



FY25 Trunk Highway 61 Construction Mitigation Program Report

As required by 2025 Minnesota Laws 1st Special Session, Chapter 8, Article 1,
Subd. 6, Sec. 7 (c)

January 9, 2026

Contact Information

MN Department of Employment and Economic Development
Great Northern Building
180 East 5th Street
St. Paul, MN 55101

Brandon Toner

Director, Community Partnerships
brandon.toner@state.mn.us

651-259-7040

As required by Minnesota Statute 3.197: This report cost approximately \$552.08 to prepare, including staff time, printing, and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille, or audio recording. Printed on recycled paper.

Table of Contents

Program History	4
Legislative History	4
Overview	4
Eligibility and Review Process	4
Limited Resources & Random Selection	5
Types of Businesses – Priority I	5
Types of Businesses – Priority II	5
Background Data	6
FY25 Program Results	6
Conclusion	8

Program History

The Arcade Street Mitigation program was created in 2025 to provide onetime financial assistance in equal amounts of up to \$5,000 to qualified businesses adversely affected by the Department of Transportation's redesign and construction project along marked Trunk Highway 61. This highway is also known as Arcade Street. The program and grant funds were assigned to East Side Neighborhood Development Company (ESNDC) to administer. ESNDC is responsible for program development including creating guidelines for eligibility, developing the application process, assisting small business owners with the application, ranking the applications and determining the eligibility of all applicants, and executing the grants agreements between ESNDC and small business owners who are awarded the funds. ESNDC is also responsible for collecting support documents from the recipients, distribution of grants to eligible businesses, accounting, tracking and reporting.

The Department of Employment and Economic Development, in consultation with the Department of Transportation, oversees the funding for the State. East Side Area Business Association was also instructed to be consulted in the process of awarding funding.

Legislative History

Funding for this program was created in 2025 in 2025 Minnesota Laws 1st Special Session, Chapter 8, Article 1, Subd. 6, Sec. 7 (c) and appropriated for State Fiscal Year 2026.

Overview

Arcade Street (or Trunk Highway 61) is currently under construction from East 7th Street to Roselawn Avenue East. The construction is disrupting many businesses along that corridor and funding is intended to help support businesses during this period. Businesses qualified for grant funding if they experienced impairment of road access, parking, or visibility as a result of the project. Financial assistance provided under the program was to be used for employee payroll expenses, operating expenses, or facilities expenses. The funding was not to be used for bonuses, new equipment, furniture, capital improvements, construction, nor expansion.

Eligibility and Review Process

All businesses must meet the following criteria to qualify:

- Employ no more than 25 full-time equivalent employees
- Be currently active and operating on Arcade Street (Trunk Highway 61) from East 7th Street to Roselawn Avenue East and within 300 feet of the construction site
- Be registered with the Minnesota Secretary of State
- Be in good standing with the Minnesota Department of Revenue
- Be operating in a commercial building
- Be owner-operated: meaning that the owner is actively involved in the day-to-day operations
- Be negatively impacted by restricted road access, loss of parking, and limited storefront visibility because of construction

The review process was rooted in direct community outreach through existing relationships with the businesses and ESNDC's internal intake/client files. ESNDC has worked with many of these business owners previously through ETAP or other program areas. As a result, they were able to confirm several eligibility criteria (operational status, owner-operated structure, location within the corridor, commercial occupancy, and

construction impact) through site visits, conversations, and documentation they provided directly during technical assistance (TA) engagements.

For items like state registration and good standing, businesses provided confirmation through the Secretary of State lookups and direct attestations. ESNDNC did not collect any tax records in this review. All of the information was gathered either through direct business engagement or publicly available state resources.

ESNDNC created and retained a due diligence checklist for each business that received a grant. The criteria on the checklist match the program eligibility list and a business must meet all of them in order to receive funding.

Limited Resources & Random Selection

The intake process revealed that there were more potential applicants for grants than available financial resources. The number of applicants exceeded the number of grants available. Eligible businesses were categorized as either Priority I or Priority II. The prioritization criteria is detailed below. ESNDNC utilized a lottery system for the selection process to enhance fairness. Applicants are required to retain documentation for a minimum of six years on how the grant was utilized. This documentation verifies that funds were used exclusively for the eligible uses identified in the grant guidelines.

Types of Businesses – Priority I

Priority I businesses are identified as those that rely on walk-in traffic and customer-facing business where a company's employees directly engage with customers on a daily basis such as:

- Retail Store/ Grocery Store/ Bakery
- Hospitality: Hotel/ Motel, Bar/ Pub/ Tavern/ Event Venue
- Restaurant/ Deli
- Barber Shop/ Hair Salon/ Nail Salon/ Tattoo Artist
- Financial Service: processes financial transactions/ bill paying services
- Car Sales & Service/ Auto Mechanic
- Fitness Center/ Gym
- Dry Cleaners/ Laundromat
- Medical Clinic/ Dentist/ Optometrist/ Chiropractor/ Veterinarian
- Cell Phone Sales & Services
- Other types of businesses that fit the criteria

Types of Businesses – Priority II

Priority II businesses are identified as those that do not rely exclusively on customer-facing foot traffic and may conduct business via telephone transactions, various online applications, remotely, and at off-site locations. Priority II businesses include those that manufacture goods that are not sold on-site or provide repairs to items that are delivered to the business, such as:

- E-commerce businesses
- Shipping businesses or delivery service
- Service-based businesses like accounting and insurance that can be delivered remotely through phone calls, video calls, and online tools
- Wholesale businesses that supply products to retailers
- Light Manufacturing
- Product Repair or Reconditioning

- Construction Contractor
- A nonprofit corporation that earns revenue in similar ways to a business through customer sales
- Other types of businesses that fit the criteria

Background Data

ESNDC is a nonprofit serving the East Side of St. Paul. For over 45 years their mission has been to foster a safe, diverse, and thriving neighborhood by engaging the community to create healthy, affordable housing and support commercial development. ESNDC has extensive experience in managing public funds including St. Paul Neighborhood Star Funds, HUD CDBG Funds, Ramsey County BizRecycling Program, DEED Small Business Assistance Program, and Minnesota Department of Health Swab Team Services Grant.

