will continue to monitor this program. We welcome any comments or suggestions to increase its effectiveness. For more information on this report or the Urban Initiative Program, please call Bart Bevins at 651-297-1170.

Appendix 1
Urban Initiative Program Certified Partners

October 2006

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Appendix 2

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
Letness, LLC	$25,000.00	$25,000.00	$220,000.00	Columbia Heights	7832	5	1	1	3	$7.60	22.8	UICG-05-0027-a-FY06	ACEDP
Bruck's Coffee	$25,000.00	$25,000.00	$30,000.00	Minneapolis	5812	1	1	3	na	na		UICG-05-0028-a-FY06	ADC/MCCD
Lucky Fashions	$10,000.00	$10,000.00	$13,000.00	Minneapolis	5621	1	2	1	na	na		UICG-05-0029-a-FY06	ACD/MCCD
YEARS Delivery Company	$25,000.00	$25,000.00	$35,000.00	Minneapolis	4212	1	1	1	1	$7.00	7	UICG-05-0030-a-FY06	ACD/MCCD
Taqueria La Hacienda 2	$10,000.00	$20,000.00	$50,000.00	Minneapolis	5812	2	3	2	18	$7.50	135	UICG-05-0032-a-FY06	NDC
Salama Halal Meat	$12,500.00	$12,500.00	$37,500.00	Minneapolis	5411	1	2	2	0.5	$23.00	11.5	UICG-05-0033-a-FY06	ADC
Arena Early Learning Center	$7,500.00	$15,000.00	$15,000.00	Brooklyn Center	8351	1	1	1	12	$10.75	129	UICG-05-0034-a-FY06	MCCD
Tortilleria La Perla	$25,000.00	$25,000.00	$628,000.00	Minneapolis	2051	2	1	2	12	$7.50	90	UICG-05-0035-a-FY06	NDC
3D Dollar Plus Store	$20,000.00	$20,000.00	$30,000.00	Brooklyn Center	5331	1	2	1	2.5	$8.65	21.625	UICG-05-0036-a-FY06	ADC
Sambussa Halal Pizza	$16,667.00	$50,000.00	$125,000.00	Minneapolis	5812	1	3	1	2.5	$8.55	21.375	UICG-05-0037-a-FY06	ADC
Kulan Express Deli	$25,000.00	$25,000.00	$88,000.00	Minneapolis	5812	1	3	1	1	$12.00	12	UICG-05-0038-a-FY06	ADC
Qaale Transport	$25,000.00	$25,000.00	$40,000.00	Minneapolis	4213	1	1	1	na	na		UICG-05-0039-a-FY06	ADC/MCCD
Al-Saadaa Boutique	$13,500.00	$15,000.00	$20,000.00	Minneapolis	5651	1	2	3	na	na		UICG-05-0040-a-FY06	ADC
BCS African Wholesale Supply	$25,000.00	$50,000.00	$100,000.00	Brooklyn Park	5141	1	3	2	1.5	$10.00	15	UICG-05-0042-a-FY06	MEDA
Hennepin Halal Supermarket	$22,500.00	$22,500.00	$85,000.00	Minneapolis	5411	1	3	2	2	6.55	13.1	UICG-05-0043-a-FY06	ADC
AAA Metal Finishing	$25,000.00	$25,000.00	$1,125,000.00	St. Paul	3471	2	1	3	30	$10.00	300	UICG-05-0044-a-FY06	NDC
