



Neighborhood Development Center

BUILDING NEIGHBORHOOD ECONOMIES FROM WITHIN

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Members of the Senate Jobs and Economic Development Committee
Minnesota State Capitol
75 Rev Dr Martin Luther King Jr Boulevard
St Paul, MN 55155

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Renay Dossman
President & CEO, Neighborhood Development Center
625 University Avenue W.
St. Paul, MN 55104

Dear Members of the Senate Jobs and Economic Development Committee,

Neighborhood Development Center (NDC) is a non-profit, federally regulated Community Development Financial Institution (CDFI) that annually works with 800+ entrepreneurs across the Twin Cities, delivering 2,500 hours of technical assistance, and deploying \$5MM in loans each year. NDC founded and continues to own Midtown Global Market, an indoor public marketplace located on 920 E Lake St, which serves as a vibrant gathering place for community members of all backgrounds. The agency also owns and manages four affordable commercial spaces on key corridors in St. Paul.

Within the last two months, the presence of federal enforcement across NDC's service area has disrupted economic local activity. To quantify the impact, **NDC launched a rapid impact survey and outreach effort to understand how entrepreneurs were affected and what support was most urgently needed.**

Of the 139 businesses who responded:

- **64% rated the severity of impact as *high or critical***, with restaurants, immigrant-serving retail, personal service providers, and home health businesses among the hardest hit.
- The total number of employees in businesses who responded as high or critical is 352, signaling that 352 jobs are currently at risk
- **Many report monthly losses between \$2,000 and \$15,000, while restaurants and event-based businesses cite losses exceeding \$20,000–\$50,000 per month.** Some report losses as high as \$70,000–\$100,000 due to event cancellations.
- **Entrepreneurs consistently report little to no income**, difficulty paying rent and utilities, and an inability to maintain payroll—**placing many at imminent risk of closure.**
- **The average monthly loss was \$8447 across all sectors.**
- **Nearly 80% of respondents identified emergency financial assistance as their top priority**, followed by

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rent and utility support and short-term business consulting.

In addition to our rapid impact survey for clients, **NDC is exploring options to cover rent for tenants in our 5 NDC incubator spaces, including Midtown Global Market (MGM).** This rent relief is the only way that we see MGM businesses recovering from this economic disruption. The following amounts reflect costs of providing a rent discount specifically for the 40 MGM business tenants, which would be as follows:

- Cost of **one month** of 50% rent reduction: \$48,951
- Cost of **three months** of 50% rent reduction: \$146,856
- Cost of **six months** of 50% rent reduction: \$293,712

NDC anticipates providing **50% rent discount at each of its properties, totaling nearly \$425,000. MGM accounts for 70% of rents** collected across 5 NDC incubator spaces.

To begin funding for this rent relief, **NDC has launched an Emergency Relief Fund**, which will provide commercial rental assistance and loan modifications for current tenants and borrowers. We are also one of seven organizations partnering with **the Minneapolis Foundation to administer grants through their Economic Response Fund.** However, the financial need of entrepreneurs far exceeds the private funding raised to date, and public funds are needed to protect small businesses and the jobs they create across the state.

NDC will continue to stand with small businesses that contribute to significant local economic activity, generate jobs, and increase safety in the Twin Cities. We encourage members of the Senate Jobs and Economic Development Committee to partner with us and other community-based organizations to ensure that small businesses have the resources they need to recover and thrive following this period of disruption.

Thank you,

Renay Dossman

Chief Executive Officer and President

Neighborhood Development Center