Business Toolbox

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Business Toolbox Overview

The Mounds View Business Toolbox is intended to serve as a summary document listing the financial and technical resources available to existing and prospective Mounds View businesses. Any financial assistance available by the City of Mounds View is at the discretion of the Mounds View Economic Development Authority (EDA) and must coincide with the EDA’s priorities and objectives. Please contact Mounds View’s Economic Development Specialist at 763-717-4029 with any questions regarding this document.

A. Site Location Assistance

The City of Mounds View maintains information on development opportunities within the community. These include vacant parcels, available building spaces, and redevelopment properties. Comprehensive plan, zoning, street, water, sewer, utility, and other maps are available for businesses, developers, realtors, engineering and architectural firms.

B. Development Review Services

Businesses considering Mounds View as an expansion or relocation are encouraged to contact staff at the Mounds View City Hall for various services, including construction and building services, licenses, and zoning reviews. The Community Development staff evaluates developer proposals and reviews project plans that are presented by businesses and/or architectural/engineering firms. As such, staff does consider setbacks, permits, and rezoning that may facilitate projects.

C. Business Development Programs

The City of Mounds View collaborates with several other entities that provide services to our local businesses. These include the Twin Cities North Chamber of Commerce and programs offered through the State of Minnesota’s Department of Employment and Economic Development (DEED), such as DEED’s Small Business Development Center and DEED’s Business Services.

1) Twin Cities North Chamber of Commerce – www.twincitiesnorth.org
The Twin Cities North Chamber serves the cities of Columbia Heights, Fridley, Blaine, New Brighton, Shoreview, Arden Hills, Mounds View, Roseville and Spring Lake Park. The Chamber’s mission is to advocate for business interests, to provide targeted networking opportunities, to encourage economic development and to build strong community partnerships.

In addition to several annual events, the Chamber hosts monthly business education and networking events, including the Mounds View Business Council. The Business Council meets the second Wednesday of each month at 7:30am.
the Mounds View Community Center. For details on Chamber events, please call the Chamber at 763-571-9781.

2) DEED Small Business Development Center – www.positivelyminnesota.com
DEED’s Small Business Development Center (SBDC) offers individual advice and guidance concerning the formation, management, financing and operation of businesses. Counseling is provided at no charge to qualified businesses, although there may be a fee for certain out-of-pocket costs incurred by the SBDC. To qualify for counseling, the business must be “small” as defined by the U.S. Small Business Administration. Individuals who are considering starting a business are also eligible for counseling.

How does the program work?
The client must sign a “Request for Counseling” form and must agree to participate in surveys designed to measure the effectiveness of the SBDC program. To maximize the value of the counseling, clients should prepare a draft business plan before meeting with the counselor. SBDC counselors have significant experience in the private sector, and many have extensive management and financial consulting backgrounds. To learn more about the services, Mounds View businesses can contact the local SBDC office located in at the University of St. Thomas (Minneapolis campus) at 651-962-4500.

3) DEED Business Services – www.positivelyminnesota.com
DEED’s Business Services staff (Business Services Specialists) serve the businesses around the state, with business development and workforce-related services. Services include helping startup and expanding businesses, coordinating specialized business development products and services to employers, brownfield redevelopment assistance and labor market information. Mounds View businesses should contact the Business Services Specialist in the Ramsey County North St. Paul office at 651-779-5666.

D. Workforce Development Programs – www.positivelyminnesota.com

DEED’s Minnesota WorkForce Centers provide the tools, resources and services needed for a job search, career planning and training needs. WorkForce Centers are a collaboration of partners. People seeking work, businesses seeking employees, students and those looking for a first job or returning to the workforce will find services to meet their needs. Most of these services are offered at no cost. Each WorkForce Center houses a Resource Area that operates similar to a library.

The Ramsey County WorkForce Center that services businesses in Mounds View is located at 2098 11th Avenue East in North St. Paul. The Center provides a variety of services to employers to meet their employee recruitment and retention needs. Some services provided include training seminars, training grants, job fairs and wage subsidies to name a few. Some of the workforce programs available to employers include:
1) **MinnesotaWorks.net** – [www.minnesotaworks.net](http://www.minnesotaworks.net)  
MinnesotaWorks.net is DEED’s Internet-based self-service system where member employers and job seekers can find each other. Employer members can post job openings to be searched by job seekers. Employer members can also search for job candidates and contact them by email. Job seeker members can post a resume to be searched by employers. Members can also search for job openings, contact employers by email and apply online.

