Annual Report 2011

Latino Economic Development Center

Centro para el Desarrollo Económico Latino

Agriculture & Co-op Development Program
Greater Minnesota Program
Latino Academy TTOIC Program
Latino Scholarship Fund Program
Business Development Center
Dear Members and Friends

Over ten years, the Latino Economic Development Center has provided advice, guidance, support and education to Latino entrepreneurs in the Minneapolis-St. Paul area, as well as expanding our outreach to the rural areas of Minnesota. LEDC has assisted in the start of over 400 Latino owned businesses that employ over 3,000 people statewide. Throughout Minnesota, Latino owned businesses generate over $1.6 billion in revenue, employ over 6,000 people and are rapidly becoming a significant part of the Minnesota economy.

We are proud of the major role LEDC has played in this growth of business and job creation, as well as our own organizational growth. This growth would have not happened without your support and we appreciate the assistance you have provided. The chronology and previous achievements of LEDC are included in this Annual Report but we would like to review some of our key accomplishments in 2011:

a) LEDC’s Latino Academy Teocalli (House of Collective Work) successfully completed its first year of operation, exceeded its training and job placement goals and now has training facilities on Lake Street, West St. Paul, South Minneapolis and Willmar.

b) LEDC purchased the building at 1501 East Lake St. and renamed it Plaza Los Lagos (Lake Plaza), where additional classes will take place and act as an incubator for other enterprises that complement and grow the current business mix in the area.

c) LEDC’s economic development lenders completed 14 loan packages for $3,875,000, including a $1,300,000 loan for a project that resulted in the creation of 46 new jobs in St. Paul, where we not only provided business technical assistance but we also recruited, interviewed and trained the new employees.

d) In partnership with the Office of the Mexican Consulate, we assisted a group of Mexican food business owners in forming the Mexican Restaurant Association of Minnesota. This new organization will allow these restaurant owners to exercise their purchasing power more effectively and will promote the brand of “Authentically Mexican” in their businesses.

e) We awarded college scholarships to eight Latino students, for a total of $123,250 in scholarships over the past ten years.

We would like to thank all the foundations, government elected and appointed officials, licensing departments, corporate management and related community based organizations that have provided LEDC with assistance and funding, but most of all for their friendship and respect of the Latino community.

In closing, the goals of LEDC could not have been accomplished without the hard work, dedication and creativeness of our staff. They are the professionals, the heart and soul of LEDC, who have made our phenomenal growth a success and we cannot thank or acknowledge them enough.

On behalf of the Board of Directors, membership and staff, muchas gracias for your interest, support and friendship.

Sincerely,

Ramón León
President and CEO

Ronald Lezama
Chairman of the Board
**Vision**
A thriving multicultural community enriched by Latino leadership, culture, and economic influence.

**Mission**
Transform our community by creating economic opportunity for Latinos.

**Core Functions**
- Assist entrepreneurs with establishing and growing their businesses.
- Develop public markets and commercial corridors with Latino business participation.
- Build membership to improve access to resources for Latino businesses.

**Core Values**
- Promote just, sustainable and ethical business practices; healthy, respectful work environments; social responsibility; and economic justice.
- Develop Latino talent, leadership, civic engagement, and political influence.
- Affirm and act in the best interests of our membership; contribute our wisdom and experience for the betterment of all members.
In 2011, the Business Development Center program at LEDC provided one-on-one individual consultation to over 100 people. We packaged 14 business loans for a total amount of $3,875,000. The smallest loan was for $8,000 and the largest was $1,300,000. Some loans were approved, some are pending on approval, a few were tabled with contingencies, and one was denied. Among the packaged loans, LEDC disbursed $490,000 from its own loan fund.

Las Mojarras Restaurant

Oscar Reyes is the chef and owner of one of the most successful Mexican restaurants on Lake Street in Minneapolis. Las Mojarras is well known for the exquisite flavors, variety of dishes, and excellent family environment. Reyes graduated from the Cordon Bleu cuisine program at Brown Institute. He grew up in a restaurateur and entrepreneur Mexican family; when he arrived in the USA, he continued the tradition and opened a restaurant in 2005 (he closed it due to lack of parking). Like many entrepreneurs, Oscar had many obstacles that he overcame to arrive where he is now. Oscar offers banquet services for all types of events: formal, informal, private, public, in Minnesota and in México. Oscar has been a member of LEDC since 2006 and has owned Restaurante Las Mojarras since 2010; he has collaborated in various events with our organization.

