



Metro

Los Angeles County
Metropolitan Transportation Authority

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**REGULAR BOARD MEETING
DECEMBER 5, 2013**

SUBJECT: SMALL BUSINESS ASSISTANCE PROGRAM

ACTION: RECEIVE AND FILE STATUS REPORT

RECOMMENDATION

Receive and file status report on development of pilot program to assist small businesses between 48th and 60th Streets during construction of the Crenshaw/LAX Light Rail Project.

ISSUE

In Board Motion 19.1 (July 25, 2013) (Attachment A), the Board asked Metro's CEO to direct staff to investigate successful business loss mitigation programs in connection with construction of transit projects in various metropolitan areas; evaluate programs that were successful; and, take other actions to explore possible funding for a program to assist small businesses along the Crenshaw corridor between 48th and 60th Streets in Los Angeles during construction of the Crenshaw/LAX Light Rail Transit Project. Staff has completed the requested investigation and this status report provides an update on its findings. Due to changes in executive staffing at Metro and the associated need for review of the proposed initiative, staff anticipates completing the additional actions requested by the Board in time for the January Board meeting.

DISCUSSION

Background – Construction Mitigation and Small Business Assistance Programs

Staff review of programs in other jurisdictions revealed that there is a distinction between "construction mitigation" programs and "small business assistance" programs. Construction mitigation efforts addressed signage, way-finding, construction notices, outreach, access and parking alternatives. Small business assistance consisted of additional funding for grants and loans, as well as business counseling services - all provided by government and community partners other than the transportation agencies building the transit projects. Small business assistance in the latter context can be

characterized as community development, above and beyond construction mitigation. This distinction is critical to understanding the scope of programming that could be offered by Metro and others to help small businesses during construction.

Metro is legally constrained by federal, state and local (Measure R) funding conditions which require funds to be used in accordance with the terms of specified transportation programs and projects. Of note, the small business assistance programs that provided direct financial assistance resulted from partnerships with cities, counties, institutions and nonprofits which provided the funding. Of the nine jurisdictions studied, only Houston set aside a portion of transit operating revenue from fares in order to provide loans.

Research Results

After researching and evaluating mitigation and small business assistance programs as requested (Attachment B), two key components were crucial to the success of several programs (where success was defined as preventing vacant storefronts and keeping most businesses going during construction):

- (1) A central point of contact (such as a nonprofit, a city government or a bank partner) for facilitating matching of resources with small businesses was an effective way to empower business communities in transit construction corridors before, during, and in some cases after construction of a project.
- (2) Non-transportation agency partners provided consulting and funding opportunities. Both the clearinghouse and the addition of non-transportation agency services and funding opportunities enabled businesses to sustain operations during construction.

Based upon this research, staff maintains that in addition to Metro's Model Construction Relations program adopted by the Board in July 2013 (Attachment C), small business assistance for the Crenshaw corridor should focus on leveraging Metro's investment in this construction project and the hiring of the first ever Business Liaison on a Metro transit project. This Business Liaison's mission would be to prioritize matching small businesses with resources in three categories:

- (1) Existing construction mitigation programs offered by Metro or its contractors;
- (2) Existing programs to assist small businesses offered by public or private community partners; and,
- (3) Potential funding resources made available through new partnerships with City, County and other governmental agencies and departments, the non-profit sector and the private sector.

NEXT STEPS

1. The Crenshaw/LAX Project Business Liaison will identify and seek input from small businesses and civic organizations in the Crenshaw Corridor on potential needs of small businesses before and during construction of this project. If possible, the Business Liaison will obtain information that could help to qualify each small business for business loans or grants.
2. To leverage Metro's investment in the Crenshaw/LAX Light Rail Project, the Business Liaison will explore potential partnerships with Crenshaw Corridor cities and the County of Los Angeles, as well as with other public and private agencies and organizations, to fund a pilot program of small business assistance for the Crenshaw Corridor.
3. For the January 2014 Board meeting, the Business Liaison, Chief Communications Officer and Metro staff will present to the Board findings and recommendations for a small business assistance program in the Crenshaw Corridor. The goal is to create a model program that can be a template for other Metro transit projects.

ATTACHMENTS

Attachment A – Board Motion 19.1 (July 25, 2013)

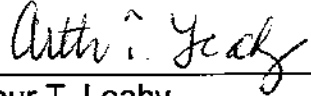
Attachment B – Matrix of Mitigation and Small Business Assistance Programs in other jurisdictions

Attachment C – Model Construction Relations Program adopted by Board (July 25, 2013)

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Noelia Rodriguez
Chief Communications Officer



Arthur T. Leahy
Chief Executive Officer

19.1 APPROVED RIDLEY-THOMAS MOTION that:

- A. Metro continue to investigate successful Business Loss Mitigation Programs in Seattle, Minneapolis and other metropolitan areas, and to catalog and evaluate specific programs that are proved to be successful.
- B. Metro shall work with the City of LA and the County of LA to explore possible funding for such a program if it is deemed feasible and seek public and private partnerships to facilitate in this effort.
- C. Prepare recommendations for a Small Business Loss Mitigation Fund specifically targeted to assisting small and locally-owned businesses along the Crenshaw/LAX Transit Corridor between 48th Street and 60th Street in Los Angeles.
- D. Report back to the Board in 60 days with these recommendations.

Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
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31. **AWARDED** a ten-year firm fixed rate contract, Contract No. OP133367106, to Clean Energy for the **Operation and Maintenance (O&M) services of Compressed Natural Gas fueling stations at Divisions 2, 8, 9 and 15** for an amount not-to-exceed \$24,958,700 effective August 1, 2013.

Y	Y	C	Y	A	C	Y	Y	Y	A	Y	Y	Y
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32. **AWARDED** a 24-month, firm fixed price contract under Bid Number 13-0039 to the following lowest responsive and responsible bidder for **bus differentials** for an amount not-to-exceed \$4,346,606 inclusive of sales tax and a one-year option:

- A. Axletech for line items 1 (Oil Seal), 2 (Seal Assembly), and 6 (Hub Assembly w/Studs) for a total contract value of \$794,561;

(Continued on next page)

ATTACHMENT B

Summary of Construction Mitigation and Small Business Assistance Programs Associated with Selected Transit Projects in the United States

		TYPES OF CONSTRUCTION MITIGATION AND BUSINESS ASSISTANCE PROGRAMS							Source of Funds for Direct Financial Assistance
City/Region	Associated Project	Community Relations	Traffic and Parking Mitigation	Marketing Assistance	Business Program Coordination / Technical Assistance	Direct Financial Assistance			
						Grants	Loans		
Dallas, TX	LRT System Expansion	X	X						
Denver, CO	4 LRT Corridors	X	X						
Houston, TX	LRT on 3 corridors	X	X	X				Interest-free	Set-aside from transit fares
Minneapolis, MN	Central Corridor LRT Project	X	X		X			No-interest forgivable	Various federal, state, county, and local city sources
Phoenix, AZ	LRT Line	X	X	X	X			X	Partnership between Corridor Cities and local banks
Portland, OR	Yellow Line LRT	X	X	X	X			Low interest	Portland Development Corporation
Salt Lake City, UT	North-South Line	X	X	X	X			Low Interest	Contractor
Seattle, WA	Central Link Light Rail Transit Corridor	X	X	X	X		X	X	County (\$7 million); Federal Community Development Block Grants (CDBG) (\$43 million)
San Jose, CA	Reconstruction of Downtown Transit Mall	X	X	X				X	San Jose Redevelopment Agency

**Metro**Los Angeles County
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metro.net**PLANNING AND PROGRAMMING COMMITTEE****MAY 15, 2013****CONSTRUCTION COMMITTEE****MAY 16, 2013****SUBJECT: METRO CONSTRUCTION MITIGATION PROGRAM FOR TRANSIT PROJECTS****ACTION: APPROVE STAFF RECOMMENDATION TO ESTABLISH METRO'S CONSTRUCTION RELATIONS MODEL AS THE STANDARD PROGRAM IN SUPPORT OF CONSTRUCTION MITIGATION FOR ALL TRANSIT PROJECTS****RECOMMENDATION**

Staff recommends the Board approve a Model Construction Relations Program that has been deployed in support of all major transit projects commencing with the Orange Line. Approval of this Model will establish the agency's commitment to implement those mitigation measures identified in the Final Environmental Impact Statement and Final Environmental Impact Report (FEIS/FEIR) for each project. The Model Construction Relations Program is structured to conform with the expenditure guidelines set forth in the Federal Transportation Administration 2 CFR Part 225.

Staff recommends that clear agency guidelines be provided to aid in managing public expectations for the scope and breadth of project activities that may be conducted to address the rigors and impacts of construction as the projects proceed. It is necessary to ensure that any such activities are consistent with federal and state funding requirements and that mitigation measures are consistent with the obligations set forth in the adopted environmental documents as they are implemented in the affected communities.

ISSUE

During the outreach phase of a project, the public is made aware of the potential impacts that accompany construction of a new transit system. These impacts may include, but are not limited to, noise, dust, access, visibility, potential parking limitations

and traffic detours. These impacts are documented in the FEIS/FEIR which describe the adopted set of mitigation activities to be implemented during the course of construction.