LaPorta	$12,500.00	$25,000.00	$35,000.00	Minneapolis	5621	2	2	3	1	$6.50	6.5	UICG-05-0045-a-FY06	NDC
Breaktime Deli	$15,000.00	$15,000.00	$17,000.00	Minneapolis	5812	1	2	1	0.5	$10.00	5	UICG-05-0046-a-FY06	WV
AAA Metal Finishing	$25,000.00	$50,000.00		St. Paul	3471						0	UICG-05-0047-a-FY06	SPARC
A & I Trucking	$15,000.00	$15,000.00	$38,000.00	St. Paul	4213	1	1	3	na	na		UICG-05-0048-a-FY06	ADC
MS Trucking, LLC	$25,000.00	$25,000.00	$32,000.00	Minneapolis	4213	1	1	1	1	$8.00	8	UICG-05-0049-a-FY06	ADC
Jeylani Transportation, LLC	$15,000.00	$15,000.00	$32,000.00	Minneapolis	4213	1	1	1	1	$8.00	8	UICG-05-0050-a-FY06	ADC
JeFaClee African Clothing	$3,000.00	$3,000.00	$7,000.00	Minneapolis	5621	1	2	1	na	na		UICG-05-0051-a-FY06	ADC
Antonie's Creole Maison Restaurant	$18,000.00	$18,000.00	$149,000.00	Minneapolis	5812	1	2	1	12	$7.25	87	UICG-05-0052-a-FY06	WV
Wamo Construction, LLC	$15,000.00	$15,000.00	$32,000.00	Minneapolis	4213	1	1	1	0.5	$8.00	4	UICG-05-0053-a-FY06	ADC
The Clearance Rack	$5,000.00	$5,000.00	$5,000.00	Minneapolis	5651	4	2	3	na	na		UICG-05-0054-a-FY06	NDC
Super Precio, LLC	$7,500.00	$15,000.00	$17,000.00	Minneapolis	5399	2	1	2	1	$7.50	7.5	UICG-05-0055-a-FY06	NDC
Abdul Transportation, LLC	$25,000.00	$25,000.00	$35,000.00	Minneapolis	4213	1	1	1	na	na		UICG-05-0058-a-FY06	ADC/MCCD
Abdalle Transportation, LLC	$25,000.00	$25,000.00	$32,000.00	Brooklyn Park	4213	1	1	1	1	$9.25	9.25	UICG-05-0059-a-FY06	ADC/MCCD
Guuled Transportation, LLC	$25,000.00	$25,000.00	$32,000.00	Minneapolis	4213	1	1	1	1	$9.25	9.25	UICG-05-0060-a-FY06	ADC/MCCD
Naturalia	$3,000.00	$3,000.00	$3,000.00	Minneapolis	5999	2	2	2	na	na		UICG-05-0061-a-FY06	NDC
Moore Board & Lodge	$2,500.00	$5,000.00	$5,000.00	Minneapolis	8051	1	2	3	na	na		UICG-05-0062-a-FY06	NDC
Tam Tam's African Restaurant	$15,000.00	$15,000.00	$115,000.00	Minneapolis	5812	1	1	1	2	$7.00	14	UICG-05-0063-a-FY06	ADC
Rum River Transportation Services, Inc.	$24,000.00	$24,000.00	$52,000.00	Fridley	4731	3	1	2	2	$12.00	24	UICG-06-0001-a-FY06	AIEDF
White Cloud Industries, Inc.	$20,000.00	$20,000.00	$50,000.00	Minneapolis	2521	3	1	2	2	$12.00	24	UICG-06-0002-a-FY06	AIEDF
ABC Gifts, Inc.	$25,000.00	$31,000.00	$88,500.00	Brooklyn Park	5963	3	2	2	5	$12.00	60	UICG-06-0003-a-FY06	AIEDF
E-Street Makers, Inc.	$17,500.00	$17,500.00	$233,095.00	Anoka	2521	5	2	2	5	$19.00	95	UICG-06-0004-a-FY06	ACEDP
