

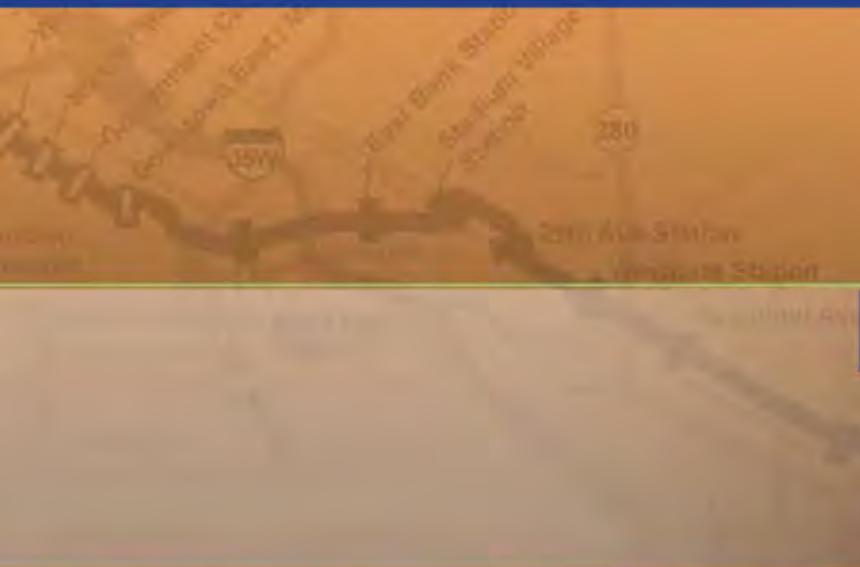


Central Corridor
Light Rail Transit

 Metropolitan Council

Supplemental Environmental Assessment
Construction - Related Potential Impacts on Business Revenues

Record of Comments Received on the
Draft Supplemental Environmental Assessment
Published on March 2011



April 2011

Volume 2 of 3



RECORD OF COMMENTS RECEIVED – DRAFT
SUPPLEMENTAL ENVIRONMENTAL ASSESSMENT OF
CCLRT CONSTRUCTION-RELATED POTENTIAL IMPACTS
ON BUSINESS REVENUES

**Business Impacts Supplemental Environmental Assessment Public Hearing
March 16, 2011**

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BUSINESS IMPACTS SUPPLEMENTAL ENVIRONMENTAL
ASSESSMENT PUBLIC HEARING

MARCH 16, 2011

8:00 A.M.

Depo International, Inc.

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Business Impacts Supplemental Environmental Assessment Public Hearing

March 16, 2011

1 APPEARANCES:

2 Richard M. Rovang, MetroTransit

Kathryn O'Brien, MetroTransit

3 Maya R. Ray, U.S DOT, FTA

4 SPEAKING MEMBERS OF AUDIENCE:

5 James Segal, Ax-Man Surplus, UABA

Mike Baca, Impressive Print

6 Tim Holden, AUI; HHI; SSS, LLC

Diane Pietro, Twin Cities Photography

7 Jack McCann, UABA

Steve Bernick, Milbern Clothing

8 Donald Dickerson, Concerned Citizen

Marilyn Porter, U7

9 Frank Lorenz, Hulke & Gheer

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1 MR. ROVANG: Good morning. My name's
2 Richard Rovang. I'm the project director for the
3 Central Corridor Project Office. Welcome to the
4 public hearings for the Central Corridor Light Rail
5 Project that involve the supplemental environmental
6 assessment of construction related potential impacts
7 on business revenues. The purpose of the public
8 hearing is to receive testimony on that Supplemental
9 Environmental Assessment of construction that may
10 have potential impacts on business revenues published
11 March 1st of this year. The Supplemental
12 Environmental Assessment was prepared by the Federal
13 Transit Administration and the Metropolitan Council
14 pursuant to the requirements of the National
15 Environmental Policy Act and the Code of Federal
16 Regulations. There will be two hearings, one is this
17 one here, Wednesday morning at 8 a.m. at the Lao
18 Family Community of Minnesota; and the second one
19 this evening at 6 p.m. at the Goodwill Easter Seals,
20 553 Fairview Avenue North, St. Paul, Minnesota.

21 I'd like to make just a couple of introductions.
22 This morning we have Maya Ray from the Department of
23 Transportation, the Federal Transit Administration,
24 with us from Washington D.C., the Office of Planning
25 and Environment; and Kathryn O'Brien, the

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1 environmental manager with our project office. I'd
2 also like to mention that there are translators here
3 this morning for at least five different languages,
4 Hmong, Vietnamese, Spanish, Oromo and Somali. So if
5 there is a requirement for a translator, please
6 indicate that and we will guide you to the correct
7 individual. I think, Kathryn, why don't you go over
8 the first part of the discussion right now.

9 MS. O'BRIEN: I just have a couple of
10 slides here to share and then we'll get into the
11 testimony for those of you who would like to come
12 here and testify today. Rich mentioned the purpose
13 of the meeting, and that is to provide a public forum
14 for comment. And there will be a court reporter who
15 is just sitting here to my right who will record all
16 of your testimony as you speak. Of course, we also
17 have public comment cards for those of you who would
18 care to write down your comments. Those are sitting
19 at the sign-in sheet, and you may feel free to do
20 that as well. For that matter, if you feel like you
21 want to enhance your testimony with written comments,
22 please feel free to write those down.

23 The milestone here for this study was, really,
24 the court order on January 27th of this year that had
25 indicated that there was a requirement to do

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1 additional analysis of the impact of the project
2 during construction, particularly on its impacts to
3 businesses along the corridor, to the revenues of
4 those businesses. The Supplemental Environmental
5 Assessment was published on March 1st 2011, earlier
6 this month. There's a 30-day public commentary that
7 ends on March 31st, and, after that time, we'll be
8 responding to all public comments received, so all of
9 your testimony here tonight and today will be
10 recorded, and then responses would come after March
11 31, responses from the Federal Transit Administration
12 and the Met Council.

13 The business impacts the Environmental Assessment
14 did potentially, specifically look at, potential
15 impacts on business revenues. It looked at those
16 impacts that might be occurring during construction
17 and what potential mitigation measures would be
18 required to address those impacts.

19 Most of you are probably familiar with the
20 Central Corridor, allowed a two-project route, but,
21 as a reminder of where the train will be constructed
22 and what it will be connecting, it does run from
23 downtown St. Paul, from the Union Depo, and downtown
24 St. Paul. It goes up along Cedar Street, through the
25 Minnesota State Capitol area on Robert Street, up to

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1 University Avenue, and then continues on University
2 Avenue through the rest of St. Paul, into
3 Minneapolis. And then, through the University of
4 Minnesota campus on Washington Avenue, it connects
5 with the Hiawatha light rail train near the Metrodome
6 in downtown Minneapolis. And, Rich, I think you're
7 going to be going over a few of the ground rules for
8 the public hearing.

9 MR. ROVANG: Yes, thank you, Kathryn.
10 Just to make sure everyone kind of understands how
11 we're going to be going about this, I'll read through
12 a few of the specific ground rules. These are
13 intended to ensure that it's an orderly meeting and
14 provide as many people as possible the opportunity to
15 share their comments and concerns. Although, it does
16 look like we have an extremely large crowd here
17 today, so we'll be probably more accepting of little
18 longer statements than normal. People wishing to
19 speak must register at the desk with their name,
20 their contact information and the organization
21 applicable. People will be called to speak in the
22 order in which they have signed up. Each speaker
23 should state their name, their address, and the
24 organization for which he or she represents, if there
25 is any. And that's important because, as Kathryn

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1 said, all testimony is being recorded by a court
2 reporter today. Individuals will, generally, be
3 given about three minutes. An individual
4 representing a group will be given about five
5 minutes. One of the coordinators, Cho here, one of
6 the Outreach coordinators will hold up a colored card
7 when there's a minute left on the clock. I'll try to
8 be tolerant of that, but if someone is using up a
9 great proportion of time we'll also call them on
10 that. Written statements in addition to those oral
11 comments are accepted and welcome. If you wish to do
12 so, then provide that written comment in the box at
13 the sign-in desk. And, finally, we ask that people
14 limit the scope of their comments to the Business
15 Impact Supplemental Environmental Assessment rather
16 than topics just in general. Are there any questions
17 about how we're going to proceed? Okay, if
18 everyone's okay, I think we'll begin taking
19 testimony. I'll call the names in the order that we
20 have them. James Segal, you can come to the table up
21 here. And again, if you'll provide your name,
22 address, and organization that you represent.

23 MR. SEGAL: Can you hear me okay? I
24 won't quit my day job because I'm certainly not a
25 professional speaker. Thanks for being here. I

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1 brought the document labeled "Draft Supplemental
2 Environmental Assessment" --

3 MR. ROVANG: Excuse me, could we ask
4 you to give your name.

5 MR. SEGAL: My name is James Segal, and
6 I own and operate Ax-Man Surplus at 1639 University
7 Avenue. I'm also a board member of the University
8 Avenue Business Association.

9 MR. ROVANG: Could you spell that name,
10 last name.

11 MR. SEGAL: S-E-G-A-L. Anyways, I
12 brought with me the Draft Supplemental Environmental
13 Assessment, a package of shredded paper, and a roll
14 of toilet paper. And, in my opinion, these three
15 items could be used for the same purpose, some less
16 comfortable than others. This report is completely
17 deficient, and I hope that you didn't pay too much to
18 have it produced, because the Ax-Man could have
19 provided a much more conclusive report at our every
20 day super low prices. You were directed to address
21 the potential loss of revenue as an adverse impact,
22 and concluded that the potential loss of revenue of
23 zero to two and a half percent. I question whether
24 Charlie Sheen might have been helpful in creating
25 this report, because it's just completely unreliable

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1 information. The report goes on, basically, to
2 regurgitate a bunch of stuff about the project we
3 already know, staging and so forth. It does nothing
4 to address the potential loss of revenue as an
5 adverse impact. And again, the conclusion of a loss
6 of revenue of zero to two and a half percent is
7 unrealistic. In the report, it discusses the fact
8 that \$8.7 million out of \$940 million will be used to
9 help mitigate business loss, which is less than one
10 percent of the \$940 million project budget. That,
11 simply, is not enough money to help support
12 businesses in the project. Furthermore, the report
13 states that approximately 67 percent of the
14 businesses are going to be affected more negatively
15 than the balance of the 798 small businesses. If
16 that's the case, I question why \$1.5 million loan
17 program was budgeted to help 150 businesses.
18 Clearly, there's some concern that the accuracy of
19 this report is pathetic. The fact that information
20 used from a 1993 study to help determine what's going
21 to happen today is pathetic, it's completely
22 deficient. And I want to go on record as saying I'm
23 not an anti-government or anti-light rail person, but
24 I expect more from the people that are going to be
25 building this project -- if I'm going to be expected

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1 to have to deal with the nuisances that are going to
2 occur, I expect, upfront, that things are done
3 appropriately. You guys were directed by a judge to
4 produce a report, and this is just absolutely
5 deficient. My second grader has a better
6 understanding of the negative impacts that are going
7 to happen to us businesses as a result of this
8 construction, and it's shameful that this report was
9 produced. Again, only 17 percent of the \$8.7 million
10 dedicated to mitigating problems is going to a
11 business mitigation fund: 1.5 million of the 8.7
12 million. My business alone, over a six-month period
13 of potential losses, could have losses in excess of
14 \$100,000. So explain to me how a \$10,000 loan is
15 going to help me mitigate the loss of revenues in
16 excess of \$100,000. That's based on an estimate of
17 30 percent of sales over a shortened period of time.
18 And we have an unknown time frame in terms of how
19 long the actual road closures are going to be. All
20 we know is there's a potential for 150 days on either
21 side. Clearly, there are going to be lane closures
22 that are going to occur longer than those 250 day
23 periods when they have to do track work and so forth.
24 The pedestrian environment is going to be terrible.
25 If you drive by my business right now, you'll see

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1 that water and debris and so forth is being splashed
2 up against the building.

3 The quantitative studies that were selected to be
4 used in this study are insufficient, and you should
5 have been able to provide more detailed information
6 with more current projects. You cannot take -- there
7 are projects that are similar to this that were not
8 provided in this report, so the fact that this
9 product is deficient is obvious. The inability for
10 the businesses to plan with the unknowns alone, and
11 the amount of time that we spent dealing with things
12 like this, is just another example of how much time
13 business owners spent worrying about the issues in
14 here. Again, unknown time frames for lane closures,
15 I don't know the facts surrounding the potential
16 benefits of light rail, but I do know about the
17 potential -- the measures that aren't being taken to
18 help improve the adverse impacts. There are going to
19 be permanent changes to people's driving patterns and
20 parking patterns. As an example, Milbern Clothing,
21 on University Avenue, is going to lose their access
22 on Aldine because Aldine is going to become a right
23 turn in, right turn out, only. Those are permanent
24 changes that were not discussed in this document.

25 I have 20 years' experience operating businesses

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1 in St. Paul, successfully. My business is over -- my
2 current business is over 45 years old and has
3 operated successfully on this Avenue. I don't think
4 that the businesses were -- wasn't discussed with
5 businesses. There's no information in this product
6 about the fact that lower town businesses lost
7 revenue, between 30 and 60 percent of their sales.
8 So the reality is, if you're going -- if the judge
9 requires you to do this outreach, provide a product
10 that's appropriate. Make it something that makes
11 sense. Don't tell businesses that the numbers don't
12 make sense. There's potential for 67 businesses to
13 be affected negatively, it's shameful, and I believe
14 that you need to do a better job.

15 MR. ROVANG: Thank you for your
16 testimony. Mr. Segal. The next individual signed up
17 is Mike Baca. Again, if you will provide your name,
18 address, and if you represent an organization.

19 MR. BACA: My name's Mike Baca. I
20 represent Impressive Print. It's a business on the
21 Avenue. We've been on the Avenue for 17 years. A
22 small business, commercial business, and --

23 MR. ROVANG: Excuse me, the spelling on
24 that is?

25 MR. BACA: Impressive Print?

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1 MR. ROVANG: I'm sorry, your last name.

2 MR. BACA: B-A-C-A. Are we good?

3 MR. ROVANG: Yeah.

4 MR. BACA: Fair enough. The concerns
5 are going to be somewhat repetitive here, the things
6 we're concerned about. I'm going to simplify mine, I
7 didn't prepare a speech because I thought these were
8 going to be individual interviews. The big problems
9 are parking, the major loss of parking. Right now,
10 there's no good plan to replace anything. The city
11 has come out, the Met Council came out and said
12 you're going to lose your parking. There were plans
13 in place to create pocket parking about a year and a
14 half ago. Now that's gone to we're just going to
15 manage existing parking. There's currently not
16 enough existing parking to be able to make that even
17 work at all. So it's going to turn into problems
18 right off the bat.

19 Secondly, the mitigation fund, we don't need
20 mitigation, we need compensation. This is going to
21 destroy businesses. There are a lot of small
22 businesses. This 1993 project in Texas doesn't even
23 equate to the way this project is being built. Use
24 that as an example. It's just, to me, more of a
25 throw-away, we're trying to ram rod this through to

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1 get the money, and it wasn't handled properly. It
2 needs to be handled properly. There are the examples
3 of businesses that have been impacted in the lower
4 town -- and there goes the microphone -- and there's
5 no good compensation fund. Who wants a \$10,000 loan
6 when you're losing 30, 60 percent of your revenue?
7 That's not going to do anything. I just paid my
8 health insurance check for \$10,000, for a quarter.
9 That covers a summer. \$10,000 is not going to do
10 anything to help anybody. There needs to be a
11 comprehensive compensation fund.

12 And lastly, the displacing activity that this is
13 causing. There are a lot of commercial businesses
14 that are going to need to move, who are not going to
15 be able to afford the taxes, who can't afford getting
16 trucks in and out. I just had to hire another
17 employee to drive because my customers aren't going
18 to be coming to my business, so I've got a whole
19 other employee now that I've had to employ, because
20 of this project, to deliver our goods. We have to
21 move. We cannot stay on the Avenue. I think the
22 federal government needs to say this is a displacing
23 activity so that businesses that are viable and can
24 move have opportunity and have relocation funds to
25 get them off the Avenue so it can be developed

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1 properly.

2 And that's about it. I don't think it's been
3 handled well, at all, to this point. I don't think
4 these studies are done well as far as signage for the
5 businesses. Met Council, a month ago, put out, hey,
6 we're putting up signs that say "Shop University
7 Avenue." Construction starts are gone, but they use
8 that as an example of how they're helping us, and
9 that's not helping us. Thank you.

10 MR. ROVANG: Thank you, Mr. Baca.
11 We're going to replace the stand on the mike, see if
12 we can get one that will stand up. The next
13 individual I have is Mike Holden, is that correct?

14 MR. HOLDEN: Tim Holden.

15 MR. ROVANG: Excuse me, Tim Holden. I
16 apologize.

17 MR. HOLDEN: Good morning. There are a
18 couple of things I'm going to hand out to the folks
19 here so everybody gets a copy of what I've written
20 up. And I did this this morning, I didn't have time
21 to do a lot of other stuff --

22 MR. ROVANG: Do you want to grab the
23 mike -- use this so we can capture your --

24 MR. HOLDEN: My name is Tim Holden.
25 I'm a property owner and business owner at 1607

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1 University, and I thank everybody that's here today.
2 I really appreciate the fact that the few people that
3 have come are here. Businesses up and down the
4 Avenue are going to be out of business. They're
5 going to go out of business completely because
6 there's no funding available. And I just want to
7 start from giving these things out real quickly, if I
8 may, so please hold on.

9 Good morning, again. Tim Holden, 1607
10 University. Property owner, business owner, resident
11 of the St. Paul Midway area. I want to say thank you
12 to everybody that's here today, and I want to bring a
13 couple things to light. Central Corridor, I hope, is
14 going to be a benefit down the road when it's all
15 said and done; however, planning has not been done
16 correctly, period. We should not be here talking
17 about what we're talking about today. This should
18 have been done in advance. Not only are the funds
19 not in place yet for this project for sure, but we're
20 not accounted for. The businesses up and down the
21 Avenue have not been accounted for. I've personally
22 sent emails, requests, to the mayor, Chris Coleman,
23 Governor Dayton, Amy Klobuchar, Betty McCullum, all
24 my personal representatives. These are the people
25 that should be here today listening to us. Okay?

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1 We're not here for the fun of it. Unlike the folks
2 up there, sitting at the table up in front, they're
3 being paid. I'm a business owner. I'm not getting a
4 nickel. I'm losing money right now. Shame on the
5 system, the way this was put together. If you're
6 going to do a job, do the job right or don't do it at
7 all. Bottom line. Parking up and down University
8 Avenue, this is the store-front that I have. If you
9 can zoom up on this, this would be wonderful to see.
10 Parking, since March 7th, has completely been taken
11 away. I have no parking. None. Zero. I have no
12 handicap parking. None. Zero. As far as I'm
13 concerned, taking away the parking has basically
14 rendered at least three properties directly west of
15 Snelling and University completely uninhabitable.
16 Does that make sense to you? I have a lot at stake.
17 This is my livelihood. I, again, appreciate you
18 being here. I hope that the ruling by Donovan, Judge
19 Donovan, renders something that's going to be of some
20 respectful measure for the businesses. We put our
21 heart and souls into our jobs every day, and to have
22 this come along and disrupt everything completely is
23 not the way it should be. And I honestly would like
24 to see the light rail happen, but it needs to be done
25 correctly and the planning should have been done long

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1 ago. The funds should be in place. If they're not
2 in place, like I say, don't do the job. The fact
3 that the parking was lost on March 7th, I've been in
4 contact and communications with the City of St. Paul
5 for months regarding this lost parking. For months.
6 It's not something that just happened all of a
7 sudden, this is something that was known was going to
8 happen. It was planned. I asked Craig Blakely,
9 personally, if I should go out and make my own
10 parking signs. He said no, don't make your own
11 parking signs, Tim, we'll take care of that for you.
12 I don't see one parking sign on the street directing
13 people where to go. My customers are confused. They
14 don't know where to park. If you read the letter
15 I've given you all today, I put that together this
16 morning, again, I'm a small business owner. I don't
17 have time to sit and come and deal with this stuff on
18 a daily basis. I'm not getting paid to do this. I
19 sure would like to see the public officials that
20 we've elected to be involved more than they have
21 been. I, personally, and with my businesses, to
22 date, today is the 16th, I have lost over \$7300 to
23 date. That's 16 days, \$7300. Okay? If I have to do
24 the math and explain how much it's going to be over
25 the course of the three years, I can do that, but I

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1 don't think I need to. I've even been in contact
2 with Susan Haigh, she's text me back and forth and
3 talked to me, and I understand she's not here today.
4 She's the new Met Council chair. I would expect her
5 to be here to listen to this kind of feedback. She's
6 not here. She's on vacation. I can't afford
7 vacation. I have to take Tylenol to deal with this.
8 I'm sorry if I come across rather aggressive and
9 abrupt, but this is how I feel. I pay my taxes. I
10 get up and I go to work every day. I try to put food
11 on the table for my family, and the bottom line is,
12 I'm asking for my people that I elect to be here and
13 look out for me, and take care of me as far as the
14 citizen of the City of St. Paul. Thank you all for
15 your time. Everybody that's here, I appreciate you
16 being here, but again, if it doesn't get done
17 correctly, the planning isn't there, and if this
18 funding doesn't get put in place to help the
19 businesses, the project should not move forward.
20 Bottom line. Thank you.

21 MR. ROVANG: Thank you for your
22 testimony, Mr. Holden.

23 MR. HOLDEN: Thank you.

24 MR. ROVANG: The next individual we
25 have on our list is Diane Pietro.

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1 MS. PIETRO: Good morning. I'm Diane
2 Pietro. I own Twin Cities Photography Group. We're
3 located at 2500 University Avenue. I'm relatively a
4 new business, here on University Avenue, we opened
5 our doors last May, so I am not as up-to-date with
6 your reports of what was supposed to happen. I came
7 into this area because I felt we were a business that
8 was a destination, and I have over 1400 people in my
9 business already, so I felt I wouldn't be impacted.
10 After the last two months, I've realized how horribly
11 you guys are handling this. And I'm going to be
12 fighting you all the way, and I can guarantee you the
13 next time I meet you guys I will be well informed of
14 what you're doing and I'm going to try to stop you in
15 every single way.

16 Since February 14th, the construction crew has
17 come to University Avenue and has blocked off both
18 entrances to my building. My customers could not get
19 in. Both sidewalks were closed down. I dealt with
20 that by fighting with the construction crews to move
21 the "sidewalk closed" signs away from my door so my
22 customers could get in. In the middle of February,
23 they came around and they took away all the off-
24 street parking. As a business owner, I cannot park
25 in front of my place, I have nowhere to park for more

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1 than two hours. So I have to constantly keep moving
2 my car and hoping I don't get a parking ticket
3 because, according to the rules of the state, even if
4 I move my car, I'm still in the same area, and I'm
5 still subject to a parking ticket. I've already
6 gotten two of them, so I hope you guys are going to
7 compensate me every time I get a parking ticket now,
8 too. Then, on top of that, about three weeks ago,
9 two gentlemen walked into my business and decided
10 they're going to put a water pipe through the middle
11 of my corridor. They did not identify themselves,
12 they started ripping up the floor. I walked out to
13 my hall and asked them who they are. We're from the
14 state, they said. I said well, where's the business
15 owner here, the building owner, what's going on.
16 Well, we're here to put in a water pipe. I said,
17 well, I spent three months renovating the hole you're
18 now ripping apart. Who's going to put it back
19 together? Not our job I was told. Okay. They
20 ripped up the floor, they broke a few props that we
21 had, they pushed things away. Since that time, I
22 have been subjected to a bunch of your people coming
23 through my business unannounced, unidentified, just
24 walking in like they own the place. The last one was
25 two days ago where he walked in on a telephone and

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1 was talking to someone trying to find the pipes that
2 they were going to be laying. I asked him several
3 times who he was, he ignored me as he walked through
4 my space. I don't understand how you can treat
5 business owners this way. I will be fighting you
6 every single point here. I have 1400 members. In
7 January, every single workshop that we've done had a
8 wait list to it and was sold out. In February, my
9 workshop was 50 percent filled. I opened my doors
10 September 22nd after renovating for seven months.
11 Since September to January, I was gaining about six
12 or seven paying members to my studio. February, when
13 your crew came through, I'm down to gaining two
14 members a month now. This month, I've gained nobody
15 because the word is out that the construction has
16 ruined our studio. I'm wondering how you're going to
17 compensate me now. I've put over \$10,000 worth of
18 renovations into my space. Are you going to give me
19 all that money back and tell me I can move somewhere
20 safe where you people are not going to be coming
21 through? My customers feel violated. They do photo
22 shoots, and we have construction men coming through
23 as people are doing personal photo shoots, just
24 walking right past the photographers and my
25 customers. How would you feel if your family's

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1 getting photographed and seven strangers walked
2 through and scared your children and everything else?
3 This is what I'm dealing with every day. I don't
4 know when you're coming back to 2500 University
5 Avenue, but I can guarantee you I'll be fighting you
6 on it. The parking, I was told, was taken away
7 because it wasn't the state that did it, the transit
8 system did it, because they wanted the transit
9 construction people not to be parking in the area.
10 So they put up two-hour signs of parking everywhere
11 down Phalen and all the other areas. So you're
12 telling me because you can't tell your construction
13 crews where to park, you have to take away the
14 parking spaces from businesses? How unorganized is
15 this? The University -- the U of M came in telling
16 us that they're looking at the buildings and trying
17 to give you an alternative plan that would be more
18 cost effective. They told us that as they were
19 getting into it and started to fight you, you guys
20 started taking all the plans off the Internet so they
21 can't research it anymore. So now you're hiding
22 information from us because you realize that we're
23 starting to get smart and say, hey, what's going on
24 here, let's start getting together and talk about it.
25 How do you do that? You're supposed to be working

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1 with us. It seems that all you're doing is taking
2 information away and coming in and telling us we
3 don't need to know.

4 You have now created a health problem in my
5 hallway. I have hired people to seal the floor where
6 your pipes are because the condensation was getting
7 people sick. I told them, well, when you redo the
8 pipes are you going to seal it back up? They told
9 me, no, that's my problem, I have to take care of it,
10 the state doesn't do that. So I have to pay again to
11 clean up the mess that your guys' done. Then I found
12 there was an alternative to doing these water pipes
13 that are in my hallway, around the building, but that
14 would've cost the city a little too much money, so
15 they decided to just go through my space. So I
16 really would like to know who I need to talk do about
17 these decisions and where are they being made,
18 because I have a lot of complaining to do and I am
19 going to be back. So thank you.

20 MR. ROVANG: Thank you, Ms. Pietro. Do
21 we have any more sign-ups? I have just one left on
22 the list, so if you have some more why don't you
23 bring them up. The next individual I have on the
24 list is Jack McCann.