González Auto, LLC.

After years of seeking opportunities, Javier González was able to start his auto repair business in Roseville, Minnesota, with LEDC’s support. Javier started working as a mechanic when he was 17; 9 years ago, he moved to Minnesota and continued working as a mechanic. In 2010, with his experience and the support of his wife, coworkers, and ex-employer, he decided to explore starting up his own auto repair business. With LEDC’s technical assistance and loan packing assistance, he was approved for a loan to purchase an existing auto repair business, which he took over in March of 2011. González Auto, LLC provides a great variety of auto repair services to residents of Roseville, Falcon Heights, St. Paul and surrounding communities.

Special Projects

LEDC National Activities:

Staff from LEDC presented a training on the development of public markets at the national meeting of Latino development organizations (NALCAB) in Washington D.C. in December of 2011. Earlier in the year we provided individual consulting services to Latino groups in Nebraska and Oregon which have participated in previous trainings. The Oregon group is in the process of securing a building from the City of Portland where it will open a market similar to Mercado Central.

The formation of the Mexican Restaurant Association of Minnesota, MERA, will allow Mexican food business owners to exercise their purchasing power more effectively and will promote the brand of “Authentically Mexican” in their businesses.

International Activities:

LEDC staff met with community members in Axochiapan on two occasions in 2011 to discuss commercial relationships between Mexican business owners in Minnesota and producers in home town communities in Mexico. We met with agricultural producers and board members of a civic society formed to promote economic development to discuss plans that may lead to a purchasing cooperative of Minnesota based businesses that would import agricultural produce directly from growers in Morelos.

In 2011, LEDC attended a strategic planning session in Guanajuato city, Mexico with some immigrant leaders which formed “Casa del Inmigrante Guanajuatense” with the purpose of providing economic opportunities to individuals living in municipalities with high percentages of migration, and linking them with successful business owners or purchasing cooperatives in the US. The strategic planning session was facilitated by LEDC’s member consultant Magui Rubalcava and was coordinated by LEDC’s long time partner organization Migración y Desarrollo. Ramón León, LEDC’s President and CEO became a board member of “Casa del Inmigrante Guanajuatense”.

LEDC is building business partnerships with Mexican immigrants in Minnesota, by delivering training and technical assistance, linking them with business resources to support their economic development and entrepreneurship.

Business Development Center

In 2011, the Business Development Center program at LEDC provided one-on-one individual consultation to over 100 people. We packaged 14 business loans for a total amount of $3,875,000. The smallest loan was for $8,000 and the largest was $1,300,000. Some loans were approved, some are pending on approval, a few were tabled with contingencies, and one was denied. Among the packaged loans, LEDC disbursed $490,000 from its own loan fund.
For business owners like Lorenzo Ariza, energy costs can make the difference between profit and loss any given month. “Every time I looked at my expenses, I wondered how I could reduce them,” says Ariza, who has owned Salsa a la Salsa Restaurant in Minneapolis since 2002. “I thought that energy expenses were impossible to lower.”

Now, Ariza is one of the first Latino business owners using the services of LEDC’s new Green Initiative, where he is learning about ways to operate his business more efficiently and ecologically-friendly.

LEDC has identified a high demand among business owners for information about how they can make their businesses more “green” and save energy and money. With support from the City of Minneapolis Great Streets Program, the staff of LEDC has been conducting a survey of Latino business owners on Lake Street, and found that more than 80% of business owners interviewed have asked for resources and support to make their business environmentally responsible.

Ariza’s first action in the Green Initiative was to sign up for an energy audit from the Food Service Energy Leadership Program, a program hosted by Eureka Recycling that focuses on helping food-related businesses make low-cost or no-cost changes to cut their energy bills. Ariza received a customized report that showed steps he could take to reduce his energy bill by up to 18%. Many of the recommended actions were free or were affordable enough that it would take less than a year for the energy savings to compensate for the initial costs. Before the initial report meeting was completed, Ariza had already turned down the temperature on his water boiler, which would save him an estimated $1,000 in 2012.

