

2241 221st Ave. NE • East Bethel, MN 55011
Phone: (763) 367-7844 • Fax: (763) 434-9578

Business Resource & Financial Assistance Directory

This document is dynamic and will be changed as needed.

2015



Revision Date: 2/24/2015

Promoting retention, enhancement, and creation of businesses in the East Bethel Community by providing financial resources, workforce development, and assistance with business plans.

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To apply for USDA programs,
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East Bethel, Minnesota

Facts and Figures

At the northern edge of the Minneapolis-St. Paul metropolitan area, the City of East Bethel is 45 square miles of lakes, wetlands, and prairies. The City is traversed by Minnesota Highway 65, a four-lane expressway. Viking Boulevard is the City's main east-west road. The City is also home to the Sandhill Crane Natural Area, Cedar Creek Ecosystems Science Reserve and Coon Lake, the largest lake in Anoka County.

Population 11,626
Households 3,978
Area 44.8 sq. miles

Location

Bordered by Isanti County to the north, Ham Lake to the south, Oak Grove to the west, and Linwood to the east.

Recreation

Nature and Ski trails, Ice Arena, and over 200 acres of park space

Cedar Creek Ecosystem Science Reserve

2,200-hectare experimental ecological reserve operated by the University of Minnesota with natural habitats that represent the entire state. Serves as a research and teaching facility for six colleges from the University and for other colleges and universities both within and outside Minnesota.

To learn more about East Bethel please visit us online at www.ci.east-bethel.mn.us

Population	Under 5	6.20%
	5 to 19	24.80%
	20 to 34	14.90%
	35 to 44	16.60%
	45 to 54	18.50%
	55 to 64	11.60%
	65 plus	7.50%

Household Income	Less than \$10,000	4.20%
	\$10,000 to 14,999	1.40%
	\$15,000 to \$24,999	4.80%
	\$25,000 to \$34,999	6.10%
	\$35,000 to \$49,999	12.50%
	\$50,000 to \$74,999	18.50%
	\$75,000 to \$99,999	22.50%
	\$100,000 to \$149,999	21.60%
	\$150,000 to \$199,999	4.40%
	\$200,000 plus	3.90%
Mean	\$84,611	
Median	\$76,447	
Per Capita	\$29,187	

Education	Graduate or Professional Degree	3.50%
	Bachelor's Degree	11.60%
	Associate's Degree	12.30%
	Some college, no degree	28.20%
	High School Graduate (includes GED)	37.70%

Housing	Total housing units	4,237
	Occupied housing units	3,978
	Owner-occupied	97.20%
	Renter-occupied	2.80%

Home Value	Less than \$50,000	7.30%
	\$50,000 to \$99,999	0.70%
	\$100,000 to \$149,999	3.90%
	\$150,000 to \$199,999	20.90%
	\$200,000 to \$299,999	39.20%
	\$300,000 to \$499,999	24.50%
	\$500,000 plus	3.60%
Median		

Employment by Industry	Manufacturing	18.30%
	Educational services, health care, and social assistance	16.60%
	Construction	13.20%
	Retail trade	9.30%
	Professional, scientific, management, administrative and waste management services	7.90%
	Finance , insurance, real estate, rental and leasing	6.10%
	Transportation, warehousing, utilities	6.00%
	Arts, entertainment , recreation, accommodation and food services	5.70%
	Public Administration	4.40%
	Wholesale trade	4.20%
	Other services, except public administration	4.10%
	Information	3.40%
	Agriculture, forestry , mining, fishing and hunting	0.70%

Source: 2010 U.S. Census and 2006-2010 ACS 5Y Estimates



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Business Resource and Financial Assistance Directory

This directory assists in finding the right programs, tools, and services for your business idea or expansion. We recommend that you view this resource guide on your computer so you may utilize the links. You may find an electronic copy at <http://www.ci.east-bethel.mn.us/Index.aspx?NID=107>

The City of East Bethel is 45 sq. miles of scenic Central Minnesota real estate with a diverse population of over 12,000 residents. East Bethel is situated in northern Anoka County and is traversed by Minnesota Highway 65, a four-lane expressway that leads to either the Twin Cities or the semi-rural north. The City of East Bethel is now home to over 236 businesses and is the ideal place to locate a new or expanding business. To view an in-depth Community Profile for East Bethel then please visit this link: <http://stats.metc.state.mn.us/profile/detail.aspx?c=02394596>

For assistance, contact the Community Development Department for assistance:

Stop in: 2241 221st Ave. NE, East Bethel, MN 55011

Phone: (763) 367-7844

Fax: (763) 434-9578

Email: Colleen.Winter@ci.east-bethel.mn.us

East Bethel Area Banks:

People's Bank of Commerce: (763) 434-4462

21420 Aberdeen Street, East Bethel, Minnesota 55011

Offers Business Checking/Savings:

- Free Business Checking: An account for businesses with fewer than 200 items per month.
- Business Analysis Checking: An account for day-to-day operating expenses, where collected balances are used to offset fees on the account.
- Business Preferred High-Yield Money Market

Business Loans offered by Peoples Bank of Commerce:

Village Bank: (763) 398-8050

18770 Hwy 65 NE, East Bethel, MN 55011

Offers Business Checking/Savings:

- Simply Free Business Checking: Perfect for most businesses.
- Business Checking: Designed for businesses that have higher monthly account activity.
- Business Interest Checking: An interest bearing account available to our Sole Proprietors and Not-for-Profit Organizations.
- "Village Business Money Market:" High-yield money market account.

Business Loans offered by Village Bank:

Real Estate Loans, Construction Loans, Lines of Credit, Term Loans, SBA Financing Programs
Lines of Credit, Term loan, SBA Loans, Commercial Real Estate, and Letters of Credit

Business Development

[Business Finance Guide](#) from Department of Employment and Economic Development (DEED).
[Guide to Starting a Business in Minnesota](#) from the Department of Economic Development (DEED).

Location and Expansion Assistance

DEED

These Community Development specialists work closely with companies of all types to help them locate and expand in East Bethel. These consultants have the background, information, and connections to help you turn your plans into reality.

To participate in this program, please contact the Community Development Department at East Bethel City Hall.

2241 221st Ave. NE, East Bethel, MN 55011

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Phone: (763) 367-7844

Minnesota Workforce Centers

DEED

The MN Workforce Center understands the needs of employers and industries and can provide workforce and business-related data that can give you insight into economic trends that can affect and shape your business decisions. They can publicize job opportunities for you, and can even train your staff.

Contact Information

Anoka County WorkForce Center
1201 89th Ave NE, Suite 235
Blaine, MN 55434-3372

Phone: 763-783-4800

Email: anokacounty.wfc@state.mn.us

8:00 a.m. to 4:30 p.m. Monday - Friday

8:00 a.m. to 6:00 p.m. Tuesday

Open to Business: Business Consultant

Metropolitan Consortium of Community Developers

Open to Business provides one on one business counseling to current and prospective entrepreneurs. Our consultants work with you to develop a strong business plan, identify challenges and opportunities, and to tailor solutions. In addition to direct consulting, Open to Business program staff can link entrepreneurs with additional resources to help them succeed, including training programs, community or governmental services, and industry and business professionals. They work with you to determine all of your capital needs and help you identify and apply for financing that meets those needs. Open to Business provides assistance in the following areas: financial management, bookkeeping set-up and training, loan packaging, business plan assistance, real estate analysis, marketing assistance, strategic planning, business regulations, and professional referrals.

Contact Information

Phone: (763) 438-7315

Email: info@opentobusinessmn.org

Website: www.opentobusinessmn.org

3137 Chicago Ave S,

Minneapolis, MN 55407

[Small Business Development Centers](#)

SBA

A network of Small Business Development Centers (SBDCs) provides the professional expertise and guidance that every small business owner needs to flourish in today's competitive and ever-changing business world. They offer services, training, workshops, and consulting with pre-venture, start-ups, and established businesses.

Twin Cities Metro Region serves Anoka County at The University of St. Thomas.

Contact Information

Terrence Murphy Hall 100
1000 LaSalle Ave
Minneapolis, MN 55403

Phone: 651-962-4500

Regional Director: Michael Ryan

Email: mpryan@stthomas.edu

Website: <http://www.stthomas.edu/sbdc>

[U of M Community Economics: Business Retention & Expansion \(BR&E\)](#)

U of M

The BR&E focuses on keeping and creating local businesses and jobs. Businesses that are looking to solidify retention or looking to expand can find many resources available through the University of Minnesota's Extension Service, Community Economics. Research-based programs and online resources help the community move from ideas to actions that support businesses already existing in their vicinity. They also offer case studies, community stories, reports and sample surveys that will help you think about business retention and expansion for your community. To participate in this program, please contact the Community Development Department at East Bethel City Hall.

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Email: Colleen.Winter@ci.east-bethel.mn.us

[U of M Community Economics: Retail Analysis and Development](#)

U of M

Retail markets are changing dramatically. Mobile customers, big box stores, and global markets challenge local retailers to stay competitive. This program helps local businesses maintain a competitive retail marketplace. The program leaders create customized applied research reports that help communities understand their retail strengths, gaps and opportunities. They provide analysis and information for your community and can help you learn about retail development.

To participate in this program, please contact the Community Development Department at East Bethel City Hall.