25 MR. McCANN: Good morning. My name is

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1 Jack McCann, M-C -- capital C -- A-N-N. I am the
2 president of the University Avenue Betterment
3 Association, also known as the Business Association.
4 My family moved onto the Avenue, renovating our first
5 project on University in 1988, and we own about 500
6 feet of University Avenue near Raymond Avenue. In my
7 role as the president of UABA over the past couple of
8 years, I have, in my role, been responsible for
9 chairing meetings, discussing the issues with many of
10 our members, attending many meetings. I was on the
11 stationary steering committee. It's unfortunate that
12 we're here today, finally having something written
13 down to make it official. I don't know where all the
14 comments are that have been brought up to this point.
15 They don't appear to have been paid proper attention
16 to. It's brought a terrible amount of frustration to
17 the businesses in the area. It seems as though
18 there's a level of incompetence or just indifference
19 to the rhetoric brought forth by the business owners.
20 They aren't lying. This is a serious matter. This
21 is their lives, their livelihood, their investment.

22 When we came to the Avenue, it was based on risk.
23 You choose a location to start a business because of
24 the amenities it offers. The amenities of University
25 Avenue have always been great. We're in the middle

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1 of a metropolitan area. We have access coming from
2 every direction. The notoriety of the Avenue, the
3 vitality of the Avenue, all are positive things. So
4 when you start to look at, and I'm going to stick to
5 the facts, this is the negative impacts is what we're
6 talking about, the economic impact that is going to
7 adversely affect the businesses up and down the
8 Avenue. Let's start with access. The access, number
9 one, we've had public transportation for a long time,
10 16A is a marvelous bus line. I think it's one of the
11 best ones in the Twin Cities, and you can probably
12 verify that in all our lives. It stops at every
13 block. Whenever you want it to stop, it stops. That
14 has been enjoyed by a lot of people. That bus can
15 pull over in a parking lane, currently. When this
16 project is completed, that bus is going to be stopped
17 in the lane of traffic. That's not a good thing.
18 That's a negative. So we're going to keep tracking
19 the negatives. After the bus access, you have access
20 just to come to the area. That is going to be really
21 depleted during this construction. Doesn't matter
22 how many signs you put up, doesn't matter what you do
23 for marketing, how much you want to say businesses
24 are open come to the Avenue. When the traffic fellow
25 in the afternoon says the traffic on University

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1 Avenue is horrendous, avoid the area at all costs,
2 that is a negative. That doesn't help us. And
3 honestly, the hassle factor, we all know what it is,
4 let's not kid ourselves, you're not going to bring
5 people to the Avenue who just don't want to deal with
6 it. So that is a negative. And that has to be part
7 of this report as well. The parking, which, over the
8 past two years, every time we brought up the word
9 parking in any of our meetings, that was the end of
10 the meeting, it was nothing but a complaint session
11 after that. This is a real thing. People have been
12 starting businesses, running businesses, applying for
13 permits, applying for licenses, and through the city
14 of St. Paul, I've done many site plan reviews, that,
15 on-street parking, is a factor. They take that into
16 consideration. So, if that goes away, that's a
17 negative. What people are expected to do when they
18 rely solely on the on-street parking has been poorly
19 addressed. The City of St. Paul seems to have been
20 -- this seems to have been dropped on their lap. The
21 Central Corridor Project and Office of Met Council
22 have not addressed it. They simply just say we're
23 going to put this project in from curb to curb, from
24 store-front to store-front. The City of St. Paul,
25 whether inadequately supplied with dollars, seems to

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1 be the problem, are not looking to replace any of
2 that parking. That is a huge, huge access problem.
3 We have, at UABA, continually expressed we need to
4 have that replaced. We've asked for mitigation
5 compensation money. That money, that type of
6 financial setup, could be completely or extremely
7 diminished if we could replace the parking. And
8 we've stated this in many letters and we've backed it
9 up with visitors from other corridor systems. The
10 people move here, we've built buildings here, and the
11 parking has always been an issue. If it wasn't an
12 issue, it wouldn't be part of the site plan review,
13 it wouldn't be part of the licensing review. If that
14 parking was replaced and these people could actually
15 base their access that, yes, there's a parking lot
16 near my building, near my front door, they wouldn't
17 need the compensation that we're asking for. That
18 would go a long ways to handling a large portion of
19 the impact. It's been disregarded. There's been no
20 pressure from the Met Council to do anything.
21 There's been no pressure from the counties to help
22 the city out, and the city has completely denied that
23 they're going to do anything. License plate
24 recognition and hassling people in the first 150, 200
25 feet to move their cars more often is not a positive.

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1 That doesn't go into a positive column. We're still
2 on the fact that this is a negative.

3 More negative impacts. The construction.
4 Obviously, a construction project is a negative. Any
5 time they resurface your street, it's a negative.
6 This is a major infrastructure project, entire
7 rebuilding of a very narrow corridor. It is not
8 comparable to anything that we've seen brought up by
9 different entities claiming it's a comparable. It's
10 not. This is a massive reconstruction project. That
11 is more of a negative impact than most things that
12 have been brought up. And if you continually compare
13 to other projects, the insult, that doesn't work with
14 the businesses, it creates an animosity. That makes
15 it so your jobs are harder with us. That's a big
16 negative, whether you see it or not. People are just
17 mistrusting the Central Corridor, mistrusting the Met
18 Council. There's a sense that you're just
19 incompetent and it can't be done right. I mean, it's
20 nothing personal, but these people are depending on
21 their livelihood, their jobs, their businesses, and
22 they don't have the confidence to stick around. None
23 of these programs that we've asked for have been set
24 up, so therefore, people are not taking the risks
25 that they want to take, they are not resigning

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1 leases, they're not -- in my business, for instance,
2 I'm not a retailer, I don't work out with that plan
3 that was that assessment. My negative impact are
4 people coming to me saying we want to buck off of our
5 rent for this year, next year. That's thousands of
6 dollars. Now, that equates to everybody up and down
7 the Avenue, okay? If I go down a dollar, the guy
8 next to me goes down a dollar, the guy next to him
9 goes down a dollar. The vitality starts to be lower
10 throughout the whole area. The dollar per foot
11 continues to lower. Now, the property values in this
12 economy have continued to rise because we're going to
13 be blasted with this light rail system. It isn't
14 happening until 2014, yet, we're paying increases now
15 and have been for a couple years. You take that and
16 equate that to 2014, that's five or six years of
17 increased property taxes.

18 MR. ROVANG: Can we ask you to kind of
19 wrap up in the next minute here.

20 MR. McCANN: Yeah, I thought maybe
21 because I represent all the businesses I might have a
22 little more time. The other impacts that are going
23 to happen, that are happening, people are intending
24 to -- stick to during construction. Construction
25 remains, until this train runs and the visitors and

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1 the customers that are going to arrive on these
2 trains with pockets loaded down with money, isn't
3 going to happen until 2014. So I'm really
4 disappointed that we're focusing so much on
5 construction being one year. This is until the train
6 runs, because that's the vitality we were promised
7 that was going to make this Avenue better than it was
8 before. We have public transportation already, so
9 we're not bringing anything new to the table, we're
10 bringing an idea to the table, and that doesn't
11 equate to the dollars that we need to see.

12 I've got more, I'm sure it's going to be covered.
13 We've got plenty of written statements that we're
14 going to be giving as well. I appreciate the time.
15 I'm very disappointed that I'm sitting here doing
16 this again because of the hours and hours and hours I
17 spent talking to people. And I recognize all the
18 faces. You've all heard it. How did this not get
19 evaluated prior to this is beyond me. I cannot
20 understand it. Thanks for your time. I'm sure you
21 don't appreciate people sitting up here just barking
22 at you, but this is life. I mean, if I lose enough
23 business, my mortgage company says no, we're not
24 going to continue to work with you, and then they
25 start foreclosure things. You talk about an \$11

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1 million dollar investment that my family's got
2 invested so far. Nothing from the public. It's all
3 private investment. We wanted to be here, and we're
4 very disappointed that the amenities that we came
5 here for are being diminished. And that's a
6 negative. We need more positives and we haven't been
7 shown any positives so far. Thank you.

8 MR. ROVANG: Thank you for your
9 testimony. We do try to give you some extra time.

10 MR. McCANN: And I appreciate it.
11 Thank you.

12 MR. ROVANG: The next individual that
13 signed up is Steve Bernick.

14 MR. BERNICK: Hello. My name is Steve
15 Bernick, and it's spelled B-E-R-N-I-C-K. I am an
16 owner of Milbern Clothing Company, 1685 University
17 Avenue. We also own the building at 1685 University
18 Avenue and 1695 which houses Camplett (phonetic) Tire
19 and Firestone. We've been on the Avenue, a
20 family-owned business, third generation, for 60
21 years. First in the Goodes Midway building and then
22 we purchased the property at 1685. This whole
23 project is -- let me just get out, start, by saying
24 I'm not against the light rail. The problem is, is
25 the way it's being done and being handled. And we've

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1 been going to these meetings ever since the public
2 hearings started four years ago. It's been the same
3 type of thing. We've expressed our concerns and our
4 problems and nothing's been addressed. And then to
5 have the environmental impact study come out and say
6 that there's going to be zero to 2.5 percent impact
7 on sales is just ridiculous. We've just made it
8 through a recession, and we're fighting, and to say
9 that we're only going to lose 2.5 percent is just
10 unfathomable. What we're looking at in our
11 estimation, being a business owner for over 60 years,
12 is we're predicting anywhere from 20 to 30 percent
13 reduction in revenue. If we take that \$10,000 loan
14 that's being offered to us, and you do the math on
15 it, over -- if you take 365 days a year, or the
16 construction period which is approximately 250 days,
17 you're looking at maybe \$10 a day help. And that
18 doesn't go very far today in a business. We employ
19 14 people, and Firestone, which is one of our
20 tenants, employs about 18 people. And we're actually
21 looking at, entertaining the option, of looking for
22 another location off the Avenue, because we are very
23 concerned that our customers will no longer be able
24 to get to us. As Jim had mentioned earlier, and this
25 is brand new because the plans keep changing, I was

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1 guaranteed by Rita Rodriguez, a long time ago, that
2 Aldine would be a through street and that the
3 stoplight would remain there, and now all the plans
4 are changing, and Dan Salmon, and things are
5 changing, and it's going to be return only on Aldine.
6 Now, what happens in that particular case to my
7 business, is everybody coming to my business from the
8 west will have to go down to Fry, make a U-turn,
9 which is going to be a problem because U-turns you
10 know are very dangerous, and come back to me. Okay?
11 And that's 50 percent of my business, comes from
12 Minneapolis. Okay? So now we've created a problem
13 for my customers. Access is a problem. We are
14 fortunate, we do have some off-street parking. I
15 feel for all the people who have no off-street
16 parking because there is going to be no parking, and
17 it's going to be a major problem. But my access is
18 way down, and so I'm asking you to re-evaluate the
19 compensation that businesses get. If we can prove
20 with our -- you've asked us to keep records and
21 things like that so that we can prove, say this
22 changed, you know, why are sales down 25 percent from
23 the time of construction, that we are compensated for
24 that. We have to work together. And that's all I
25 have to say.

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1 MR. ROVANG: Thank you, Mr. Bernick,
2 for your testimony. Next individual I have here is
3 Donald Dickerson. Looks like you have some help.

4 MR. DICKERSON: I've got some help.
5 This is our future here, and that's why we're here as
6 concerned citizens. And that's the only reason I am
7 here. I have no axe to grind or anything. I'm a
8 supporter of business --

9 MR. ROVANG: Let me ask you to give
10 your name and address.

11 MR. DICKERSON: My name is Donald R.
12 Dickerson. I live in Roseville. I'm a parent of
13 four children that school in the Frog Town area. And
14 I'm here to voice my opposition to the light rail
15 corridor. Though it may feel good, sound good, these
16 businesses are struggling at this time, and I believe
17 that only a select few will benefit from this
18 corridor. We have a budget, state budget, of over
19 \$30 billion with a population of five million. We
20 would address that this light rail is not
21 sustainable, let alone the subsidies that we want to
22 dangle over the business owners in hopes of
23 compensation for their imposition, not to mention,
24 you know, the customers to these businesses. We're
25 in tough economic times and we do not need to be

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1 creating this extra burden. It's not sustainable.
2 It will be an extra added budgetary burden that the
3 whole population of this fine state will have to
4 brunt a shoulder, and I think that we need to be a
5 little more fiscally responsible. I thank you for
6 your time and I thank you all, the business owners
7 that are here to voice their concerns. Thank you.

8 MR. ROVANG: Thank you, Mr. Dickerson.

9 MR. HOLDEN: Thank you very much for
10 coming and saying that. Thank you. That's
11 beautiful.

12 MR. ROVANG: The next individual that
13 we have here is Marilyn Porter. Again, I'll remind
14 everyone, if you could give your name and address,
15 and if you represent an organization, please
16 identify.

17 MS. Porter: My name is Marilyn Porter,
18 and I'm here representing University Avenue Business
19 Corporation Collaborate, or U7. They're officed at
20 Neighborhood Development Center. Can you hear me?

21 MR. ROVANG: If you can slide the mike
22 closer to you.

23 MS. PORTER: So again, here
24 representing U7, the University Avenue Business
25 Corporation Collaborative. And my name is Marilyn

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1 Porter. U7 believes strongly there's a two-part
2 equation form required to achieve the best possible
3 results for the small ethnic and Ma and Pa businesses
4 that line this corridor by hundreds, and which make
5 up the face, economic heart and social vitality of
6 our community. Point one: Preparation by each
7 business owner with help from U7 and other business
8 support providers is critical. Careful financial
9 planning, expanding customer base, and increase in
10 sales with more effective marketing before LRT and
11 other improvements could create financial reserves
12 prior to an expected drop in sales and the building
13 to reach customers and generate sales even during
14 construction. Point two: Additional solutions by
15 Metropolitan Council and other government entities
16 are necessary. The parking loss, decreased customer
17 access, and predicted loss of sales during and after
18 construction may, and in some cases be so extreme,
19 that no level of preparation from businesses alone
20 can overcome this damage. Therefore, additional well
21 designed, well funded, and well implemented corridor-
22 wide solutions by Metropolitan Council and other
23 government entities are necessary to help offset the
24 impact of LRT. The impact of construction of the LRT
25 will be so widespread that it requires a mutually

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1 reinforcing two-part equation to obtain the vision
2 articulated by all the years and members of our
3 community. The LRT will enhance the communities and
4 small businesses along the Avenue rather than damage
5 them beyond repair.

6 While there has been a great deal of work done on
7 both fronts, and we do realize this, U7 believes more
8 is required to ensure that our shared vision is
9 achieved. We are committed to working with all
10 parties to keep pushing together to reach this goal,
11 and this encompasses a position statement for U7
12 leadership. Thank you.

13 MR. ROVANG: Thank you very much, Ms.
14 Porter. I have one more individual that signed up to
15 speak. If there are others, if you'll stop by the
16 table over there and sign up. So Frank Lorenz.

17 MR. LORENZ: Did you move it closer, is
18 that --

19 MR. ROVANG: That's great. Should be
20 okay there.

21 MR. LORENZ: Is this audible? All
22 right. My name is Frank Lorenz. I live in the
23 western suburbs of Minneapolis. My business property
24 is in Minneapolis. When Central Corridor starts
25 operating, my property taxes from the county are

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1 going to go up by some unknown amount of money
2 because of the operating losses.

3 MR. ROVANG: I'm going to ask you to
4 give the address of your business if you could.

5 MR. LORENZ: York Avenue. Sorry. No
6 one can know for sure whether the ridership on
7 Central Corridor is going to be anything like the
8 good result on the Hiawatha line or the terrible
9 result on the Northstar commuter rail. But what we
10 should glean from those differences, the fact that
11 the consultants that you're hiring to make estimates
12 of ridership are, shall we say, defective. The
13 underestimate of ridership on Hiawatha by 40 percent,
14 so that's a plus, but they overestimated it on
15 Northstar by 50 percent. So when you hire people to
16 come back and say that these businesses are only
17 going to lose zero to two and a half percent, nobody
18 in their right mind believes you. What you're doing
19 is hiring talking heads, you tell them the result
20 that you want, and then they play it back for you.
21 So nobody believes that sales for these small
22 businesses aren't going to fall by more than two and
23 a half percent. It's just impossible. You should be
24 ashamed of yourself for letting it get into the
25 press, but we'll see what the federal judge says

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1 about the credibility of your consultants. My
2 problem is, and I've seen all this before, I
3 graduated from Central High School in 1961 and left
4 the Twin Cities for seven years to go to college, and
5 then I was six and a half years in Vietnam with the
6 Marine Corps. By the time I came back, the
7 neighborhood that I had known very well, the Rondo
8 neighborhood, had been completely decimated, split in
9 half, by what we now call Highway 94, and those
10 people had to go somewhere, but they were expendable.
11 It's 50 years later and it's happening again, not the
12 same people, but the same kind of elitist, aloof, we
13 know better and, you know, kick people to the curb is
14 going on again. And the question would have to be
15 for what. But you seem to have no concept, and when
16 I say "you" I don't mean you as individuals, you're
17 salary and government employees, whether that's good
18 or bad is another issue, but you have no concept of
19 what a private sector job is or what the risks that
20 these small business men and women are taking. They
21 don't have retained earnings. They're feeding their
22 families out of the net profits from their
23 businesses; ergo, they don't have bank lines, they
24 don't have a source of funds to carry them for two or
25 three years when sales are down 20 percent, not your

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1 two and a half percent. So this is a fantasy.
2 There's a million and a half dollars, I believe,
3 that's been allocated from two or three sources, part
4 of it charitable, part of it government, either
5 outright grants or interest free loans. The correct
6 number should probably be north of \$50 million, but
7 since that's a large amount of money, you don't want
8 to deal with it, so you're not going to deal with it,
9 and the result is these people are going to go out of
10 business one at a time for various reasons. Now,
11 this is a clear case of a government taking, if ever
12 there was one, but it's going to be very difficult to
13 impossible for them to prove it in federal court
14 after the fact, because was it the recession, was it
15 something they did or didn't do as individuals, who
16 knows. So whether they can survive is question
17 number one; whether they can get some compensation
18 after the fact is question number two. But there's
19 so much vacant property now on the north side of
20 University Avenue between the state capital and
21 Snelling Avenue, one wonders if you couldn't
22 relatively quickly build some shopping centers or
23 strip malls, as my friends call them, set back from
24 University Avenue with parking and move the existing
25 small businesses into those places before the

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1 construction crews just tear the place apart. Now,
2 that's going to cost money, too, but it would be some
3 method of trying to keep people in business and save
4 their ongoing business. The goodwill that they have
5 developed over, what, five years, ten years or more,
6 but it may delay construction. But theoretically,
7 this is all about jobs, and, certainly, there's going
8 to be several hundred high paying 35-
9 50-dollar-an-hour union construction jobs for two or
10 three years; but, in the process, you're probably
11 going to destroy 4,000 private sector jobs, and many
12 of those are less than ten dollars an hour, but
13 they're the livings of these people, and these people
14 are citizens, too. And you are ignoring them and you
15 are going to destroy them and shame on you.

16 MR. HOLDEN: Beautiful. Beautiful.

17 MR. ROVANG: Thank you, Mr. Lorenz. I
18 don't have any other names. Are there any other
19 sign-ups? Is there anyone who wishes to sign up and
20 testify? Okay. Again, I want to remind you we're
21 also accepting written comments and we'd like you to
22 turn those in at the sign-in desk. And unless
23 anybody has anything else, then I believe that
24 concludes our hearing this morning.

25 MS. O'BRIEN: I think I might just

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1 quickly remind people the comment period is open
2 through March 31st. The comment period is open
3 through March 31st, so if there are additional
4 comments they're welcome through that time period. I
5 believe there's information on how to comment, you
6 all might have seen it on our website; if not, we can
7 give that to you here today, and then we will be
8 making responses to those comments after March 31st.

9 MR. HOLDEN: Are there any reporters
10 here?

11 MR. ROVANG: Thank you all for being
12 here this morning --

13 MR. HOLDEN: Are there any reporters
14 here?

15 MR. SEGAL: I wasn't sure if you are
16 providing any feedback. I was just curious to know
17 why you would be willing to spend \$8.7 million in
18 mitigation with the potential loss of only zero to
19 two and a half percent. And I just want to make sure
20 that you're aware of the fact that this is a very
21 contradictory report, and that should be readdressed
22 as you go forward.

23 MS. O'BRIEN: Sir, we'll close out the
24 testimony, but the reporter was taking it down.
25 Could you remind us of your name, please.

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1 MR. SEGAL: Sure. My name is James
2 Segal with Ax-Man Surplus, 1639 University Avenue.
3 And again, my question is why would you spend \$8.7
4 million on mitigating a problem that, in your own
5 report, it was suggested it'd only be zero to two and
6 a half percent loss in revenue. It contradicts
7 itself, and there's a lot of contradictions in the
8 report. I think you need to go back and do your
9 homework and provide us with a better document. The
10 judge told you to do something, and basically, in my
11 view, and in a lot of other folks, this is someone's
12 way of just raising their middle finger back at the
13 businesses and saying this is what we have for you.
14 It's a real disappointment. I think, if you read the
15 document, you'll come to that same conclusion that
16 you can't suggest -- I mean, on a sunny day I lose
17 more than zero to two and a half percent just to the
18 weather being nice out, and you're talking about lane
19 restrictions and road signs and cones and so forth.
20 So I just think the businesses want something from
21 you, they want a better report, they want a real
22 report, not to be brushed over. And, otherwise, I
23 just wouldn't do it. I'd just tell the judge forget
24 about it, we're not going to do it, otherwise have a
25 meaningful report that makes sense to the businesses

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1 and provide real information.

2 MR. ROVANG: Thank you, Mr. Segal.

3 MR. HOLDEN: Nice job, Jim.

4 MS. PIETRO: As business owners, is
5 there a place that we can start posting our losses
6 for each month so we can get some hard numbers on
7 what's happening? I mean, that's really what you
8 want here --

9 MR. ROVANG: We've closed to hearing,
10 so we need to wrap that up.

11 MS. O'BRIEN: We can talk to you --
12 (Multiple parties talking over each
13 other.)

14 MS. PIETRO: I would like to request a
15 part of your web site to be dedicated to business
16 owners that we can go and start posting our numbers
17 each month of what we are showing we have as losses.

18 MS. O'BRIEN: Thank you. I think we do
19 need to conclude the hearing so the court reporter
20 can conclude her testimony, but we'll be here if you
21 want to talk.

22 (Whereupon, at 9:10 a.m. the foregoing
23 proceeding was concluded.)

24

25

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Business Impacts Supplemental Environmental Assessment Public Hearing

March 16, 2011

1 STATE OF MINNESOTA)
2 COUNTY OF HENNEPIN)

3

I hereby certify that I reported the Business
4 Impacts Supplemental Environmental Assessment Public
Hearing on the 16th day of March, 2011, in St. Paul,
5 Minnesota;

6 That the testimony was transcribed under my
direction and is a true record of the testimony of
7 the parties;

8 That the cost of the original has been charged to
the party who noticed the hearing, and that all
9 parties who ordered copies have been charged at the
same rate for such copies;

10

That I am not a relative or employee or attorney
11 or counsel of any of the parties, or a relative or
employee of such attorney or counsel;

12

That I am not financially interested in the
13 action and have no contract with the parties,
attorneys, or persons with an interest in the action
14 that affects or has a substantial tendency to affect
my impartiality.

15

16

WITNESS MY HAND AND SEAL this 18th day of March,
17 2011.

18

19

20

21

22

23

Heather E. Owens

24

(Seal)

25

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In Re: Central Corridor Light Rail Transit

Page 1

BUSINESS IMPACTS SUPPLEMENTAL ENVIRONMENTAL ASSESSMENT
PUBLIC HEARING

In Re: Central Corridor Light Rail Transit

PUBLIC HEARING

Taken March 16, 2011

By Ann Marie Holland

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In Re: Central Corridor Light Rail Transit

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A P P E A R A N C E S

PANEL MEMBERS:

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(A Service of METROPOLITAN COUNCIL)

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Deputy General Manager

Program Director/New Starts Rail Projects

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By: KATHRYN O'BRIEN

Environmental Services Manager

FTA HEADQUARTERS

Washington, D.C.

By: MAYA RAY

For FTA Headquarters

Also present:

Nkongo Cigolo

Business Impacts Supplemental Environmental Assessment Public Hearing - 3/16/2011

In Re: Central Corridor Light Rail Transit

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I N D E X

LIST OF SPEAKERS:

- Mr. Walker
- Mr. Peterson
- Mr. Smith
- Mr. Holden
- Ms. Leonard
- Ms. Nolan
- Ms. Warns
- Ms. Inman
- Ms. O'Keefe
- Mr. Delton
- Ms. Valin
- Ms. Ng
- Mr. Copeland
- Mr. Gelbart
- Mr. Segal
- Mr. Slade
- Mr. Singer
- Mr. Madden
- Ms. Sims
- Mr. Wilkinson
- Ms. Gudgel
- Mr. McCann
- Mr. Bold

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1 THE PUBLIC HEARING was held on this 16th day of
2 March, 2011, at the Goodwill Easter Seals, located
3 at 553 Fairview Avenue North, St. Paul, Minnesota,
4 commencing at 6:00 p.m.

5

6 (Whereupon, the following public hearing was
7 held.)

8

9 MR. FUHRMANN: Okay. Good evening.

10 My name is Mark Fuhrmann. I am with MetroTransit,
11 which is a service of the Metropolitan Council.

12 I am the Deputy General Manager and Program Director
13 for the New Starts Rail Projects.

14 I am joined here today at the
15 front table by Maya Ray, immediately to my right,
16 your left. She is from the FTA headquarters in
17 Washington, D.C. and she is working very closely
18 with us in hearing your comments in having helped
19 prepare the Environmental Assessment that you are
20 speaking to tonight.

21 To my immediate left is Kathryn
22 O'Brien. She is the environmental manager for the
23 CCLRT Project. Also, a lead project person on
24 developing the Supplemental Environmental Assessment.
25 And to her left is Nkongo Cigolo, who will be

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1 assisting us tonight in helping to manage our time.
2 As we will ask you to keep your comments to certain
3 periods of time that I will share with you here in
4 a couple of minutes.

5 So, our primary hearing purpose
6 is to invite you, members of the public, business
7 people, representing yourselves, your business,
8 or maybe groups, to share with us your comments
9 about the Supplemental Environmental Assessment
10 as it relates to business revenues that may be
11 impacted during project construction.

12 With that, I will pass it on to
13 Kathryn and she will give a very brief overview
14 and then I will conclude with the ground rules
15 for tonight's public hearing.

16 Kathryn.

17 MS. O'BRIEN: Thank you, Mark.
18 The Environmental Assessment that was published
19 was published in response to an order that had been
20 made by a judge from the U.S. District Court locally
21 who found very specifically that the project, when
22 it had looked at the environmental impacts, was not
23 as thorough as it could have been in terms of
24 analyzing potential impacts to business revenues
25 and ordered basically that we take another look at

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1 that particular subject. And that is the subject
2 of the study that was just published on March 1st,
3 2011.

4 The publication of that began a
5 30-day formal public comment period. And the purpose
6 of the hearing tonight, as Mark mentioned earlier,
7 is specifically to get your testimony on the
8 document and the potential impacts on the project,
9 particularly as it relates to business revenues
10 during construction.

