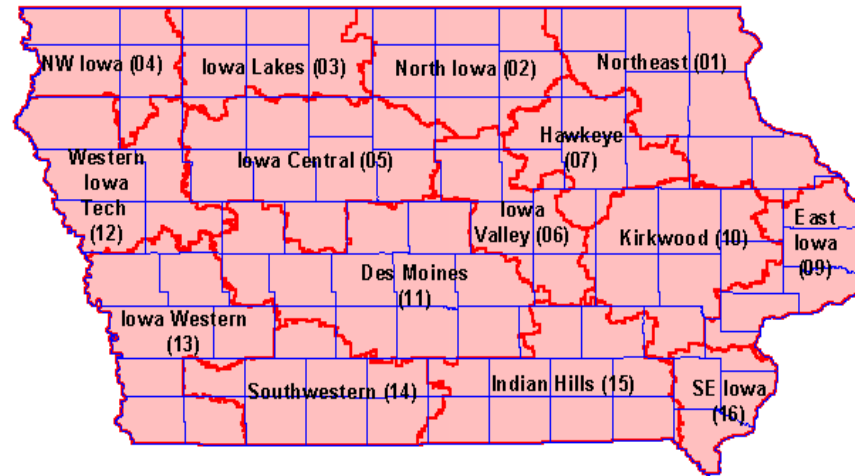


***Creating Local Public Policy:  
The Mason City  
MicroEnterprise Initiative***

# North Iowa Area Community College

- Founded 1918 as Mason City Junior College
- 1,960 Full-Time
- SBDC (1985)
- JPEC (1997)
- 116,000 Population
- 39 people/square mile



# Mason City, Iowa

- Population: 27,944
- Regional Trade Center
- 84% Microenterprise  
(5 or fewer full-time)
- 80 to 120 miles from any metro
- Mayor, City Council, City Administrator

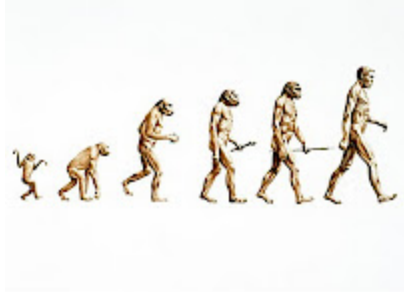


**Microenterprises** are largely invisible to banks, angel investors, venture capitalists and other traditional financing methods

**Microenterprises** are rarely noticed by Chambers and Economic Development Agencies

**Microenterprises** have few programs and limited access to capital





# Timeline

- August 2010: Councilperson asks JPEC to develop a local business stimulant
- October 2010: 'Straw man' proposal ready
- April 2011: City Council vote
- January 2012: Approved by City Council
- April 2012: Launched

# **MCMC is a NanoTIF (sort of)**

A business that owns or leases space in the city limits can get ½ their apportioned property tax back for 3 years as reimbursement for the purchase of pre-approved goods and services within the city limits or to add an employee



The city approved up to \$150,000 from the general fund for the program

# NIACC JPEC

- Received \$10,000 to develop program
- Provides required entrepreneurial training
- Reviews and approves all participants and expenditures
- Receives 10% of approved reimbursements
- Provides free mandatory quarterly counseling to participants



# Regional NanoLoans

- For *pre-bankable* companies in the service area
- Unsecured \$2,500 loan for 42 months at prime
  - Payments \$50 to \$60 per month
  - Incubating companies can qualify for \$5,000
- ‘First-in’ money





# NanoLoans can be used for

- Working Capital
- Inventory
- Equipment
- Intellectual Property
- Marketing
- ...



# Requirements

- Structured Entrepreneurial Training
- Business Plan
- Free Quarterly Counseling
- Personal Financial Statement
- Use of Funds Statement
- For-Profit (no hobbyists)
- Remain in area during loan term



# Results

- \$96,975 in Loans since 2007
  - 42 businesses
    - 36 new
  - 66% current
  - 21% repaid
  - 4% late
  - 9% written off
- 80% to under-represented entrepreneurs
  - Women, Minorities, Individuals with disabilities
  - Convicted felons



# Funding Sources

- **1<sup>st</sup> Round**
  - \$25,000 NIACC Innovation Grant
- **2<sup>nd</sup> Round**
  - United Way of North Central Iowa: \$20,000
  - Funds from Area Banks and Credit Unions: \$10,400



# Questions?

**John Pappajohn Entrepreneurial Center**

North Iowa Area Community College

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