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Email: Colleen.Winter@ci.east-bethel.mn.us

[Local Loan Programs:](#)

[Property Tax Abatements for Economic Development](#)

Abatements can be permanent forgiveness OR temporary deferrals of property tax in order to encourage businesses to locate, expand, or redevelop a location or area.

When abatements can be used: If the political subdivision finds that the public benefit exceeds the costs, then there is a very broad chance that abatement is available.

To participate in this program, please contact the Community Development Department at East Bethel City Hall.

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[Tax Increment Financing \(TIF\)](#)

Tax increment financing (TIF) uses the increased property taxes that a new real estate development would generate to help finance costs of the new development.

Type of TIF districts that may be created: Redevelopment, renewal and renovation, economic development, housing, soils, and compact development.

To participate in this program, please contact the Community Development Department at East Bethel City Hall. 2241 221st Ave. NE, East Bethel, MN 55011

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Email: Colleen.Winter@ci.east-bethel.mn.us

State & Federal Loan Programs:

[Emerging Entrepreneurs](#)

DEED

This fund supports small businesses with less than 50 employees, targeting minority- and woman-owned businesses, and also businesses that are located in economically distressed areas.

Eligibility: Businesses with less than 500 employees. However, the businesses that will be targeted are those that have less than 50 employees, are owned by minorities or women, or are/will be located in a distressed area.

Eligible Projects: EEF funds may be used for start-up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment. Projects that include passive real estate are only allowed on a limited basis. Financing of existing debt is not permitted. To participate, contact Bart Bevins by phone 651-259-7424 or e-mail: Bart.Bevins@state.mn.us

[Job Creation Fund](#)

DEED

This fund provides financial incentives to new or expanding businesses that create or retain high-paying jobs, construct or renovate facilities, or make other property improvements.

Eligibility: Projects that begin before becoming designated by DEED are not eligible for the Job Creation Fund. Businesses must be involved in manufacturing, warehousing, distribution, technology-related industries, and other eligible activities, AND be designated by DEED.

To meet the minimum requirements, a business must

- Be engaged in an eligible business activity
- Obtain local government support via council resolution
- Invest at least \$500,000 in real property improvements within one year of becoming a designated Job Creation Fund business
- Create at least 10 new full-time permanent jobs within two years of becoming a Job Creation Fund business while maintaining existing employment numbers
- Pay at least \$12.45 in wages and benefits in 2014, adjusted annually based on 110 percent of federal poverty guidelines. The level will be \$12.61 starting Jan. 1, 2015.
- Have other location options outside of Minnesota
- Cause no undue harm to Minnesota business competitors
- Certify that the project would not occur without Job Creation Fund assistance

To participate in this program, please contact the Community Development Department at East Bethel City Hall. 2241 221st Ave. NE, East Bethel, MN 55011

Phone: (763) 367-7844

Email: Colleen.Winter@ci.east-bethel.mn.us

[Minnesota Reservist and Veteran Business Loan Program](#)

DEED

This program provides business loans to companies who have an essential employee called to active service, causing economic injury to the business do to the employee's absence. OR this program provides business loans for recently service separated veterans seeking assistance in starting their own small business.

Eligibility: Small businesses in Minnesota with an essential employee involved in the Armed Forces.

To participate in this program, download the [Minnesota Reservist and Veteran Business Loan Application](#) and follow the instructions for submission.

[Minnesota's Angel Loan Fund Program \(ALF\)](#)

DEED

This program provides one direct loan for 10% of the total amount of equity investment received in the business' approved funding round.

Eligibility: Businesses that are, or have been certified to participate in Minnesota's Angel Tax Credit Program AND have fewer than 500 employees. Businesses must obtain the Minnesota Angel Tax Credit Program Certification during any of the program years to qualify. To participate in this program, businesses must submit the [ALF Business Enrollment Application Form](#) and required supporting documents to DEED.

[Minnesota's Angel Tax Credit](#)

DEED

This tax credit provides a 25% credit to investors or investment funds that put money into startup companies focused on high technology or new proprietary technology.

Eligibility: Complete the [Business Certification Checklist](#) to determine your eligibility. Additionally, qualifying businesses must be engaged in technological innovation in Minnesota. The primary business activity must include at least one of the following:

- Using proprietary technology to add value to a product, process, or service in a qualified high-technology field
- Researching or developing a proprietary product, process, or service in a qualified high-technology field
- Researching, developing, or producing a new proprietary technology for use in the fields of: agriculture, tourism, forestry, mining, manufacturing, or transportation

To participate in this program, submit a 2014 [Business Certification Application](#) along with the required \$150 nonrefundable filing fee to MN DEED.

[Renewable Energy Program](#)

DEED

Loans, loan guarantees and grants are available to help agricultural producers and rural small business purchase renewable energy systems and make energy efficiency improvements. The amount of the grant cannot exceed 25% of the cost of the activity funded under this program.