11 The EA did look at that subject
12 and it included a study that was done by the Volpe
13 (phonetic) Institute in looking at the potential
14 impacts. The analysis also includes other
15 information on required mitigation to address impacts
16 and other activities that the Council is undertaking
17 in terms of mitigation of those impacts.

18 The Environmental Assessment does
19 look at the project limits in terms of where the
20 project is being constructed. And there is a map
21 here on the wall that shows basically where those
22 limits will be. It starts in downtown St. Paul,
23 at the St. Paul Union Depot on 4th Street, it
24 continues through downtown St. Paul on 4th Street,
25 heads north on Cedar Street, up into the state

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1 capitol area, where it jogs over on 12th Street
2 to Robert Street, heading up Robert Street to
3 University Avenue, passing behind the state capitol
4 building on University Avenue. It continues on
5 University, all of the way through St. Paul and
6 through a good portion of the city of Minneapolis,
7 until it crosses the river on Washington Avenue
8 and through the University of Minnesota campus and
9 connects them to the existing Hiawatha LRT tracks
10 and the Metrodome station in downtown Minneapolis.

11 Now, Mark Fuhrmann will just remind
12 people a little bit about the ground rules of the
13 hearing today tonight and we will take your
14 testimony.

15 MR. FUHRMANN: Thank you, Kathryn,
16 for that quick overview.

17 Yes, we have a sign-up sheet here.
18 We have got probably eight or so folks who have
19 already signed up and you are able to add your name
20 to the sign-up roster here during the course of the
21 hearing. And Joey, are you going to be the
22 maintainer of the sign-up sheet?

23 MR. BROWNER: Yes.

24 MR. FUHRMANN: So, see Joey for any
25 additional sign ups if you decide that you wish to

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1 speak during the hearing.

2 I will call the names in the order
3 that they are listed here. And when you come to the
4 speaker's table, which is immediately in front of me,
5 we ask that you state your name, your address, if
6 you are representing yourself as an individual or if
7 you are representing an organization that you have
8 come to speak on its behalf tonight.

9 If you are representing essentially
10 yourself, we would like you to keep your comments to
11 three minutes, and if an organization, up to five
12 minutes. And Nkongo will give you a one-minute
13 warning when your time is being utilized so that you
14 can summarize your comments and conclude in a timely
15 fashion.

16 And we also ask that your comments
17 and testimony tonight does focus on the subject at
18 hand, that related to the business impacts from CCLRT
19 construction.

20 And then just a final, we will put
21 this up now and we will also put it up at the end of
22 the hearing, or Joey Browner can assist you with
23 this, but there are a number of ways that we invite
24 your comments. Tonight we greatly appreciate
25 everybody investing your Wednesday evening to come

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1 and participate and to give us your direct comments
2 and testimony. But we also welcome additional
3 comments here during the 30-day comment period,
4 which will stay open through March 31.

5 You can send comments directly to
6 Kathryn on her e-mail at the project office. You
7 can send the old-fashioned written comments to her,
8 if you wish. Also, we have a comment line. That's
9 the (651) 602-1645 line that you see on the sheet
10 there.

11 One other thing I should mention is
12 that if you wish to use an interpreter service, we
13 do have some interpreters in alternative languages
14 present tonight. If you want to raise your hands,
15 we can call upon them, if you request that assistance
16 during your testimony here tonight.

17 So with that, why don't we go to the
18 top of the sign-up sheet here. And what I will do
19 is I will call the person and then I will say the
20 on-deck person, so that you will know that you will
21 be next in line after the current person concludes.

22 The first person up will be Scott
23 Walker and on deck will be Larry Peterson.

24 Mr. Walker.

25 MR. WALKER: Thanks. My name is

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1 Scott Walker. I represent The Metropolitan Business
2 Council. We represent a number of business here on
3 University Avenue and have been in this process for
4 the last two years. We filed a complaint with the
5 FTA, the Chicago District 5 in Chicago immediately
6 after the first EIS was made.

7 I think it is important for you,
8 the new members of the -- and I don't see any of the
9 new members of the Metropolitan Council here. And I
10 appreciate that the Department of Transportation is
11 here listening to what the businesses have to say
12 here. We have been very frustrated with the process.
13 We believe that we have been patronized by the Met
14 Council over the past two years with regards to their
15 concerns and the mitigation money that has been, I
16 can't say it has been promised, but it has been
17 allowed to think or the business has been represented
18 that there will be some mitigation money.

19 From our reading of the EIS from the
20 very beginning, no mitigation money was imminent,
21 period.

22 It has been stated within the EIS
23 that no mitigation money would be needed; and
24 therefore, no adverse effects would be seen by the
25 businesses during construction of this project.

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1 I think the Federal Court judge
2 over the last -- within his decision, pretty much
3 dispelled that. And we were very appreciative of
4 the courage of the Rondo community to sue on those
5 bases and to give us an opportunity now to address
6 those.

7 Again, I think it is important that
8 the public knows that the businesses have not been
9 duly -- have not been duly advised of this project
10 from day one, since July of 2009. In the court order
11 or in the closing arguments of the Rondo lawsuit,
12 the Met Council's attorney made the statement that
13 over nearly 3,000 public meetings have been held
14 and it has been the attempt of the Met Council to
15 do everything they can to address the concerns of
16 the businesses along the corridor. And out of those
17 3,000 some meetings nothing, I mean nothing has been
18 resolved.

19 So it has been obvious to us that the
20 Met Council has been using those public meetings as
21 a vehicle to persuade the FTA department with this
22 project. And the game has been to do anything they
23 can possibly do to persuade the FTA to partner with
24 this project to get it going.

25 It is my knowledge that a lot of this

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1 stuff will waiver. In 2009 30 million dollars had
2 been spent on engineering, on the planning of this
3 project. Since that time, in the last two years, it
4 has been widely known now that 140 million dollars
5 has been spent and still the FTA has not gotten
6 any -- has not partnered with this project.

7 I had I an opportunity to speak
8 to Ms. Ray tonight, or this morning, and I really
9 appreciate that conversation. And much of what
10 I have stated here publicly was corroborated by her.
11 I asked her if she would probably address the --
12 thank you -- the process and to let everybody know
13 that this has not been -- the FTA has not partnered
14 with this. And it is important for the public to
15 understand that.

16 She indicated to me that unless she
17 is invited to speak, she can't speak. So I don't
18 know if this is a two-way conversation tonight. I
19 don't know how many speakers you have, but it would
20 be very beneficial for the community, for the
21 businesses to have a two-way conversation with you
22 and to address some of the -- some of the issues that
23 have not yet been addressed. And it is important
24 for -- for us, as a business community, to get that
25 in the public domain and to make sure that the public

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1 understands that they have not been -- that they have
2 not been duly warned or advised and their concerns
3 haven't been taken. So thank you very much.

4 (Applause.)

5 MR. FUHRMANN: Thank you very much,
6 Mr. Walker.

7 In response to your question, we
8 actually, the FTA and the Met Council are here to
9 listen tonight. We don't want to get into an
10 exchange because it is really the citizens' and
11 businesses' opportunity to let us know your thoughts
12 and your comments. So you have had a chance to talk
13 with Ms. Ray, but tonight's public session really is
14 about us listening to comments from the community.

15 Mr. Larry Peterson. And on deck we
16 will have Don Smith. Mr. Peterson.

17 MR. PETERSON: Thank you. My name
18 is Larry Peterson. My office is at 2233 University
19 Avenue. I have been located on the avenue for 25
20 years. I am here to speak on behalf of the
21 University Avenue Betterment Association. We
22 originally were the University Avenue Business
23 Association. Then we realized that we do have
24 (inaudible) and we are also (inaudible).

25 I want to just cite --

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1 MR. FUHRMANN: Sir, you need to speak
2 closer to the mic so that the Court Reporter can get
3 it all.

4 MR. PETERSON: Okay?

5 MR. FUHRMANN: Much better.

6 MR. PETERSON: I just wanted to cite
7 a couple of statistics from the Wild and Research
8 Institute. This corridor consists of households that
9 have 25 percent of them with adjusted gross incomes
10 of less than \$10,000. 55 percent of the households,
11 less than \$30,000 adjusted gross income on an annual
12 basis. 45 percent of employers employ less than five
13 employees. 75 percent of employers employ less than
14 20. 39 percent of the population in the corridor
15 is colored. 20 percent are foreign born, of which
16 two-thirds of the Asian population are foreign born,
17 one-third of the black are foreign born. This is a
18 unique project. It is a project that nowhere else
19 in this country have they undertaken a project like
20 this in the middle of an established neighborhood,
21 an established business community.

22 I would like to just spend a few
23 minutes going through the draft report. I am going
24 to highlight these things very quickly for you and
25 hopefully you will be able to come back to it.

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1 First of all, the report was done
2 by the Department of Transportation. The Volpe
3 (phonetic) Institute is a division of the Department
4 of Transportation and we don't consider it a terribly
5 objective study. It did not include any of the
6 comments that were generated at the February 17th
7 public hearing, excuse me, Town Hall meeting. And
8 there were many, many, many people there voicing
9 their comments and giving written comments in fact
10 of the matter and at no place in this report are
11 those referenced.

12 If you look at Page 15 of the study,
13 it admits there is no study done correlating the
14 impact on businesses with construction. And yet
15 the study goes ahead and uses the first of four
16 different studies. And that same conclusion is
17 referred to on Page 8, where it says, "No studies
18 are directly tying the impacts Volpe (phonetic)
19 described to quantitative assessments of sales
20 revenue losses." (Reading.)

21 So right now the report admits that
22 there are no valid studies out there.

23 It also states that, on Page 3, "The
24 highway projects that were cited vary significantly
25 from the Central Corridor Project in terms of

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1 construction complexity, duration, construction
2 staging, options, geographic constraints and
3 construction seasons, all of which can contribute
4 to the impact of the construction."

5 So they admit also that the studies
6 aren't even relevant in terms of similarity.

7 The Minnesota Department of
8 Transportation's regulations were cited, in which
9 there are two factors that must be considered as part
10 of mitigation. Financial assistance to businesses
11 losing nearby on-street parking and general financial
12 assistance to small business affected by construction
13 activities.

14 And then on Page 18 they conclude
15 that, "We have looked at four," excuse me, "six forms
16 of mitigation and there will be financial assistance
17 to businesses losing nearby on-street parking."
18 There isn't one dollar contributed to assist with
19 businesses that do not have parking and have lost
20 all of their on-street parking.

21 General financial assistance to
22 small businesses affected by construction activities,
23 we have a one and a half million dollar loan fund.
24 I am not sure if you are a failing business, with
25 construction occurring, that you are going to

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1 obligate yourself to another loan; therefore, I
2 submit that even this factor has not been
3 successfully completed.

4 Additionally, the Houston study,
5 which they say is the most relevant, found that
6 it's a 28 percent decrease in general merchandise
7 stores, 37 percent decrease in food stores, 32
8 percent decrease in automotive outlet stores, and
9 a 17 percent decrease in furnishings, and yet from
10 that they arrive at the zero impact. On Page 13
11 they find only 25 food stores in the entire 11-mile
12 stretch of corridor. I think that is a false
13 statement. And finally, they find only six general
14 merchandise stores in the entire length of the 947
15 businesses. They find only three furniture stores.
16 I just find this job classification, business
17 classification totally unbelievable.

18 Now, I would like to take a couple of
19 quick seconds here to recommend some alternatives.

20 You have the Lake Street study,
21 which I will leave with you tonight. It clearly is
22 a better example. You have the Seattle study, which
23 again, is clearly a better example. The Seattle
24 study in fact verified and proved how mitigation
25 money can reduce the environmental impact. You have

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1 the Lowertown. This was a project that was started
2 two years ago. The Lowertown businesses were
3 virtually demolished. And the data is right there.
4 A 20 to 40 percent loss in revenues by the liquor
5 stores, the MasterCraft Frame store, the bars, the
6 restaurants, the landlords. And all of those
7 affidavits will be submitted to show that you have
8 data right there that you could have relied upon.

9 We are tracking over 20 businesses
10 that have already left the avenue. There is another
11 ten that have gone out of business. There are
12 substantial losses that have already occurred. We
13 already know that in Stadium Village one business,
14 a Dairy Queen, which has a captive audience right
15 there at the University of Minnesota campus, suffered
16 a 20 percent loss from the very first day since the
17 construction started in January and it has continued
18 to suffer a 20 percent loss from that point after.

19 So the judge gave the Met Council and
20 the FTA an opportunity to do it right this time. You
21 will be getting comments from the St. Paul Chamber
22 of Commerce, the Midway Chamber of Commerce, and the
23 Loop Seven, which is a group that it monitored much
24 of the funding in the loan program. They all say
25 that we must have mitigation funding. If you

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1 evaluate the data that is there, that has already
2 been created by this project, you will conclude that
3 there is a substantial adverse impact and that you
4 should make funding available to solve that.

5 Thank you very much. (Applause.)

6 MR. FUHRMANN: The next speaker is
7 Don Smith. And on deck will be Tim Holden.

8 Mr. Smith.

9 MR. SMITH: Hello. My name is
10 Don Smith and I am a west side resident, apartment
11 510, Humboldt Avenue.

12 I am concerned not only about
13 the construction going on, but if this project is
14 completed, the problems that it would probably cause.
15 I would just like to raise some questions.

16 How much money will it cost? From
17 where is it coming? We all know that the federal
18 government is already 13 to 14 trillion dollars in
19 debt. How much in local state and federal taxes will
20 we have to pay? We are already taxed to more than
21 the limit. We have got a transportation system that
22 already works. Now the light rail would stop every
23 one half mile to one mile as opposed to every one to
24 two blocks with the current system. That would be
25 a detriment, especially for the elderly citizens.

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1 What about snow removal? What about the traffic
2 snarl at the University and Snelling intersection?
3 What about the University of Minnesota students and
4 campus? What about the river crossing? The bridge
5 work or a new bridge needed? How many probable or
6 unforeseen problems would be encountered? How much
7 more would it cost than projected? As if the
8 projection isn't enough already. What about the
9 citizens? The bigger the government, the smaller
10 the citizen.

11 The plan to me seems to be plain to
12 see that it is unfeasible. So I thank you very much.
13 (Applause.)

14 MR. FUHRMANN: One second, please.
15 I need to consult with Joey.

16 (Off the record.)

17 MR. FUHRMANN: I am being advised
18 that one of the speakers that signed up who is one,
19 two, three, four, five speakers down the list has
20 some transportation commitments on the bus, so that
21 person's name is Mary Leonard.

22 Do you need to speak at this time
23 or when do you need to leave to catch your
24 transportation?

25 MS. LEONARD: A quarter to 7:00.

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1 MR. FUHRMANN: You need to leave?

2 MS. LEONARD: Uh-huh.

3 MR. FUHRMANN: Okay. Why don't we
4 take a couple of more people that signed up ahead of
5 you and probably after a couple more persons, we can
6 then get you up to speak, and then get you on your
7 way by 6:45. Does that work for you?

8 MS. LEONARD: Yes.

9 MR. FUHRMANN: Okay. Thank you.

10 The next speaker then is Tim Holden,
11 with Tim Nolan on deck. And then we will go ahead
12 to Mary Leonard after that.

13 Mr. Holden.

14 MR. HOLDEN: Good evening. It is
15 good to see everyone again. I was at this morning's
16 meeting, so this is the second time I have been
17 involved in this process today.

18 This morning's meeting went rather
19 well and I hope all of the input given to you at this
20 morning's meeting will be obviously utilized to make
21 the best decision with regard to businesses and how
22 they lost or are going to lose revenue, and they are
23 losing revenue.

24 My business is at 1607 University
25 Avenue. I own a construction company. I have

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1 commercial real estate and I also have a tenant at
2 that location. I have been involved for months and
3 months and months with regard to this project and I
4 spent months of my time with the City of St. Paul.
5 And again, I do not get paid for this. The folks
6 that are here across from me are all paid. They are
7 all on salary, with benefits of some sort or another
8 and they are being compensated. I am here on my own
9 and I think that in itself says a lot.

10 The planning for this project is
11 completely under planned. It has been really quite
12 a joke. I have got a building that has no parking
13 whatsoever. March 7th, which was a week ago Monday,
14 the construction started. I was prepared. I knew it
15 was happening. I let the city know it was going to
16 happen. And still, no signs were created. We asked
17 them to have directional signs to let our customers
18 know where to go so that they would not be confused
19 and so that we would not lose customers. Well, you
20 can go over to my property right now and there are
21 no signs there.

22 I was actually directed by one of the
23 staff of the City of St. Paul that I shouldn't make
24 my own signs and that they would do it. Well, shame
25 on them.

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1 I have gone so far as to contact and
2 communicate to all of our different local elected
3 officials they should be at this meeting. Not just
4 myself and the other business owners, but the elected
5 officials should be here listening to us. Our
6 livelihood is at stake.

7 I have lost, since March 7th, \$7300
8 already. If you do the math, that equates to roughly
9 \$15,000 a month. \$15,000 a month, times the three
10 years, equates to roughly \$540,000 that I'm going
11 to lose; my businesses. The study should have been
12 done before anything was considered, any construction
13 was even talked about. These are things that should
14 have been researched and looked at accordingly.

15 I mentioned that I am for the rail.
16 I don't have a problem with the rail. I am saying
17 that if it is not done correctly, don't do the job
18 at all. The funds need to be there. My livelihood
19 is at stake folks. My livelihood is at stake. And
20 I'm very, very much a part of this area. I love
21 the St. Paul area. I want to continue to work
22 in St. Paul. And this study being done by the Met
23 Council hopefully is going to get done correctly and
24 accountably.

25 I have had the opportunity to talk

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1 to the new chair, Susan Hain. A very nice lady.
2 Unfortunately, she is not here tonight. I understand
3 she is on vacation.

4 I have got a little bit of an analogy
5 and I would just like to throw this out. And it is
6 just something that I am just putting together kind
7 of rough cut right now.

8 Supposedly all of you sitting across
9 the table from me get up every morning, put your
10 shoes on and go to work and do the same work that you
11 are doing right now every day. At the end of your
12 pay period, whenever that might be, at the end of
13 the month or every two months, and you come to get
14 your check and your check is basically 60 percent
15 less than what you are used to or what you are
16 accustomed to. My question is what would you do?
17 How mad would you be? How would you feed your
18 families?

19 This is serious business, folks.
20 I hope you are listening. Mark Fuhrmann, I have
21 called and I have left messages to talk to you
22 multiple times and I hate to say I haven't received
23 a return phone call. I'm sure you are busy. I know
24 you have done a great job because I have seen some
25 of the contracts you have bid on with this project

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1 come in under budget. That's beautiful thing. Well,
2 use some of that money accordingly and take care of
3 your businesses that are going down. Use the money
4 the way it should be, to help these folks up and down
5 the avenue that have their livelihoods at stake.

6 I ask and pray that we all do the
7 best we can do and that this project, if it happens,
8 is good for everyone. But take into account the
9 small business owners because we are asking for your
10 help. We are asking for your help. I am asking for
11 the people from St. Paul to stand up and stand behind
12 the property owners and the business owners that pay
13 taxes.

14 The mayor, I have asked the mayor to
15 contact me multiple times. No return phone call.
16 No response. It is a shame. This is very serious.
17 I thank you for your time. I thank you for everyone
18 that has come tonight. And let's do the job, if we
19 do the job, let's do it right or don't do it at all,
20 bottom line. Thank you. (Applause.)

21 MR. FUHRMANN: Thank you for coming
22 this morning and this evening, Mr. Holden. We
23 appreciate your time.

24 MR. HOLDEN: You are welcome. Thank
25 you.

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1 MR. FUHRMANN: Yes. Next is Mr. Tim
2 Nolan.

3 MR. NOLAN: She can go ahead of me,
4 if she wants.

5 MR. FUHRMANN: You will yield to
6 Ms. Leonard?

7 MR. NOLAN: Yes.

8 MR. FUHRMANN: Ms. Leonard.

9 Mr. Nolan, you can go next, and then
10 we will have Benita Warns to follow Mr. Nolan.

11 MS. LEONARD: My name is Mary Leonard
12 and I own Chocolat Celeste. It was located at 2506
13 University Avenue; 280 and University. I have been
14 in business for nine years. The economic impacts
15 have already come to me. I made the decision because
16 of the fact that I wasn't being listened to in any
17 way, that I would not participate in any of the
18 activities associated with fighting the light rail.
19 I actually believe in the light rail, but I know that
20 businesses cannot survive along this avenue through
21 the construction.

22 Over in 2008 I was going to move to
23 downtown Minneapolis. I met with, I don't believe he
24 is an elected official, but he is an arm of the
25 people that are in power that have to do with light

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1 rail and other things that are happening. It was the
2 person in charge of the Downtown Minneapolis Council.
3 And he said to me, when I was talking about moving
4 downtown Minneapolis, he said, "Well, the businesses
5 on University are marginal anyway and they probably
6 shouldn't exist." And he also said, "I don't know
7 if your business is one of them but," and "but," and
8 I think that was really, you know, irresponsible and
9 also very, very arrogant. Because of the fact that
10 these businesses are our livelihood.

11 I have dreamed of having a chocolate
12 business for a very, very long time. I invested half
13 a million dollars so far in the nine years. It is my
14 entire life's savings. When there was going to be
15 a no parking thing, I knew that my retail business
16 would die. It was already the main complaint I
17 received from customers. So having it go further
18 was not even an option for me. So I had to make
19 another plan, and I did make another plan. I moved
20 to Transfer Road.

21 Luckily, I moved to Transfer Road.
22 On Valentine's Day week, the street was closed in
23 front of where my former business was, as the meters
24 were hooded. And I believe that I lost a significant
25 amount of business because people thought I was

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1 there, and not only that, that they thought I was
2 there, I had a sign there and maps, but they couldn't
3 have even gotten to it because even the sidewalk was
4 closed. Imagine if I hadn't taken action?

5 So Valentine's Day this year was
6 \$20,000 less than it was last year. And that's
7 40 percent less. Needless to say, it also is
8 Valentine's, for me, is how I survive for the rest
9 of the year. Where it may not seem like very much,
10 \$20,000, but it pays for a lot of months after that.

11 In addition do that, because I had
12 to take action before it happened, because I have a
13 kitchen and I need to be moved before snow and ice
14 and things like that, I moved out of my space in May
15 of last year. And the consequence of that was a loss
16 of revenue of nearly \$90,000. The move itself cost
17 me \$20,000. A small business cannot take that kind
18 of, you know, downward revenue and survive. And it
19 has simply fallen on, you know, deaf ears.

20 I went to some of the meetings, but
21 I simply stopped going. The reason I went, it was
22 just a -- a room full of talking heads talking about
23 the planning process. We never got to speak.

24 I once spoke at a very early meeting
25 and I had, you know, something very important to say.

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1 And I was adamant about it. Which I still believe
2 in light rail, the thing was that they made sure that
3 I didn't speak any further. And I thought that that
4 was also in their arrogance, that they really had
5 no -- no interest in hearing what we had to say.

6 I think what this is all about,
7 really, is a legacy of one of the people at the top.
8 And it is not anything about the people. And we need
9 to be able to afford to live. I am 56 years old and
10 now I have to either, you know, punt or I have to go
11 find a job, if it doesn't work in this new location,
12 and it is my livelihood and the rest of my life that
13 is being affected and no one is listening.

14 So when they were not listening, I
15 made another plan. And I cannot participate further
16 in these meetings and things like that to waste my
17 time because I -- the purpose of my business is to
18 earn a living and not to fight for a project that is
19 out there.

20 So where I am looking to is another,
21 you know, another location, another market, but you
22 did destroy my business for a period of time and I
23 have to have the time to recover. The local banks
24 also say, "Oh, well, my goodness, you have plenty of
25 time to plan." That's fine for a bank to say, but

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1 it is not for a small business to say, "Oh, there was
2 plenty of time." You are busy, you know, running
3 that business. I couldn't have stayed there not
4 only because of parking, but also because they would
5 possibly turn off the electricity; and therefore, my
6 product might have spoiled. If they turned off the
7 water, I can't operate and wash dishes. You know,
8 I simply had to leave.

9 So I hope that people are hearing
10 this and that they are really listening. It is not
11 a, you know, two percent or a ten percent loss of
12 business. It is, you know, much more than that.
13 It is losses of people's, you know, people's homes,
14 education for their children, retirements. It is
15 a -- it is big. And the people along -- that lost
16 their businesses on Lake Street can really tell you
17 that. You know, people simply did not go to Lake
18 Street any longer and people will simply not come
19 to University Avenue. It is a negative business
20 environment and it is just not possible to survive.
21 And if you were -- if it were a highway, it would be
22 someone took their home, they would be paying for
23 that home. It is time that they considered being
24 paid something for their loss of their businesses.

25 Thank you.

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1 MR. FUHRMANN: Okay.

2 MS. LEONARD: One more thing, today I
3 was contacted by MSNBC in New York to be interviewed
4 about this. (Applause.)

5 MR. FUHRMANN: The next up is Mr. Tim
6 Nolan, to be followed by Ms. Benita Warns.

7 Mr. Nolan.

8 MR. NOLAN: Thank you, Mr. Chairman.
9 My name is Tim Nolan. I live at 86 Wilkens Street,
10 St. Paul. I am here, I just wanted to do a quick
11 thumbnail, if it works, on my background.

12 I am a great grandson of an early
13 pioneer. My great grandfather was a pioneer in this
14 state. He had a stable in which is now downtown
15 Minneapolis. He sold the first horse-drawn ambulance
16 to the Minneapolis City Hospital. My grandfather
17 and his two brothers built the very first roads in
18 America, from Rochester to Ontario. My grandfather
19 was involved in the construction of the Stone Arch
20 Bridge from 1907 to 1910. My grandfather on the
21 maternal side, being with the Ford Company, my father
22 was the youngest Ford dealer. I have these pictures.
23 You can keep them in the record. But also here, the
24 construction somewhere along the -- I have no idea of
25 where that is.

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1 Anyway, I am here on behalf of "We
2 The People." I talked to Jim Oberstar on January
3 18th of this year at the Humphrey Institute. I
4 proposed my vision that I had for some time now,
5 which is a monorail on 94. On August 6th, 1991, the
6 Ramsey County board at that time approved that that
7 is a workable plan. I talked or I presented to the
8 Hennepin County Commissioner's what would be a
9 Minneapolis station, on the Minneapolis Armory.
10 That was voted five to two. That's a corridor
11 between the Minneapolis station, starting at the
12 downtown Minneapolis, at the Minneapolis Armory,
13 riding along the corridor of 94. Stopping at the
14 Minnesota History Center, which is 6.8 miles. It
15 is more feasible. It is more practicable. It
16 doesn't cause any disruption in the business. I
17 have two. I have already looked at the plans and
18 you are not comparing apples to apples.

19 When my father was on Lake Street,
20 I was really upset that the Latino communities and
21 businesses were literally ran out of business. We
22 have to look at this as a vision and look at this as
23 something that is helping the community. Our economy
24 is just tiptoeing out of recession and this is making
25 the economy and the people, all of the merchants that

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1 have worked and have a lot of sweat equity, they are
2 standing on quicksand. Let's put a hold on this and
3 get some more information and let's get together a
4 strong feasibility study on the possibility of a
5 94 monorail and let's do it right the first time.

