

Impact of Light Rail Construction on Existing Businesses

A survey of six cities with recent light rail construction projects

A survey of recent light rail lines in six cities similar to Houston reveals that construction can cause some disruption to businesses, just as road construction does, and also yields a set of best practices that appear to help mitigate the impact. Access, traffic flow, and public perception are major issues for existing businesses. The extent of these disruptions is determined by decisions made by the cities and transit authorities, as well as by the business community.

While it is easy to find negative opinions in all of the cities, the only systematically documented account of the impact on individual businesses (in Portland) showed one business failing as an effect of light rail construction and two moving to different locations. Respondents in other cities indicate they would be following Portland's example in collecting such data in the future, to better understand the negative impacts in order to minimize them.

Except in Dallas and Minneapolis, respondents said construction of the first light rail line was handled badly in terms of businesses, but that the transit agency and the city learned from that experience and construction of subsequent lines was much better for businesses. Several transit agencies were successful at engaging the local owners and managers, making them fully aware of construction plans to allow them to guide their businesses through the construction. The major difference seems to have been concerted proactive efforts to minimize the negative effects on businesses along the line.

A variety of measures help balance the need to provide mobility and fairly allow businesses to function. A separate one-sheet titled "Mitigation of Business Interruption During Light Rail Construction," provides information on these practices.

Portland The Mayor of Portland promised at the beginning of construction of their Interstate Avenue line that not a single business would close. This led to a rich working relationship between the transit authority, local businesses, the city, and a nonprofit community development corporation that provided low interest loans and business consulting. Of the 106 existing businesses along this line, only the three mentioned above have closed or relocated as a result of the construction.

Dallas 45 miles of the DART light rail system have been built with seemingly no negative reports from business. From the beginning, DART has worked to ease the burden of construction, doing "whatever they could, without paying the businesses, to help them." Although there is no independent backup, DART reports that "no more than 10%-15% of businesses closed" during construction of the first rail line, and that some of those closures were unrelated to construction.

Salt Lake City While businesses experienced problems during construction of the first light rail line, during construction of the subsequent University Line, the Utah Transit Authority allowed the impacted businesses to control bonuses given to contractors, and had other mitigation practices. While some businesses were hurt, this concept appears to have worked.

Minneapolis The bulk of Minneapolis' single 12-mile line is in residential areas along Highway 55, with the line ending up downtown, so they have not experienced business interruptions other than issues related to relocating utilities beneath the street during construction. Businesses seemed to accept the disturbances as routine challenges.

Los Angeles The Gold Line, the latest addition to LA's transit system, runs primarily in an already established rail corridor, so little negative impact on business was reported. During construction of the Eastside extension of the Gold Line, though, the transit authority worked closely with the contractor and area businesses, finding simple, yet effective solutions, such as instituting angled parking where available, leaving some blocks with more spots than before rail construction.

San Diego The placement of part of San Diego's lines through less dense areas meant that business disruption during construction was not a concern. Contractors were directed not to disturb existing businesses, so businesses were provided full information about construction timing, given clear signs to show they were still in business and how to access them, and noise and dust were minimized. In San Diego, it seems simply a matter of course that business issues were immediately solved, such as giving free car wash coupons during times of heavy dust.

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