



Business aid during LRT construction grows to more than \$11 million

More than \$6 million available in forgivable loans and grants

ST. PAUL – April 13, 2011 – Assistance to businesses along the Central Corridor LRT route will increase to \$11.1 million, which now includes more than \$6 million in forgivable loans and grants. The funding package was announced today by funding partners, who say the additional aid will help businesses in the corridor cope with challenges of potential losses in revenue during the line’s construction.

Funding partners include the Metropolitan Council, cities of St. Paul and Minneapolis the Central Corridor Funders Collaborative and Living Cities philanthropic collaborative, which put resources together to offer businesses several options for assistance, including forgivable loans worth more than \$5.6 million, \$650,000 in grants and \$4.9 million in other forms of assistance for a total of \$11.1 million. Initial investments totaled \$7.8 million.

“The increase to over \$6 million in forgivable loans and grants is key,” said Metropolitan Council Chair Susan Haigh. “Even while the project itself is creating many hundreds of jobs and is great news for some businesses, other business owners are struggling due to issues of access and parking.

“We’ve heard their voices. They’re valued members of the community and the funding partners want to lend financial support. And, we want to get the word out that businesses in the Central Corridor are open for business during construction.”

Haigh said with 800-plus businesses in the corridor, their vitality and prosperity are critical to growing the economy.

The Council’s Central Corridor Project Office conducts public outreach to businesses and residents along the corridor to promote information sharing with, and feedback from, the community. Project staff took additional comment last month as part of a Supplemental Environmental Assessment conducted by the Council and Federal Transit Administration (FTA). The assessment followed a federal judge’s order in January that the project must supplement its analysis of business interruption impacts on businesses during LRT construction.

“We’ve long been interested in supporting businesses in the corridor as they prepare for the market changes brought about by construction and the impending operation of the Central Corridor Light Rail Line,” said Jonathan Sage-Martinson, director of the Central Corridor Funders Collaborative.

“To date, we have invested more than \$1 million in programs to support businesses. We are excited that today’s action by the Metropolitan Council and other partners provides additional resources to help businesses prepare for and survive the construction period so that they can take

advantage of the new market opportunities that will accompany the operation of the line,” said Sage-Martinson.

Funding partners say the region is on track to turn the vision for the corridor into reality. But they acknowledge the construction phase will pose its share of challenges.

“The corridor during construction is dirty, it’s dusty and it’s vibrant,” said Saint Paul Area Chamber of Commerce President Matt Kramer. “The increase in business assistance provides corridor business owners with additional resources to help them through the construction phase and ultimately prosper along the future transitway.”

"Central Corridor will be an economic engine for Minneapolis and Saint Paul, and vibrant small businesses will be the spark," said Minneapolis Mayor R.T. Rybak. "The cities of Minneapolis and Saint Paul join the Metro Council in using every tool in our tool boxes to help small businesses meet the challenges they are facing during construction and become even more prosperous once the line is built."

"From day one we've focused on supporting small businesses along the Central Corridor," said Saint Paul Mayor Chris Coleman. "This additional financial support will help businesses through a difficult construction period so they can, in turn, continue to drive economic growth and provide employment opportunities at the very center of the region."

Project supporters say once through the difficult construction, rail transit will be an amenity that will help shape land use to be more pedestrian friendly, revitalize neighborhoods and communities and get people to jobs and other destinations in more efficient and environmentally friendly ways.

Funding components:

Forgivable Loans and Grants for Business Support during Construction:

More than \$4 million in forgivable loans and grants will be available to small businesses that prepare for construction but still suffer revenue losses that make it difficult to meet expenses. The City of Saint Paul has released an RFP in partnership with the City of Minneapolis and will select one or more qualified lending organizations to administer the funds throughout the corridor beginning in June. (Contact: Determined with administrators' selection, June 2011)

Neighborhood Commercial Parking Pilot Program:

The City of Saint Paul authorized \$2.1 million in 2010 for the Neighborhood Commercial Parking Pilot Program to provide forgivable loans for improvements to off-street parking along University Avenue. The program is funding a limited number of projects that improve parking management, increase the amount and utilization of commercial parking and/or encourage business and property owners to share the use and costs of off-street parking. (Saint Paul Department of Planning and Economic Development, 651.266.6697)

Small Business Growth/Small Business Building Ownership Fund

Façade Improvement Financing:

The Neighborhood Development Center has received \$850,000 in loan, grant and Program Related Investment (PRI) funds to assist targeted businesses with significant growth opportunities and/or that are in a position to buy or improve their own buildings with the goal of reinforcing the importance of locally- and minority-owned businesses to the Central Corridor. The City of Minneapolis has committed \$150,000 for façade-improvement matching grants to corridor businesses and has various business loan programs available to support business expansion and working capital needs. (Contacts: Neighborhood Development Center, 651.291.2480; City of Minneapolis Community Planning and Economic Development, 612.673.5168.)