6 Draw people to this area. University
7 Avenue will become the Avenue of Americana,
8 showcasing the rich cultural diversity along this
9 corridor. Doing it right will bring people along
10 this area, coming in from Minneapolis and St. Paul,
11 seeing the twinkling lights along University Avenue,
12 and so on, will bring them back. And that's what we
13 will bring, it will bring back sales tax. As far as
14 the wages, it will be really livable wages. And
15 also I have been working on the Promise neighborhood,
16 which is down the road. I have met with a lot of
17 the main people there and I will continue with them.
18 I have been involved in three town meetings with the
19 people in Frogtown. They have some -- when we had a
20 chance to brainstorm, they had some very, very
21 creative businesses along the lines, not to be a
22 corridor of CVSes, and so on, and so on, with all
23 of the corporate driven machinery. The people here
24 that worked here deserve to hold on to what they
25 have. So give us some really thinkable and have some

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1 more sound information, some more input from the
2 people.

3 I am here on behalf of "We The
4 People." Our bottom line is, "We want life, liberty
5 and the pursuit of happiness." We are tired of being
6 the low-class citizens while the fat cats continue
7 to get fatter.

8 I was also opposed to Carl Pohlad's
9 stadium. The guy didn't live long enough to open up
10 his own stadium. Anyway, alright. That's all I have
11 to say now. I promised my mother that I wouldn't get
12 angry. (Applause.)

13 MR. FUHRMANN: The next speaker is
14 Benita Warns, and to follow her is Karen Inman.

15 Ms. Warns.

16 MS. WARNS: Good evening. My name
17 is Benita Warns. I own and operate Mr. Michael
18 Recycles Bicycles. Our entire budget to run the
19 place is \$13,000 a year. We run it on a break even
20 basis. What we do is we collect used bicycles and we
21 fix them and give them to people in need. To pay for
22 that, we buy used parts and used accessories. We
23 sell some bicycles that need to be fixed for people
24 to use as project bikes and some of the collectible,
25 better bicycles, we sell those as well.

1 We have partnerships with downtown
2 congregations to end homelessness, with the Coon
3 Rapids Kwanis (phonetic), with one of the public
4 schools in Minneapolis, with Leonardo's Basement,
5 a number of places that we supply used bicycles to
6 them for their programs. Or in the case of downtown
7 congregations, we actually do the repairs at our
8 shop, they send volunteers to us, and then their
9 clients come to our store. They mostly take the bus.
10 They come to our store to take a class and when they
11 leave, they leave with a bicycle and they leave with
12 a lock and a helmet.

13 We are one-half block off University,
14 on Prior. The parking in front of our building, it
15 is a mixed-use building, with 24 units of affordable
16 housing, the parking in front of there is going to go
17 to metered parking. I don't know what kind of rules
18 is going to govern this metered parking and what
19 the time frame of it that is going to be enforced.
20 However, a lot of bicycles that we receive, we get
21 quite a few of them from Anoka County or various
22 cities. We have five cities that we do recycle.
23 However, we get a lot of walk-ins, you know elderly
24 people that have had the bicycles hanging in their
25 garage for 25, 30 years and they want to bring them

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1 and we take them. However, it is going to be very
2 difficult for them to drop them off at our store.
3 And it is going to be very difficult for our people
4 to repair them because that requires them physically
5 to bring the bicycles to our store with a van or car.
6 Can't bring it on a bus. It is very hard to do.

7 So, the loss of parking on University
8 is going to force those people to park using the
9 parking in front of our building and people will not
10 be able to park to bring bicycles to us with the
11 customers that do arrive by car. So that's going to
12 be a serious problem for us. And in terms of the
13 loans, any -- I would not ever go and borrow money
14 that I don't know that I can repay. And I think that
15 offering businesses loans isn't going to cut it. You
16 need to give them grants; straight up. You need to
17 pay them, compensate them for the loss of revenue
18 during this construction and for those that are
19 loosing on-street parking, they need to have -- they
20 need to have some kind of money or compensation or
21 they need to have some kind of money or relocation
22 assistance to move to a location where they can do
23 business and have the appropriate parking. Nobody is
24 talking about that. Likewise, the residents that
25 live close by, why should they have to spend their

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1 own money for permit parking? They should subsidize
2 permit parking for those people on those couple of
3 streets north and south of University and in those
4 residential areas. And that would be the only way
5 that those people that live there would even be able
6 to come home at night and park their car and go into
7 their house.

8 So these are some real impacts. And
9 every bike that doesn't come through the door is a
10 bike that either can't go to help a homeless person
11 to get a job and get off the street. And I have
12 documented examples of homeless people who have done
13 that. And likewise, every bike that we don't get,
14 it either isn't going to go to somebody that we were
15 going to give it to or that it is not going to be
16 available for us to sell to someone or that we would
17 lose that repair business to some other bike shop.
18 And we need to have -- to have the access. And so
19 it is going to have an impact on us.

20 The other thing that I want to
21 mention, he mentioned April -- April 6th, 1991. Let
22 me expand on that just briefly. The -- what happened
23 was that they had a citizen task force made up of
24 people up and down University Avenue. It was the
25 councils, the business communities at the time.

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1 There were a lot of people that served on this task
2 force. They unanimously came to the conclusion that
3 if light rail was ever built, it was to be built
4 on I-94, in that corridor. They studied three
5 alignments; Pierce Butler, University and I-94. And
6 I-94 was the unanimous choice. And the reason was
7 because they knew that the amount of space that light
8 rail would take up would take away parking from the
9 businesses and it would kill the business community
10 on University Avenue. The people, in 1991, they knew
11 this. And then they recommended that to the Ramsey
12 County Board. And the people that were on the board
13 at that time voted unanimously on that date that if
14 light rail was built, that the preferred alignment
15 was going to be I-94. That business decision was
16 overrode in and around 2002. And it is hard for me
17 to figure out exactly who was ultimately responsible,
18 but the county board had completely changed over by
19 then.

20 And so it had to do with some
21 developers and these people that have some fancy
22 ideas that they want all of these high-rise,
23 high-density New York City style living along
24 University Avenue. We had 700 there, 700 people.
25 That's how much the population in St. Paul increased

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1 over the last decade roughly. And I don't know what
2 the new census says figures are, but I'm sure it is
3 a similar order of magnitude. We built several
4 thousand new units of housing. Now if our
5 population, if you built ten times as much housing
6 as the population has increased, this is ludicrous.
7 And they want to build more of it and they are
8 building this light rail so that they can force all
9 of this housing when we already have an abundance of
10 housing, but not enough that low income people can
11 afford.

12 At any rate, this is going to have
13 a serious impact on people's livelihoods. And I do
14 ask that you direct some of that money towards
15 straight up grant money. None of this loan money.
16 Grants. Give people money. Compensate the little
17 guy for what they are losing, because the fat cats
18 that own some of these buildings, they are going to
19 be making a killing. Because they will knock the
20 stuff down and build big, huge buildings. And the
21 developers will do that, bill it on to us and move
22 on. And we will be left with the aftermath.

23 So you need to help the little guys.
24 The people that rent in these buildings right now,
25 the people that live close by, those of us who built

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1 this city, those of us who change lives, whether it
2 is bicycles or whatever, because many of us in
3 business do change lives. And so we ask that you
4 do that. Thank you. (Applause.)

5 MR. FUHRMANN: Thank you for your
6 comments, Ms. Leonard. We invite Karen Inman to
7 come and present. And following her, it looks like
8 Patricia O'Keefe. Hopefully, I have got that last
9 name correct.

10 MS. INMAN: Hi.

11 MR. FUHRMANN: Ms. Inman.

12 MS. INMAN: Hi. I am Karen Inman
13 and I am vice-chair of the District Council
14 Collaboratives of St. Paul and Minneapolis and I
15 live in District 7.

16 The District Council Collaborative
17 is a coalition of fourteen city recognized
18 neighborhood organizations located on or near the
19 Central Corridor Light Rail Line. In both
20 Minneapolis and St. Paul, our member organizations
21 are part of the official planning and development
22 and review processes and we work to ensure that
23 community voices are heard when public decisions are
24 made. And I am here today to speak on behalf of the
25 DCC.

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1 The DCC has reviewed the
2 Draft Supplemental Environmental Assessment of
3 construction-related potential impact on business
4 revenue and appreciate this opportunity to provide
5 public comments on the document.

6 In June of 2006 the DCC announced its
7 strong support for the Central Corridor Light Rail
8 Line pointing to this as a once in a lifetime
9 investment for the Twin Cities and the metropolitan
10 region. But we caution that we need to do it right,
11 which is why we are here today, to voice community
12 concerns that the project is not providing sufficient
13 business mitigation measures. A thriving and diverse
14 business community is an asset of the neighborhood
15 along the corridor. Businesses contribute to the
16 neighborhood's identity and livability, providing job
17 opportunities to residents, offering residents nearby
18 shopping, entertainment and professional services and
19 help, and to help build and sustain a city's tax
20 base.

21 In the Central Corridor there is a
22 strong history of small business investing in
23 University Avenue, where others would not. And the
24 DCC is very concerned that existing businesses in
25 the Central Corridor may not survive construction

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1 and survive thereafter. With this concern in mind,
2 we want to focus our comments today on the proposal
3 that concluded that business revenue loss will not
4 exceed 2.5 percent and the adequacy of proposed
5 business mitigation measures permitting loss of
6 on-street parking in the February 7th Town Hall
7 meeting.

8 The DCC questions the reliability of
9 the Environmental Assessment and the technical report
10 conclusion that businesses along the corridor will
11 experience business revenue loss of only zero to
12 2.5 percent.

13 The Volpe (phonetic) Institute
14 readily admits there are limitations to the use of
15 just one highway study from 1993 to calculate the
16 impact on the businesses of the Central Corridor.
17 The DCC agrees and suggests that limitations are
18 sufficient enough that the studied findings are not
19 applicable to the Central Corridor. Last summer,
20 during the height of construction, restaurants in
21 St. Paul's Lowertown revenue said losses were as high
22 as 50 percent. Currently businesses on University
23 Avenue are bracing for losses in the range of 20
24 to 30 percent. And as noted in the Environmental
25 Assessment, there are over 2.1 million dollars in

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1 business assessment programs to help minimize these
2 losses. The Environmental Assessment's conclusions
3 of a maximum loss of only 2.5 percent could be
4 projected not to align with on the ground experience
5 with the value of business preparation and assistance
6 underway. Therefore, the DCC questions whether the
7 Environmental Assessment sufficiently satisfies the
8 recent Federal Court order.

9 The DCC is concerned that the
10 mitigation strategies proposed in the Environmental
11 Assessment are not sufficient and in some cases are
12 not fully disclosed.

13 Small businesses, supposedly those
14 that are immigrant or minority owned, are reporting
15 that the loan program identified in the Environmental
16 Assessment does not meet their needs and is
17 underfunded. The DCC shares these concerns and
18 opposes a forgivable loan component which may
19 negatively impact small businesses' credit ratings.
20 The DCC strongly encourages the FTA and the Met
21 Council to work with the impact of businesses and
22 the local funding partners to advise the business
23 assistance program to meet the needs and the
24 constraints of small minority or immigrant owned
25 businesses. The Environmental Assessment states

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1 that the community outreach coordinator mitigation
2 budget is valued at four million dollars. The
3 DCC requests details on this budget. Outreach
4 coordinators spend a great deal of time meeting with
5 residents in the community, attending project
6 meetings and representing the project at community
7 events. These activities are not related directly
8 to business mitigation and should not be included in
9 the business mitigation budget.

10 Along the same line, the DCC would
11 request that the business assistance program and
12 the budget detail show how much of the funds go
13 directly to businesses and how much is used for
14 program administration. The Environmental Assessment
15 refers to, "a temporary loss of revenue due to
16 temporary loss of on-street parking during
17 construction only." This is misleading. The FEIS
18 (phonetic) disclosed permanent losses up to 85
19 percent of on-street parking and it should be
20 disclosed as such in the Environmental Assessment.
21 Small businesses without access to off-street
22 parking will experience long-term loss in revenue.
23 Appropriate parking mitigation measures should be
24 proposed in the assessment.

25 Finally, the DCC would like to

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1 express its great disappointment in the February 17th
2 Town Hall meeting. Community members were extremely
3 frustrated with the open house format that did not
4 allow people to speak nor to have questions answered
5 before the entire group. It was not the forum of
6 a town hall as some were lead to believe. One, the
7 conversation lacked transparency and it made it
8 difficult for community members to hear other
9 perspectives. This format does not advance general
10 understanding of the intent of the Environmental
11 Assessment Study and undermines public trust in
12 the EA process.

13 The DCC would like to thank the FTA
14 and the Metropolitan Council for this opportunity and
15 we will be submitting written comments to supplement
16 this public testimony. Thank you. (Applause.)

17 MR. FUHRMANN: Thank you.

18 Ms. Inman, did you make note on the
19 screen earlier? Or I would encourage you to talk to
20 Joey to get the address that you can submit your
21 written comments to us at the office.

22 MS. INMAN: Yes.

23 MR. FUHRMANN: Great. Okay. Next up
24 is Patricia O'Keefe.

25 MS. O'KEEFE: O'Keefe, yes. Correct.

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1 MR. FUHRMANN: And following her will
2 be Jamie Delton. Daulton? Delton. Okay.

3 Go ahead, Ms. O'Keefe.

4 MS. O'KEEFE: Okay. I have lived
5 in the Midway area more than 30 years - since 1979.
6 I have seen neighbors being kicked out of their homes
7 because of high taxes or their inability to pay their
8 mortgages. But what is happening is we are losing
9 all of our businesses in the Midway area - especially
10 the small business. The government is only offering
11 them \$10,000 with rules and regulations that are not
12 acceptable to the working people and business owners
13 in the community. Small businesses are losing their
14 livelihood. This is businesses I shop at every week.

15 The city is pumping millions of
16 dollars into light rail, when they could have used
17 the railroad tracks already in place that go past
18 the St. Paul Saints ballpark and had shuttle busses
19 transfer people to the Midway area. It would have
20 saved a lot of us homeowners taxes in the Midway
21 area.

22 The city is putting millions of
23 dollars into a rail system the people in the Midway
24 do not want. The city is putting millions of dollars
25 into a rail system, but forgot about the parking

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1 problem. There is no place to park. How are we in
2 the Midway going to get to our local stores with
3 light rail in the middle of the street? A lot of us,
4 some use electric wheelchairs and some use electric
5 scooters. How are they going to get their vehicles
6 across the intersection with light rail coming down
7 the street? You elected officials, the Council,
8 forgot about the young, old folks and handicapped
9 senior citizens that live in the Midway location.

10 Wake up people, we have a senior
11 highrise in the Midway. Not very many of them have
12 cars. Just in my block alone, there are at least
13 five handicapped residents, including my own home.
14 What about all the children that are in our
15 neighborhoods? How are they going to get across
16 University to get to Target, Wal Mart, and
17 restaurants, etc?

18 Many elderly and handicapped people
19 live in the Midway area and many don't have cars,
20 including myself. How am I going to get my husband
21 across University in a wheelchair? So much can be
22 done for more handicapped assistance. What about
23 walkways to go across Hamline or go across Snelling
24 Avenue for the older people?

25 Thank you for your attention.

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1 (Applause.)

2 MR. FUHRMANN: Thank you very much,
3 Ms. O'Keefe. The next up is Jamie Delton.

4 MR. DELTON: Yes.

5 MR. FUHRMANN: And following
6 Mr. Delton will be Inna Valin. You are up.

7 MR. DELTON: Thank you. I am Jamie
8 Delton. I live in the Summit/U neighborhood. I
9 have -- I run a business at 293 Como, which is
10 nearby, which will be affected by the light rail in
11 that there be will be increased traffic congestion
12 along Marshall, I-94, Pierce Butler, Como, Minnehaha,
13 Thomas, all of these streets will be overloaded with
14 traffic.

15 And I saw it with my own eyes
16 when I-94 had a brief downtime this last summer.
17 It really affected the neighboring streets that I
18 just mentioned. So if University Avenue is down for
19 construction and if University Avenue is constricted
20 to one lane, they say it is going to be two-lanes,
21 but it is really one lane then, and you can imagine,
22 a lot of traffic problems.

23 I prefer that the project be
24 scrapped. But I would like to be counted among the
25 people affected. I have eight considerations,

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1 gateways that I'm affected. Traffic, which I
2 mentioned. I don't like the total tax, the tax
3 setup, the way it is planned to be funded through
4 this ETIB (phonetic). I think it is -- it is -- it
5 is geared for inaccountability. There is no elected
6 official to the five-county regional tax authority,
7 which is the ETIB (phonetic) Met Council. And I
8 think this could really be a project with runaway
9 costs and I'm very concerned about that, as a
10 homeowner in St. Paul in the Summit/University Avenue
11 area.

12 Emergency evacuation will be
13 affected. We are going to lose a four-lane street.
14 The snow removal has not been considered. There
15 is going to be no place to put the snow. Parking
16 is going to be a huge problem. And contrary to city
17 assessments, it is not abundant to the neighboring
18 streets off to the side of University Avenue.
19 Access, as Pat mentioned, is a bit of a problem
20 because in all of the plans that I saw, there are no
21 handicapped ramps there or anything of the sort.
22 Even the ramps that you see on the Hiawatha line is
23 not planned for this rail system. For bikes and
24 handicapped wheelchairs, and so on.

25 I am concerned also, two more things,

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1 Midway Books was damaged in the basement through a
2 sewer system put in for the light rail system and I'm
3 concerned because the Hiawatha line was also damaged.
4 It also damaged the furniture business in the same
5 way and there was very little accountability, as far
6 as I know, they settled a lawsuit on it.

7 But I'm concerned about that. And I
8 am also concerned about the 140 million dollars spent
9 already and which I am going to pay for as a
10 taxpayer. The tax -- I am going to be paying the
11 taxes on 100 percent of the operations costs coming,
12 moving forward, and I'm concerned about that.

13 So those are eight ways that I am
14 affected and my business on Como Avenue I feel will
15 be affected, too. Thank you. (Applause.)

16 MR. FUHRMANN: Thank you for those
17 comments. Next up will be Inna Valin, and then
18 following her will be Terry Forliti.

19 MS. VALIN: My name is Inna Valin.

20 MR. FUHRMANN: Okay. Thank you.

21 MS. VALIN: I live in the Cathedral
22 Hill District. I worked at Swank Retro, 1910
23 University. Our business had to close down on
24 January 31st due to this project. My boss lost his
25 American Dream, as well as his \$30,000 investment.

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1 I lost my job and my American Dream also.

2 The communication that we were given was
3 extremely misleading. These meetings were held at
4 extremely inconvenient times, like at 7:00 in the
5 morning, and ultimately our small storage could not
6 withstand the loss of access, the loss of parking,
7 and we weren't just going to sit around and go broke.

8 We had a natural community around us.
9 We used a local sign company at one end of the block,
10 the coffee shop at the other end of the block, the
11 liquor store. It was a natural community, not a
12 government planned community like you are trying to
13 create. People can create their own communities, and
14 do. We don't need you to create our communities.

15 We were the largest mid-century store
16 in the upper midwest. We saved and recycled
17 American objects of historic interest. We saved
18 objects from the landfills. People come to our store
19 from as far away as New York City to purchase our
20 items.

21 That whole community of vintage
22 dealers and vintage lookers has been destroyed by
23 your project and I think you should know that.

24 Thank you. (Applause.)

25 MR. FUHRMANN: Thank you, Ms. Valin.

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1 I am going to make one more call, but I'm being told
2 that Terry Forliti has departed. One more call for
3 him.

4 It looks like he did leave. So next
5 up will be Eva Ng.

6 I am sure I need help on your last
7 name. So sorry about that.

8 MS. NG: It is understandable.

9 MR. FUHRMANN: And following Eva will
10 be Greg Copeland will be on deck.

11 MS. NG: Thank you, council members.
12 This is Eva Ng. Does that help? I am president of
13 Capital City Business Council and I represent -- and
14 I represent more than 50 businesses in St. Paul and
15 surrounding areas. Some of our members are on
16 University Avenue.

17 Let me be brief. Our members think
18 that this project is the height of insensibility.
19 It is physically irresponsible. In January of 2010,
20 Secretary of Transportation, Ray Landhood (phonetic),
21 had to waive the cost-effective index criterion in
22 order to allow this project to proceed. One of our
23 members commented that the ten thousand dollars loan
24 being offered would cover less than one month of his
25 expenses. And another one of our members say that in

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1 Mr. Copeland.

2 MR. COPELAND: How are you today?

3 Welcome to St. Paul. In case I missed him, I didn't
4 see anybody from the Met Council here. I don't
5 understand. The governor has appointed an entire
6 slate of new Met Council leaders. Are any of you
7 here? There you go. They are not here. City
8 Council members, we have seven of them in St. Paul.
9 Are you here? Seven members of our county board, are
10 you here? Are any legislators here? Well, you see
11 our problem. Our elected officials in St. Paul have
12 abandoned us. They have abandoned common sense and
13 they pursued their own agenda. Not the agenda of the
14 people in this room.

15 We have heard a lot of testimony
16 today and it has been measured in thousands of
17 dollars, hundreds of dollars, percentages that are
18 huge to the people that have given you testimony.
19 And we have a billion dollar project that rations the
20 documents to the public so that they can be informed,
21 where we can view the document.

22 You know, it's your project, the
23 city's project, the county's project, the Met
24 Council's project. Frankly, it is not our project.
25 You have heard people indicate to you tonight that

1 they actually want this project, but they want it on
2 terms that are of human scale. Not the scale that
3 is delivered by people in some institutional setting
4 where they think, "Oh, this is what people think when
5 they have never been into that community or into the
6 stores." And obviously you can't count the number of
7 furniture stores or grocery or food stores on our
8 street.

9 This program is nothing but an excuse to
10 build a monument. This is an expensive plan for
11 monument building. One in which light rail stands
12 for, "Let us raise your taxes permanently." It is
13 not transportation.

14 I have to tell you, as somebody
15 who came to St. Paul to attend the Hamline Graduate
16 School, to earn a degree in public administration,
17 who just down the street at Humphrey Institute,
18 many times I have been there and have enjoyed their
19 programs, I think both of the faculties of these
20 fine institutions, who do a great job in what they
21 do, would give this project in its conception and
22 implementation an F.

23 The first course you take in
24 public policy deals with implementation and people
25 often talk about being in the business as being

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1 the toughest part. You can have the money and you
2 can have a plan, but folks, this thing, I mean it
3 is really an ill-begotten thing. We have got
4 construction starting over here that downtown,
5 construction starting over here, and we have got
6 construction over, starting over by the U, and yet
7 we have all of these people that have never been
8 heard from. Now isn't that a little strange? I was
9 president of my District Council. We have 17 in
10 St. Paul. We started in the seventies to take public
11 input, to enhance public participation. That is
12 not what has occurred in this project. I mean it is
13 shocking that a city with a, you know, with an
14 embrace of public participation has ended up with its
15 politicians telling us, "This is what you will have.
16 This is how you will have it and you will like it."
17 And the arrogance of even the new chair of the Met
18 Council to say to the media, "It has been on all of
19 the stations and if you want to review the tape and
20 put in in your record, the train has left the
21 station."

22 This governing body, the Met Council,
23 the city, the counties, have left the people of this
24 area behind. They have ignored us. They haven't
25 listened to us. But what will they do? What do I

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1 have here? Let me find it. My goodness. Where has
2 it gone?

3 AUDIENCE MEMBER: It is Ted Mondale
4 calling.

5 MR. COPELAND: Oh, if I could only
6 find it. Which pocket did I put it in? Gee, maybe
7 you will remember it. It is a button that says, "One
8 Message." Do you guys remember those buttons they
9 passed out? I was going to show it to you, but I bet
10 you the Met Council has a couple of extras. You will
11 know it: "One message." Well, the message you are
12 hearing tonight here is that this project is not
13 ready for prime time. I sit here and represent the
14 people of this district in the state senate. We just
15 had a state senate member resign and I ran for his
16 office in November. And frankly, it is amazing to
17 me, as a student of public policy and as someone who
18 enjoys doing good things for good people, to see
19 how people who have risked their fortunes and their
20 livelihoods, on the one street in St. Paul, by the
21 way. If you take a little tour, and I think you
22 should, before you go back to Washington. And there
23 is a little irony there, isn't it? That we have to
24 have a federal judge tell folks from Washington to
25 come here to do the public participation job that

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1 we have a public council here to do, but that is
2 another story.

3 It just seems to me, if you travel
4 to our north/south corridors, you know, Pain Avenue,
5 Arcade, Rice, Dale, go down to the industrial here,
6 like Vandalia, you will see economic issues, empty
7 storefronts. People that were in business two years
8 ago, three years ago, that had jobs. University
9 though is different. University is like the "Street
10 of Dreams" to quote one of your previous testifiers.
11 People developed all kinds of businesses. The
12 smallest of businesses, the recycling business that
13 Benita talked about, or the Walmart, you know, that
14 got a lot of negative press to join Target here, and
15 then Target expanded, and so then the big boys,
16 the little folks, the recyclers and the nonprofits,
17 everybody was doing things on a street that was
18 working just fine. Thank you. The buses were doing
19 just fine. Maybe they could have put a few more out
20 there. But, you know, we didn't have people paying
21 attention to whatever it was that was of value here.
22 We had a street that was not requesting, not needing
23 public finance for its economic enhancement. What
24 we have is an opportunity here in your presence to
25 go back to the judge, I hope, and say to them, and

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1 say to the court rather, that it is time to listen
2 finally and that maybe you should reconsider the
3 order to actually engage beyond simply having
4 listening sessions at the end of the project.

5 I don't know of any textbook that
6 you could find of public administration that would
7 call for these meetings to be held in this order.
8 And we appreciate the judge, I mean because without
9 him, we wouldn't even have had this. But folks, I
10 gotta believe you folks know that this represents
11 a failed project. And if it is ill-begotten and it
12 has failed at this point, the upside is not looking
13 good.

14 Thank you. (Applause.)

15 AUDIENCE MEMBER: Some of us came in
16 late. I have no idea who you are and where you are
17 from. Would you just say that here? Would you just
18 say who you are and where you are from?

19 MR. FUHRMANN: Sure. We would be
20 happy to. We are here up at the table. My name
21 is it Mark Fuhrmann. I work for the Metropolitan
22 Council. I am their New Starts director, that
23 includes the Central Corridor Project. With me is
24 Maya Ray of the FTA Headquarters in Washington, D.C.;
25 Kathryn O'Brien, that works for Met Council, for the

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1 Central Corridor Office; and supporting staff here,
2 Nkongo Cigolo, that is helping us to make sure that
3 we stay on schedule tonight; and Joey Browner,
4 managing the sign-in list; and staff that are
5 supporting our hearing tonight.

