

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2520

(SENATE AUTHORS: HAWJ and Pappas)

DATE	D-PG	OFFICIAL STATUS
03/13/2025	766	Introduction and first reading Referred to Transportation
04/01/2025		Comm report: To pass as amended and re-refer to Jobs and Economic Development

1.1

A bill for an act

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relating to transportation; employment and economic development; appropriating

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money for construction mitigation grants to businesses affected by construction

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on Arcade Street and East 7th Street in the city of St. Paul; requiring a report.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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Section 1. ARCADE STREET AND EAST 7TH STREET CONSTRUCTION

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MITIGATION GRANTS.

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Subdivision 1. Establishment. The commissioner of employment and economic

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development, in consultation with the commissioner of transportation, must make grants to

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nonprofit corporations and community development financial institutions in St. Paul to

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award financial assistance to qualified businesses affected by construction and redesign

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projects on Arcade Street and East 7th Street for the purpose of maintaining the business

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during the project.

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Subd. 2. Definitions. (a) For purposes of this section, the following terms have the

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meanings given.

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(b) "Arcade Street and East 7th Street redesign and construction project" or "project"

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means the construction and redesign along Arcade Street and East 7th Street in the city of

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St. Paul by the Department of Transportation.

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(c) "Qualified business" means a business that employs no more than 25 full-time or

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part-time employees and experiences substantial business impacts as a result of the project.

(d) "Substantial business impacts" means impairment of road access, parking, or visibility for one or more qualified businesses as a result of the project, for a minimum period of one month.

Subd. 3. Grant awards. (a) The commissioner of employment and economic development must enter into an agreement with nonprofit corporations and community development financial institutions in St. Paul with familiarity and experience in economic development activities on the east side of St. Paul. Upon agreement with the commissioner, the selected nonprofit corporation or community development financial institution must prioritize the awarding of each grant on a case-by-case basis, including but not limited to the following criteria:

(1) rate of decline in revenue;

(2) duration of construction;

(3) proximity of construction;

(4) severity of traffic disruption; and

(5) lack of access for pedestrian and bicycle traffic.

(b) When determining grant awards, the commissioner of employment and economic development must consult with the commissioner of transportation and with the business liaison designated for the project under Minnesota Statutes, section 160.165.

(c) Grant money awarded under this section may be used for employee payroll expenses, operating expenses, or facilities expenses. Grant awards must not be used for bonuses; new equipment, furniture, or capital improvements; or construction or expansion.

Subd. 4. Report. By January 15, 2027, and annually thereafter on January 15 until the project is completed, the commissioner of employment and economic development must submit a report on the grants awarded under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development and transportation finance and policy. At a minimum, the report must include a complete list of grants awarded in the previous calendar year, including business names and addresses, types of businesses, and the amount of each award.

Sec. 2. APPROPRIATION.

\$2,200,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of employment and economic development for the grant awards in section 1. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may retain up to two

- 3.1 percent of this appropriation for administrative costs. This is a onetime appropriation and
- 3.2 is available until June 30, 2029.