

Light Rail Construction: Mitigation of Business Interruption

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SUMMARY

A survey of methods used in six cities during recent light rail projects

As with road and freeway construction, light rail construction can have a negative impact on local small businesses and can change the dynamic of the business climate within which those businesses were created. In conversations with community leaders, transit authority representatives, and business owners in six cities with new light rail construction similar to that in Houston, we found a wealth of mitigation programs that these cities use to diminish the negative effects.

In four of the cities, respondents reported bad experiences during construction of the first light rail line, but noted that mitigation efforts made a positive difference during the next rail construction project. Dallas and Minneapolis adopted mitigation efforts from the beginning. Not all of these techniques will be appropriate for the City of Houston, but some sort of proactive program by the City or METRO can greatly reduce the problems for small business.

Management and Financial Assistance

Salt Lake City and Portland established financial assistance programs to help small business owners weather the construction of light rail. In Portland, the transit agency, called TriMet, collaborated with a private nonprofit organization, the Cascadia Revolving Fund, to provide management assistance and administer small business loans and storefront improvement grants. Salt Lake City set up a revolving fund for low interest loans to small businesses within a block of the rail line.

Single Point of Contact/Community Relations

Portland, Salt Lake City, and Dallas gave local business owners a single person to hear their concerns and provide updates on the progress of construction, while Los Angeles has a community relations team that is in constant contact with area business during construction of the Gold Line Extension. In Salt Lake City, this took the form of an advocate for property owners who had regular contact with businesses and the ability to talk directly to project managers.

Portland's TriMet set up a 24-hour construction hotline, materially supported the newly formed Business Association for transit area businesses, and had four community relations staff members working one on one with all affected business

owners. In Dallas, a North Central Task Force (NCTF) was created to oversee the construction of the Blue and Red Rail lines as well as renovation of the Central Expressway. This task force was empowered to tweak the design and construction schedules to address specific business concerns.

Specifications, Guidelines, and Project Management

Dallas, Salt Lake City, Minneapolis, and Portland altered contractor arrangements to benefit local businesses. In Dallas, NCTF developed a plan to facilitate public/private partnerships, created Mobility and Right of Way Task Forces, and brought in CEOs of impacted utility companies to work together. Salt Lake City adopted a "design/build" to allow for the design to change during construction as local concerns arose.

Also, road improvement project construction criteria were implemented to address business concerns about signage, public information, and citizen advisory committees. In Portland, contractors had to follow a series of construction guidelines including completing construction in phases to avoid closure of entire streets, with vehicle and pedestrian routes to parking and entrances to stores provided at all times, and at least one sidewalk open at all times.

Contractor Incentives

Salt Lake City developed an innovative approach to the contractor relationship by giving control of the contractors' bonuses to the local businesses and residents who would be affected by construction. A community hotline to the contractor was used to allow the contractor to meet the community's demands. The project is viewed as a success as the contractor was awarded at least 90% of the incentive pay in each quarter.

Marketing

Salt Lake City and Portland created "Open for Business" marketing programs along the rail lines. These efforts included special sales promotions, full-page advertisements for affected businesses, a Lunch Bus program to bring city employees to patronize the affected businesses, mini-celebrations as segments of construction were completed, and ads on buses with campaign theme and information.