6 So, I see you, Jackie.

7 JACKIE COOPER: I just want to
8 say, I don't want to interrupt the proceedings,
9 but someone mentioned that there wasn't any
10 representation from the County Board offices. I am
11 Jackie Cooper. I am here on behalf of the County
12 Commissioner. She could not be here tonight. She
13 wanted to be here tonight, but I am here representing
14 our office.

15 MR. FUHRMANN: Thank you, Jackie, for
16 letting us know that you are.

17 (Off the record.)

18 MR. FUHRMANN: That was not on the
19 mic. Jackie, did you intend that to be testimony?

20 JACKIE COOPER: Well, no, I just
21 wanted to let people know. Because they said there
22 was no representation here and I just wanted to make
23 sure that it is.

24 MR. FUHRMANN: That's fine.
25 The person who just spoke, for the benefit of the

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1 Court Reporter, was here on behalf of the County's
2 Commissioner. She was not here to testify.

3 The next person to speak tonight is
4 Jennifer -- I want to say it is Buford. I probably
5 am close but not precise on that one.

6 Is she still here this evening?

7 Okay. We will move down the list then. Carl
8 Gelbart.

9 MR. GELBART: That is me.

10 MR. FUHRMANN: Mr. Gelbart, you are
11 up next, and then to be followed by Jim Segal.

12 MR. GELBART: Thank you, thank you,
13 thank you.

14 MR. FUHRMANN: Please identify
15 yourself for the record.

16 MR. GELBART: Alright. Oh, I tell
17 you, I got a loud voice. I have been told to be
18 quiet before, you know. Now I don't -- my name
19 is -- do you mind if I record this?

20 MR. FUHRMANN: Mr. Gelbart, it
21 already is being recorded by the Court Reporter.
22 You are welcome to record it, if you would like.

23 MR. GELBART: Well, I would like
24 to have it for my own personal reference.

25 MR. FUHRMANN: That's fine.

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1 MR. GELBART: You know, I paid \$47
2 for this just a month ago and I would like to use it.
3 And it has a pop-up mic here, too. So, I will press
4 that. Okay. We will get started.

5 My name is Carl Gelbart. I was born
6 and raised in the Midway area. I was born in Midway
7 Hospital and my uncle worked for Twin City Rapid
8 Transit. My grandfather worked for the Como Shops,
9 fielding pullman cars. My uncles worked for Brown
10 & Bigalow and Master Printers, and that did parish
11 work. The Rockefellers, they were the best
12 lithographers in the country. A lot of my relatives
13 worked for Montgomery Wards.

14 Now, we know all of these businesses
15 are gone; torn down, destroyed, just in a short
16 period of memory. Now, I am going to be 68 years old
17 in a few months and I biked over here and I remember
18 riding the brand new street cars. They rebuilt
19 University Avenue in 1949 and put brand-new street
20 cars on the street.

21 Well, all of a sudden, something
22 happened. And somebody got into the Twin City
23 Rapid Transit, under world (phonetic) characters,
24 and a chief witness on the construction of the
25 Twin City Rapid Transit is buried under Highway 10

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1 in Anoka. Isadore Kitcan Bloomingfeld (phonetic)

2 was a torpedo to get Twin City Rapid Transit.

3 MR. FUHRMANN: Mr. Gelbart --

4 MR. GELBART: Listen now. Listen,
5 you let me speak.

6 MR. FUHRMANN: I just want to remind
7 you that we have a number of folks --

8 MR. GELBART: I know you have a
9 number of folks, but you people don't seem to know
10 anything.

11 MR. FUHRMANN: The business
12 representatives --

13 MR. GELBART: I don't care. Anything
14 you say has nothing to do with me.

15 Okay. This is the United States
16 Constitution (indicating)? Have you read it? Have
17 you read it? Yes or no?

18 I don't seem to get any answers from
19 this wall. Now, this is the Metropolitan Council
20 and it is not elected officials, with taxing power,
21 spending grant money from Washington. This is
22 against the United States Constitution, using Fiat
23 (phonetic) money, which is proclaimed money, which is
24 against the United States Constitution, to buy us out
25 for \$10,000. You just want to oppress us. That's

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1 all that you are doing.

2 Now, my gosh, if you have ever taken
3 a bicycle down University and seen what is left of
4 university, it is amazing; nothing.

5 Okay, I just talked a little about
6 Dearborn parts. Because I have a lot of old cars.
7 And you guys seem to be in trouble with Dearborn.
8 He has got four lawyers on you and got you over a
9 barrel. You are trying to take his building. You
10 are already trying to take -- you took Campus Pizza
11 through eminent domain. Where did you get these
12 powers incredibly? Now, where did you get this
13 eminent domain? Because you don't seem to be
14 speaking to me, except telling me to shut up. You
15 know what this is? It is organized crime. That's
16 all it is. Not elected officials with taxation
17 power.

18 You guys are in so much trouble
19 and you have no money even to build this thing and
20 you are tearing up streets and condemning property.
21 You know what this is? I talked to Ted Mondale.
22 He says, "Oh, this Hiawatha line, there will be
23 businesses all over the place." You know what I told
24 him? "Ted, you ever hear of high treason? This was
25 never voted on. So I hope you all have fun sleeping

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1 tonight with your little pet project out there."

2 No, this is not light rail. This
3 is high-speed rail. This should be going down the
4 freeway. You should put electric buses down
5 University. Maybe you should start listening to
6 people and stop taxing the hell out of them.

7 I rest my case. (Applause.)

8 MR. FUHRMANN: Next up is Mr. Jim
9 Segal, to be followed by John Slade.

10 MR. SEGAL: Okay. So, my name is
11 Jim Segal, for the record. I own and operate Ax-Man
12 Surplus on 1639 University Avenue and I participated
13 in this morning's meeting as well.

14 I come to you in frustration, I
15 guess, as others are. And I'm just a junk dealer,
16 so I will try to spend myself as well as possible,
17 assuming there are a lot of other folks a lot smarter
18 than me.

19 A federal judge said that you failed
20 to adequately analyze the potential loss of business
21 revenues on the avenue.

22 I don't know how long it took to
23 prepare the EIS, the initial one, I think it was a
24 couple, three years. In that time you failed to
25 adequately address the potential loss of business

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1 revenue. Then a federal judge orders you to
2 readdress the issue. And we can all rest easy
3 knowing that we only should be prepared to lose
4 zero to two-and-a-half percent of our revenue.

5 So, everyone -- and what I would like
6 is just a moment of silence just to relax and reflect
7 on that. Everything is going to be okay.

8 Oh, thank you. Because they
9 told us that we were only going to lose zero to
10 two-and-a-half percent of our revenue. I don't
11 feel any better. I thought I would.

12 The fact of the matter is that this
13 report is inadequate. You made two mistakes in a
14 row. Basically you were required by a federal judge
15 to improve on something that you failed at, and you
16 failed again. So, tell us where we are supposed to
17 have confidence in this project, when we can't seem
18 to get reality out of you.

19 The reality is that businesses
20 are going to lose 20, 30, 40, 50 percent of their
21 revenue. I am a married father. I am married to a
22 lovely woman and I have three lovely children. And
23 I want you to think about this at night and look at
24 my face and remember the fact that every night I
25 lose sleep about how I am going to raise and feed

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1 my family, send them to school, give them the
2 opportunities that they deserve, because a government
3 project is putting my livelihood at risk.

4 It is either arrogance, ignorance
5 or stupidity, and you guys have to decide. I'm not
6 advocating scrapping light rail, as some may suggest.
7 We just want it done appropriately, if it is going
8 to happen. And the bottom line is that businesses
9 are going to need financial assistance during the
10 construction process.

11 My business alone could suffer losses
12 in excess of \$100,000. So, a \$10,000 loan is going
13 to be horribly inadequate. Furthermore, it is
14 completely unjust that I should be expected to bear
15 the burden of this project by borrowing money to pay
16 for the losses created by a nuisance created by the
17 project. It doesn't make sense for a business to
18 expect business owners to borrow money to support
19 themselves through a project.

20 Furthermore, my business is
21 located in an area that has no parking. My business
22 encompasses 100 percent of my property. And so I
23 need to have assurances that post-construction there
24 is going to be a good parking alternative. And I do
25 think that the City of St. Paul, specifically New

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1 Start (phonetic), has worked very hard trying to
2 mitigate some of the parking issues. But it just
3 seems to be failure after failure.

4 For example, the city leased a
5 spot across from my property to help with during the
6 reconstruction of the utility relocation, but the
7 sign is totally inadequate. How are we supposed
8 to support an organization that is supposed to be
9 helping us with mitigation, where we are right here
10 on D day, and yet you are still failing? And it is
11 just unacceptable. And you guys have to realize
12 that. It is unacceptable.

13 It is great that the city leases a
14 spot and you don't provide adequate signage for us,
15 for our own customers, to put on our windows.

16 The losses came on the days we put
17 up with the loss of parking in my area. That was the
18 day we got the partial lot. In other words, it is
19 constantly a matter of putting the cart before the
20 horse. And I'm just concerned at what point, how
21 many failures do we need to see before you recognize
22 the fact that we need greater assistance?

23 1.5 million dollars spread out over
24 \$10,000 only helps 150 businesses. And it is just
25 horribly inadequate.

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1 I am just disappointed that our tax
2 dollars were used to create this document that my
3 second grader could have done. And I mean harm in
4 that statement, because I absolutley believe that
5 this, this here, this is contempt of court. You are
6 basically raising your middle finger to Judge Donovan
7 and telling him, "We don't really care what you
8 think. We are going to put something on paper
9 so that we have something," but yet there is no
10 substance. Reflect on the fact that there are going
11 to be actual damages and come up with a plan to
12 support us. (Applause.)

13 MR. FUHRMANN: Thank you, Mr. Segal,
14 for your comments tonight. Next, we have John Slade,
15 and he would be followed by Andy Singer.

16 MR. FUHRMANN: Mr. Slade.

17 MR. SLADE: Alright. Alright.
18 Thank you very much. My name is John Slade. I am
19 an organizer with MICAHA, The Metropolitan Interfaith
20 Council on Affordable Housing. We are located just
21 down the street at 2233 University Avenue, in the
22 Wright Building.

23 MICAHA is a collection of
24 congregations throughout the Twin Cities metropolitan
25 area. I work with the Ramsey Chapter, which is here

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1 in the City of St. Paul. And there is about 20
2 churches that I work with there. MICAH has not taken
3 a position for or against the light rail project.
4 We are, however, interested that if this project
5 goes forward, that it benefits the neighborhoods that
6 it goes through. We do actually believe that there
7 is such a thing for taxation for the public good and
8 projects for the public good.

9 However, when we are looking at this
10 project and the ordered new look at business revenue,
11 we have got some concerns. We are aware that the
12 only the reason we are doing this here today is
13 because the responsible agencies were compelled to
14 take a second look at possible losses.

15 Our experience to this point, and I
16 recognize that both the FTA and the Metropolitan
17 Council are political entities in some ways and that
18 sometimes the political context changes, but I was
19 here two years ago giving testimony, and mostly what
20 I have seen is that any possible negative impact has
21 been minimized or ignored.

22 I am going to, again, point at the
23 current Draft Supplemental Environmental Impact
24 Statement, where I see that method again. The
25 methodology of the Volpe Center study clearly is

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1 not aimed at doing an honest assessment of possible
2 negative impacts. Using a 17-year-old study off of
3 a Houston highway project as its main data source and
4 claiming the best way to do its research was to do
5 a literature review, which was not applicable. The
6 draft SCIS (phonetic) does not deal with any of the
7 information connected to the February environmental
8 assessment session. The draft SCIS does not look
9 at the actual losses suffered in downtown St. Paul
10 already by businesses. The draft SCIS does not look
11 at the experiences of Lake Street in Minneapolis,
12 which just had gotten done with a multi-year renewal
13 of that street. What the draft SCIS does do is use
14 a study that claims that only general merchandise,
15 food, automotive and home furnishing outfits will
16 have a decrease in business activity. For those
17 groups they showed a decrease of 17 and 37 percent.
18 But according to the draft SCIS, less than 10 percent
19 of those University businesses fall into those
20 categories. So, what happens to the rest of the
21 90 percent? So, quoting the Melnak & Harrison
22 (phonetic), which used a comparable of 90 percent
23 in their analysis to conclude that there would be no
24 sales revenue or impact for building materials, like
25 Menards, clothing, restaurants, drugstores, liquor

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1 stores, and miscellaneous categories.

2 So, we can now understand when you
3 average a 25 percent reduction for ten percent of
4 the businesses, with a zero percent reduction for
5 90 percent of the businesses, you come up with a
6 figure of 2.5 percent average impact. The draft SCIS
7 is relying on a study that says that restaurants,
8 drugstores and liquor stores along University Avenue
9 will have no negative impacts from this construction.
10 This is a farce. This is an example of an agency
11 that appears to really not want to get at the real
12 impacts.

13 We, as an organization, are primarily
14 concerned with the negative impacts of justification
15 on the neighborhoods. Involuntary dislocation due
16 to economics will drive people out and will change
17 the character of the neighborhood. We focus on
18 housing, but we see housing and small businesses
19 intimately connected. We have not seen enough
20 implemented to reduce those negative impacts.

21 The African/American communities
22 that built up Rondo and the Asian/Hmong/Vietnamese
23 and others that we know are moving into the
24 neighborhood, and the Somalis that are moving into
25 the neighborhood, all have ties between their housing

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1 and the executive summary of the EIS. I endorse all,
2 actually all of the comments that were just made
3 about the draft EIS. But I also say that there are
4 a lot of things that impact businesses that weren't
5 even considered. And one of those things is that
6 in the places where they have put or they are redoing
7 sewers and have already narrowed the streets to one
8 lane in each direction, you can see the impact of
9 vehicles going along the street, right next to the
10 curb, throwing up huge amounts of water and slush
11 and rock and stone onto the sidewalks. And Jim
12 Segal, who just spoke a while ago, I was in front of
13 his store at the end of last week and there was water
14 before I got there, I mean even at that time when a
15 vehicle went by, water was going halfway across the
16 pavement, and earlier in the day it was hitting the
17 windows of the store and going into his store. And
18 I feel that the Met Council, in the process and in
19 the planning and the preparation for this thing has
20 not thought about the pedestrian realm at all. It
21 is woefully under considered in the original EIS
22 and it is not considered at all in this Draft
23 Supplemental EIS. And they considered it on the
24 station platforms. They admit that splattering water
25 and slush was going to be a problem because they put

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1 new walls on these station platforms, but they don't
2 do anything for businesses or for narrow sidewalks or
3 for several people who are going to be walking and
4 have to experience this as well. And I think this is
5 a construction mitigation issue, but I think it is
6 also an issue after construction is over, because
7 the preferred alternative is to have four lanes of
8 traffic. And I would love to see two lanes of
9 traffic and parking restored to the avenue, because
10 I think it will protect the pedestrian realm and make
11 it more of a business friendly street. And I think
12 that we are making it into a travel shoot where
13 nobody can stop. Where people are trying to get
14 through the neighborhood instead of making the
15 neighborhood a destination where people want to
16 come to and be at. (Applause.)

17 MR. FUHRMANN: Thank you very much,
18 Mr. Singer. Mr. Madden, you are next. And then to
19 be followed by La Shella Sims. She is the last
20 registered person to speak. Oh, there is more
21 coming.

22 MS. O'BRIEN: Just one more.

23 MR. FUHRMANN: Okay. Alright.

24 Mr. Madden?

25 MR. MADDEN: Thank you, Mr. Fuhrmann.

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1 My name is Mike Madden. I live at 1768 Iglehart.
2 In addition to a representative from my County
3 Commissioner's Office, I see a representative from
4 my Ward IV council's office and also a representative
5 from my mayor's office, and I appreciate them being
6 here.

7 The first thing I would like to
8 say is that as far as parking and its effects on
9 revenues for businesses, I have no objection to
10 currently vacant lots being utilized for parking
11 temporarily during construction. I do think it is
12 unwise to raise any buildings for temporary parking
13 during construction.

14 I would also like to thank the FTA
15 for a letter I received dated February 28th, 2011.
16 And it informs us all that after January of 2010 it
17 was not a concern any longer of the FTA whether or
18 what sort of traffic programming was implemented with
19 this program, with this project. In other words,
20 while the project is designed to be built with two
21 lanes or with four lanes of through traffic, it can
22 be built with one lane in each direction and restored
23 on-street parking. I think that's something that
24 every business person and every resident of St. Paul
25 is going to have to kick around a little bit and

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1 decide what works best for them, because it is our
2 choice now, whether we want to restore that parking
3 or not.

4 The question here is accessibility
5 versus mobility. Andy just called it a "travel
6 shoot." Do we want transportation systems that take
7 us far and fast or do we want transportation systems
8 that get us to our destinations easily. And I think
9 that's what restored parking would give us; greater
10 accessibility to businesses.

11 And I think I will end it right
12 there. But thank you again for that letter and we
13 have got some thinking to do. (Applause.)

14 MR. FUHRMAN: Mr. Madden. Next up
15 is La Shella Sims. La Shella Sims? La Shella?

16 MS. SIMS: Yes.

17 MR. FUHRMANN: Thank you, Ms. Sims.
18 And she will be followed by Colin Wilkinson. Did I
19 get that right?

20 MR. WILKINSON: Yes, you did.

21 MR. FUHRMANN: Okay. Ms. Sims.

22 MS. SIMS: Greetings to you all.

23 I am La Shella Sims. I am with MICAH and my
24 coworker, John Slade, spoke earlier.

25 I hadn't intended to speak when I

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1 first came in, but as I listened, some thoughts came
2 to me that I needed to express.

3 I am assigned, part of my assignment
4 with MICAH is dealing with the light rail systems in
5 Minneapolis; the southwest corridor and the bottom of
6 the north corridor, but I come to the north, I come
7 over to St. Paul to listen and to learn from what is
8 going on from here. And sometimes some of the things
9 I hear scares the bejesus out of me, going, "Hey,
10 this is possibly what is heading towards the
11 Minneapolis side of the river." So I come and I
12 listen and I learn. And it helps me in preparing
13 on the Minneapolis side of the river.

14 One of the things is that when I was
15 driving over here tonight, I was discouraged with the
16 traffic and I almost turned around and I went home,
17 but I thought, "No, this is part of the process. Let
18 me proceed." And as I sat here and listened to a lot
19 of the business owners as they were speaking, I was
20 amazed at all of the creativity of all of the
21 businesses that are over here that I wasn't aware of.
22 I thought, "My, what a rich environment of business
23 owners and people. People that care and want to live
24 here and do business." And I also thought as I was
25 driving over why didn't -- why weren't grants offered

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1 to these businesses versus the loans and things like
2 that? Grants that help sustain them through this
3 process. They are not begging and screaming and
4 saying, "Poor me, poor me." They are just asking
5 for a chance to survive, which is -- which is natural
6 and should be considered.

7 And as I listened to this part of
8 the frustration and things, I got mixed emotions.
9 And I thought of, "Hey, I am literally watching
10 adjudication take place, a business adjudication."
11 MICAH strongly works against housing adjudication,
12 but as I listened and looked around, it occurred to
13 me that slowly and quietly a business adjudication
14 is taking place regarding the owners. The small
15 business owners that are here and trying to survive
16 and that are being displaced and not able to survive.
17 And we all know that once things are up and lovely
18 that the bigger businesses are going to come in here
19 and take over. And what is going to happen to the
20 people that are here now? And so that saddens me.
21 And I guess the business owners are expressing a --
22 really expressing a fairness in social justice for
23 all. And they are owed no less than this.

24 And a question comes to me, have they
25 serious and justly been asked how best to help deal

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1 with these problems that are being encountered? If
2 they aren't, I mean it is not too late to get in
3 there and say, "Hey, let's get in there and work
4 together and do this thing right and proper."

5 Thank you. (Applause.)

6 MR. FUHRMANN: Thank you very much,
7 Ms. Sims.

8 Next we have Colin Wilkinson signed
9 up and then we will go to the folks who may want to
10 speak who have not yet signed.

11 Mr. Wilkinson.

12 MR. WILKINSON: Oh, yeah. Good
13 evening. My name is Colin Wilkinson. I am a private
14 citizen of St. Paul and a patriot of the United
15 States of America. I live on the east side of
16 St. Paul, away from here. My wife does work along
17 the University Avenue corridor, along Raymond Avenue.
18 This is going to affect her commute. University
19 Avenue has already suffered and is no longer the joy
20 to visit that it used to be. I just want to give you
21 my considerate opinion.

22 I think rail-based mass transit is
23 a stupid policy. I think the Central Corridor Light
24 Rail project is a stupid project. I don't care how
25 organized everybody is and how well funded they are

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1 or well organized, stupidity is still stupid. And as
2 a taxpayer, I am fed up with this stupidity.

3 Thank you. Well then.

4 MR. FUHRMAN: Alright. That was
5 brief. Thank you very much for those comments.

6 Next signed up we have Jennett Gudgel
7 or Gudget? Do you want to help her a little bit,
8 Joey?

9 MS. GUDGEL: That's fine.

10 MR. FUHRMANN: Could you please
11 repeat your name for the record because I did not do
12 it well.

13 MS. GUDGEL: No, that's fine. I am
14 Jennett Gudgel and I am the membership director for
15 the Capitol City Business Council.

16 I got involved in this about two
17 years ago, when one of our members said to me, "What
18 are you going to do about light rail?" And I kind
19 of winked at her and I said, "Well, I don't know."
20 And at about that time, it was just this time of
21 year, a truck came by and splashed water up on the
22 car and we were standing up on the sidewalk. And she
23 said, "Now, take away that car, that parking, and
24 two feet of sidewalk and we would have both been
25 drenched." Well, that got my attention and I started

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1 doing some research.

2 Having been a college professor for
3 18 years and taught mainly -- excuse me, I have just
4 fallen, so I'm a little shaken. I taught policy
5 formulation and implementation, so I went to work
6 immediately and started doing some research.

7 When I, as I looked at those
8 businesses along University, we really have a small
9 business incubator and there are a number of very
10 small businesses. And I went to, let's see, I -- I
11 probably interviewed close to 50 people at length
12 and went to jillions of meetings, but the one meeting
13 that stands out to me is when they had a fellow by
14 the name of Tou Cam (phonetic), I think is his
15 pronunciation, from Seattle. And he talked about
16 the Seattle situation.

17 And in Seattle they had 359
18 businesses in the area that the light rail went down
19 to the ground, and they had a mitigation program.
20 They had 150,000 -- no, they had five million, but
21 150,000 was the maximum that a business could get
22 because their business was interrupted. He said,
23 "Now, if you look at the environmental thing, it says
24 a zero to two percent loss." His point was they lost
25 anywhere from 20 to 60 percent of their business.

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1 And if you look, if you think about it, at 150,000,
2 times, let's say, 500 businesses, because we have
3 about -- well, we have a lot of not-for-profits,
4 so they really don't count in here. And so we are
5 talking about also one to six months businesses
6 couldn't even get in their front door. So they had
7 about a 15 percent failure rate of businesses. And
8 we have already seen a number of businesses either
9 fail or move.

10 And then he showed the photos of the
11 construction and it was a war zone. There was no
12 question. It was amazing. And if you have ever been
13 through any kind of construction, you know that it
14 always takes longer than everybody says it is going
15 to.

16 He also talked about the challenge of
17 real estate speculators. And we have already had
18 that happening here. People grabbing up land. And
19 we also have a situation where there is a number of
20 businesses between the stops. And so it becomes a
21 problem particularly in the winter, how do people get
22 there? The other thing that came out of that meeting
23 was business, it stated that business mitigation is
24 not a problem for the Met Council. It must come
25 from elected officials. (Applause.)

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1 Now, St. Paul doesn't have the money.
2 I doubt that Minneapolis does. Ramsey County
3 doesn't. So we are really talking, if you are really
4 looking at, well, 50, 60, 70 million dollars, if you
5 really are supporting the businesses that will be
6 out of business from anywhere from one to three or
7 four years, depending on how the construction goes.
8 So, you need to think about that.

9 I have very strong concerns. I don't
10 see that we are gaining anything. And so that's my
11 two cents. Thank you very much. (Applause.)

12 MR. FUHRMANN: Thank you, Ms. Gudgel.
13 That exhausts the sign-up list. So then we go to
14 anybody who has not spoken has a chance to come to
15 the front and share your comments for the record.

16 Yes, sir. Come on up and identify
17 yourself for the record and share with us your
18 comments.

19 MR. McCANN: Good evening. My name
20 is Jack McCann. I am the president of the University
21 Avenue Business Association. I was at the meeting
22 this morning. I own property on University Avenue,
23 down near Raymond. It's a family business for quite
24 a few years. I am speaking now. I wasn't going to
25 say anything, but I would like to summarize what I

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1 have seen this evening.

2 I am a little disappointed that this
3 is the first time that I have met you, Mark, and we
4 have had letters a couple of different times from
5 our organization and from your organization. I do
6 believe the representation from Met Council has been
7 poor throughout this project. There has been a
8 belief that it has been so poor because the facts
9 are hard for the Met Council to swallow.

10 The people here tonight don't have
11 the funds, don't have the ability to put together
12 studies. We depend on our government to put together
13 the studies that they are required to do. The first
14 study that you referred to earlier, that the judge
15 said, "No, you didn't do a good enough job. I want
16 another study." And that second study is the one
17 that dictates two-and-a-half percent damages. Both
18 studies seem to be a really poor job.

19 What -- what are we supposed to do?
20 We showed up here and give you information, and it
21 appears to me, and I may be wrong, but we have a
22 Court Reporter here today, and I'm told that this is
23 public record. I wonder what happened to all of the
24 other comments for the last two years. They
25 certainly didn't make it into the report that I saw.

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1 I was at the meeting on the 17th of
2 February and there was an awful lot of comments there
3 and that didn't seem to make it into the report. If
4 the outcome of all of these folks tonight and this
5 morning, which is spattering compared to the last two
6 years of all of the meetings we have had, you could
7 fill reams of paper with the amount of people that
8 showed up at the meetings over the last few years.
9 As a president of this organization, I have had to go
10 to all of them. I know how many meetings we have
11 had. And we are not just checking boxes that we had
12 a meeting. We brought real concerns and we have
13 voiced those concerns, and they don't seem to be
14 listened to.

15 If the outcome of what you have heard
16 tonight and what facts have been brought about and
17 what facts are going to be introduced, I understand
18 that we can still submit things for the next couple
19 of weeks, at least until this is over with, if those
20 facts come together and they don't paint a pretty
21 picture for this project, then things have to be
22 changed. The project might have to be redesigned.
23 Redesigning it might cause a delay in funding. It
24 might cause someone to end up holding the bag on
25 this thing, but it is the right thing to do.

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1 So if somebody gets a black eye or
2 looks a little bad because they planned something
3 wrong and what now comes to light, as the
4 construction started, if that points to a bad
5 project, we want that honestly to be brought forth
6 in the next -- in the next analysis. And I -- I
7 don't know what recourse we have if we get another
8 one of the same type of malices that we had before.
9 We expect an honest report this time. The ammo I
10 have is to just expect it. That's not much for me.

11 I am not going to sleep comfortably
12 tonight. Thank you. (Applause.)

13 MR. FUHRMANN: Thank you, Mr. Madden.
14 Another call for any more folks from the floor who
15 have not spoken as of yet? I will make one final
16 call from the floor.