Eligibility: Applications for renewable energy systems and for energy efficiency improvements must demonstrate financial need to show that help is needed in order to complete the project. Individual applicants must be citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence.

To participate in this program, contact this program department at (507) 373-7960, extension 120.

Small Business Development Loan Program

DEED & MAEDB

This program provides loans for business expansions that create new jobs. These loans are made by the Minnesota Agricultural and Economic Development Board (MAEDB) through the issuance of industrial development bonds.

Eligibility: Manufacturing and industrial businesses with less than 500 employees that are/will be located in Minnesota. Generally, 20 percent of the project costs must be privately financed through equity or other sources.

To participate in this program, contact Carol Pressley at 651-259-7427 or email her at Carol.Pressley@state.mn.us

Value-Added Producer Grants

DEED

Grants help producers expand their customer base by entering into emerging markets for their products or commodities and ensure that a greater portion of the revenues derived from the value-added activity is available to the producer. Grant recipients must provide 1-to-1 matching funds. Projects must be completed within 1 year.

Eligibility: Independent producers, farmer-owned cooperatives, agricultural producer groups and majority-controlled producer-based groups are eligible to apply.

Four categories are considered value-added under this program:

1. Ventures in which agricultural producers add value to their products through changing the physical state or form of the product (processing wheat into flour, corn into ethanol, slaughtering livestock).
2. Producing products in a manner that enhances its value (organic).
3. Physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that product.
4. Any agricultural commodity or product that is used to produce renewable energy on a farm or ranch (methane digesters, wind turbines). Priority will be given to proposals that emphasize the development of renewable energy from agricultural production and the use of innovative technologies to develop value-added products.

Eligible Projects: Planning grants can be awarded for such activities as conducting feasibility analyses, developing business and marketing plans. Working Capital grants may be used for expenses associated with operations while the venture develops cash flow.

To participate in this program, contact this program department at (218) 681-2843, extension 114.

USDA, Rural Development

USDA

The USDA does not provide direct loans. These loans are awarded by certain approved lenders and are designed for current or potential businesses located in rural communities. To apply for any of these programs, please contact Paul Dornseld at 763-689-3354.

[Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program](#) **USDA**

This program offers opportunities for producers to develop and manufacture such products through the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program. The program provides loan guarantees for the development, construction, and retrofitting of commercial-scale facilities. This program's goal is to increase the energy independence of the United States, promote resource conservation, public health, and the environment, diversify markets for agricultural and forestry products and agricultural waste materials, and to create jobs and enhance economic development in rural America.

Eligibility: The borrower must be one of the following: an individual, entity, Indian tribe, unit of state or local government, corporation, farm cooperative, farmer cooperative organization, association of agricultural producers, national laboratory, institution of higher education, rural electric cooperative, public power entity, or a consortium of any of the above entities.

Eligible Project: The project must be located in the United States or its holdings and meet the following criteria: the project must be for the development and construction of commercial-scale biorefineries using eligible technology or retrofitting of existing facilities with eligible technology.

Continued on the next page...

[Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program Continued...](#) **USDA**

Or it must use an eligible feedstock for the production of advanced biofuels and biobased products. Examples of eligible feedstocks include, but are not limited to, renewable biomass, biosolids, treated sewage sludge, and byproducts of the pulp and paper industry. Or the majority of the biorefinery production must be an advanced biofuel (biofuel that is converted to another form of energy for sale is considered an advanced biofuel). The project must provide funds of not less than 20 percent of eligible project costs. Refinancing, under certain circumstances, may be eligible. To be eligible for the program, a technology must be adopted in a viable commercial-scale operation or demonstrated to have technical and economic potential for commercial application in a biorefinery that produces an advanced biofuel.

To apply for this program, please contact Paul Dornseld at 763-689-3354.

[Business and Industry Guaranteed Loans \(B&I\)](#) **USDA**

This purpose of this USDA program is to improve, develop, or finance business, industry, and employment, and to improve the economic and environmental climate in rural communities.

Eligibility: Cooperative organizations, corporations, partnerships, public bodies, or individuals that provide employment, improve the economic or environmental climate, promote the conservation, development, and use of water for aquaculture, or reduce reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems and other renewable energy systems.

Eligible Projects: The funds may be used for business or industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities. The funds may also be used to repair, modernize, or develop your business, purchase and develop land, easements, rights-of-way, or buildings, or the purchase of equipment, leasehold improvements, machinery, supplies, or inventory.

To apply for this program, please contact Paul Dornseld at 763-689-3354.

[Intermediary Relending Program \(IRP\)](#)

USDA

The purpose of this USDA program is to alleviate poverty and increase economic activity and employment in rural communities. Loans are provided to local organizations (intermediaries) for the establishment of revolving loan funds. To apply for funding from the IRP, please contact your Rural Development State Office.

