



TO: Senator Bobby Joe Champion, Chair, Jobs & Economic Development
Senator Jen McEwen, Chair, Labor & Industry
Senator Zaynab Mohamed, Vice Chair, Jobs & Economic Development
Senator Grant Hauschild, Vice Chair, Labor & Industry
Senator Heather Gustafson, Vice Chair, Education & Finance
Representative Hodan Hassan, Chair, Economic Development
Representative Jay Xiong, Chair, Workforce Development Finance & Policy
Representative Mike Nelson, Chair, Labor & Industry
Representative Kaela Berg, Chair, Labor and Industry Finance and Policy
Representative Liz Olson, Chair, Ways & Means

FROM: The Midway Chamber of Commerce

DATE: 5/3/23

RE: HF 3028 and SF 3035

Dear Members of the Omnibus Jobs and Labor Conference Committee,

The Midway Chamber of Commerce is fully supportive of the efforts in HF 3028 and SF 3035 to bring much-needed investment in important commercial corridors, including University Avenue in Saint Paul.

Since 1919, the Midway Chamber has been a voice for the Midway business community, and the greater community as we strive to "Build a stronger Midway." The Midway and University Avenue specifically has seen many changes through the years- a baseball stadium, street cars, and several car dealerships have all made way for a soccer stadium and transit-oriented development near a light rail line. But one thing has always remained: we are a community of small businesses. For most of our history, that small business community has been largely made up of immigrants and BIPOC owners.

Along with the rest of the world, in spring 2020 our businesses were struggling with a global pandemic. Then civil unrest hit our community as it did so many others after the murder of George Floyd. Our community banded together and showed support for those businesses- some who lost everything. The Midway Chamber, along with the Saint Paul Area Chamber and the Saint Paul Downtown Business Alliance, formed a fund which raised and gave out over \$1.3 million to those directly impacted. We are proud of the work we did but know there are others who remain in need and parcels along and near University still in need of redevelopment.

We believe the Empowering Enterprise Program and the PROMISE Act would allocate needed resources to entrepreneurs in our community.

Specifically, **we believe the Empowering Enterprise Program will foster a stronger, more flexible approach to economic development by expanding the capacity of local community and business groups across each commercial corridor through direct funding allocations.**

It would allow the Midway Chamber and other partner organizations to continue providing critical strategic assistance to individual businesses; securing physical area improvements; and supporting programming and community engagement initiatives that help draw visitors to our vibrant commercial corridor.

The Midway Chamber would use this funding allocation to directly support our small businesses in need of funds.

- The We Love Saint Paul We Love Midway fund gave over \$1.3 million to businesses following civil unrest, while other funds also provided financial support. Funds such as the Neighbors United Funding Collaborative continue to accept applications for more businesses.
- 70% of businesses receiving grant awards were BIPOC-owned businesses
- 58% of these businesses had annual revenue of less than \$500,000 per year.

We would like to suggest the following recommendations for the Empowering Enterprise Program, which we believe will make it an even more effective recovery tool:

- Consider increasing the \$500,000 funding cap, specifically for redevelopment projects, to several million dollars. This increase would match up with the current financing gaps we are tracking on rebuilding projects along our corridor.

In addition, we believe the Senate proposal language is missing critical funds for real estate redevelopment projects in the form of forgivable loans and grants. The Main Street Fund was very helpful for many, though more remain in need. In Saint Paul, over 80 applications were received with 56 who met the criteria. Of those 56, there was \$8 million more requested than funds available and so far 22 projects have received funding.

The Midway Chamber supports raising the revenue cap so more businesses are eligible. While we love our smallest businesses, we do not want to hinder growth of others who employ more residents and have a great opportunity to build community wealth.

More than 1,500 businesses were impacted by the Civil Unrest which followed the murder of George Floyd, resulting in over \$500 million in damages - making it the second most expensive civil disturbance in U.S. history. Many organizations like the Midway Chamber responded immediately to this crisis to help businesses get back on their feet, but more support is still needed. We cannot let another construction and legislative session end without passing a catalytic corridor recovery legislation.

This year, the legislature has the opportunity to invest in critical real estate development projects that are being driven by local, primarily BIPOC entrepreneurs. This type of funding would provide critical community services, generate equitable wealth-building opportunities for BIPOC residents and entrepreneurs, and allow several businesses and organizations displaced by the unrest to finally return to University Avenue. This support could create longtime, multi-generational success.

The historic budget surplus presents a unique opportunity to support this full recovery and make a generational impact on the future of University Avenue and other commercial corridors across the Twin Cities.

I urge you to support legislation that invests in small businesses, the Midway Chamber of Commerce, and the University Avenue corridor.

Please let me know if you have any questions at 612-414-1934 or chad@midwaychamber.com.

A handwritten signature in black ink, appearing to read "Chad Kulas". The signature is written in a cursive, slightly slanted style.

Chad Kulas

Executive Director