17 Last call. We have a gentleman
18 that would like to speak that has not had an
19 opportunity to speak yet tonight.

20 Please identify yourself for the
21 record.

22 MR. BOLD: My name is Richard Bold.
23 I am a resident of St. Paul. I am very familiar with
24 University Avenue. I grew up in this town. And I
25 have seen drawings of the project that is proposed

1 tonight?

2 MR. COPELAND: I found that button.

3 I would like to put that into evidence here tonight.

4 MR. FUHRMANN: Thank you.

5 MR. COPELAND: Yes, sir. (Handing.)

6 MR. FUHRMANN: Please identify

7 yourself.

8 MR. ZRUST: Jeffrey Zrust.

9 MR. FUHRMANN: Could you spell your
10 last name, please.

11 MR. ZRUST: Z-R-U-S-T. I am from
12 Capital City Auto Electric Company, 690 University.

13 My great uncle built that building
14 back in 1930 and it has been a family-owned business
15 since then. This is it is just stupid to run this
16 stupid train down there. You can go down University
17 any day, I was down there, where the light rail,
18 where they haven't tore it up yet, Dale and
19 University, about 5:00, the traffic is backed up
20 past my place, which is a block and a half down,
21 and you are going to actually rip this old, old
22 avenue down and just, just turn it into -- into a
23 mess. I mean it is just crazy. Just to spend money
24 is what you are doing. You know, it is ridiculous.

25 AUDIENCE MEMBER: They have been

1 doing that for the last 25 years. They are eating
2 good; not us.

3 MR. FUHRMANN: Mr. Zrust has the
4 floor, please.

5 MR. ZRUST: There are going to be a
6 ton of them. To say you are going to give us a
7 \$10,000 loan is a real slap in the face. It is --
8 yeah, you guys, you know, get it together. You know
9 this is wrong.

10 Thank you. (Applause.)

11 MR. FUHRMANN: Thank you.

12 Okay. Any other hands before we
13 close the hearing tonight? Okay. You have already
14 spoken.

15 Any others? Any other folks that
16 haven't had a chance to comment tonight? Alright.
17 This officially closes the public hearing tonight;
18 part II.

19 I have been informed that for any of
20 you who did read from written comments, if you would
21 like to share those with the front table here, we can
22 get those verbatim into the record with the Court
23 Reporter. So we invite you to leave a copy of those
24 behind.

25 Then just recapping before everybody

Business Impacts Supplemental Environmental Assessment Public Hearing - 3/16/2011

In Re: Central Corridor Light Rail Transit

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REPORTER'S CERTIFICATE

I, Ann Marie Holland, do hereby certify that I recorded in stenotype the Business Impacts Supplemental Environmental Hearing on the foregoing matter on the following day, March 16th, 2011, held at the Goodwill Easter Seals, 553 Fairview Avenue North, in front of Mark W. Fuhrmann, Deputy General Manager, Program Director for New Starts Rail Projects, St. Paul, Minnesota;

That I was then and there a Notary Public in and for the County of Washington, State of Minnesota;

I further certify that thereafter and on those same dates I transcribed into typewriting under my direction the foregoing transcript of said recorded public hearing, which transcript consists of the typewritten pages 1-91;

I further certify that said hearing transcript is true and correct to the best of my ability.

WITNESS MY HAND AND SEAL THIS 18th DAY OF March, 2011.

Ann Marie Holland



U7's Position Statement on LRT Best Practices

The ability of small business on University Avenue to survive Central Corridor light-rail transit (LRT) construction, permanent loss of a major amount of on-street parking and other impacts, as well as their ability to benefit from LRT once it is operational, will vary from business to business. However, the University Avenue Business Preparation Collaborative (U7) believes strongly that there is a two-part equation required to achieve the best possible results for the small ethnic and “Ma and Pa” businesses that line this corridor by the hundreds, and which make up the face, the economic heart and social vitality of our communities:

I. Preparation by each business owner, with help from U7 and other business support providers, is critical. Careful financial planning, expanding a customer base and increasing sales through more effective marketing before LRT, and other improvements could create financial reserves prior to an expected drop in sales and the ability to reach customers and generate sales even during construction.

II. Additional solutions by Metropolitan Council and other government entities are necessary. The parking loss, decreased customer access, and predicted loss of sales during and after construction may, in some cases, be so extreme that no level of preparation from the business alone can overcome this damage. Therefore, additional well-designed, well-funded, and well-implemented corridor-wide solutions by Metropolitan Council and other government entities are necessary to help offset the impacts of LRT.

The impact of the construction of the LRT will be so widespread that it requires this mutually-reinforcing two-part equation to obtain the vision articulated by all leaders and members of our community – that LRT will enhance the communities and small businesses along the avenue, rather than damage them irreparably. While there has been a great deal done on both fronts to date, U7 believes more is required to insure that our shared vision is achieved. We are committed to working with all parties to keep pushing, together, to reach this goal.

Note: Since August 2009, U7 has publicly supported the following construction mitigation best practices:

1. “Best Practice construction period” – shortened time of disruption (24/7 work schedule?), accurate and early communications, strong signage, on-going customer access, etc.
2. Funds for Business Mitigation – in the Seattle model.
3. Stations - build all three of the “missing stations” at Western, Victoria and Hamline.
4. Marketing and Branding of the Corridor – before, during and after construction.
5. Parking – lose less than 80%, and complete effort to find workable alternatives that customers will use.
6. Property Tax Holiday during disruption of your business; no increases in 1st year after construction.

Respectfully,
U7 Co-Chairs

Matthew Ides, Executive Director
Sparc

Gene Gelgelu, Executive Director
African Economic Development Solutions

Comments to Metropolitan Council and Federal Transportation Authority

Regarding the Supplemental Environmental Impact Statement concerning possible business revenue loss along the Central Corridor during construction.

From the Metropolitan Interfaith Council on Affordable Housing (MICAH)
2233 University Avenue #434
St. Paul MN 55114

It is with great concern that we approach this opportunity to testify about possible business revenue losses along the Central Corridor. We are aware that the only reason that we are doing so is that the responsible agencies were compelled to take a second look at possible losses. Our experience to this point has been that all possible negative impacts have been minimized or ignored.

The current draft SEIS shows that pattern again. The methodology of the Volpe Center study is clearly not aimed at doing an honest assessment of the possible negative impacts. The study uses a 17 year old study of a Houston highway project as it's main data source. The study claims that the best way to go about this is to do a literature review, which shows very few possible studies that could be applicable. The draft SEIS does not deal with any of the information presented in the EA sessions. The draft SEIS does not look at the actual losses suffered downtown already by businesses. The draft SEIS does not look at the experiences with Lake Street in Minneapolis. What the draft SEIS does do is use a study that claims that only general merchandise, food, automotive, and home furnishing outlets have decreases in business activity. For those groups they show a decrease between 17% and 37%. But less than 10% of University Avenue businesses fall into these categories. What do they assume for the rest? "De Solminihac and Harrison used a confidence level of 90% in their analysis to conclude that there were no sales revenue impacts for building materials, clothing, restaurants, drug stores, liquor stores, and "miscellaneous"." So when you average 25% reduction with 0% reduction, you come up with the figure of 2.5% average impact.

You are relying on a study that says that the restaurants, drug stores, liquor stores along University Avenue will have no revenue impacts. This is farcical. This is an example of an agency that appears to not really want to get to the real impacts.

We are concerned as an organization with the negative impacts of gentrification on the neighborhoods. That involuntary dislocation due to economics will drive people out and change the character of the neighborhoods. For both housing and small business, we do not see implemented enough that will reduce the negative impacts. Housing and small businesses are deeply connected. The African American community that built up Rondo – the Asian, Hmong Vietnamese and others that rebuilt the east end of University. The Somali and Oromo who are moving into the neighborhood all have ties between housing and businesses. Without concrete and significant remediation for both small business and housing, this project looks to bulldoze these communities economically.

DEATH ALONG UNIVERSITY AVENUE:

3/16/11

LOST PARKING & CCLRT CONSTRUCTION = COMPLETE CLOSURE OF BUSINESSES: LOST REVENUE: LOST TENNANTS: & COMPLETE LOSS OF LIVELIHOOD

PARKING ON UNIVERSITY AVENUE JUST WEST OF SNELLING WAS COMPLETELY TAKEN AWAY 3/7/11

SAINT PAUL STAFF ALONG WITH METROPOLITIAN COUNCIL STAFF COMPLETELY FAILED PROPERTY OWNERS AND BUSINESS OWNERS AT THIS THE BUSIEST INTERSECTION IN THE STATE

COMPLETE LOSS OF PARKING WITH NO DIRECTIONAL SIGNS TO DIRECT CUSTOMERS TO ALTERNATIVE PARKING LOCATIONS CREATED CONFUSION, DISCOMFORT AND DISTRUST

COMPLETE LOSS OF PARKING DIRECTLY WEST OF SNELLING HAS DONE TWO THINGS. FIRST, RENDERED AT LEAST THREE OF THE PROPERTIES DIRECTLY WEST OF SNELLING AVENUE ILLEGAL TO OCCUPY DUE TO HAVING NO PARKING AT ALL! SECOND, NOT HAVING AT LEAST ONE HANDICAPP PARKING SPACE AS IS REQUIRED BY THE SAINT PAUL CITY CODE

AS A PROPERTY AND BUSINESS OWNER AT 1607 UNIVERSITY I AM COMPLETELY OUTRAGED BY THE LACK OF PLANNING, COMMON SENSE, AND LEADERSHIP IN THE CAPITOL CITY OF SAINT PAUL. I HAVE SPENT MONTHS ALREADY WORKING WITH CITY STAFF FROM SAINT PAUL AND I AM APPALLED! REQUESTS TO SPEAK TO WITH THE MAYOR HAVE NOT BEEN RECOGNIZED. NO RESPONSE, NO FEEDBACK, NO I AM SORRY, I AM BUSY, NO GET LOST, NOTHING, ABSOLUTLY ZERO!

I HAVE LOST OVER \$7,300.00 ALREADY THIS MONTH AND THE LOSSES CONTINUE TO MOUNT.

SHAME ON ALL OF YOU THAT ARE INVOLVED IN THIS COMPLETELY UNDER PLANNED PROJECT!!!

WHERE ARE ALL OF THE LOCAL ELECTED OFFICALS TODAY?????????SENATOR AMY KLOBUCHAR, GOVONER MARK DAYTON, CONGERSSWOMAN BETTY McCOLLUM,SEN. ELLEN ANDERSON,REP.ALICE HAUSMAN,REP.JOHN LESCH

HIDING AS THE GRIM REALITY ARRIVES!!!

I BELIEVE NEW METROPOLITIAN COUNCIL CHAIR SUSAN HAIGH IS EVEN VACATIONING. <ENJOY>

TIM HOLDEN 651 771-2699

1607 UNIVERSITY

AVI:HHI:S3S LLC

Central Corridor Light Rail Transit

Easing
congestion

Strengthening
our communities

Comment Card

Name Larry Peterson Date 3-16-11

Contact Info (optional) egp@PKLAW.NET

Please share your comments or concerns related to business impacts during construction:

In December, 2010 the Asian Economic Development on behalf of 150 Asian Business and @ University Avenue Betterment Association (AFAA) on behalf of 700 businesses asked the FTA in writing for a Freedom of Information Response

on:
1) What study was done to evaluate whether this project was a "displacing" activity under the Uniform Relocation Act.

2) what mitigation funding is planned to relocate businesses which do not have Eminent Domain rights.

There has been no response. The Federal Regulations cited in our letter have not been followed.

From: Mike Warns [mwarns@assetrecoverycorp.com]
Sent: Thursday, March 31, 2011 2:29 PM
To: O'Brien, Kathryn
Subject: CCLRT Letter

Please enter this e-mail into the official record for the public hearing on the Central Corridor Supplemental Environmental Assessment of Construction-Related Potential Impacts on Business Revenues.

This document grossly underestimates the financial impact to local businesses, both during construction and after it is done. The number one issue is lack of parking. Although lots of people use the bus or ride bicycles to some local businesses, most people still drive their cars, and this won't change. When people go to shop for large items like furniture, or bicycles, or even their weekly groceries, they would have a difficult time hauling those items on light rail. These customers will go where parking is convenient, which means they won't be shopping on University Avenue. It is not realistic for many of these businesses to make deliveries, especially those dealing in second-hand merchandise. There are a number of such businesses along University Avenue that have become destinations for customers from all over the Twin Cities. These businesses will suffer the most loss of revenue due to construction and the permanent loss of nearby, convenient parking.

There is some money that has been set aside for businesses to borrow to help them survive construction. However, the amount is limited to \$10,000 per business. For many businesses, that represents revenue for just one month. How is such a paltry amount going to help them to stay in business? Retail businesses will not be losing the 2 or 2.5 percent that the document estimates will be the average loss over all businesses, they will be much harder hit because customers won't shop there if they can't find a place to park.

Suppose you had a job that paid \$100,000 per year, and you lost it. Your household expenses are \$75,000 per year. You tighten your belt as best you can, but quickly exhaust your savings. Then you get another job, but it only pays \$40,000 per year, but your household expenses are still \$60,000 per year. Borrowing money would not help you, it would only dig you deeper in the hole, until you lose everything. That is what the owners of small retail shops face. Not only will many of these businesses fail, but the people who work there will lose their jobs. The loan program is totally inadequate to assist small businesses to survive construction, especially since their losses are through no fault of their own. Many of these businesses collect sales tax to pay for the CCLRT that will destroy them. At a minimum, grants should be given, and not require all sorts of "counseling" or other hoops to jump through, like what is required for the current loan program.

I work part-time in a small bicycle shop. Our customers come in their cars to drop off bicycles needing repair, to drop off bicycles they are donating to us, or to pick up bicycles that we give them or that they buy. It is difficult to haul broken bicycles on public transit, and you can't ride them to the shop. Our customers need to be able to park near the door of our shop so they can easily unload or load bicycles. The lack of parking on University Avenue makes it difficult for our customers to find a place to park near our store, and many will go elsewhere rather than go through the inconvenience of navigating through

the construction zone and then searching for suitable parking. Since our store only grosses around \$13,000 per year, every paying customer is critical for us to continue to stay in business. We can't afford to lose customers. At a minimum, grant money should be available to help us weather the storm and allow us to continue the charity side of our business, which is giving away bicycles to those who need them.

You need to revise this document to show the true losses that our local businesses will experience during construction and then make a lot more money available to mitigate those losses. Of course, you could decide to stop the entire project, put University Avenue back together, and allow businesses to get their parking back. I think we would be better off without the train if we can keep our parking and grow our local businesses ourselves.

Michael Warns

1440 Lafond Avenue

St. Paul, MN 55104

Michael Warns

Asset Recovery Corporation

2299 Territorial Road

Saint Paul, MN 55114

Tel: 651.602.0789

Fax: 651.602.0202

mwarns@assetrecoverycorp.com

From: Russ' A-1 Vacuum email [russ@battisto.com]

Sent: Thu 3/24/2011 3:46 PM

To: O'Brien, Kathryn

Subject: Central Corridor Light Rail Project

Hello Kathryn,

You are probably being inundated after the article in the paper today however, I would like to put my two cents in.

As a business owner along University Avenue we are faced with challenges during the construction phase as well as once the light rail line is operating. The construction phase worries me the most because we are already getting calls from customers wondering if they can get to us even though construction isn't slated to start near us until the summer of 2012. If we are already getting calls, how many customers are just not trying to get to us assuming they can't? Good question...

Fortunately our situation shouldn't be as dire as some businesses because the city has promised to create a parking lot on the empty lots located just west of us next to our property. I've been working with Craig Blakely (with St Paul) for some time now and it sounds like this project has been given preliminary approval with conditions (as usual).

The reason for my email today is to ask for additional funding consideration for a project related to the parking lot project and I'm not sure who to discuss/request this with. Hopefully, with your help, we can make our request known to whoever is able to consider it.

DETAILS: The city has promised the parking lot next door but they have suggested the project couldn't or wouldn't fully fund (because of budget limitations) all of the needed work in conjunction with the parking lot project.

Specifically, we are requesting two modifications to our site to allow better access for our customers and delivery vehicles. As you are probably aware, the on-street parking is being eliminated along University Avenue so the effect of this will be no on-street access to our building. We need to add a **customer entrance** off of the parking lot for our customers along with a **loading dock door** for shipping and receiving traffic in the alley behind the building.

If my requested building modifications are combined with the new parking lot addition the chances of our business being impacted minimally by the light rail project will be improved.

Thanks for taking the time to read this. Please contact me if you have any questions or comments. I hope to hear from you in the near future.

Best Regards,

[Russ Battisto](#)

[A-1 Vacuum Cleaner Co](#)

666 University Ave

St Paul, MN 55104 USA

Tel: 651-222-6316 or 800-657-1874

Fax: 651-224-2674 or 800-852-4733

Central Corridor, Light Rail transit - Citizen Concern

Dear Kathryn,

Thank you for allowing me this opportunity to present my concerns. Even though I live in White Bear Lake, I am part of Ramsey County and will be paying increased taxes to keep the light rail going, but based on where I live I will never use it.

To me, it doesn't make sense that we should burden our community more, in this economy, with another non-sustaining government venture. Many of my neighbors have lost their jobs and are barely making ends meet.

Everything government operates, it operates as a deficit and has to always be supported by additional taxes on our citizens. This has been a proven history. You will be hard pressed, to think of even one project, that government has done effectively. I understand that only 20-40 cents on the dollar is paid back from our existing light rail – tell me this is intelligent.

Also, people in the area are now going to have to walk a distance, in sub-zero weather, to the nearest light-rail stop, whereas buses stop at every intersection. Neighbors will have the burden of dealing with more traffic with a narrowed street, they will have problems with parking in front of their homes and property, and will have more snow concerns in the winter, and with the reduction in business services in the area, will cause them to travel to other areas to obtain their groceries and needs.

There are many things going on in our country these days. Citizens are totally unhappy with government because elected officials feel they are above their citizens, and do not listen to them anymore. Arrogance and narcissism have taken their toll at all government levels, this was easily seen with the March 16, 2011 Public Hearing. Not a local or county official had the backbone, or desire, to show up to hear their constituents. This is taxation without representation, just as we had with King George III two hundred years ago. There is no wonder people are very unhappy with government.

I think expanding light rail is a poor, poor, poor decision and should be stopped immediately. Beginning this project without consulting with the citizens who will suffer most, is another obvious proof that city and county officials do not care about their citizens anymore, only their egocentrism and their own pockets. What a sad state of affairs America is in these days.

Gary Hukriede

3460 Savannah Avenue, White Bear Lake, MN 55110 – (651) 503-0019.

Ghuk3460@comcast.net

CENTRAL CORRIDOR LIGHT RAIL TRANSIT
WAITING FOR THE NEXT FIFTY SHOES TO DROP
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In the first week of April 2011 the Federal Department of Transportation will probably sign off on their financing commitment (½ of \$959 Million) for the cost of the project to link downtown St. Paul and Minneapolis via University and Washington Avenues. Some construction work (about \$65 Million) has been underway for about a year in downtown St. Paul, financed by interim loans from the cities and counties. The plan is to use funds from the State of Minnesota, plus Ramsey and Hennepin counties (the other ½ of \$959 Million) to repay any city advances. To date, the work has involved engineering, design and construction; moving ‘utilities’ (sewer, water, electric, gas, etc) from under the streets to clear right-of-way to accommodate the new base for the rails.

On 03-01-11 work began rebuilding the deck of the Washington Avenue Bridge in Minneapolis and moving utility lines on University Avenue (St. Paul) west of the State Capitol. The Metropolitan Council (Transit Division) is managing the overall construction project, aided by MN DOT engineers for technical issues. But recall that this same gang of ‘the usual suspects’ ran the construction of Hiawatha Light Rail that came in \$250+ Million over budget! Throughout the Hiawatha build-out, the government project managers simply rubber stamped approval of ALL change orders (cost increases) after the fact and the private sector construction contractors ate them for lunch. The CCLRT total budget of \$959 Million includes (20%), only \$144 Million for extras - ‘contingencies’.

The University of Minnesota and the City of St. Paul are **licking their chops** as they queue up claims for ‘extra work’ (development) and ‘damages’. The University filed a lawsuit alleging that CCLRT on Washington Avenue would interfere with delicate medical research experiments carried out in their labs. Their litigation was withdrawn only when Met Council signed an **open-ended (unlimited) commitment to mitigate damages**, real or imagined, along the Washington Avenue right-of-way that bisects the campus. So this may be a hidden iceberg as the University strives to fulfill its land grant school obligation to “build new buildings!”

The City of St. Paul operates two fire stations on University Avenue [St. Albans and Vandalia Streets]. Both were built before 1940, but have been remodeled periodically. So circa 2011 they each have useful lives of another 40+ years. But light rail will eliminate two roadway lanes (and thus all the parking) along University Avenue and the fire hall front doors are already very close to the street. The city plans to ‘ask’ Met Council to build two new modern, single story fire halls, and they will be gold plated. Each building will cost \$5 Million or more.

[[Side bar injection of dark humor – not facts:

Mayor Coleman and the city council have also hired a consulting firm and a priest to conjure up an argument for why Met Council should pay the full cost of a new downtown baseball stadium for the St. Paul Saints minor league team. To date, they are struggling to craft their rhetoric past the ‘giggle test’, but rest assured there will be a request for between \$20 and \$60 Million.]]

In the spring of 2010 several neighborhood citizens’ groups petitioned the City of St. Paul to add three additional stops (platform stations) on University Avenue between Rice Street and Hamline Avenue. [And yes, streets and avenues can run parallel to each other in St. Paul]. The city played its race and ethnic cards with the Federal DOT and Secretary of Transportation Ray (“feel my passion”) LaHood made a special trip on a private jet from Washington DC to announce the addition of **all three stations** to the project. Each station will cost about \$5.2 Million. The City of St. Paul will pay \$5 Million (by raising property taxes {special assessment} on poor people who live in University Avenue neighborhoods). Ramsey County will pay for part of the second station by raising property taxes on all its citizens (some of whom are rich) countywide. But the county was and is already broke, so in fact Ramsey County will increase its requests (demands) for more state aid. Thus it’s likely that citizens across the entire state will pay for the second station. A private foundation will pay about \$300,000. The Federal DOT will pay \$7.8 Million, which is half of \$15.6 Million (\$5.2 x 3). But despite this elaborate ‘shell game’ (find the \$15.6 Million **pea**), taxpayers will, in the end, pay for it all. The mayor and the city council were elated, since they feel that they succeeded in filching an additional \$7.8 Million of ‘free’ Federal money that will be spent (‘invested’ for *development*) in the city.

But drowned in this political/financial rain dance is the fact that the **original purpose of CCLRT was to ease congestion and REDUCE travel** time between the downtowns of Minneapolis and St. Paul. Three more stations in a short (2 1/2 mile) section will mean three unplanned decelerations, unload/load stops, and accelerations adding at least ten minutes to the eleven mile trip. **So, like most Federal transit programs, CCLRT has morphed into a festival of greed boondoggle that’s all about short-term construction jobs and gee-whiz, politician photo-op public works projects.** The needle on improved travel time and congestion will barely move. Hennepin and Ramsey Counties will both be saddled with CCLRT’s operating losses that will likely top \$15 Million each year for each county. There will be about six new fatal train/auto traffic accidents each year, and PROPERTY TAXES WILL GO UP (AGAIN) in all four counties and cities!

Finally, the Washington Avenue Bridge (mentioned in paragraph two above) remains the ultimate wild card. Original civil engineering studies concluded that the bridge (built before 1960) could be reinforced to carry the dynamic loads of two transit rail tracks and two lanes of vehicle traffic. But remember that two bridges across the Mississippi River north of Washington Avenue have recently failed (the 35W bridge collapse on 08-01-2007 and the emergency closing [rusted internal tension cables] of the Eighth Avenue bridge in 2010). If it turns out that the MNDOT civil engineers were wrong (again), a new Washington Avenue bridge would cost \$250+ Million and delay overall project completion by two full years! [HINT: \$250 is greater than \$144, unless you happen to be a student in the Minneapolis Public School System, which categorically refuses to acknowledge that there are any ‘wrong’ answers to questions].

CONTACTS:

CCLRT Communications (651)-602-1797 Laura.Baenen@metc.state.mn.us
 Met Council (Transit) project manager is Mark Fuhrman (651)-652-1942
 St. Paul Public Works Engineer is John Maczko (651)-266-6137
 MPR Transportation Reporter – Dan Olson (651)-290-1457
 Jack McCann – University Avenue Betterment Association (612)-366-1622

THE INHERENT PROBLEMS WITH RAIL AS MASS TRANSIT (“FORGETTING THE ‘LAST MILE HOME’”)

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The metropolitan statistical area of Minneapolis & St. Paul, Minnesota consists of eleven counties; nine in Minnesota and two in Wisconsin (bordering the eastern side of the St. Croix River). Total population in 2010 is roughly 2.8 million people in an area of a slightly flattened circle ninety miles in diameter. A poster child of uncontrolled urban sprawl, major population growth occurred after WWII, enabled by Federal and state road construction. Private residential developers seeking ever cheaper farm land to convert into homes have randomly littered the earth from Glencoe, MN (SW) to New Richmond, WI (NE) and Monticello, MN (NW) to Red Wing, MN (SE). Traffic jams and delays are legendary, and Metro TC is ranked along with Dallas, TX for the worst rush hour traffic.

Against this sorry background, politicians now want the public to pay increased taxes (fuel, sales, income, property) to build rail mass transit to solve the problems. **At a cost of \$80 TO \$100 Million per mile, rail (light or commuter) cannot and will not ever be viable.**

KEY CONCEPT

There is a fundamental reality regarding surface transportation, unless you are dealing with a city that (via zoning enforced 60 years ago) is LINEAR, (20+ miles long by 6 miles wide). [Note, no such city exists on earth, although the idea was proposed in an article in Scientific American Magazine in the late 1950s.] The hard reality is **YOU WILL ALWAYS HAVE TO build and maintain hard surface, all-weather roads and streets (with sewer and lights) that pass within 50 feet of each home.** This is true because you have to provide close access for service TRUCKS (Fire, ambulance, utility repair, furniture delivery, tradesmen, home maintenance, refuse removal, package delivery, etc) to each house and you CANNOT DO THIS WITH MASS TRANSIT, EXPECIALLY RAIL. These roads/streets have to ultimately connect

people to all the warehouses, retail stores, shops, etc and workplace buildings that house goods, services, and JOBS!

Once you accept the fact that **you have to build and maintain conventional surface roads for vehicles**, it follows that you must use them (ROADS AND STREETS) as fully and efficiently as possible. But the quaint reality of two (morning and evening) rush hours confounds the efficiency objective. Most businesses start the workday between 8AM and 9AM. So now we have roads crowded past gridlock for just 5 hours each day (2 ½ x 2), and then 19 hours of moderate to minimal use. [**EXAMPLE: At 3AM you can drive from Stillwater to Chaska in less than 70 minutes!**] In today's America most people involuntarily change jobs &/or work locations every 5 to 6 years. Saying that one 'should live near' their workplace' is, defacto, an impossible dream. Especially since most households have both adults working full time at different jobs in wildly different locations. Additionally, most parents try to maintain a consistent location or neighbor-hood for their children's schooling, at least for grades 7-12. Prior to 1950, most Americans bought a house and lived there all their adult lives, working for one employer for at least 20 years. NO MORE!