Eligibility: Private non-profit corporations, public agencies, Indian groups, and cooperatives with at least 51 percent rural membership aimed at increasing income for producer members or purchasing power for consumer members may apply for intermediary lender status.

Eligible Projects: IRP funding may be used for a number of purposes but to be eligible, ultimate recipients must be located in a rural area. Some examples of eligible projects are: the acquisition, construction, conversion, enlargement, or repair of a business or facility, particularly when jobs will be created or retained. The purchase or development of land (easements, rights of way, buildings, facilities, leases, materials), equipment, leasehold improvements, machinery, supplies, start up costs and working capital, pollution control and abatement, transportation services, feasibility studies, or hotels, convention centers.

To apply for this program, please contact Paul Dornseld at 763-689-3354.

[Rural Business Investment Program \(RBIP\)](#)

USDA

This USDA program promotes economic development in mostly rural areas by helping to meet the equity capital investment needs of smaller enterprises located in such areas. USDA licenses newly formed for-profit investment fund entities as Rural Business Investment Company's (RBIC)s. RBIC's use the equity raised in capitalizing their fund to make equity, and equity-like, investments mostly in smaller enterprises located primarily in rural areas. [RBIP fact sheet](#) is available.

Eligibility : An applicant may be eligible to apply for an RBIC license if the company: is a newly formed for-profit entity or a newly formed for-profit subsidiary of such an entity; has a qualified management team with experience in relevant venture capital financing or community development financing; and will invest in enterprises that will create wealth and job opportunities in rural areas, with an emphasis on smaller enterprises. RBIC applicants must identify the rural areas their fund will target and demonstrate how the fund will assist those areas through disciplined, profit-oriented investing in rural enterprises.

To apply for this program, please contact Paul Dornseld at 763-689-3354.

[Rural Economic Development \(RED\) Loan & Grant](#)

USDA

The RED program provides funding to rural projects through local utility organizations. Under the REDLoan program, local businesses receive loans for projects that will create and retain employment in rural areas. Under the REDGrant program, USDA provides grant funds as loans that are made into revolving loan funds for projects that will create or retain rural jobs.

Eligibility: To be eligible, a company must have borrowed and repaid or pre-paid an insured, direct, or guaranteed loan received under the Rural Electrification Act, or be a not-for-profit utility that is eligible to receive assistance from the rural development electric or telecommunication program, and be a current rural development electric or telecommunication programs borrower

Eligible Projects: Capitalization of revolving loan funds, business incubators, community development assistance to non-profits and public bodies, facilities/equipment for education and training for rural residents to facilitate economic development, facilities/equipment for medical care to rural residents, and/or telecommunications or computer networks for distance learning or long distance medical care.

To apply for this program, please contact Paul Dornseld at 763-689-3354.

[Rural Energy for America Program \(REAP LOANS\)](#)

USDA

The REAP program is a Guaranteed Loan Program that encourages the commercial financing of renewable energy and energy efficiency projects, and can guarantee up to 85% of the loan amount. Benefits of this program compared to the B&I program include higher loan amounts, stronger loan applications, lower interest rates and longer repayment terms. You may apply for loans up to 75% of the projects costs.

Eligibility: Borrowers must be a rural small business or an agricultural producer must gain 50% or more of their gross income from their agricultural operations. The project must be located in a rural area, must be technically feasible, and must be owned by the applicant.

Eligible Projects: The purchase and installation of equipment, construction or improvements, energy audits or assessments, permit or license fees, professional service fees, feasibility studies and technical reports, business plans, retrofitting, construction of a new energy efficient facility only when the facility is used for the same purpose, is approximately the same size, and based on the energy audit will provide more energy savings than improving an existing facility, working capital, and land acquisition.

To apply for this program, please contact Paul Dornseld at 763-689-3354.

End of USDA Rural Development Loan Programs:

To apply for any of these programs, please contact your [Rural Development State Office](#).

[Small Business Administration \(SBA\)](#)

The SBA does not provide direct loans. These loans are awarded by certain SBA approved lenders and are designed for businesses that may have trouble qualifying for other traditional loans. To apply for any of these loans find an [SBA approved lender](#) near you.

To participate in this program, please contact the Community Development Department at East Bethel City Hall.

2241 221st Ave. NE, East Bethel, MN 55011

Email: Colleen.Winter@ci.east-bethel.mn.us

Phone: (763) 367-7844

[SBA 504](#)

SBA

504 Loan Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as real estate, buildings or equipment.

[SBA 7\(a\) Loan Guaranty Program](#)

SBA

This type of loan is the most basic and most used of the SBA loans and is used for starting, acquiring and expanding a small business. See the [SBA's 7\(a\) Loan Application Checklist](#).

