



A Hub of Economic Activity and Innovation

We support entrepreneurship while building on sector – art, green, tourism, health, education and high tech - strategies

What strategies are working?

THE CITY HAS SERVICES AND PROGRAMS THAT CAN HELP BUSINESSES.

- The City's economic development toolkit offers a wide range of services, including business loans, consulting services, real estate development financing, and workforce training. The 2 percent loan is very popular, and the alternative financing program offers financing that complies with Islamic law.
- New and existing Minneapolis businesses benefit from the City's Business Technical Assistance Program (B-TAP), which provides them with consulting services through contracts with local nonprofit organizations.
- The City's contract requirements help ensure that minorities, women and low-income business owners and workers have access to employment and contracting opportunities.

THE CITY RESPONDS TO BUSINESS CONCERNS.

- The City is committed to helping businesses thrive and is willing to address barriers to business success. For example, the City recognized that the 70-30 requirement for food to liquor sales was out of sync with today's trends and was hampering business opportunities. The proposal to change the City ordinance was placed on the ballot because we are willing to remove unnecessary or outdated regulations.
- City leaders and the employees who enforce regulations are open to exploring options and looking for solutions. It's part of our governmental culture. We are willing to listen to concerns and fix problems.
- The City promptly addresses safety problems that could otherwise harm the environment for successful economic activity.
- The City's regulations are the right tools to correct health and safety problems quickly.

MINNEAPOLIS IS AN ATTRACTIVE LOCATION FOR BUSINESSES AND WORKERS.

- The revitalization of our urban core has made Minneapolis attractive to entrepreneurs. Bikeable, walkable and livable communities are important. Entrepreneurs want vital communities.
- Our marketing is working. There's a perception that Minneapolis is a cool city. We're getting attention, and Minnesota is no longer seen as flyover country. People want to start businesses here.
- The area's long-standing investment in the arts drives the perception that this area welcomes the creative sector. Artists believe they can make it here as artists.
- If newcomers succeed in making personal and professional connections here, they don't want to leave.
- Nineteen Fortune 500 companies are located here, and that means there's a wealth of talent in this area. The trick is to enable these talented and creative people to create the next big thing.

WE ARE WORKING WITH PARTNERS TO SOLVE PROBLEMS.

- Collaborative development efforts have helped create a culturally focused identity for businesses along the Central Corridor between downtown Minneapolis and downtown Saint Paul, including the Cedar Riverside and Prospect Park neighborhoods.
- Saint Paul and Minneapolis are collaborating to address issues of racial disparity and leverage resources to grow businesses. Our multifaceted approach includes assistance on bidding for contracts, working with local government and obtaining training.
- Mayor Hodges hired Hispanic and Somali staff members to bring new voices into her administration.

OUR DATA IS GETTING BETTER.

- The research environment for the creative sector is improving. We can now track creative sector occupations, and that data helps us understand what's going on in the creative sector.

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- The City focuses on the appropriate business success indicators.

What strategies are not working?

WE AREN'T WELCOMING TO VISITORS AND NEWCOMERS.

- Our tourism information is very scattered. When it's hard for visitors to easily tap into all the activities that are available here, we miss opportunities to showcase our creative sector.
- We're a very mono-ethnic community, and we're not very welcoming.
- It's hard for newcomers to meet people and integrate into our community. Our business culture is very relational, and this is a barrier to new entrepreneurs. People come here wanting to succeed, but it can be a slow start. Some get discouraged and leave.
- Entrepreneurs may be competent and have the right concept, but they still have to build connections to become successful. If they can't make those connections, we'll never bridge economic disparities.
- We aren't doing enough to connect newcomers to resources that can help them be successful here.

ENTREPRENEURS NEED MORE SERVICES THAN WE PROVIDE.

- There are 37,000 businesses in Minneapolis, but the City can only direct business technical assistance to a very small portion of those businesses.
- Entrepreneurs have the right tools, but they can't meet the right people. Entrepreneurs don't know who can help them. There's a networking gap.
- The City is spending time recruiting large corporations, but it isn't figuring out how to fuel entrepreneurs. City programs rely too much on proven entities. It's very intimidating to new businesses and entrepreneurs.
- Artists don't always have the business acumen to succeed. We need to help them with business skills.

THERE ARE BARRIERS TO BUSINESS GROWTH.