Maria and Primativo Morales, owners of Tortilleria La Poblanita restaurant and grocery in Minneapolis, have also received an energy audit. Their report indicated that they could save 21% of their energy bill by taking the recommended steps. Those savings would cut nearly 70,000 pounds of carbon dioxide emissions in one year, the equivalent of taking 5.5 cars off the road. “It’s comforting to know what we can do,” Mr. Morales says, “I’m thinking a lot about the opportunities.”

The Green Initiative will continue in 2012 to help businesses save money on their energy, gas, water, or waste bills and demonstrate that businesses have a role to play in improving our environment.

The 2011 was a great year for the Latino Academy TTOIC. By strengthening the workforce program we were able to serve a total of 1422 individuals, an increase of 122% in comparison to 2010. Around 985 were served through the workforce program, 400 in the business development program and 37 in other national trainings.

We added two new team members to the TTOIC team. In 2011 we were able to start two new pilot projects. One is the Green Initiative serving, 40 businesses and the other one the construction business development program, serving 15 individuals. We secured funding to replicate those programs in 2012. We also had a good year in terms of funding, as all the grants that we submitted were approved.

We have plans to implement the Youth Entrepreneurship Program in 2012 and we are taking steps to get licensed and accredited as a higher education institution.
LEDG has been doing economic development work in rural Minnesota for 12 years. We have gained the reputation of being a very important resource for Latino immigrants in rural areas.

In our efforts to best utilize limited resources, we have identified specific regions where some Latino are clustered, specifically in St. Cloud, Willmar and Owatonna and their respective surrounding communities. The foundation of our services is developing partnerships and building local capacity. Our work in rural Minnesota is growing, and our message continues to be about "Equity." We are glad to have partners that share our vision and mission.

A partnership response resulted in $40,000 in loan funds being made available to businesses in the Willmar region. Hilda Salazar, owner of Hilda’s Beauty Salon, was able to access funds to expand her operation with equipment and the hiring of an additional stylist. In the St. Cloud region, in the town of Cold Springs, the Aveles family received technical assistance from Jaime Villalaz, from LEDC, to grow their grocery store and open a second location in St Cloud. The rural team was also tapped by The Southern Minnesota Initiative Foundation to work with a grocery store in St. James. Now, the owner is able to do better recordkeeping and tax reporting, which leads to better decision-making in the business.

We have been awarded our second year of funding through the USDA for Rural Cooperative Development and have made real progress in the development of programming to support agricultural opportunities for aspiring farmers and ranchers. We have expanded outreach efforts and are rolling out pilot projects that will test our theories and assumptions about the creation of food systems. Our goal is to make it possible for immigrant farmers to establish a place for their products in the local food economy.
Every year we receive more applications than we can award. All applicants are talented young individuals. We are honored to help students to pursue higher education, even in a minimal way; however, we ask the public to contribute more to allow us to eventually support more applicants. We would like your support to help us award scholarships to as many students as possible, so that one day all students who qualify can attend higher education.

Support the Fund!  
Buy LSF Products!  
Call 612-724-5332 to place your order.

2011 Scholarship Recipients

LED Cinco Scholarship Fund:  
Ruth Anariba, $3,000

“George Linares” Scholarship:  
Yessica Diana Rodríguez, $3,000

“Ramiro Hernández” Scholarship:  
Verónica Martínez-Rubio, $3,000

IME, Instituto de Mexicanos en el Exterior, scholarship $3,000 each:
1. Juan Manuel Cruz-Aguilar  
2. Maria Magdalena Sánchez Palomares  
3. Adriana M Casillas  
4. Omar Gaona-Román  
5. Gerardo Domínguez