FY25 Program Results

Table 1. FY25 Program Results

Business Name	Street Address	Award Amount	Business Type
A1 Cuts	1215 Arcade St	\$5,000.00	Barbershop
Alldrive Auto Sales, LLC	1265 Arcade St	\$5,000.00	Car Sales/Service
Angels Beauty Supply and Braiding Shop, LLC	915 Arcade St	\$5,000.00	Hair Salon
Arcade Animal Hospital	1144 Arcade St	\$5,000.00	Veterinarian
Arcade Auto Body	1144 Arcade St	\$5,000.00	Car Sales/Service
Arcade Bar	932 Arcade St	\$5,000.00	Hospitality
Arcade Wine & Spirits, LLC	1100 Arcade St	\$5,000.00	Retail Store
Arcade-Phalen American Legion	1129 Arcade St	\$5,000.00	Non-profit
Barbers Temple Supply	858 Arcade St	\$5,000.00	Retail Store
Berger's Furniture Refinishing Inc	1023 Arcade St	\$5,000.00	Product Repair
Beyond Tobacco	989 Arcade St	\$2,500.00	Retail Store
Cham Auto LLC dba Arcade Auto Repair	1346 Arcade St	\$5,000.00	Car Sales/Service
Chiro Health Clinic, PA	1132 Arcade St	\$5,000.00	Medical Clinic
Elite Care Chiropractic, PA	1132 Arcade St	\$5,000.00	Medical Clinic
Empire Home Care Services LLC	1440 Arcade St	\$5,000.00	Home Health Care Services
Express Tax Services	1440 Arcade St	\$5,000.00	Financial Service
Family Foods Market	950 Arcade St	\$5,000.00	Retail Store

Business Name	Street Address	Award Amount	Business Type
Far East Restaurant	959 Arcade St	\$5,000.00	Hospitality
Genesis Auto Repair	1324 Arcade St	\$5,000.00	Car Sales/Service
Glamorous Barber Shop	1085 Arcade St	\$5,000.00	Barbershop
Go Auto Sales and Repair	1445 Arcade St	\$5,000.00	Car Sales/Service
Greater Midwest Insurance Agency	1014 Arcade St	\$5,000.00	Financial Service
Health & Wellness Chiropractic Clinic	1109 Arcade St	\$5,000.00	Medical Clinic
INS Professional Agency	1408 Arcade St	\$5,000.00	Financial Service
J & J Beauty Supply	894 Arcade St	\$5,000.00	Retail Store
Kitos Auto Sales & Repair	1103 Arcade St	\$5,000.00	Car Sales/Service
Kongs Kitchen	1098 Arcade St	\$5,000.00	Hospitality
L & R Service, Inc.	944 Arcade St	\$5,000.00	Car Sales/Service
Lácteos Mi Chalatenango	1219 Arcade St	\$5,000.00	Retail Store
Lee Custom Upholstery, Inc.	923 Arcade St	\$5,000.00	Product Repair
Los Gallos VIII, Inc.	902 Arcade St	\$5,000.00	Financial Service
Lovely Berd Salon	1045 Arcade St	\$5,000.00	Hair Salon
Madosu Beauty Supply and Clothes	1083 Arcade St	\$5,000.00	Retail Store
Metro Wireless, LLC	1049 Arcade St	\$5,000.00	Retail Store
Odi African Hair Braiding	1081 Arcade St	\$5,000.00	Hair Salon
Rowena's Kitchen dba Bay Bay's Eastside Eatery	1087 Arcade St	\$5,000.00	Hospitality
Samena's Ultimate Touch	928 Arcade St	\$5,000.00	Barbershop
Sensual Lingerie	961 Arcade St	\$5,000.00	Retail Store
Sir Cerresso Fort Boxing and Fitness dba Sir Boxing Club	965 Arcade St	\$5,000.00	Fitness Center
Sota Soul	971 Arcade St	\$5,000.00	Hospitality
St. Paul Laundromats, LLC dba Arcade Laundromat	979 Arcade St	\$5,000.00	Laundromat
Sun Moon Boba & Café, LLC	1440 Arcade St	\$5,000.00	Hospitality
Thai Heat	962 Arcade St	\$5,000.00	Hospitality

Business Name	Street Address	Award Amount	Business Type
Thee Braid Spa	1045 Arcade St	\$5,000.00	Hair Salon
VIP Cutz	912 Arcade St	\$5,000.00	Barbershop
Vogel's Lounge	1112 Arcade St	\$5,000.00	Hospitality
Vue Eye Clinic, LLC	1165 Arcade St	\$5,000.00	Medical Clinic

Conclusion

In total, 47 small businesses received funding from this program. Every grantee experienced negative economic impacts as a result of the Trunk Highway 61 construction project. The funding received will support these businesses and allow them to balance out lost revenue or increased expenses.