DISCUSSION

Metro's current practice on Major Capital Projects – Construction Relations

Currently Metro manages construction mitigation measures through its Project and Construction Management team in conjunction with the chosen Contractor and Construction Relations, a specialized group within Regional Communications that assembles a team to be matrixed to each major project. Its goals are to assist Metro's Project Delivery Department in conducting public outreach and work with Construction Management to maintain stakeholder communications while the Contractor implements its construction mitigation program. The structure for management of mitigation through Construction Relations is included in the Project Management Plan submitted to and approved by the FTA when federal funding is involved. This plan includes staffing recommendations as well as identification of roles and responsibilities for liaison functions to the community, the project team and intra-departmental coordination with other communications departments such as public relations, design and marketing.

As a member of the Project Management Team, Construction Relations advises the Project Director on communications and outreach strategies and provides oversight on, intradepartmental communications for external messaging that includes approval and production that aligns with the agency's communications protocols.

Pre-Construction Coordination

In advance of construction commencing, Construction Relations assists the Project Director with the following:

- Continue coordination with any community based committees that have been formed in advance of or may be formed during the construction phase of the project.
- Liaison with community stakeholders and the Contractor on the coordination of preconstruction.
- Prepare public notifications for advanced utility relocation, geotechnical borings and the locating of utilities. Facilitate outreach with stakeholders and elected officials in support in coordination with Metro's Third Party Group in obtaining night time noise variances, peak hour and holiday moratorium exemptions.

Business Surveys and Options for Promotion

In advance of construction start, Construction Relations compiles a catalog of existing businesses immediately adjacent to the project alignment where most construction activity is anticipated to occur. These surveys include:

- Profiles that identify facility access options, and how each business operates, receives deliveries, and serves its customer base. This information becomes part of the Construction Relations data base and has ongoing utility during the course

- of construction as the Contractor develops work plans in compliance with jurisdictional authority and other third party interests.
- Construction Relations has learned through project experience that local businesses reap benefits by encouraging businesses to participate in a Project Area Discount Program whereby businesses in project areas may promote free of charge on the project website. Construction Relations then seeks opportunities to drive web viewers to businesses along the project alignment to support local business.

Residents Preparation

Through a Construction Safety Awareness Training Program, Construction Relations seeks to educate the public on how to co-exist with major construction in their community. Various materials are used to reach the diverse demographics of the community's stakeholders.

Facilities Preparation

In dealing with large institutional facilities such as schools, health care or community centers, Construction Relations has found that in establishing advance coordination between the Construction Relations team and the facility often ensures that special access or environmental issues are better coordinated with Project and Contractor staff. This coordination may include special departments within school districts as well as site facility operations management, and may result in changes in access routes due to construction activities with the intent to reduce interruptions to the operation of the facility or those who rely on its services.

Public Outreach

Utilizing a full range of communication tools tailored to diverse communities, a strategic outreach plan is created to advise the public of construction activities. Methods include door-to-door distribution, email blasts and use of various social media. Public Outreach consists of providing the public advance notice of construction activities taking place on the public rights-of-way and providing construction progress updates, which the Project will also provide through the Project website. Providing the information in advance of construction fosters good will for the project with the community and allows the public to plan around the construction.

While construction notices are issued in advance for planned events that may generate an impact to the public (i.e. noise, vibration, road closures, and detours), Construction Relations also notifies the public of unplanned events (such as accidents or unanticipated project related closures/detours) through social media and the project website. Various other outreach methods and collateral material consisting of fact sheets, videos, renderings or other materials are developed to educate the public about a specific activity, a new phase of construction, or to promote project milestones. These materials are typically used to translate complex construction activities to the general public. Updates are also made available to the public through regularly scheduled Construction Progress Community Meetings.

Stakeholder Communications

In conjunction with the Project Team, Construction Relations provides briefings to stakeholder groups and elected officials on upcoming activities, and communicates changes to scheduled work activities. Construction Relations continually strives to provide as much advance notification as possible to all stakeholders on construction activities. On an annual basis, a general look-ahead is developed as an important tool for preparing the community and all stakeholders on what can be expected and what milestones will be achieved. This brings focus to strategies for communication as well as the facilitation of palliative measures related to construction impacts.

Construction Impact Mitigation Program

The Construction Impact Mitigation program is designed to facilitate the communication about construction related impacts between stakeholders, facilities, businesses, residents, Metro and its Contractor and assuring that contractors coordinate with Construction Relations and Metro's Third Party group on all 3rd Party access needs and communications. This includes:

- Working with stakeholders, facilities, businesses and residents, project management and contractors to try and find ways to reduce alleged impacts, including but not limited to environmental issues such as noise, vibration, dust, visibility, access, etc.
- Facilitating the communication of property owner's complaints and concerns to the contractor through documentation and tracking of such complaints, transmitting property owner directed field reports with photographs and property owner developed supporting documentation.