SBA 504 and SBA 7(a) Comparison

Please see the following for a breakdown of the SBA 504 and SBA 7(a) loans and their comparison.

	SBA 504	SBA 7(a) Loan
	Commercial Real Estate and Equipment 90% Fixed Rate	General Purpose
Loan Size	\$250,000 to \$5,000,000	\$250,000 to \$5,000,000
Interest Rate	Fixed Fully amortized Monthly at the time of funding at an increment above the current market rate for five-year and ten-year	Variable rate; some limited fixed-rate options Fully amortized Interest rates are negotiable but are subject to a mandated SBA ceiling and floor
Eligible Business Size	Business net worth cannot exceed \$15 million Average net profit after taxes for 2 consecutive years cannot exceed \$5 million	Determined by industry type Retail, service, and agriculture cannot exceed the range of \$750,000 to \$33.5 million Cannot exceed range of 100 to 1,000 employees for wholesale and manufacturing
Terms and Available Amortization Periods	20 years fully amortized – real estate loan 10 years fully amortized – equipment loan No balloon payments	Up to 25 years – real estate Up to 10 years – equipment, business acquisition 5 to 7 years – working capital All loans are fully amortized with no balloon payments
Loan Structure	50% bank loan, 40% CDC loan, and 10% down payment	Loan structure negotiable; dependent on risk. A minimum of 10% down payment.
Loan Purchase	Purchase or expansion of existing building Land acquisition and ground up construction (includes soft cost development fees) Finance building improvements or Purchase equipment	Expand, acquire or start a business, or purchase or construct real estate Refinance existing business debt or construct leasehold improvements. Buy equipment or inventory, or provide working capital

Loan Program Requirements	51% owner occupancy required for existing building, or 60% owner occupancy required for new construction	51% owner occupancy required for existing building, or 60% owner occupancy required for new construction
	Equipment with a minimum 10 year economic life	All assets financed must be used to the direct benefit of the business
Collateral	Generally, the project assets being financed are used as collateral	Collateral is the subject assets acquired by loan proceeds, and requires pledge of personal residence unless the bank can justify why it's unnecessary
	Personal guaranties of the principal owners of 20% or more ownership are required	Personal guaranties of the principal owners of 20% or more ownership are required
Loan Fees	Fees are financed in the 504 loan	Fees can be financed in the 7(a) loan
	Fees are negotiated for the 50% bank loan	Fees vary with the size of the loan accompanying the 504 loan
	Servicing fee (lowest allowed by SBA) for CDC 504 plus a legal review fee	An additional .25% is charged on any loan portion above \$1 million

CAPLines

SBA

The CAPLines program helps small businesses meet their short-term and cyclical working capital needs. There are four (4) different loan programs under the CAPLines umbrella.

Eligible Projects: The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts, subcontracts, or purchase orders; finance the direct cost associated with commercial and residential construction; or provide general working capital lines of credit that have specific requirements for repayment.

1. The Contract Loan Program

This program helps finance the cost associated with contracts, subcontracts or purchase orders. Proceeds can be disbursed before the work begins.

2. The Seasonal Line of Credit Program

This program supports the buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory.

Eligibility: The business must have been in business for a period of 12 months and must be able to demonstrate that it has a definite established seasonal pattern. The business may not have another seasonal line of credit outstanding, but may have other lines for non-seasonal working capital needs.

[CAPLines Continued...](#)

SBA

3. The Builders Line Program

This program provides financing for small contractors/developers to construct/rehabilitate residential/commercial property that will be sold to a third party that is not known at the time construction/rehabilitation begins.

Eligible Projects: Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. Land purchase can be included if it does not exceed 20 percent of the loan proceeds. Up to five percent of the proceeds can be used for community improvements that benefit the overall property.

4. The Working Capital Line of Credit Program

This program is a revolving line of credit that provides short-term working capital. Businesses that generally use these lines provide credit to their customers or have inventory as their major asset. Repayment comes from the collection of accounts receivable or sale of inventory.

[Express](#)

SBA

This SBA program features a quick turn-around rate of 36 hours and less paperwork for the borrower. Funds from this loan may be used for nearly all business expenses, and the SBA can guarantee a revolving line of credit.

[Microloan Program](#)

SBA

SBA's Microloan Program provides very small loans to start-ups, newly established, or growing small businesses. These loans are awarded by certain SBA approved lenders.

Eligibility: Each lender has its own lending and credit requirements. Generally, lenders require some type of collateral as well as a personal guarantee from the business owner.

Eligible Projects: The loan may be used for working capital, inventory, supplies, furniture, fixtures, machinery or equipment, but they may not be used to pay existing debts or to purchase real estate.