2) **Work Opportunity Tax Credit (WOTC)** – [www.positivelyminnesota.com/wotc](http://www.positivelyminnesota.com/wotc)  
The WOTC allows employers to take a federal income tax credit when they hire persons from certain targeted groups. The tax credit allows employers to reduce their federal tax liability by up to $9,000 per new hire. To contact Minnesota WOTC, call 651-259-7507 or email [deed.wotc@state.mn.us](mailto:deed.wotc@state.mn.us).

3) **Customized Training Programs** – [www.macce.net](http://www.macce.net)  
The Metro Alliance for Customized & Continuing Education (MACCE) is an association of the Customized Training divisions of the 10 metropolitan area community and technical colleges. It facilitates customized training for Minnesota employers using the expertise and resources of the 10 institutions. For example, Anoka-Ramsey Community College has collaborated with the Alliance and customized training programs for various occupations pertaining to the medical device industry. To contact MACCE, call 651-747-4096.

5) **Vocational Rehabilitation Services**  
This program, offered by DEED, helps Minnesotans with significant disabilities get ready for, find and keep their chosen jobs and careers. To contact Vocational Rehabilitation Services, please call 1-800-328-9095 or email [VRS.CustomerService@state.mn.us](mailto:VRS.CustomerService@state.mn.us).

### E. Business Finance Loans & Grants

For existing businesses desiring to expand and for businesses new to the City there are federal, state and local financial assistance programs. All local financial assistance is at the discretion of the Mounds View EDA and is governed by the City’s overarching Business Subsidy Policy, which is attached as Appendix A.

1) **U.S. Small Business Administration (SBA) Loans** – [www.sba.gov](http://www.sba.gov)  
The U.S. SBA provides a wide array of programs to help small businesses, including financial and federal contract procurement assistance, management assistance and specialized outreach to women, minorities and veterans.

**SBA 504 Loan Program**  
This program provides long-term, fixed-rate financing to assist small businesses expand by acquiring land, buildings, machinery and equipment. The loans are administered by Certified Development Companies, such as SPEDCO ([www.spedco.com](http://www.spedco.com)) located in Arden Hills, in conjunction with commercial lending...
institutions. SPEDCO can handle SBA loan financing for businesses wishing to expand or locate in Mounds View. SPEDCO is the liaison with the SBA, helping lenders and borrowers through the paperwork and approval process. They structure the project, prepare loan documentation and monitor the whole project through closing. They also service all aspects of the SBA 504 loan for the entire term of the loan. SPEDCO works with the SBA to provide up to 40% of the total project cost. The participating lender normally finances at least 50% of the cost. The borrower typically puts down as little as 10% of the total project cost. For more information, call SPEDCO at 651-631-4900.

SBA 7(a) Loan Program
The 7(a) program includes financial help for businesses with special requirements. For example, funds are available for loans to businesses that handle exports to foreign countries, businesses that operate in rural areas and for other very specific purposes. SPEDCO offers loan packaging consulting services to banks and their customers for the 7(a) program.

2) State of Minnesota Business Financing Programs
The Department of Employment and Economic Development encourages the creation of high quality jobs through business growth, expansion and retention. Business Development Services help companies expand or relocate in Minnesota, find and train employees, promote international trade and finance business expansions. The most likely funding program applicable to Mounds View businesses would be the Minnesota Investment Fund (MIF). It’s designed for businesses acquiring “fixed assets” (such as equipment, buildings, and land) and adding new employees as a result. This program provides companies below-market financing. Virtually all types of businesses are eligible, except retail. The maximum award is $500,000. The applicant is the city. Terms are negotiated.

3) Ramsey County Business Loan Program
The Ramsey County Business Loan Program provides gap financing that can be used in conjunction with other private and public funds.

Who can apply?
In general, loans are restricted to commercial, industrial, or service oriented businesses located in or moving to Ramsey County. In addition, businesses must be registered to do business in the State of Minnesota and demonstrate a need for public financing.

How does the program work?
Loans are typically made for the purchase of capital equipment, land and building acquisition, and building rehabilitation or new construction. Application fees are low, and rates and terms are more flexible than the market. Loans of up to $250,000 are provided. To request an application, or to obtain more information, you can contact the Ramsey County Community and Economic Development office at 651-266-8005.
4) Bonds used for Development
Per State law, cities can issue bonds. These debt instruments can be taxable or tax-exempt. Not all bonds are general obligation. Pure revenue bonds are also common, especially for development. Bonds can be used to pay project costs and for the first two or three years of interest payments. This reduces the need for short-term revenue. There are several types of bonds the City could consider for development projects:

a) Revenue Bonds – These are used to finance industrial, commercial and medical facilities, multifamily rental housing, nursing homes and some nonprofit activities.
b) Industrial Revenue Bonds – These allow cities to issue tax-exempt bonds to finance fixed assets. In the typical transaction, the city issues the bonds and becomes the legal owner of the asset (e.g. building). The City then leases back or sells the asset to the company. The firm’s repayment coincides with bond payback.
c) Essential Function Bonds – Certain types of economic development are considered by the state to be “essential functions” of a city. Sometimes called “housing revenue bonds”, these bonds are not general obligation bonds backed by the full faith and credit of the City. Revenues generated by the project pay the bond and can be used for a variety of housing options (market and nonmarket rate).
d) Common Bond Revenue Bonds – State and local governments may issue tax-exempt or taxable revenue bonds on behalf of private borrowers to provide lower interest rates on long-term financing. In general, manufacturing, medical facility, nonprofit or nursing home projects are eligible for tax-exempt revenue bonds and those issued for commercial projects are taxable. Bonds issued through the Common Bond Fund are investment-grade instruments with a rating based on the security provided by the fund.
e) Bank Qualified Bank Direct Tax-Exempt Loans – These are cost-effective tax-exempt financing for capital projects for small manufacturing companies and nonprofit organizations.

5) Business Improvement Partnership Loan Program
Purpose:
The City’s Economic Development Authority has a vested interest in helping Mounds View businesses thrive and prosper while improving the aesthetics of the commercial, industrial and retail sectors of the community. Accordingly, the Mounds View Business Improvement Partnership Loan Program has been established to partner with local businesses by providing 2% interest loans for exterior and interior building improvements. Details regarding this program are attached as Appendix B.

Who can apply?
Any business owner who has operated a facility or property located in Mounds View for a minimum of two years.
How does the program work?
The City’s Economic Development Authority, in partnership with local banks, will provide improvement loans to existing Mounds View businesses at a minimum of $10,000 and a maximum of $50,000. The City participates by providing only half of the loan amount at a 2% interest rate.

6) Tax Rebate Financing (TRF)
The City of Mounds View has adopted the attached policy (see Appendix C) pertaining to Tax Rebate Financing (also known as Tax Abatement). An abatement is a property tax repayment rather than an exemption from paying property taxes. It is a method to finance up-front costs and provide additional equity to a development or to finance a public improvement. For eligible redevelopment and development projects, all or a portion of City real estate taxes can be rebated for up to 15 or 20 years. Ramsey County and the Mounds View School District can also rebate all or a portion of their share of real estate taxes. If all three taxing jurisdictions participate, taxes may be rebated up to 20 years.

Purpose:
The fundamental purpose of Tax Rebate Financing in Mounds View is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance provided.

Who can apply?
Any developer or business owner with a facility or property located in Mounds View, or any developer or business owner intending to construct a facility in Mounds View.

How does the program work?
The developer or business owner completes a Tax Rebate Financing (TRF) application and submits the application and the required $1,000 application fee to the City’s Community Development Department. Economic Development staff reviews and analyzes the information and presents it to the City’s Economic Development Authority. The maximum applicants may abate is $200,000 per year or up to 10% of the City’s levy. There is no minimum abatement or rebate.

7) Tax Increment Financing (TIF)
The City of Mounds View has adopted the attached policy (see Appendix D) pertaining to Tax Increment Financing (TIF). TIF is considered the premier tool for economic development in Minnesota. Since 1986 the biggest single development program in the City of Mounds View’s Toolbox has been the use of Tax Increment Financing (TIF). TIF, in brief, is the ability to capture and use all increased local property tax revenues from new development within a defined geographic area. TIF payments to developers can be used for eligible uses, such as land acquisition, demolition, utilities, parking, relocation, administration, etc. There are different types of TIF districts, including redevelopment, economic development, housing, and soils condition districts. Mounds View currently has four tax increment financing districts—three redevelopment districts and one economic development district.
Purpose:
It is the policy of the City of Mounds View to consider the judicious use of Tax Increment Financing (TIF) for those projects which demonstrate a public benefit by constructing public improvements in support of developments that will: create new jobs, retain existing employment, eliminate blight, strengthen the economic base of the City, increase property values and tax revenues, create economic stability, and/or expansion of business and housing options in the City.

Who can apply?
Any developer or business owner with a facility or property located in Mounds View, or any developer or business owner intending to construct a facility in Mounds View.

How does the program work?
The developer or business owner completes a Tax Increment Financing (TIF) application and submits the application and the required $5,000 application fee to the City’s Community Development Department. Economic Development staff reviews and analyzes the information and presents it to the City’s Economic Development Authority. The EDA gives preference to the use of “pay as you go” assistance to finance development or redevelopment projects.