Residents and business owners who believe they have been adversely impacted by construction are responsible for specifying their allegation to the Contractor. As all public concerns are directed first to the Construction Relations staff, this is usually the first step in noting a concern and alerting the Contractor of the alleged impact. In some situations the resident/business may greatly benefit from some form of simple assistance such as coordination of construction activity schedules or repositioning of equipment.

If the nature of the concern may require more complex action, there is a protocol for Construction Relations to engage the support and direction of Metro's Construction Manager and the Contractor. All calls from the public are logged and maintained in a data base that is maintained as part of the project record keeping by Construction Relations.

Contractor Controlled Insurance Program (CCIP)

Under a CCIP, the contractor is required to obtain its own insurance and also to handle all of the claims resulting from construction of the project, as well as bear the related liability. Under the CCIP, which is a contract requirement, the contractor purchases a separate project insurance policy to support its contractual obligation to indemnify, defend and hold Metro harmless.

In addition, under a CCIP, the contractor and its carrier are responsible for investigating and resolving all damage complaints on a project. Construction Relations engages in liaison activities through initiation of a field report documenting a business or resident's information related to their complaint about the construction activities and officially transmits the report to the contractor. The contractor is expected to respond to complaints and hopefully resolves claims in a reasonable amount of time. Once a claim is filed, resolution of the claim rests with the Contractor's insurer.

Complainants are provided copies of the field reports. Once submitted, Metro no longer has a role and the contractor is responsible for evaluation, research and resolution of all claims.

Complaints

Business, resident and facilities complaints related to worksite maintenance, dust abatement, the protection of existing structures near the worksite and compliance with mitigation measures identified in the project's environmental documents, prompt contractor response to community complaints, and provision of early written notice of disruptions that cannot be effectively resolved are managed and facilitated through Construction Relations in partnership with project management and the Contractor. The Contractor is also required to coordinate traffic plans with the local jurisdictions, ensure reasonable access to driveways and pedestrian traffic, and comply with the Project's and local jurisdictions' construction noise and vibration control standards.

Impacts to Business During Construction

Metro's on-site Construction Relations Team is in the field daily to observe construction activities and take note of the measures that have been committed to by the Contractor to mitigate impacts. Construction Relations staff are readily available to the businesses to provide information and support for communications strategies and to seek solutions that result in the least amount of impact to customer access during construction. The preliminary surveys of businesses conducted prior to construction start prove useful in developing these strategies. Typically, these strategies address parking, visibility, access and customer communications and business promotion.

Impact to Business vs. Business Revenue Loss

Clarifying the limits of what business owners can expect from their alleged business losses is an essential part of managing public expectations. Metro has no legal mechanism or funding identified for augmenting alleged loss of revenue by businesses during the course of construction. This understanding has been consistent throughout Metro's projects, from the Blue Line, Red Line, Green Line, Orange Line and the Gold Line. This is not an approved project expenditure by either the FTA or the State as project grant funding partners. A claim from a business that alleges its business has been disrupted or damaged due to circumstances arising from the construction of the Project would have to be presented through a formal claims process under the Contractor Controlled Insurance Program.

Assessment of Metro's Current Construction Mitigation Program

Throughout the course of Metro's build-out of our transit system, the agency has consistently provided a quality Construction Relations Program that has as its goal to ensure an extremely high level of communication and coordination between local affected communities, Metro and its selected Contractors. Early participation by the Construction Relations team during the environmental process aids the Project by becoming acquainted with the community and its leaders, occasionally involving the formation of stakeholder community based committees. The full integration of the Construction Relations team with the Project Management team and the Contractor in the field provides optimum performance opportunities to serve all of the public interests associated with each project. This coordinated approach has served the region well and will continue to serve Metro and its constituents well for many years to come.

DETERMINATION OF SAFETY IMPACT

Approval of this item will ensure that safety, through successful outreach, remains paramount in the communities where Metro transit construction is occurring.

FINANCIAL IMPACT

Approval of staff recommendation for a Model Community Construction Relations Programs for transit projects establishes a program that will be consistent in execution and considered integral to project success and will continue to be funded and covered within the approved project budget as outlined herein.

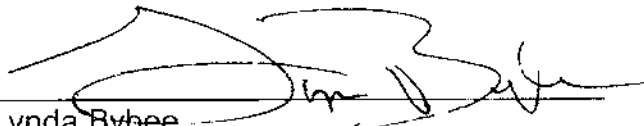
ALTERNATIVES CONSIDERED

Alternatives that include any measures not specifically covered in the FEIS/FEIR and considered eligible for funding through the full funding grant or state funding guidelines would require further study and identification of potential funding sources and potential equity issues that would be applied to all Metro projects.

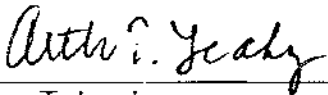
NEXT STEPS

Continue with implementation of Model Construction Relations Program on all Transit Projects as approved.

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