[Military Reservists Economic Injury Loans \(MREIDL\)](#)

SBA

The MREIDL provides funds to help small businesses meet their ordinary/necessary operating expenses when they are unable to because an essential employee was called to active duty. MREIDL funds cannot be used in lieu of regular commercial debt, to refinance long-term debt, or to expand the business.

Eligibility: Businesses that do not have the financial capacity to fund their own recovery and do not have credit available elsewhere are eligible for MREIDL assistance. Businesses may apply on the date the essential employee receives a notice for being called into the Armed Forces and one year after that employee is released from active duty.

[Real Estate & Equipment Loans: CDC/504](#)

SBA

Certified Development Companies (CDC) can receive funds to finance major fixed assets such as equipment or real estate.

Eligibility: In addition to the business needing to meet the [business requirements](#), the applicants must also meet the [applicant requirements](#).

Eligible Projects: Funds may be used to purchase land and buildings, purchase improvements, construct new facilities, modernizing and renovating facilities, and the purchase of long-term machinery and equipment.

[Rural Business Loans](#)

SBA

This SBA program is run under the [Business and Industry Guaranteed Loan Program](#) and seeks to improve, develop, or finance business, industry, and employment in order to improve the economic and environmental climate in rural communities.

Eligibility: The business must provide employment, improve the economic or environmental climate, promote the conservation and development of water for aquaculture, or reduce reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems and other renewable energy systems.

Eligible projects: Funds may be used as working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing.

To apply for this program, please contact Paul Dornseld with the USDA at 763-689-3354.

End of **Small Business Administration** Loan Programs:

To apply for any of these loans find an [SBA approved lender](#) near you.

[Export Programs](#)

[Export Express](#)

SBA

This SBA program finances businesses that are/will be exporting. It has a simple application process and loan approval should happen in 36 hours or less.

Eligibility: Businesses that have been in operation for a full year and want to begin exporting. Businesses that have not been in operation for a full year are eligible if they have key employees with experience with exporting

Eligible Projects: Funds may be used to enhance a company's export development, finance specific export orders, expand production facilities, or purchase equipment, inventory, or real estate.

[Export Working Capital Program \(EWCP\)](#)

SBA

This SBA program provides advances to fund export transactions. This loan has a quick processing time so that you may apply for an EWCP loan before finalizing an export sale/contract. Disbursement can only be made against *firm purchase orders* from a foreign buyer/account, but this allows you to have greater flexibility in negotiating your export payment terms.

Eligible Projects: Financing for suppliers or for stand-by letters of credit used as bid or performance bonds or as down payment guarantees, inventory, production, or working capital during long payment cycles.

[International Trade Loan Program](#)

SBA

This SBA program offers loans for fixed assets and working capital for business that are/will be exporting.

Eligibility: Small businesses that are looking to expand/develop their existing export markets, or if your small business has been affected by import competition and you can demonstrate how you would improve your competitive position.

Eligible Projects: Acquisition, construction, modernizing, or expanding facilities/equipment for production or services involved in international trade and to develop and penetrate foreign markets. These funds may also be able to refinance an existing loan.

[STEP Grant Program](#)

DEED

The STEP program provides financial and technical assistance to qualifying small businesses in Minnesota with an active interest in exporting products or services to foreign markets.

Eligibility: Participants may be first-time exporters or companies that are currently exporting but are interested in expanding into new international markets. Eligible companies must have products or services that are appropriate for the target market and must agree to participate in surveys and provide information on program outcomes. Companies must also fit the SBA definition of a small business, based on annual sales or number of employees, and;

- Have been in operation for at least one year, and are operating profitably, based on U.S. operations
- Have an understanding of the costs associated with exporting
- Have a strategic plan for exporting (unless applying for an export-planning grant)

Eligible projects: Activities must be pre-approved in order to be eligible for reimbursement. Companies MAY NOT APPLY for reimbursement for activities that have already taken place. Small businesses may apply for reimbursement of up to \$500 for export-training that will result in the development of an export strategy or up to \$7,500 for approved export-development activities, including:

- Participation in trade missions or exhibiting at trade shows or industry-specific events
- Translation of marketing materials or development of foreign language websites
- Gold Key or other business matchmaking services or company-specific international sales activities
- Testing and certification (such as CE marking) required to sell products in foreign markets

To apply for this program, contact Mary Jo Stangl at 651-259-7495 or email Mary.Jo.Stangl@state.mn.us

[U.S. Commercial Service: Export Assistance](#)

U.S. Commercial Service

Whether you are looking to make your first export sale or expand to additional markets, U.S. Commercial Service offers the experience and service to grow international sales of U.S. made products and services. In addition to their core service offerings, they offer free consulting to companies. Their experienced staff of International Trade Specialists will help you identify and evaluate international partners, navigate international, documentation challenges, create market entry strategies, and other export related guidance. To participate in this program, please contact the Community Development Department at East Bethel City Hall.