2011 LEDC Awards

Female Entrepreneur:  
Carolina Pedroso

Friend and/or Volunteer of the Year:  
Robert “Mingo” Méndez

Socially Responsible Business of the Year:  
UNO Hispanic Branding

Foundations, Businesses and Individuals (in alphabetical order)
- A la Salsa Restaurant  
- Adán Sánchez  
- Alberta E  
- Amalia García  
- Ameriprise Financial (Employee Matching Contribution)  
- Arlette Gaona  
- Armando Carrillo  
- Basilio Sánchez  
- Berna Sánchez  
- Braulio Carrasco  
- Carlos Ortega  
- Catarino Sánchez  
- Cindy Díaz  
- Colombians Café Fon  
- Consulado de México en St Paul  
- Dalia López Sánchez  
- Daniel Bonilla  
- Elda Maclas  
- Elvira Flores  
- Emily Sorensen  
- Erika Jáuregui  
- Felix A  
- Hispanic Heritage Foundation  
- Ines Carrillo  
- Instituto de Los Mexicanos en el Exterior  
- Jaime Sánchez  
- Jaime Villalaz  
- Jennifer Godinez  
- Jesus Sánchez  
- Becky and John Flory  
- Juan Sánchez  
- Juventino Meza  
- Katherine Fennelly  
- Kristin Lockhart  
- La Loma Tamales  
- Laney Barhaugh  
- Liseth Bucheli  
- Los Ocampo Mexican Restaurant  
- Marcia Balster  
- Margaret Lund  
- Maria Sánchez  
- Minerva Román  
- Mirna Medina  
- Mónica Romero  
- Ofelia  
- Pablo Carrillo  
- Pedro Rodríguez  
- Phillip Davis  
- Rafael Quintero  
- Ramón León  
- Rocio Bustillos  
- Rodolfo  
- Rodrigo Cala  
- Ronald Lezama  
- Safari Hair Braiding  
- Salsa a la Salsa  
- Sara López  
- Sonia León-Valadez  
- Stephanie Diekman  
- Taqueria Los Ocampo  
- Taqueria Los Ocampo 2 Inc  
- Taqueria Los Ocampo 3 Inc  
- Taqueria Los Ocampo 4 Inc  
- Deborah and Thomas Pantallion  
- US Bancorp Foundation (Employee Matching Contribution)  
- Yessenia Felix  
- Yolanda Cotterall
2011 Sources of Revenue
(In alphabetical order)

- 1000 Friends of MN
- Ameriprise Financial
- Blandin Foundation
- Bush Foundation
- FR Bigelow Foundation
- McNeeley Foundation
- Mission Economic Development Agency
- National Association for Latino Community Asset Builders, NALCAB
- Nexus Community Partners
- Northwest Area Foundation
- Otto Bremer Foundation
- Ralph K Morris Foundation
- Sam’s Club Foundation (sub grant through NALCAB)
- Sundance Family Foundation
- The Jay and Rose Phillips Family Foundation
- The Minneapolis Foundation
- The St Paul Foundation
- US Bancorp Foundation
- Wells Fargo Foundation MN
- Xcel Energy Corporate Citizenship Foundation

Government Grants:
- City of Minneapolis Community Planning and Economic Development (CPLD)
- Community Development Financial Institutions (CDFI)
- State Council of Opportunities Industrialization Center (OKC)
- USDA’s Department of Agriculture, Rural Cooperative Development Grant
- US Department of Health and Human Services, Office of Community Services (OCS)

Statement of Financial Position of LEDC for the year 2011 (Unaudited)

**Assets**
- Current Assets $739,577
- Property & Equipment (Net) $81,301
- Other Assets $459,694
- **Total Assets** $1,280,572

**Liabilities & Net Assets**
- Current Liabilities $97,982
- Long Term Liabilities $9,723
- Net Assets $1,172,867
- **Total Liabilities & Net Assets** $1,280,572

**Revenue**
- Grant Revenue $396,400
- Government Contracts $1,318,917
- Program Services $70,440
- Latino Scholarship Fund $41,886
- Membership Dues $2,650
- Other Income $14,310
- **Total Revenue** $1,844,603

**Expenses**
- Program Services $1,074,168
- Management & General $52,340
- **Total Expenses** $1,126,508

- **Grant Revenue**
- **Program Services**
- **Government Contracts**
- **Latino Scholarship Fund**
- **Membership Dues**
- **Other Income**

- **Program Services**
- **Management & General**