Midway Rendezvous Café	$5,000.00	$5,000.00	$57,024.00	St. Paul	5812	1	2	1	1	$6.50	6.5	UICG-06-0005-a-FY06	NDC
Brian Graham Salon	$12,500.00	$25,000.00	$25,000.00	Minneapolis	7231	1	1	1	12	$18.00	216	UICG-06-0006-a-FY06	MCCD
Restaurante Mi Rancherita	$25,000.00	$25,000.00	$79,800.00	South St. Paul	5812	2	3	1	1.5	$7.00	10.5	UICG-06-0007-a-FY06	NDC
Manley Cycle	$5,000.00	$5,000.00	$22,000.00	Minneapolis	7699	5	1	2	3	$15.00	45	UICG-06-0008-a-FY06	MCCD
Latino Communications Network, Inc.	$50,000.00	$250,000.00	$250,000.00	Minneapolis	4899	2	1	2	13	$12.85	167.05	UICG-06-0009-a-FY06	MGF
Harmony Nursery & Gardent Center	$25,000.00	$30,000.00	$135,000.00	Blaine	5261	5	2	1			0	UICG-06-0010-a-FY06	WV
Ledo Fashion & Beauty Collection	$10,000.00	$10,000.00	$16,000.00	Minneapolis	5621	1	2	1	na	na		UICG-06-0012-a-FY06	ADC/MCCD
Hersi Transportation, LLC	$25,000.00	$25,000.00	$32,000.00	Minneapolis	4213	1	1	1	1	$9.25	9.25	UICG-06-0013-a-FY06	ADC/MCCD
Starlight Café of Minnesota	$25,000.00	$25,000.00	$75,000.00	Minneapolis	5812	1	2	1	1	$14.40	14.4	UICG-06-0014-a-FY06	ADC
Clean Water Works, LLC	$6,550.00	$6,550.00	$62,360.00	Minneapolis	5499	1	2	1	2	$9.33	18.66	UICG-06-0015-a-FY06	NDC
Grupo Gonzalez, LLC	$10,000.00	$10,000.00	$110,000.00	Minneapolis	5812	2	3	2	4	$7.00	28	UICG-06-0016-a-FY06	NDC
Tillie's Bean, LLC	$8,000.00	$8,000.00	$65,000.00	Minneapolis	5812	3	3	3	na	na		UICG-06-0017-a-FY06	WV
Mitchell Construction Company	$25,000.00	$25,000.00	$100,000.00	Minneapolis	1541	1	1	3	na	na		UICG-06-0018-a-FY06	MEDA
Snelling Café	$12,500.00	$25,000.00	$86,900.00	St. Paul	5812	1	1	1			0	UICG-06-0019-a-FY06	NDC
Said Trucking	$25,000.00	$25,000.00	$35,000.00	Columbia Heights	4213	1	1	1	1	$9.25	9.25	UICG-06-0021-a-FY06	ADC/MCCD
Safari Express Corp.	$25,000.00	$25,000.00	$89,000.00	Minneapolis	5812	1	1	1	2.5	$7.50	18.75	UICG-06-0022-a-FY06	ADC/MCCD
Camel Express, LLC	$5,000.00	$5,000.00	$20,000.00	Minneapolis	4213	1	1	1	1	$10.35	10.35	UICG-06-0023-a-FY06	ADC
Hodan Carpet Shop	$5,000.00	$10,000.00	$20,000.00	Minneapolis	5713	1	2	1	na	na		UICG-06-0024-a-FY06	ADC
Gabose Transportation	$25,000.00	$25,000.00	$35,000.00	Minneapolis	4213	1	1	1	1	$9.25	9.25	UICG-06-0025-a-FY06	ADC/MCCD
Champion Foods	$7,000.00	$7,000.00	$8,000.00	Minneapolis	5963	2	1	2	na	na		UICG-06-0026-a-FY06	NDC