Marketing Support to Businesses:

The University Avenue Business Preparation Collaborative (U7) has received philanthropic support in the amount of \$675,000 to provide no-cost technical assistance to small businesses interested in improving their business plans, accounting systems, customer databases and/or marketing. (Contact: Neighborhood Development Center, 651.291.2480)

In addition, Metro Transit will provide \$250,000 in marketing support in the form of cooperative advertising and fares. The City of Minneapolis has \$153,000 already committed to business technical and marketing support in the corridor and expects to contribute another \$60,000 in 2011 for these purposes.

Grassroots Marketing:

The Midway Chamber of Commerce has received \$125,000 in philanthropic support to lead a grassroots “Buy Local” marketing campaign. Linked with the Saint Paul Area Chamber of Commerce-led *Discover Central Corridor* initiative, this community-based effort will remind area residents of the importance of supporting local businesses through construction. Coordinated parallel initiatives are springing up from the business community, including the Central Corridor Perks loyalty card and mobile phone app, with discounts offered to card-and app-holders at a rapidly growing number of corridor businesses. (Contact: Midway Chamber of Commerce, 651.646.2636; Saint Paul Area Chamber of Commerce, 651.265.2787.)

Alley Improvements/Access Signage:

Access to businesses will be maintained throughout the construction period, way-finding signage and “open for business” signs will be placed by project office staff at key locations in consultation with business interests. Both cities plan to temporarily relax some sign regulations in the construction areas to allow businesses to post banners or signs letting customers know they are open and how to access them. The Metropolitan Council and City of Saint Paul are working together to devote \$800,000 toward installing directional signage and improvements to alleys serving critical off-street parking to ensure that access is maintained to area businesses. Minneapolis staff continue to evaluate parking needs in the corridor during and after construction, with financial support from the Central Corridor Funders Collaborative.

Street Lighting and Streetscaping:

The City of Saint Paul invested local resources in reducing the cost of improvements, such as street-lighting, trees and sidewalk improvements to enhance the pedestrian character of the University Avenue and downtown business districts.

Contractors Incentives:

Contractor incentives that were built into the two main heavy construction packages for the Central Corridor LRT Project are intended to encourage responsiveness, create a partnership between contractors and the community and promote cooperation.

The contract to build the line's western three miles has a \$250,000 incentive. The contract to build the line's eastern seven miles carries a \$600,000 incentive. Quarterly incentives will range from \$10,000 to \$70,000.

About the Central Corridor LRT Project

The Central Corridor Light Rail Transit Project will link downtown St. Paul and downtown Minneapolis along Washington and University avenues via the state Capitol and University of Minnesota. Construction began in 2010 on the planned 11-mile Central Corridor line, and service will begin in 2014.

The line will connect with the Hiawatha LRT line at the Metrodome Station in Minneapolis and the Northstar commuter rail line at the new Target Field Station. The Metropolitan Council will be the grantee of federal funds. The regional government agency is charged with building the line in partnership with the Minnesota Department of Transportation. The Central Corridor Management Committee, which includes the mayors of St. Paul and Minneapolis, commissioners from Ramsey and Hennepin counties, the University of Minnesota, and citizen and business representatives, provides advice and oversight.

Funding is provided by the Federal Transit Administration, Counties Transit Improvement Board, State of Minnesota, Ramsey and Hennepin counties' regional railroad authorities, city of St. Paul, Metropolitan Council and the Central Corridor Funders Collaborative. For details, visit www.centralcorridor.org

Contact:

Bonnie Kollodge
Acting Director
Public Affairs
Metropolitan Council
651-602-1357
Bonnie.Kollodge@metc.state.mn.us