- There's an unintended negative consequence to business growth. When a business expands, new regulations kick in. For example, when a business expands, the City is forced to become the bill collector for the sewer availability charge. (This charge is a one-time fee imposed by the Metropolitan Council to pay for a new sewer connection or increase in capacity.)
- City programs are too focused on business life support instead of business growth.

IT'S HARD TO WORK WITH GOVERNMENT.

- Small business access to capital isn't enough. It's too difficult to navigate government regulations, the permitting process and paperwork. There are so many things to comply with, it can be overwhelming.
- Access to government contracts is difficult. There's a lot of purchasing power, but businesses don't use it because it's too complicated.
- It's very difficult for immigrants and new entrepreneurs to understand the systems here, and there's no access to someone who can coach them through the process.
- The arts community does not have zoning knowledge, and zoning issues take a lot of time and expertise.

WE DON'T GIVE CITY STAFF ENOUGH SUPPORT.

- When City staff are always told to do more with less and be more efficient, that works against the goal of helping clients. Staff don't have time to explain the regulations, talk with clients about alternatives or options to fix the problem. The efficient answer is "no." We have to do more to support entrepreneurs.

CITY DEPARTMENTS ARE TOO SILOED.

- City departments are too siloed and isolated. Without openness, there's no innovation.

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- Even within City Hall, we aren't very open to bringing new voices into the discussion to break down racial and cultural barriers. It's difficult to penetrate the environment. We can't take this message out to the community if it isn't happening inside the walls of City government. We have to change from within.

DATA GAPS MAKE IT DIFFICULT TO EVALUATE OUR EFFORTS.

- We're not collecting data on business retention rates, so we don't know who we're helping and who we are failing.
- Artists don't want to fill out forms, so we can't include them in our data. With that demographic gap in our creative sector data, it's hard to know who benefits from our efforts.

Working in partnership, what strategies could we pursue?

INSTITUTE A GENERAL BUSINESS LICENSE.

- Require a general business license so that the City has basic information about businesses in Minneapolis (what businesses are out there, number of employees, locations and concentrations of businesses, etc.). A general license needn't be expensive or complicated, but it would enable the City to have contact with businesses, provide them with information about City services, and thank them for their contributions to the community.

REWORK CITY PROGRAMS AND APPROACHES TO BE MORE HELPFUL TO BUSINESSES.

- Build a service system centered on the needs of businesses. If the City wants to respond to business needs, we have to improve communication and build a system to learn about each other.
- Ensure City staff have the resources to spend time with applicants. City staff should have time to explain the rationale for regulations and give applicants options rather than simply denying a request.
- Prepare a checklist of requirements for businesses and ensure a City staff person is available to go through the list if a businessperson has questions or is seeking suggestions.
- Send a clear message that the City values entrepreneurs. When Mayor Rybak said he believed in entrepreneurs, it was a powerful motivation. City leaders can give confidence to entrepreneurs.

OFFER MORE SERVICES TO ENTREPRENEURS WHO ARE JUST STARTING OUT.

- Ensure business license applicants have a connection to information. When people apply for licenses, they should be given information about service providers who can help them navigate the process.
- Offer workforce development and business skills training to artists.
- Connect entrepreneurs to business consultants with specialized skills, such as site selection, marketing, etc. The City doesn't have the capacity to offer this program, but it could contract for these services.

OFFER SERVICES TO HELP BUSINESSES GROW.

- Take a hard look at our processes and ask whether we're acting appropriately to help businesses grow.
- Move beyond City programs that support start-ups to a system that helps business expand.
- Connect businesses to mentors or technical expertise to help them move to the next level.
- Use local entrepreneurs to help solve challenges that the City faces.

BUILD BRIDGES AND UNDERSTANDING.

- Consider emulating ad campaigns in Europe that are aimed at breaking down prejudices and false perceptions of immigrants.
- Find ways to overcome the City's siloed department structure and boost connections between departments.
- Integrate the work of the Civil Rights Department with the City departments that prepare or review bid documents and contracts. The Civil Rights Department should work in partnership with purchasing departments so these

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departments know about suppliers and understand the City's diversity goals.

This conversation had representatives from Mayor's Office, Community Planning and Economic Development Department, City Coordinator's Office, Civil Rights Department, Regulatory Services Department, City of St. Paul – HREEO, CoCo and Globe Glow.