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
City Market & Halal Meat, Inc.	$20,000.00	$20,000.00	$275,000.00	Minneapolis	5411	1	1	1	5	$7.00	35	UICG-06-0028-a-FY06	ADC
Androsian Gardens, LLC	$16,077.00	$16,077.00	$53,350.00	Minneapolis	5922	1	2	1	2	$8.00	16	UICG-06-0029-a-FY06	NDC
Kilimanjaro African Arts	$25,000.00	$25,000.00	$35,000.00	Minneapolis	5944	1	1	1	2	$7.50	15	UICG-06-0030-a-FY06	ADC\MCCD
Fabelos Imports	$22,750.00	$22,750.00	$28,850.00	Minneapolis	5719	1	1	1	1	$7.50	7.5	UICG-06-0031-a-FY06	ADC\MCCD
El Guanaco Bakery	$6,250.00	$18,750.00	$135,000.00	St. Paul	5812	2	1	1	1	$7.00	7	UICG-06-0033-a-FY06	NDC
Arte Hispano	$7,500.00	$7,500.00	$20,000.00	Minneapolis	5944	2	2	2	2	$7.00	14	UICG-06-0034-a-FY06	NDC
Change of Style	$5,000.00	$10,000.00	$20,000.00	Minneapolis	5499	1	2	1	2	$9.00	18	UICG-06-0035-a-FY06	NDC
Yummy Chang	$25,000.00	$40,000.00	$660,000.00	Minneapolis	5812	4	1	2	10	$7.80	78	UICG-06-0036-a-FY06	NDC
G&G Building Cleaning Services	$30,000.00	$30,000.00	$60,000.00	W. St. Paul	1799	1	3	2	12	$10.00	120	UICG-06-0037-a-FY06	MEDA
John's Mobile Bike Repair	$2,425.00	$4,850.00	$5,600.00	Minneapolis	7699	5	1	1	na	na		UICG-06-0038-a-FY06	MCCD
Painting by Nakasone	$150,000.00	$300,000.00	$300,000.00	St. Paul	1721	4	1	2	9	$17.60	158.4	UICG-06-0039-a-FY06	MFG
Victor Hugo Jewelry, LLC	$20,000.00	$20,000.00	$80,000.00	Minneapolis	5944	2	1	2	2	$9.00	18	UICG-06-0040-a-FY06	NDC
La Loma Tamales, LLC	$15,000.00	$15,000.00	$177,300.00	Minneapolis	5812	2	1	2	6	$8.00	48	UICG-06-0041-a-FY06	NDC
Galaxy Transportation Services	$10,000.00	$10,000.00	$16,000.00	St. Paul	4213	1	1	1	na	na		UICG-06-0042-a-FY06	ADC\MCCD
Osman Trucking, LLC	$25,000.00	$25,000.00	$35,000.00	Minneapolis	4213	1	1	1	1	$9.25	9.25	UICG-06-0043-a-FY06	ADC\MCCD
A Sign & Screen Company	$5,000.00	$10,000.00	$10,000.00	Minneapolis	7389	4	1	3	na	na		UICG-06-0044-a-FY06	MCCD
Sharif Transportation	$25,000.00	$25,000.00	$35,000.00	Minneapolis	4213	1	1	1	na	na		UICG-06-0045-a-FY06	ADC\MCCD
Jumbo Jalaato Ice Cream	$10,000.00	$20,000.00	$35,000.00	Minneapolis	5812	1	2	1	1	$9.25	9.25	UICG-06-0046-a-FY06	ADC
Emit International Corporation	$10,000.00	$20,000.00	$20,000.00	Minneapolis	5661	1	1	2	2	$12.00	24	UICG-06-0047-a-FY06	MEDA
Manhattan Loft, LLC	$10,000.00	$20,000.00	$20,000.00	Minneapolis	5812	5	2	2	3	$8.00	24	UICG-06-0048-a-FY06	MCCD
Average Loan Amount	$18,535.31	$26,142.56	$92,043.14					Total Jobs	226		2304.26		
Total Amount	$1,427,219.00	$2,012,977.00	$6,995,279.00					Ave. Wage		$10.20			
Number of Projects	78												