2241 221st Ave. NE, East Bethel, MN 55011

Phone: (763) 367-7844

Email: Colleen.Winter@ci.east-bethel.mn.us

[Private Programs](#)

[Kickstarter](#)

Kickstarter is not a long-term funding solution, but initial investments from the public can provide start-up costs, and investors receive something small in return. The three main rules are that the project you want funding for must create something to share with others so that the creator can say “It’s finished! Here’s what we created.” The project must be honest, clearly presented, and have a prototype. And lastly, projects cannot fundraise for charity, offer financial incentives, or involve prohibited items.

[Venture Capital](#)

SBA

Venture Capitalism is a type of active, high-risk equity financing where the business owner would sell company shares and an active role in the company in exchange for an investment. The investment would come from a high net worth individual, otherwise known as an “angel investor.” These investors may want to play an active role in the company in an effort to help them grow and, in turn, achieve a greater return of investment. It is considered high risk because the “angel investors” are temporary investors and are looking for the best rate of return.

[RAIN Source CapitalSM](#) is a multi-state network of RAIN funds that works with angel investors who are interested in supporting growing companies.

Workforce Development

[Minnesota Job Skills Partnership Program \(MJSP\)](#)

DEED

This grant program focuses on providing training for both new and existing employees of certain businesses. The participating businesses must partner with an accredited Minnesota educational institution that will develop and deliver training specific to your business needs. The grant matches what funds you contribute to this process. This program offsets training-related expenses incurred by business, industry, and educational institutions in order to meet current and future workforce needs.

[MJSP Program: Health Care & Human Services](#)

DEED

This is part of the MJSP program, but focuses on alleviating healthcare and human services worker shortages and increasing opportunities for advancement for current and potential direct care workers in the healthcare and human service industry. This is done by matching the funds contributed by the business that go toward training and employee advancement.

Utility Economic Development Programs

[Connexus Energy](#)

Connexus Energy provides business rebates. They will provide you with a free electric evaluation and recommend rebates and efficiency improvements that will save you money and energy.

To participate in this program, contact Brian Burandt at (763) 323-2785.

[East Central Energy](#)

East Central Energy provides a free Business Energy Evaluation. They will do an initial site/walkthrough evaluation that focuses on your energy usage, review of our energy efficiency programs, identifies energy partnering opportunities, identifies major electric energy efficiency opportunities, provides specific direction for improvements and to reduce electric energy costs, and they summarize your current energy use and offers recommendations for improvements and applicable rebates.

To participate in this program, contact the Braham, MN office at 1-800-254-7944.

Contact Information

Frequently Requested Minnesota Telephone Numbers

Registration of Your Business Name (Proprietorship, Partnership, Corporation, LLC)

Secretary of State Office Business Services www.sos.state.mn.us 651-296-2803

Licensing/Franchise Registration

Minnesota Department of Commerce www.commerce.state.mn 651-296-6328

General Minnesota Tax Information www.taxes.state.mn.us 651-296-6181

State Small Business Assistance Office Publications 651-556-8425

Pollution Control Agency www.pca.state.mn.us 651-296-6300

Minnesota Department of Labor and Industry www.doli.state.mn.us 651-284-5005

Small Business Administration www.sba.gov/mn 612-370-2324

Frequently Requested Federal Telephone Numbers

IRS Employer Identification number (EIN) www.irs.ustreas.gov 1-800-829-4933

U.S. Department of Commerce/Export Resource www.exportassistance.com 612-348-1638

U.S. Patent & Trademark Office (Recording Forms) www.uspto.gov 1-800-786-9199

Occupational Safety & Health www.osha.gov 1-800-232-4636

Business Assistance Telephone Numbers

Accountability Minnesota www.accountabilitymn.org 651-287-0187

Better Business Bureau www.bbb.org 651-699-1111

Procurement Technical Assistance Center (PTAC) www.ptac-meda.net 612-332-6332

SCORE www.score-mn.org

City of East Bethel Contact Numbers

Main

City Hall Direct Dial 763-367-7840

City Hall Fax 763-367-9578

Administration

Jack Davis, City Administrator Email Jack 763-367-7850

Community Development

Colleen Winter, Community Development Director Email Colleen 763-367-7855

Building Department

Nick Schmitz, Building Official/Code Enforcement Email Nick 763-367-7860

Steve Lutmer, Building Inspector Email Steve 763-367-7861

Finance

Mike Jeziorski, Finance Director Email Mike 763-367-7852

Jackie Campbell, Accounting Technician Email Jackie 763-367-7854

Fire

Mark DuCharme, Fire Chief Email Mark 763-367-7886

Fire Dept. Direct Dial 763-367-7855

Public Works

Nate Ayshford, Public Works Manager Email Nate 763-367-7876

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