

**Metro**

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Metropolitan Transportation Authority

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**REVISED
PLANNING AND PROGRAMMING COMMITTEE
APRIL 17, 2013
CONSTRUCTION COMMITTEE
APRIL 18, 2013**

**SUBJECT: REVIEW OF BUSINESS ASSISTANCE PROGRAMS DURING
CONSTRUCTION OF LIGHT RAIL TRANSIT**

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file review of business assistance programs.

ISSUE

In response to a Metro Board motion concerning Metro's Community Benefits Program for the Crenshaw/LAX Transit Corridor, staff has researched various construction impact and business assistance programs implemented by North American transit properties.

DISCUSSION

Key Elements of Business Assistance Programs

Our research identifies similarities in key elements of light rail transit business assistance programs in Seattle, Phoenix, Houston and Minneapolis. The research revealed that Metro's existing Construction Relations Program (which is the subject of complementary Board report) conducts all of the same activities that are considered best practices and remain within the expenditure guidelines set forth in the Federal Transportation Administration policy 2CFR Part 225.

(1) Communication & Outreach with impacted Business Community

(2) Access to businesses, Parking and Traffic Mitigation

- (3) *Construction Guidelines identifying schedule, access planning, 3rd party coordination*
- (4) *Promotional Programs for Businesses*
- (5) *Community Stakeholder Committees*
- (6) *Provision of Knowledge-Based Resource Expertise to Business Interests*

In addition to the non-financial assistance, the research identified a number of instances where agencies established business mitigation funds that relied substantially on local funding sources. Each of these established a strict set of guidelines to qualify. There were various levels of success in businesses being able to meet the qualifications. Most notably and most recently, during the course of project construction of Sound Transit's 15.7 mile extension to the airport, the agency coordinated with the City of Seattle and Kings County in the development of a \$50 million business assistance fund that included \$15 million in mitigation grants. The remainder of the funds came under the management of the Rainier Valley Community Development Program which was established to provide small business and real estate loans. To date, approximately \$25 million has supported about 50 small businesses and not for profit organizations with small business and real estate loans. The program is managed by a Board that includes support by City of Seattle financial expertise. The Board is responsible for adherence to the qualifications and terms set forth in the policy guidelines. The City of Seattle committed \$40 million in funding and Kings County an additional \$7 million. Sound Transit has been most forthcoming and available to Metro staff in providing the details of their program implementation. Substantially, the Rainier Valley alignment traverses diverse, low income communities.

Metro Practice

Attachment A is a Matrix illustrating Metro's past construction impacts mitigation practices for transit project construction. It is important to note that the agency has never included a direct payment program to businesses to augment revenue during the course of system construction. No transit project funding has been used to support measures that were not included in the project budget as mitigations required by the Contractor resulting from the Final Environmental Impact Report and Final Environmental Impact Statement (FEIR/FEIS). With the Orange Line, the agency shifted to a Contractor Controlled Insurance Program rather than an Owner Controlled Insurance Program. Through implementation of this method, the responsibility of mitigation measures have become more clearly defined as the province of the Contractor.

Current Metro Practice

Metro's Construction Mitigation Program for Transit Projects is the subject of Board Agenda Item **20** which provides a detailed summary of the scope of Metro's Model for Construction Relations role as liaison to the public during the course of transit construction. Consistent with past agency practices, there is no provision for augmenting revenue for small businesses related to construction activity and impacts.

DETERMINATION OF SAFETY IMPACT

Receiving and filing of this item will have no impact on safety.

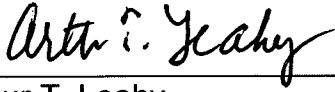
ATTACHMENTS

A. Matrix of Past Practices

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Lynda Bybee
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Arthur T. Leahy
Chief Executive Officer

ATTACHMENT A

Metro Project Mitigation Programs

Projects	Mitigations	Special Programs	Effectiveness
Blue Line	Per the FEIR	Labor Apprenticeship Program	Produced successful career path opportunities
Green Line	Per the FEIS/FEIR	None	
Red Line MOS 1	Per the FEIS/FEIR	Agreement between Agency and East-West Federal Bank for financial services re: the Construction Enhancement Loan Program, Commercial Loan program for businesses during rail construction; required qualifications and repayment with three loan fund types; under \$50,000; \$50,000 to \$300,00 and Real Estate Loans from \$300,000 - \$1 Million	Only 4 businesses participated in the program. Discontinued based on limited participation.
Red Line MOS 2	Per the FEIS/FEIR	Hollywood Construction Impact Program was locally funded and implemented in conjunction with the CRA to provide security, cleaning, additional parking, lighting and other construction mitigations related to street closures for events and accelerated final paving of Hollywood Blvd.	Effectively improved major areas of concern for the community especially enhanced security and cleanliness on the Boulevard.
Red Line MOS 3	Per the FEIS/FEIR	Hollywood Construction Impact Program (MOS 3 included Hollywood corridor)	Same as above in Hollywood Corridor segment
Orange Line	Per the FEIS/FEIR	None	
Gold Line Eastside Extension	Per the FEIS/FEIR	None	