KEY INSIGHT

The false arguments for rail mass transit efficiency in metro TC assume simple point-to-point travel. But the reality is that trips originate at random from 600,000+ starting points (homes) inside the ninety-mile diameter circle. There are only three concentrated destinations in Metro TC: downtown Minneapolis, downtown St. Paul, and the U of MN Minneapolis campus. These three account for less than 300,000 jobs (out of 1.3 million+) The other 1+ million people cannot use mass transit effectively to get all the way to and from work. There are **portions of their commute** that falsely look like they could (the time they spend jammed on major highways). But they have to have the flexibility of a vehicle that gets them from their home to that highway and then leaves that highway to travel to their exact workplace. Think of the commuter flow pattern as a human body with a trunk/torso of high-density travel, but with 600,000 fingers (origins) and 50,000+ toes (destinations). This is our American land use pattern, sprawl, built up over 65 years since 1946, and **conventional mass transit cannot handle it, period.** It's not just the \$100 Million/mile construction cost of rail line. It would also demand the impossible task of **abandoning existing residential, commercial, and industrial areas** and rebuilding everything along (within 3 miles) both sides of the mass transit line – “the linear city”. The cost would be in the tens of \$Trillions and the **government would have to force people to live and work where they were told/forced to go. I believe its called totalitarianism, or fascism.**

The Central Corridor Light Rail Line will PROBABLY cost \$1.5 Billion to construct. [Note: The approved budget is now \$959 Million with the Feds paying half. But Hiawatha LRT exceeded its budget by 35%, and it was built along mainly vacant land ROW. For CCLRT, among other things, 1) Met Council settled a U of MN lawsuit with an open ended commitment to “mitigate damages” to U of MN Med School labs. This agreement can be manipulated into a complete rebuilding of all the Med School Campus Labs. 2) Engineers ‘ASSUME’ the Washington Ave bridge can be strengthened to hold two passing LRT trains. If they find out it can't, a new bridge and rail alignment will cost up to \$250+Million).

CCLRT will carry passengers from downtown St. Paul along University Avenue, thru the U of MN campus and into downtown Minneapolis, about eleven miles. Running on the avenue surface on two tracks separated from vehicle traffic by low steel fences or cement curbs (except at main intersections every 4 to 6 blocks), the average speed will be only about **7 miles per hour.** There will be 5-6 fatal accidents (train crushes car or truck) at these intersections each

year. Every time a fatal accident occurs, the entire system will be shut down for 6 to 8 hours as a potential crime scene. Operating losses will be between \$25 to \$50 Million/year, shared equally by Ramsey and Hennepin counties. But Ramsey County is already broke, so the State of MN will end up paying their ½ of the annual loss. **CCLRT will NOT significantly reduce congestion on Interstate #94**, a goal touted for ten years as **THE MOST IMPORTANT BENEFIT** of the new line. This **intentional institutional lying (FED DOT, MN DOT, Met Council, etc)** is part of an emerging pattern of deceit by Minnesota politicians. Minnesota “NICE” has been replaced by “MINNESOTA FRAUD!”

The recently completed Northstar Commuter Rail Line (40 miles from Minneapolis to Big Lake, operating on BNSF rails) was “sold” to the public as a ‘congestion reliever for Highway #10.’ But a month before the \$300 Million line opened in late 2009, Metro Council cheerfully announced, “this really won’t reduce traffic on Highway #10.” In the private sector, this is called ‘bait and switch’. In government, it’s called ‘business as usual.’ So the line, which cost three times its original estimate will not do anything but supply massively subsidized (85% or \$22,000/rider/year) rides for less than 2,000 commuters from the northern suburbs, lose \$15+Million/year (shared equally by Hennepin and Anoka Counties) and provide work for about ten lucky BNSF engineers who work five hours per day at \$140K/year (union salary and F/B). Faced with this failure, the Met Council is now keen to extend the line 38 miles north to St. Cloud as soon as possible. They are hiring a new consulting firm to **concoct a slightly different lie** as to why this must be done. Hennepin County is eager to build a \$20 Million train storage yard in downtown Minneapolis. But Northstar’s dismal ridership stats have shut off the spigot for Federal matching funds and the locals are temporarily stymied. But the dreams go on!

Let’s return the discussion to CCLRT. During its 3 to 4 year construction period, more than 200 small businesses (out of a total of 1,100) will be destroyed due to lack of customer access &/or **the permanent elimination of proximate** customer on-street parking. The 1,100 small businesses along University Avenue are disproportionately owned by Hmong, Somalia, African Americans and Hispanics. They have complained formally to the City Council of St. Paul and the Metropolitan Council (project construction manager and ultimate operator of CCLRT), which has duly noted their complaints, **AND IS STOICALLY IGNORING THEM!** These small merchants (people who have created 4,000+ jobs) are expendable, in the interest of the greater (public) good. As a public relations ploy, Met Council has set up a grant/loan fund of \$1.5 Million offering grants or zero interest loans for five years to impacted businesses. Loans cannot exceed \$10,00 per business. But most small retail businesses with sales of less than \$200,000/year need massive help to survive the 3-4 year construction disruption. \$10,000 each is a sick joke! Insuring the survival of these **EXISTING SMALL BUSINESSES** would cost about \$50 Million!

CONCLUSION

So for \$1.5 Billion plus \$25 Million/year annual operating losses forever, we will: A) kill six more people each year, B) destroy 200 small businesses and 1,000s of jobs, and C) NOT reduce travel time or congestion on Hwy#94 or University Avenue. That’s why I love my politicians (elected or appointed). They always get me such good deals for my tax dollars!

From: Andy Singer [andy@andysinger.com]
 Sent: Thursday, March 17, 2011 4:55 PM
 To: Centralcorridor; maya.ray@dot.gov

Subject: (article for) Comment on the draft supplemental EIS for Central Corridor project

Oops, I forgot to attach the article referenced in this Draft SEIS comment that I submitted earlier today. I'm attaching it now. The file name is "univ_biz_exodus_villager.pdf"
Thanks.

Dear Ms. O'Brien (and Ms. Ray),

I wanted to make a few other comments on the microphone at last night's public hearing but was unable to do so in the 3 minutes allotted to me--

By melding certain service businesses and businesses that have off-street parking lots with all the small businesses who don't have off street parking, the Draft SEIS woefully understates the impact of lost parking on small businesses. It's categories of businesses (furniture, restaurants, etc) are arbitrary and fail to acknowledge the needs/impacts on many who are outside those categories or the differences within categories. Even where it is acknowledged in the body of the document, it's ignored in the executive summary and conclusion ...and no way is spelled out to adequately compensate or mitigate those losses. The \$10,000 loans are a totally inadequate joke (and you heard testimony of this at the hearing).

Given that the project bids have come in under budget and that funds were set aside for "contingencies" ...and given that the city of Saint Paul and Ramsey county have zero dollars to offer businesses ...the MET Council and FTA should take this extra money (over \$100 million dollars) and set up a fund for businesses to compensate them for losses during construction. They all file schedule "C"s and can produce at least 5 year's worth of records of past earnings ...so it shouldn't be hard for the MET (and FTA) to verify claims.

Also, the draft SEIS and the final (original) EIS fail to adequately consider the pedestrian environment. Project designers acknowledge in their plans that vehicles will be splattering water, slush and mud onto adjacent sidewalks and platforms. For this reason they include "knee walls" on all the station platforms bordering the street (to keep passengers on those platforms from getting splashed). The problem is traffic will be running along side the curbs (in front of businesses) during and after construction ...and that traffic will be doing the exact same thing-- splattering water, slush and mud on sidewalks and pedestrians. We've already seen this and I submitted a photo of the Ax-Man store with vehicle spray zones that extended half-way across the sidewalk. Earlier in the day (before I got there) the spray had extended up the side of the building (and you see the residue of this in the photograph). The store windows and front door were literally being showered with water and mud every time a vehicle drove by! This is how it will be on the entire avenue and there is nothing in the draft SEIS and EIS that addresses this.

The only way to mitigate the above problem is to either put knee walls along the entire boulevard or (much better) restore on-street parking and make University a 2-lane boulevard with right-turn lanes and bus pullouts. The parked cars will protect sidewalks and businesses from the splatter.

There are numerous other pedestrian and bicycle issues that were inadequately addressed in the Draft SEIS and EIS as well. These include the fact that bicycles are being kicked off the avenue, shunted north to Charles Avenue. But Charles doesn't go through the entire corridor and lacks traffic lights at all the major boulevard crossings (Snelling, Lexington, Dale) that would enable bike commuters to cross them. So this is inadequate. Again, reprogramming University to 2-thru lanes would solve this problem as this would create space for a buffer or bike lane.

I attach an article from a local paper documenting the above problems and the massive exodus of small businesses that is taking place in advance of this project. These are the lucky ones who can get out of leases or sell off buildings to the numerous real estate speculators but there are a lot of small businesses who can't move and are going to go under unless the MET and FTA compensate them for construction losses and reprogram the street to make it more pedestrian and business friendly.

Sincerely,

Andy Singer, Chair
 Saint Paul Bicycle Coalition
 2103 Berkeley Avenue
 Saint Paul, MN 55105
 (651) 917-3417



Xcel Energy crews are already laying the groundwork for construction of the Central Corridor light-rail line on University Avenue near Highway 280. PHOTO BY BRAD STALETER.

Getting out while they still can Some University Ave. shops are relocating, closing in anticipation of light-rail project

By JANE MCCLURE

With Central Corridor light-rail construction scheduled to begin in earnest on University Avenue next month, many business owners are bracing for the permanent loss of on-street parking and temporary access to their establishments. Others are planning to relocate or have already moved.

Martha's Garden owner Martha Gabler Lunde moved her floral design business from near University and Highway 280 last fall to Selby and Snelling avenues. The move allowed her to open a retail shop as well, but Lunde said she has mixed emotions about her decision.

"I loved my old space and I loved the neighborhood," she said, "but we had only one entrance in and out of our studio and

there was no way we could load and unload flowers and props for weddings and other events when we'd have no parking."

Light rail may one day be a boon for some businesses, Lunde said, "but for my type of business, it didn't work."

Chocolat Celeste owner Mary Leonard closed her business near University and Highway 280 last fall and reopened on Transfer Road. Her old shop relied heavily on on-street parking, and "without parking, I have no business. No business at all," she said. "The reality for me was whether I was going to leave or was light rail going to close me down."

The recently renamed University Avenue Betterment Association (UABA) estimates that more than two dozen businesses have

CENTRAL CORRIDOR ► 4

Attachment:

From: Anne White [mailto:awhitepho@gmail.com]
Sent: Thursday, March 31, 2011 10:57 AM
To: Centralcorridor
Subject: Anne White comment on EA attached

Kathryn,
Please find attached my comments on the Supplemental Environmental Assessment (EA) for Construction-Related Potential Impacts. As I note in the testimony, I would like to reiterate that this is my personal testimony and does not represent the views of any organization I am affiliated with. Specifically, the DCC will be submitting separate testimony.

Thank you for the opportunity to submit comments. I look forward to your response, including, hopefully, some amendments to the EA, as suggested.

Anne White
1731 Portland Avenue
Saint Paul, MN 55104
612-396-3111
awhitepho@gmail.com

Anne White
1731 Portland Avenue
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Kathryn O'Brien
Environmental Services Project Manager
Central Corridor Project Office
540 Fairview Avenue
Saint Paul, MN 55104

Ms O'Brien,

Thank you for the opportunity to testify on the Supplemental Environmental Assessment (EA) for Construction-Related Potential Impacts.

I am presenting this testimony as an individual resident of the Merriam Park neighborhood in Saint Paul, where I am a board member of the Union Park District Council (UPDC). I am also the UPDC representative to the District Councils Collaborative of Saint Paul and Minneapolis (DCC), an organization for which I was a founding member and served as Chair for three years.

I write in support of the testimony of the DCC, but will not repeat the main points raised in DCC testimony. Instead I will add my personal perspective and ideas to the comments submitted by the DCC.

As a neighborhood resident, I place great value on the diversity of small businesses along University Avenue and believe that the construction of the CCLRT and the permanent loss of 85% of on-street parking will cause far more damage to existing small businesses than the 0 to 2.5% loss of revenues projected by the Volpe report. I also think the CCLRT project should bear a greater responsibility for ensuring that these businesses survive through construction and that customers are able to access local businesses both during and after construction.

Maintaining prosperous small businesses along the corridor will benefit everyone, including the adjacent neighborhoods. A vibrant commercial corridor will also contribute greatly to the success of the LRT and encourage the Cities and Counties to continue adding infrastructure, green space, public gathering places and other amenities with the increased tax receipts from thriving businesses. So it's in everyone's best interest to ensure that a majority of existing businesses can survive through construction.

The DCC testimony has noted the inadequacy of the Draft Environmental Assessment (EA) and the Technical Report by the Volpe Center. I would go further and say that I consider the draft EA an insult to the intent of Judge Donovan Frank's order requiring further study of the construction impacts on businesses. My reading of Judge Frank's decision leads me to think that the claims of the plaintiffs were persuasive, that he too fears that major revenue losses will occur, due to the combination of lost on-street parking and the disruptions of major construction, and that the FEIS did not adequately investigate and disclose the potential negative effects of these impacts. I recall that he offered his services to assist in negotiations to try to come to agreement on additional mitigation measures to help businesses survive.

But the draft EA and the Volpe report fall far short of the type of in-depth analysis that might more fully inform the court and the public about the likelihood of major -- even fatal -- impacts on businesses resulting from construction and loss-of-parking. At best, this might be seen as inadequate research. At worst, it could be viewed as an attempt simply to absolve the CCLRT of any responsibility to offer further assistance to help existing businesses. In either case, it is unfortunate that the EA does little to advance the understanding of potential damage to businesses and offers no suggested mitigation to help businesses survive through construction, which should be the end goal.

Most troubling is the conclusion drawn by the Volpe report that the loss of business revenues would likely be in the 0 to 2.5% range. This is simply not credible, and the 1993 Houston road construction project which forms the basis for this conclusion is not at all comparable to Central Corridor, as the Volpe report acknowledges. The report justifies its reliance on the Houston highway study by pointing out the difficulties in attempting to predict business losses due to construction, noting that other economic or social factors may also play a role. So they conclude that "*predicting the amount of lost business revenue for any given business or market segment is highly uncertain and speculative.*"

More useful would have been a thorough analysis of reductions in business revenues during the construction of similar light rail lines in other cities. The report states that "*the analysis presented in this study also considered Environmental Impact Statements (EIS) from four light*

rail projects that are either constructed or in the final design phase.” But these transit projects, in Portland, Dallas and Seattle, were not used to inform the estimate of likely business losses because, the report states, *“the environmental reviews did not attempt to quantify the effect these impacts would have on the potential loss of business revenues during construction”*.

Surely a more in-depth study of these transit projects could have yielded additional insights on the likely economic impact of construction on businesses, even if no comparative data was collected to determine the percentage of lost revenues caused by construction. I’m also aware of substantial mitigation measures that were provided in these cities to help businesses survive, presumably in response to an anticipated loss of business revenues far beyond the 0 – 2.5% projected by the Volpe report.

A more thorough EA analysis could also have collected data right here in the Twin Cities to estimate the impacts on businesses of LRT construction and utility relocation, based on direct evidence from the 2010 construction season, when a number of downtown Saint Paul businesses reported losses of as much as 50% of revenues. Now businesses at the western end of University Avenue and in Stadium Village are also reporting significant reductions in the number of customers since construction started just a few weeks ago. And a number of businesses in the vicinity of Fry and University were recently evacuated for several hours due to a gas leak caused by Excel’s utility relocation to prepare for LRT construction. Although the Met Council pointed out that this was not due to LRT construction work, the fact remains that the utilities were being relocated in preparation for LRT, and I believe the resulting business disruptions should therefore be mitigated by the project.

As utility relocation and major LRT construction proceed in the coming months, this provides an ongoing opportunity for the Central Corridor project to measure the loss of revenues, using sales tax receipts if applicable, to help determine as accurately as possible what additional resources are needed to help preserve the existing businesses along the corridor. Even if it’s not possible to distinguish exactly how much of the revenue losses are caused by LRT construction and utility relocation, as noted in the Volpe report, perhaps the project office and business owners could agree on a percentage of those losses – maybe 75%? -- attributable to CCLRT construction.

Currently, the EA claims that no additional mitigation is required, since revenue losses will likely not exceed 2.5%, and the project has already spent, or budgeted, \$8.7 million to help businesses survive through construction. Many in the community, myself included, are questioning the integrity of the numbers that form the basis for this claim, and would ask that the amounts be broken down to clarify what is included. For the overall total of \$8.7 million, how much of that is for project staff or consultant salaries and how much is going directly to businesses? Do the figures listed represent the total amount budgeted for business mitigation for the duration of the project, or is this what has been spent to date? Finally, how much has been spent to date?

Then, looking at the largest figure on the chart of financial commitments for business mitigation, which indicates that \$4 million is allotted for Community Outreach Coordinators, what does this represent? Is it a portion of the outreach coordinators’ salaries that reflects the percentage of time devoted to working with businesses? If so, what percentage of their time do they devote to

helping businesses? What other expenses are included in this figure? In short, to make the \$1.7 million claim believable, the EA needs to reveal the details of what is included in each element in the chart of Financial Commitments for Business Mitigation.

In closing, I would like to suggest that some modifications be made to the EA to more accurately reflect the real costs likely to be borne by businesses during construction and to propose some mitigation measures that might be taken to help businesses survive. What I'm suggesting is that the EA be amended to

1. Acknowledge that the Volpe report's \$2.5% maximum estimate for business losses is completely unrealistic, given the experience to date of Central Corridor businesses located in areas where utility relocation has taken place;
2. Recommend that the CCLRT project staff measure the actual revenue losses being experienced by businesses as utility relocation and LRT construction proceed;
3. Recommend that the Met Council work with its Central Corridor partners, in consultation with the businesses, to establish a more robust plan with an adequate contingency fund to provide grants or guarantee low- or no-interest loans to meet the needs of the impacted businesses, based on actual data collected from central corridor businesses. Perhaps Judge Frank's offer of assistance should be accepted to develop criteria and solutions that would be acceptable to both the Met Council and the small businesses.

Many people have acknowledged the need for additional assistance for small businesses, but the down economy makes it doubly difficult to identify a funding source. I would suggest that one possible way to fund mitigation for businesses, if the FTA allows, might be to set aside some portion of the project contingency funds for a business support fund. With contract underbids resulting in an additional \$34 million dollars of contingency, wouldn't it make sense to apply some of those funds to help businesses make up for revenue losses during construction? Just as the project is required to assign a percentage of the project budget as a contingency to cover potential cost overruns, shouldn't there also be contingency funds set aside to cover business losses due to construction? Or if this is not allowed by the FTA, perhaps some of the project "betterments" that are currently covered by Saint Paul or Minneapolis funding might be included in the project budget, freeing up additional city funding to mitigate business losses during construction.

In short, it's in everyone's best interest to retain a healthy diversity of small businesses along the Central Corridor, and the EA should be amended to ensure that the Met Council is a part of the solution. Meanwhile, the neighborhoods in Saint Paul and Minneapolis are doing what they can to help. The community is rallying behind the recently launched Discover Central Corridor loyalty card to encourage people to shop along the corridor during construction. And the Saint Paul City Council has called for additional support to help get businesses through construction. But we need the Met Council to do more, and an amended EA, as proposed above, would be an important first step.

As noted at the beginning of this testimony, I am testifying as an individual neighborhood resident of Merriam Park with a strong interest in the Central Corridor LRT project, not as a representative of any organization. Thank you for considering, and responding to, my comments on the EA.

Anne White
1731 Portland Avenue
Saint Paul, MN 55104

Excerpt from letter addressed to Ray LaHood, Office of the Secretary, Department of Transportation, sent from Jack McCann, President, University Avenue Business Association and Va-Megn Thoj, Executive Director, Asian Economic Development. Dated January 4, 2011:

Construction of this project will cause a loss of all on-street parking, closure of cross streets, restrictions on left hand turns, up to three closures of an intersection for 56 hours at a time over the next four construction seasons, loss of access to businesses (at least 20 businesses are land locked once the street is torn up and an additional 30 will require the contractor to make an access), lack of

customers due to traffic re-routing and a loss of 30-60% of revenues. These are displacing activities. Yet there is no eminent domain remedy for these businesses.

To: Kathryn O'Brien, Environmental Services Project Manager
From: Sheldon Gitis
CC: Paul Griffo, Brian Farber, Dave Longo
Date: 3/28/2011
Re: Comment on the Supplemental EA to the Central Corridor project

The court-ordered supplemental environmental assessment (EA) of the "Construction-Related Potential Impacts (of the Central Corridor project) on Business Revenues" cites studies of "Twelve highway construction projects in Wyoming in towns ranging in size from 807 to 53,011 people." Additional studies cited include: "Highway reconstruction near Dubois, Wyoming on the way to Jackson Hole and Yellowstone National Park;" "Houston urban highway rehabilitation, including High Occupancy Vehicles (HOV) lanes and a transit center;" and "Widening a state highway in Caldwell, TX (population 3000)." <http://www.metrocouncil.org/transportation/ccorridor/EIS/SupplementalEnviroAssessmnt.pdf> (Appendix A, Table 1)

No competent researcher would compare the Central Corridor project to rural highway projects in Texas and Wyoming or the addition of HOV lanes to a highway in Houston. What are the qualifications of Maya Ray, employee in the Office of Planning & Environment for the Federal Transit Administration, and author of the Draft Supplemental Environmental Assessment of Construction - Related Potential Impacts on Business Revenues?

At the center of the Central Corridor, University Avenue runs in front of KSTP and an existing public transit right-of-way (ROW) runs behind KSTP. Millions of passengers each year are shuttled on the existing transit ROW on expensive to operate and maintain, dirty, diesel buses. Why is there no study of routing the proposed LRT line on the existing transit ROW? Why is there no study of the potential impacts on existing businesses, or lack thereof, of routing the proposed LRT line on the existing transit ROW?

Sheldon Gitis
1030 Manvel Street, #2
St. Paul, MN 555114

Date: March 14, 2011

To: Federal Transit Administration
Metropolitan Council

From: Vic Rosenthal, Executive Director
Andrea Lubov, member and retired economist
Jewish Community Action

RE: Comments for the Supplemental Environmental Assessment of Potential Loss of Small Business Revenues Central Corridor Light Rail Transit Project, Saint Paul and Minneapolis, Minnesota

Jewish Community Action appreciates the opportunity to provide comments for the Supplemental Environmental Assessment of potential loss of small business revenues as a result of construction of the Central Corridor Light Rail Transit (CCLRT) Project. Jewish Community Action (JCA) was formed 15 years ago to provide a Jewish voice and to take action on social and economic justice issues. JCA has been involved in issues related to University Avenue and the Central Corridor for more than 5 years, and played a leadership role in organizing the Stops For Us Coalition to pursue adding 3 additional stations at Hamline, Victoria and Western. The primary motivation for forming this coalition and for JCA's involvement was to make sure everyone in the community would benefit from the new line.

Jewish Community Action values and supports a thriving and diverse small business community throughout the corridor. A strong small business community:

- contributes to each neighborhood's unique identity;
- helps generate lively street life, which in turn increases safety and contributes to a sense of community;
- generates job opportunities for residents of all ages, particularly communities of color;
- through the formation of businesses, build and sustain wealth for community residents;
- pays taxes and attracts redevelopment and other economic activity;
- participates in community organizations and supports community activities;
- attracts homeowners and renters, who participate in community organizations;
- will create conditions that will prevent displacement and gentrification;
- offers residents shopping, entertainment, and service options that are nearby;
- helps build transit ridership.

- provides opportunities for apprenticeship programs in the community.

We believe that small businesses are part and parcel of a vibrant neighborhood and they are integral to the economic, land use, and transportation mix that are part of a successful transit corridor.

JCA is very concerned that the existing small business community survives construction and thrives afterward. Data provided by U-Plan tells us that the Central Corridor has a rich small business community. Sources consulted documented 788 businesses that fit the accepted definition of a small business. Of these businesses, 374 have annual revenues between \$100,000 and \$500,000 and 228 businesses have annual revenues between \$500,001 and \$1 million. Data also indicate that 537 businesses employ between 1 and 5 employees and 157 businesses have from 6 to 10 employees. These businesses and their employees are an important part of our neighborhoods. We are particularly concerned about businesses run by communities of color that are critical to building and sustaining wealth in the community.

Over the course of the NEPA process for the CCLRT Project, small businesses have expressed concern that they will be at risk. Experiences from LRT construction projects elsewhere tells us that certain types of small businesses could sustain revenue losses as high as 60% during construction and that losses of 20 to 40 percent are quite common. Construction impacts that contribute to reduction in revenues include such things as reduced access, disruptions in traffic patterns, temporary closures of sidewalks, disruptions in bus service, temporary reductions in the number of bus stops, interruption of electricity and utility services, and the very presence of construction activity with its noise, trucks, large equipment, dust, and visual obstructions. In addition, if these businesses sustain a loss in sales, both the city and the state will see reduced sales tax revenue.

We are also concerned that small businesses in the Central Corridor will permanently lose on-street parking along many stretches of University Avenue as soon as construction begins. This is especially acute in areas where development occurred in the late 19thC and early 20thC when buildings and blocks were developed without thought to “off-street” parking. Lack of on-street parking will be a significant factor contributing to revenue loss. We only need to look at the redevelopment of East Lake Street a few years ago to see the devastating loss to local businesses when travel is compromised and on-street parking disappears.

JCA supports the *Discover Central Corridor Loyalty Card* program and we are aware of the business support and \$1.5 million loan program currently available. We also understand that the Metropolitan Council is taking action to ensure adequate access during construction and is providing signage. It is our concern, however, that these initiatives will not be sufficient to mitigate revenue losses, especially for the many small businesses owned and operated by Environmental Justice populations. It is especially important that the Metropolitan Council listen to the concerns of local businesses and residents.

We would like to offer comments on three areas: the study that was completed by the Volpe Center (Volpe Study), mitigation strategies, and community process.

Volpe Study

1. JCA has supported a study that analyzes the entirety of the Central Corridor. Small businesses throughout the corridor will be impacted and should be considered for equitable mitigation. The study results that were reported in the Draft Supplemental Assessment were disappointing for several reasons:

- a. they failed to look at local conditions, specifically the economic situation of the communities of color along the corridor;
- b. they relied too heavily on past published studies (actually relying on only one study) even though they admitted that published studies on business losses were rare; and
- c. their conclusion of a revenue loss of only 2.5 percent for small businesses in the corridor simply are not credible.

We address these issues in an Addendum to this letter.