5-Jul-06

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

Appendix 3. Urban Initiative Loan Fund

Balance Sheet	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	Total
Assets											
Cash	$4,583,071.15	$4,120,831.54	$3,602,793.17	$3,059,121.36	$3,323,293.72	$3,464,115.44	$3,178,792.12	$2,834,469.80	$2,325,115.17	$1,711,696.03	
Loans Receivable	$1,958,760.60	$2,543,853.30	$3,248,131.45	$3,943,509.46	$3,833,768.70	$3,480,855.04	$3,794,773.78	$3,686,887.33	$3,888,397.06	$4,307,368.30	
Total Assets	$6,541,831.75	$6,664,684.84	$6,850,924.62	$7,002,630.82	$7,157,062.42	$6,944,970.48	$6,973,565.90	$6,521,357.13	$6,213,512.23	$6,019,064.33	
Total Liabilities	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Fund Balance											
Reserved for Encumbrances	$4,583,071.15	$3,803,306.55	$2,549,061.22	$2,167,771.43	$1,962,277.49	$1,829,346.49	$2,384,986.13	$1,580,292.60	$1,655,609.63	$1,485,582.05	
Unreserved Retained Earnings	$1,958,760.60	$2,861,378.29	$4,301,863.40	$4,834,859.39	$5,194,784.93	$5,115,623.99	$4,588,579.77	$4,941,064.53	$4,557,821.60	$4,533,482.28	
Total Liabilities & Fund Balance	$6,541,831.75	$6,664,684.84	$6,850,924.62	$7,002,630.82	$7,157,062.42	$6,944,970.48	$6,973,565.90	$6,521,357.13	$6,213,512.23	$6,019,064.33	
Statement of Cash Flows											
Loan Repayments:											
Interest			$1,504.95	-$188.48	$2,892.02	$935.04	$77.31	$561.52	$25.47	$1,095.82	$8,941.67
Principle	$251,130.63	$267,507.30	$387,754.21	$532,548.49	$858,004.92	$673,452.57	$491,048.19	$635,909.03	$535,654.91	$546,034.68	$5,181,467.35
Invesment Interest	$349,790.23	$179,612.13	$216,416.86	$192,574.30	$188,499.32	$127,030.03	$83,036.26	$35,090.66	$54,867.13	$89,884.94	$1,787,887.94
Operating Cash Inflows	$600,920.86	$447,119.43	$605,676.02	$724,934.31	$1,049,396.26	$801,417.64	$574,161.76	$671,561.21	$590,547.51	$637,015.44	$6,978,296.96
Loans Issued	-$1,316,762.15	-$852,600.00	-$1,092,032.36	-$1,227,926.50	-$766,750.00	-$621,131.00	-$844,360.36	-$1,004,693.53	-$1,094,601.97	-$1,249,622.08	$10,966,031.45
Grants	-$56,645.35	-$56,759.04	-$31,682.03	-$40,679.62	-$18,473.90	-$39,464.92	-$15,124.72	-$11,190.00	-$5,300.17	-$812.50	$300,569.48
Operating Cash Outflows	-$1,373,407.50	-$909,359.04	-$1,123,714.39	-$1,268,606.12	-$785,223.90	-$660,595.92	-$859,485.08	-$1,015,883.53	-$1,099,902.14	-$1,250,434.58	$11,266,600.93
Net Operating Cash Flows	-$772,486.64	-$462,239.61	-$518,038.37	-$543,671.81	$264,172.36	$140,821.72	-$285,323.32	-$344,322.32	-$509,354.63	-$613,419.14	-$4,288,303.97
Beginning Cash Balance	$5,355,557.79	$4,583,071.15	$4,120,831.54	$3,602,793.17	$3,059,121.36	$3,323,293.72	$3,464,115.44	$3,178,792.12	$2,834,496.80	$2,325,115.17	
Ending Cash Balance	$4,583,071.15	$4,120,831.54	$3,602,793.17	$3,059,121.36	$3,323,293.72	$3,464,115.44	$3,178,792.12	$2,834,469.80	$2,325,115.17	$1,711,696.03	$1,711,696.03