

MEDA PROMISE ACT LOAN CLIENTS–Lake Street

Hoyo, SBC, Midtown Global Market, Minneapolis, MN



Hoyo, SBC, a majority black and women owned food manufacturing business, was established in 2015. Hoya in Somali means "mother" and the company's mission is to empower local Somali mothers through Somali food. Hoyo was co-founded by Mariam and Halima Mohamed who had a passion to bring their favorite Somali foods to the broader consumer.

Their original products are beef and lentil (vegan) sambusa, fried triangular pastries filled with ground beef or lentils and spices, eaten every day in the Somali community. Hoyo distributes frozen sambusa to 70 retail outlets, primarily coops and grocery stores, restaurants and food services in Minnesota. Additionally, they provide products to 24 public schools with a Somali student population which want to diversify their lunch menus with food from the culture of their students.

Eight partners with 11 financing options, a MN PROMISE Act loan, and contributions from Hoyo and owner will cover \$1.46 million in development, construction, and equipment costs for a significantly larger production kitchen and office space at Midtown Global Market in Minneapolis. MEDA's PROMISE Act loan is specified for the build out costs of the kitchen space, including concrete floors, paint, HVAC, electrical, and plumbing.

The new location will increase Hoyo's production area by 225%. This additional capacity will allow them to serve 10 more school districts and expand into other regional grocery store chains. 2027 sales are dependent on growth beyond the local market to regional market. Efforts to expand into the national market begins in 2028. Hoyo anticipates adding 5 new employees to their current staff of 15.

Estimated Project Cost: \$1,601,188; MEDA Loan Amount: \$65,000



International Management, LLC (Midtown Minneapolis Hotel) – 2901 Chicago Ave. S., Minneapolis



Experienced hotelier, Jay Patel, acquired the Midtown Minneapolis Hotel in February 2020 and operated it until it was forced to close in April due to COVID. During the unrest following George Floyd’s murder, the hotel was used as a shelter, but during this period, the hotel was severely vandalized, resulting in over \$10 million in damages. While the entire property is being renovated, a PROMISE Act

loan through MEDA will cover costs for mechanical and electrical systems and flooring. Once fully renovated, the property will provide traditional hotel rooms on the first two floors. But due to its location as the epicenter between four surrounding hospitals: Abott Northwestern, Hennepin Health Care, Children’s Hospital, and University of Minnesota Medical Center, the upper floors will provide extended stay units expected to be rented by visiting doctors and nurses as well as families of long-stay patients. The hotel intends to open in late spring 2025 and add 53 new jobs.

Estimated Project Cost: \$10,581,330.34; MEDA Loan Amount: \$900,000



SMJ Real Estate, LLC (Lake & Bryant Café) 819-821 W. Lake St., Minneapolis



Co-owners Segundo, Maria and Jose are successful restaurateurs, specializing in authentic Latin American and Ecuadorian cuisine and wish to expand locations of their Galapagos Bar & Grill. The Lake & Bryant Café is a successful and growing restaurant, with a mix of loyal, local clientele, commuters, and tourists. The financing stack for the purchase of the building,

business acquisition, and technical assistance includes a PROMISE Act loan through MEDA, Bremer Bank, the City of Minneapolis CPDF, the Lake Street Council, Elevate Hennepin, and contribution from the owners. Segundo, Maria and Jose intend to initially keep the café's branding as they determine the best options for improvements and growth. They will retain the existing employees and intend to add three additional jobs.

Estimated Project Cost: \$1,122,781

MEDA Loan Amount: \$275,000



Ibyss, LLC (Abyssinia Cultural Center) 429 W. Lake St., Minneapolis



The Abyssinia Cultural Center is a business incubator space and event center. Owner Ibrahim (Abe) Demmaj believes in the revitalization of the Lake Street corridor and maximizing economic opportunities for local entrepreneurs. The event center has had significant interest from prospective clients, however, they have been unable to finalize many bookings due to insufficient parking. This has resulted in substantial revenue loss and prevented them from expanding their client base. With a PROMISE Act loan through MEDA, along with an owner's contribution and gap financing through African Development Center (ADC), Ibyss was able to purchase the adjacent parking lot. With this additional capacity, Abyssinia Event Center will be able to attract larger and more regular events and the

potential for strategic partnerships with local businesses for stable parking contracts. The additional business activity will create an estimated 20 new jobs.

Estimated Project Cost: \$1,200,000; **MEDA Loan Amount:** \$970,000

