**News Release**

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**For Immediate Release**

**A New Model for Economic Development:**

**Agencies Come Together to Offer Creative Opportunities to Small Towns and Entrepreneurs**

The local café has been a staple of the small town landscape as far back as anyone can remember. But with all of the challenges facing small town rural America, keeping these institutions operating or finding people willing and able to invest in these businesses is becoming more and more difficult. Recently, a group of economic development agencies worked together to keep one such business alive in Truman, Minnesota. Truman was facing the closing of its local café and would soon be faced with an empty building and no one to take it over.

In a creative and cooperative effort, the Regional Center for Entrepreneurial Facilitation (RCEF), Mankato; Martin County Economic Development Authority (MCEDA) IGNITE, Fairmont; Southern Minnesota Initiative Foundation (SMIF), Owatonna; Truman Development Corporation, Truman; and other organizations facilitated the sale of the café to Johnny Vuong and his wife Jialing, a Chinese immigrant family, for just $1.00.

Johnny Vuong came to the United States in the 1980s and settled in the Los Angeles area. He and his wife relocated to Minnesota in 2000. With over 25 years of restaurant and management experience, Vuong was looking for an opportunity to open his own restaurant. A chance remark to his realtor started a process that eventually allowed him to bring that dream closer to coming true.

Assistance with the sale of the building in Truman and the development of the China House Café came from the collaborating organizations in various forms. The Truman Development Corporation, a non-profit organization, had been running the old café for the better part of 13 years, leasing it from the owner. However, the individuals involved were no longer able to continue the arrangement, leaving the café’s future in question. After the Truman Development Corporation was deeded the property from the original owner a plan to sell the café and ensure its future began to take shape.

Truman Development Corporation Secretary Treasurer Monte Rohman said, “Everything came together at once. The volunteer running the café was no longer able to continue. Then the owner decided to deed the property to the development corporation. And finally, Johnny came along around that same time, expressing interest in the café. So from a timing perspective, it couldn’t have worked out better. Now we had to create the plan to sell the café in a way that the new owner was not overwhelmed with debt on the facility and had a good chance to succeed. We also contributed funds to replace the building’s roof.”

The RCEF then stepped in to help coordinate the sale of the café. Bryan Stading, RCEF’s Executive Director and Business Facilitator, served a key role in the effort. He said, “We came to the conclusion that RCEF would draw up an agreement that would give Johnny and his wife the café for a dollar, but if they closed for any reason within the first 10 years they would sell it right back to the city for a buck.”

Both the sale of the café for one dollar and the 10-year condition made the deal a win-win for all parties. The Vuongs got the chance to establish a business and the Truman Development Corporation had the reassurance and protection it desired.

The MCEDA IGNITE program assisted the project by providing connections to business consulting services as well as providing funding for the Café’s marketing efforts. According to Brent Schultze, MCEDA Chairman, other economic development organizations and cities can learn from this project and possibly replicate this model.

He said, “You certainly have to be willing and a little bit creative when you have opportunities in front of you, but you don’t have to do it all. There are other entities out there with which you can put your heads together to help businesses open in the first place, stay open, grow or whatever the situation may be.”

Another key source of funding for the China House Café came with the help of SMIF. Funds to purchase key equipment and inventory were obtained through the Minnesota Emerging Entrepreneurial Loan Program from the Minnesota Department of Employment and Economic Development (DEED). In order to receive such a loan, a qualifying agency like SMIF must administer it.

According to Marcia Haley, SBA Lending Director with SMIF, this project was unique and inline with the organization’s goals. She said, “SMIF wants to assist towns in starting or keeping businesses that are important to their area. This can be challenging, especially for smaller towns. We had looked at two programs for this project, one through the Small Business Administration and one through DEED. The DEED loan program was really geared toward this type of project so we pursued that. The joining of five funding partners plus RCEF all collaborating on how to keep an important business in the small town of Truman was distinctive.”

Other contributing organizations included Profinium Bank, Truman, MN, and the City of Truman Economic Development Authority.

With the collaborative effort ultimately successful, the China House Café opened on May 19th and serves both Chinese and American cuisine. Vuong is very eager to build his business and looks forward to being an active member of the Truman community.

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