2. JCA also requests that small businesses owned by Environmental Justice populations be studied as a subset to determine whether or not they will sustain different and disproportionate impacts. As noted in a December 21, 2010 letter from the Asian Economic Development Association (AEDA) to former Metropolitan Council Chair Peter Bell, there are over 100 Asian-owned businesses in the area known as Frogtown on the eastern end of University Avenue in Saint Paul. On page 3 of the same letter, AEDA outlines the importance of a fair and accurate analysis that investigates the results of the impacts of revenue losses for Asian businesses versus Caucasian-owned businesses. Consideration of a range of factors such as cash flow, target market, access to capital, credit, and other resources would help to determine the capacity of businesses owned by Environmental Justice populations to survive and recover from the negative impacts of revenue loss and whether or not there would be disproportionate harm. Additionally, we request that the analysis investigate the impacts to Environmental Justice communities and community cohesion when their economic engines are disrupted and sustain economic losses.
3. We are profoundly disappointed that since the Stops for Us Coalition spearheaded the drive for careful examination of the economic and environmental justice issues surrounding the construction of the Central Corridor Light Rail, that representatives of this coalition were not given seats on any citizens advisory committee (CAC) or technical advisory committee (TAC) associated with the Volpe study as well as any other study examining these issues, Input from some members of this diverse coalition would have helped give credibility to the study.

Potential Mitigation Strategies

JCA requests that the FTA and Metropolitan Council give consideration to the following successful mitigation strategies as the Supplemental EA is prepared.

1. **Grants and/or Low-interest Loans** — JCA is aware of and supports the existing \$1.5 million loan program, but we hear from many small businesses that the program, as it is currently structured, is not friendly to small businesses and does not meet their needs. We are also concerned that it is not large enough to meet the potential need corridor-wide. In addition to helping businesses bridge gaps in revenues, the loan program might also be used to:
 - a. assist with relocation and re-establishment costs;
 - b. defray increased operating costs during construction.
 - c. increase working capital;
 - d. cover building improvement and equipment upgrades; and
 - e. cover the cost of feasibility studies for improvements to their properties.
2. **Free, on-going business consultation** — JCA is aware of “Ready for Rail” and supports the U7 program that provides business assistance. We would ask that this program be evaluated and properly resourced to ensure it is:
 - a. available to small businesses throughout the entire corridor.
 - b. accessible to all types of businesses and business owners, especially owners who are new

- Americans and may not have English as their first language.
- c. part of a set of complementary business mitigation strategies and resources that work in concert to minimize the negative impacts of construction.
- 3. Intensive Marketing Campaign** — Aside from the “Discover Central Corridor Loyalty Card” program, JCA is unaware of any plans for a marketing campaign during construction. Reports on other light rail construction projects suggest that an intense campaign can be helpful and should be provided in multiple languages. Campaign strategies might include:
- a. radio ad campaign;
 - b. courtesy signage for all businesses to advertise, market, or provide directions;
 - c. signs with directions to businesses;
 - d. ads on buses and in local and neighborhood papers;
 - e. full page ads that feature clusters of businesses and stories about business owners;
 - f. flyers to help with wayfinding;
 - g. sponsored special media and social events to encourage people to visit businesses; and
 - h. door-to-door canvassing.
- 4. Free consultation with construction advisors** — Provide no-cost access to construction consultants who can meet with business owners to review what happens leading up to and during construction and to serve as an advocate for businesses in meetings the CCLRT Project contractors. (Interpreters or multi-lingual construction consultants will be needed.)
- 5. Multi-lingual Outreach Coordinators** — The Metropolitan Council already provides multi-lingual outreach coordinators. This service should be evaluated to determine if it is adequately resourced. If new coordinators are hired, they should be individuals with strong ties the impacted community.
- 6. Parking Mitigation** — About 85% of on street parking will be lost if the project is executed as currently proposed. This is a significant loss to businesses. JCA concurs with the District Councils Collaborative urging the FTA and Metropolitan Council to develop strategies to provide replacement parking, including the option to restore on-street parking, at least during non-commuting hours.
- 7. Increased coordination among different entities engaged in construction activities** to ensure businesses are receiving accurate and consistent information from various entities, to minimize disruptions, and to ensure immediate responses when problems arise.

Community Process

JCA respectfully requests the following.

1. An FTA statement/information piece that outlines how it is responding to Judge Frank’s decision and the legal process related to satisfying his order. The intent of this request is to provide transparency to the legal process and to reduce speculation in the community. We understand that there may be variations in what is released due to unforeseen circumstances, but it would at least provide a basic framework and sequence of events that is more descriptive than the current press release.
2. A public meeting with FTA staff who are able to respond to questions about the Volpe study and the EA document after the documents are released to the public. The ideal time for the meeting would be midway between release of the EA and the public hearing. This would allow community members and business owners an opportunity to review the document, get questions answered, and then prepare informed comments.
3. If the Volpe report is technical in nature, JCA requests that a “Community Guide” to the Volpe analysis be prepared and made available so community members can readily understand how the study was structured, what was analyzed and how, and how different conclusions were reached. Such a document, would lend transparency and support better informed comments on the

Supplemental EA.

JCA appreciates the opportunity to submit comments for the Environmental Assessment. If there are questions, please contact Vic Rosenthal, Executive Director, at 651-632-2184 or vic@jewishcommunityaction.org.

ADDENDUM

Problems with the Volpe Center Study

While we commend the work of the Volpe Center as a leader in transportation research, we question the wisdom of not having local input in their study. While the center acts as a center for research in transportation related issues, they cannot be expected to be aware of all local data sources and local institutional conditions.

Estimating revenue loss during construction is not a popular topic in research journals, because, unless a new technique or statistical process is involved, the research is of local interest only. At the same time, the research is critically important in local communities, and is conducted for many transportation-related projects. This is where local knowledge becomes important.

Minnesota economists accustomed to doing estimating revenue loss during large construction projects are likely aware that the best way to measure actual revenue loss is through sales tax data. Data are available for cities, but the Minnesota Department of Revenue generally will not release data for smaller areas. Minnesota economists are also aware that use of city sales tax data, while quite restricted, is more accessible than state data. A proper study for this project would have examined Minneapolis sales tax data along east Lake Street for periods before, during, and after the street was rebuilt. That project was large enough and took long enough to get some good comparison numbers. It would have been appropriate, in addition, to look at employment along that corridor for the same time periods. These data are available from the state, although there are some restrictions about how results can be published.

Another appropriate method to examine loss would have been to survey customers of local businesses, asking them what mode of transportation they used to get to the business and if they would continue to patronize the business if no on-street parking were available. This kind of survey was done before the Ford Bridge was rebuilt. Ramsey County considered two different ways to rebuild the bridge: the first was to close the bridge for 9 months while it was rebuilt, and the second was to close only half of the bridge at a time, increasing the reconstruction costs substantially and doubling reconstruction time to 18 months. As a result of the survey, Ramsey County realized that the social costs of the shorter construction period (which included revenue loss to Highland Village businesses, sales tax losses to the city of St. Paul, and added travel time for people who would have to drive to another river crossing) were so high that the more expensive construction cost represented a lower cost to society.

The Volpe Study did not look at any local data, except the number of businesses in the corridor. Even there, they fail to comment on the fact that there were 138 fewer businesses along the corridor in December 2010 than there were in July 2010. A 10 percent drop in the number of businesses in 6 months suggests some economic fragility!

The one study the Volpe Center used as its benchmark reported revenue losses in 4 sectors that ranged from 17percent decrease to 37 percent decrease during while a highway in Houston was rehabilitated, and smaller revenue losses in other sectors, but, unbelievably, the study authors concluded, "...the average sales revenue impact was sufficiently small that the study could not distinguish it from zero." The Volpe authors then explain that they used the expected losses in sectors reported in the Houston study weighted by the actual business types in the corridor and conclude that the average business revenue loss will be 2.5 percent.

Their logic reminds us of the story of the statistician who drowned while walking across a stream with an average depth of only 3 feet! A grocery store owner facing a 37 percent revenue decline (and an even greater profit decline) is not going to be comforted by knowing that the average revenue loss is expected to be 2.5 percent. We are deeply concerned by the failure of the Volpe Center to consult with community members and issue findings that understand the needs of the community.

From: M Millsap Rasmussen [msbertrecords@gmail.com]
Sent: Wednesday, March 30, 2011 8:24 PM
To: O'Brien, Kathryn
Cc: Commers, Jon; annie@unionparkdc.org; Haigh, Susan; Russ Stark
Subject: Input to The Supplemental Environmental Assessment

Dear Ms O'Brien,

I do not believe that the central corridor light rail transit (CCLRT) impact on adjacent neighborhoods was ever fully studied. I am a resident of Grid 8 in Merriam Park. I am approximately two blocks from the Snelling/University intersection. I bought my house in the fall of 2003 after living near Fairview and University for three years. I was originally from a small town in Iowa. I bought in this grid and neighborhood because of the location, which I found to be quite urban compared to most of the city. All of the amenities of a neighborhood were available within walking distance. A short list includes my choice of supermarkets and corner grocery stores, a couple of department stores to choose from, a few clothing and shoe stores, salons, neighborhood bars and a top rate night club (the Turf Club often gets touring musicians booked by First Avenue), several diverse and locally owned ethnic restaurants, crafts stores, hardware stores, two pet stores, dental offices, medical clinics, and eye care centers, coffee houses, bookstores, and a few pharmacies. This neighborhood has had a healthy mix of locally owned and chain businesses. On top of having all of these businesses within walking distance, several buses stop near this neighborhood and all along the Central Corridor area. The 16, 50, and 94 buses all run regularly in the area and take people quickly and conveniently

between downtown St Paul and downtown Minneapolis. I ride them frequently to and from work in St Paul's West Side. The 21 bus makes several stops within the Central Corridor area and takes people quickly and conveniently from downtown St Paul to Uptown Minneapolis via Lake Street. The 53 bus also makes a convenient stop near the Central Corridor. The 16 and 21 buses run every 8 to 10 minutes during the day Monday through Friday, making them highly used buses. They are almost always crowded.

I've heard many reasons for the CCLRT. One reason has been to build up the neighborhood, to make it better and more convenient for people. However, since planning for CCLRT has begun, I've actually had to start driving to Roseville Shopping Center for my craft stores and for some pet store supplies. Other businesses that I regularly support are afraid of the impact on their business and are threatening to move. A new "mixed use" development was recently finished further east on University. The first business that went in on the ground floor was a Subway restaurant. Is that considered improving the area?

I have also heard that once the light rail is in place, some bus stops will be eliminated due to the potential for traffic disruption if buses make stops at every block. I have also heard that the 16 bus will be reduced to a frequency of every 30 minutes.

As I talk with neighbors and business owners, it does not seem that anyone is against public transportation. In fact, most of the businesses know employees, customers and friends that ride public transportation daily.

However, each of these same people question why this CCLRT was thrust upon an area that was already rich in public transportation and rich in diversity (businesses and residents). People riding the bus question how much longer of a commute they will have when the light rail changes the bus schedules. In fact, most people wonder why we are paying one billion dollars for less service and why we are told that less service will improve our lives, both as residents and business owners. Less bus stops, the distance between bus stops, and less parking are all environmental issues that continue to be a concern for citizens and businesses that will be directly affected by CCLRT.

I also wonder, when we have an area that has more than adequate public transportation in a dense area of the city that has more diverse businesses than most areas of the Twin Cities, for whom is the light rail being built? If people are not coming to our neighborhood now and riding buses into our neighborhood now, why would they ride light rail? And, again, why would they come to the neighborhood when there is less service - less access to parking, further walk to bus/train stop, less frequent service, etc.?

The planning of this seems to have been done without truly listening to the concerns of the

neighborhood as all of these concerns have been voiced at CCLRT meetings. No real answers to these concerns have ever been stated. We just hear the standard answer of how the light rail will improve the neighborhood, kind of like, "if you build it, they will come." What doesn't seem to be understood is that the businesses and residents seem to think the neighborhood is already great, but none of us are so sure that it will continue to thrive with decreased services.

Sincerely,
Monica Millsap Rasmussen
409 Roy St N
St Paul MN 55104
651-645-2572
msbertrecords@gmail.com

From: Roy [roy@keyscafe.com]
Sent: Thursday, March 31, 2011 3:34 PM
To: O'Brien, Kathryn
Subject: keys raymond cafe

parking has been very tough, business has been 5 to 20 % down due to construction!
--

Roy Hunn
owner
Keys Cafe & Bakery
Cell:651-492-0200
Roseville:651-487-5397
Raymond:651-646-5756
Hudson:715-377-0004
keyscafe.com

From: heidi brist [mailto:icerink1717@msn.com]
Sent: Friday, April 01, 2011 9:20 AM
To: O'Brien, Kathryn
Subject: light rail

Kathryn, I don't even know why I'm responding to the article in the St. Paul Pioneer Press, but I just think you should know that thanks to the light rail I'm sure we will be out of business. Our business American Radiator 680 University has been there for 35 years. We started it in 1976. Big deal a loan is offered to pay back. But if your put out of business how do you pay a loan back. Besides it would not even pay the taxes. Once again more businesses will be gone and University will be a ghost town with a light rail. Sincerely Skip and Heidi Brist

From: Midway Books [mailto:midwayb2@infionline.net]
Sent: Thursday, March 31, 2011 2:23 PM
To: O'Brien, Kathryn
Cc: pmaccabee@justchangelaw.com
Subject: Light Rail Impact on our business

The Central Corridor LRT Project will have a devastating effect on our business and our property. We have been located at the corner of University and Snelling Aves. for 30 years. (The bookstore has been here for a total of 45 years.)

Our book shop is a destination store, like so many other unique "mom and pop" shops on University Ave. Removing our street parking permanently - 11 parking meters located on University Ave. - will seriously hurt our business. Many of our customers stop for 10-15 minutes to run in to purchase a book, comic or magazine. On street parking is a convenience for people, as they do not wish to walk around the block to park. We do not have any parking on Snelling Ave. The four meters that had been there, were removed 25 years ago to put in a bus-stop. Regaining these four meters on Snelling Ave, and relocating the bus-stop would help us survive.

Re-instating the 11 meters on University Ave., after the construction would be necessary to insure our survival. If there would be a traffic problem during rush hour, then parking should be restricted during morning and evening rush hour times.

Tearing up the street and sidewalk in front of our business for 6 to 8 months will keep us isolated from potential customers, 95% of whom drive to our shop.

Since construction started on University Ave. near 280, we have had a 20% drop in our business.

Construction starts directly in front of our store the first part of April 2010.

We also expect continued loss of business for two more years during the construction of tracks and building of station.

We were told last month that our cross street, Snelling Ave., will also be dug up for six to eight months beginning in April 2010.

This will be directly in front of our store for utility work that has to be done to prepare for LRT on University Ave.

This means that our corner bookshop will be an island in a sea of construction. How are we suppose to survive this?

Why would anyone design a plan that would allow a busy cross street to be dug up at the same time as on University Ave?

Why wasn't the Snelling Ave utility work done last year? This is another example of thoughtlessness on the part of the planners of LRT who care nothing about a business that has been on University Ave. for nearly half of century.

We are expecting a 60% or more drop in our sales. Because of this our employees will also be affected. We are looking at probable layoffs of 2-3 employees.

Offering a \$10,000 loan is not acceptable to us. This would be a "break-even" point for us for one month. Why should we have to go into debt because of lost revenue because of the LRT project?

University of Minnesota received \$50 million in mitigation money. MPR is negotiating for millions more for their mitigation.

The Met Council was bragging in their last newsletter that the bids for LRT came in for \$34 million dollars less than the estimates.

This money should be given, not loaned, as grants to the last of 800 or so business's on University Ave. so that we can try to stay in business during the construction of LRT.

Why was an 18 year old study used to demonstrate that there was only a 2.5% drop in revenue when this has no relevance to LRT in an inner city? Why not use the study done 10 years ago on the impact of LRT in San Jose where the business community was devastated?

We are also concerned about structural damage done to our historical building. We have invested our lives and savings into building our business at this location. The value of our property will be affected by any damage done to our building during the construction of LRT on University Ave. This could also happen with the utility work done for the LRT construction on the Snelling Ave side in front of our building. We need to have our 11 parking meters replaced on University Ave. after construction. We need four meters put back on Snelling Ave. and the bus stop relocated.

We need grants that would help sustain us during the three years of construction from the loss of revenue we will incur.

We feel passionately about our business and know that our presence has made a positive impact on our community. We would like to continue to provide the exchange of thoughts and ideas that we have dedicated our lives to.

Tom and Kathy Stransky

Midway Used and Rare Books
1579 University Avenue
St. Paul, MN 55104

Phone: (651)644-7605

Fax: (651)644-8786

<http://www.midwaybook.com>

Since 1971, I have worked at 29th and University Ave S.E. Since 1973 I have owned properties around that corner. Currently my wife Meredith and I and Meredith's sister Barbara and Barbara's husband Tom own 4 commercial buildings at 2800, 2812, 2828 and 2929 University Ave S.E. We also own Overflow Espresso Café and have an option to buy a house at 2827 Williams Ave S.E. (next door to our 2828 building). In all, we have approximately 288,000 sq ft of land (6 ½ acres) 150,000 sq ft of buildings which house over 60 commercial tenants.

I would like to address the concerns we have regarding how the LRT construction will likely effect each building and then Overflow Espresso Café. Finally I will pass on to you some of the fears of my tenants.

Our building at 2800 University Ave S.E. is 100% occupied. We have had to reduce some rents over the last 2 years to sustain our full occupancy. One tenant's rent was reduced by 20%. Overall our rents at that building are down about 10% in 2011 from 2007. We believe the impact of LRT construction at this building will be minimal since it is a block from 29th and University where the track turns off University to the north. We do believe going east on University from 2800 University will be challenging especially in the weekday afternoons. Previous to construction, the east bound traffic on University Avenue would back up from Hwy 280 or Bedford Ave all the way back to 27th Ave. on many afternoons. Now that utility construction has begun between Bedford Ave. and Hwy 280 the backups are occurring every week day afternoon and clear much more slowly. We do not have retail businesses at 2800 University Ave. S.E. so we are hoping this afternoon backup on University Ave. is the only impact LRT construction has on 2800 University. Also, 2800 University is blessed with its parking lot entrance/exit on St. Mary's Avenue so vehicles can come and go via St. Mary's Avenue to either University Avenue or Williams Avenue.

2812 University is in a much different situation because it is full of retail businesses including a Grocery/Deli, a Day Care and many auto repair shops. The entry/exit driveway for the 2812 parking lot is to University Ave. We have been told that there may be a center median in University Ave. from 29th Avenue which may extend as far west as our driveway here. This could trigger a right turn in and right turn out requirement for this building. This would be very problematic for this building and the neighborhood because the majority of our tenant's

customers come and go to the west. If all our traffic is directed east it will add pressure to an already very busy street. Our west bound customers will have 3 choices.

- a. Head east and try to turn around in someone's driveway, perhaps on Malcolm Avenue.
- b. Head east and then turn left or right on Malcolm and wind their way through the neighborhood to get turned back west.
- c. Proceed east to Hwy 280 and turn right to westbound Hwy 94.

These are cumbersome choices. The best is probably left on Malcolm to 4th Street, left to 27th Ave, left back to University Ave. Newcomers to the building are unlikely to figure this out. Those who try turning right on Malcolm (or Arthur) into the Prospect Park Neighborhood will need to pack a picnic lunch! Customers from the east will also be hindered if the median prevents a left hand turn into our property. Some of those people will probably turn around at the Post Office (where a left hand turn (eastbound) onto University is prohibited but occurs regularly anyway).

We are also fearful that our 8 on-street parking places in front of 2812 are in jeopardy as University Ave narrows down for the 29th Ave. intersection. The loss of this on-street parking will be a hardship as this building is also full of tenants (again, at reduced rental rates compared to 2007-8. All off-street parking places are spoken for. In fact we only met our required parking with the City of Minneapolis because of grandfathering.

So 2812 University will likely suffer from lack of accessibility and the loss of on-street parking. These impacts would be greatly reduced if:

- a. The center median can become paint only in front of our driveway and left hand turn privileges are maintained and
- b. The on-street parking is preserved.

At 2828 University Ave S.E. we are in the middle of a very serious parking crisis at this moment. We have a 36 stall parking lot to serve a 30,000 sq ft building. We have 2 office tenants who recently moved in and take 16,021 rentable square feet and need 45 parking places for their employees. We created 7 inside parking places by turning 2,500 sq ft to parking instead of office space. This is a very expensive and counterproductive use of inside building space on University Ave.

After those two tenants signed five year leases, DEQO Family Center leased 8,000 sq ft of our building for a day care. We thought we had accommodated them by assigning 13 parking places for their staff at our lot at 3000 4th St. We squeezed in 2 child drop-off spots in our 36 car lot even though that "overbooked" it. Now that the DEQO Day Care is up and operating, we find 2 child drop-off spots woefully inadequate. DEQO is licensed for 108 children at a time and run 2 shifts. So we have up to 216 children coming and going every afternoon. The lot fills with cars, cars get blocked in and tempers flare. Children have to dodge in between cars. It's a mess. We also have 5,000 sq ft of remaining building space which is unrentable because we have zero parking to offer any new tenant.

We have the solution to our parking traumas at 2828 University. By purchasing and tearing down the house at 2827 Williams Ave SE, we would add 28 stalls to our lot and solve our problems. PPERRIA, the neighborhood committee, resists losing a residential home so we have

worked out a compromise which would keep the home intact by parking only up to the back of the house.

We are being stonewalled by very restrictive parking rules in the Minneapolis Zoning Code. Specifically, the master plan and station area study suggest no new surface parking lots in a transit station area. We desperately need relief now from our parking pressure. If anyone reading this can provide assistance to us in getting the City of Minneapolis to allow us to solve our own parking problem at our own expense, please call me at 612-242-3442 or email me at dave@prospectparkproperties.com.

It is inconceivable to me that our very logical solution to our very serious problem is being stopped by a “no new parking” agenda in the midst of the clamoring for and promises of assistance and mitigation of business owner’s challenges along the LRT Line. Our parking crisis will only get worse during construction and even after the LRT is running because of the probable loss of most or all of the on-street parking along this section of University Avenue. We will also be confronted with the same right turn only in and out of our lot as mentioned regarding the 2812 building. This will be extremely difficult since the majority of trips to our building occur in the afternoon when University Avenue is already backed up.

Again we have the solution to this in that we could easily provide a rear exit driveway to Williams Avenue. Again, we are being prevented from implementing this solution by City Zoning Code. It would be allowing commercial parking access to and from a residential street. Not Allowed – yet the city is resurfacing Williams Avenue this year and our commercial buildings are being assessed for the work! As I write this I am in the process of evaluating what steps I might take to fight this unfair and illogical combination of government actions and prohibitions.

Our largest property is at 2929 University Ave SE. – 140,000 sq ft between 29th and 30th Aves., and between University Ave and 4th St SE. This property will be the most severely impacted for several reasons.

- a. Central Corridor is actually taking through Eminent Domain approximately 20,000 sq ft of our property. This will wipe out our Day Care playground, our beautiful landscaping including 2,750 sq ft pond, waterfall, fountain and outdoor seating as well as about 28 vital parking places. They are also taking 5,000 or more sq ft of actual building.
- b. We will be surrounded on 2 sides by LRT tracks.
- c. We will get the screeching and other noise as the train turns at 29th.
- d. I’m sure we will be front and center for dust and noise during construction.

At this building we are not fully occupied. We have recently had 2 large tenants move out and several small tenants leave. Since Dec. of 2010 we have lost 8,800 sq ft of office tenants. The largest one – Grassroots Solutions Inc. specifically told me that they wanted to get away from the light rail construction and the probable ongoing noise as the train turns at this corner. By God’s grace they moved into our 2828 Building so we didn’t lose them completely. They chose space in the back (Williams side) of 2828 so they wouldn’t hear the trains.

We are very concerned about our remaining tenants during and after construction. Many of these leases are due to be renewed in the next 1-3 years. We can ill afford to lose any more tenants. In fact, we urgently need to lease up some of the empty space we already have.

Our concerns are as follows:

1. We will lose our most vital parking lot which currently serves our Overflow Espresso Café and Anytime Fitness. This 19 stall lot is almost always full. There is no possible way to replace this parking lot – even at great expense – we are simply going to have to live without it. We are also losing 9 of 36 parking places behind the pond. This less convenient parking could be replaced at substantial expense by tearing down more of our building for parking space.
2. We are very concerned about access both during construction and after. We now have 2 driveways on 29th, one on 30th and one on 4th St. We will be left with only one on 29th (served by 1 lane north only), the one on 4th Street will remain as is, the one on 30th will also remain but 30th will be accessible from University from the east only because of the tracks.

We expect much of our traffic will be using 4th Street rather than University Ave. and will use 27th or Malcolm rather than 29th or 30th. Most of our repeat retail customers and office tenants may get used to the new routes over time. The inconvenience may not deter too many of these folks. We expect will lose almost all drive by or drop in customers because there will be no quick and convenient way to stop. We doubt even the most generous directional signage will overcome the complexity and lack of line of sight that new customers will be confronted with.

Not only will the LRT severely reduce our parking and access by auto, but it will also require that we reorient access to the building itself. Currently, customers to Anytime Fitness and Overflow Espresso Café enter our building at 29th and University (off our most used parking lot). Many of our office tenants enter at our main door on University Ave. after parking on the street or being dropped off there. After LRT construction, these tenants and visitors will be parking in the back lot and will need to enter the building from the rear. This will require extensive remodeling inside the building to upgrade part of our delivery/loading area and warehouse space into an inviting and secure main entrance. Additional lights and directional signage will be required. Space in our building will need to be dedicated to this new entrance and to necessary corridors. It will be difficult and expensive to give this new entrance a feel other than “back door”.

An additional likely impact for our 2929 building will be the loss of our existing 12’x6’ pylon sign on the corner of 29th and University. This sign hosts advertising for 4 of our largest tenants plus directional information. It is very visible from both east and west on University and from 29th Ave. The LRT will be taking the land this sign sits on.

Current city code prohibits pylon signs. We may be forced to replace it with a monument sign which will be much lower and therefore much less visible. And where will we locate it? My only thought is that it may need to be positioned further east and would then be blocked from view from the east by our building. A monument sign will also partially block the view of our new pond and waterfall.

Which leads to the last concern I will mention for our 2929 University building. We are most proud of the beautiful landscaping we have done on the west side of this property. As mentioned above, it includes outdoor eating, a large pond, waterfall, fountain, trees and lawn. The playground for Children's Village Montessori Day Care is also in this area. Our pond not only provides visual beauty but the waterfall and fountain provide gentle, comforting background sound to block out the noise of traffic on University Ave. The pond also captures 95% of this properties' storm water runoff for which we receive a water quality credit of about \$500.00 per month from the City of Minneapolis.

It is our plan to incorporate a similar but smaller (there's much less room left to work with) pond when LRT construction is completed. We are confident of our ability to include a waterfall in the new pond, but it's doubtful we will have room for the fountain which is a great advertising feature for Overflow Espresso Café. We are also concerned about our ability to handle our storm water runoff in the smaller pond, so our monthly credit is in jeopardy. The new configuration of the pond puts it right on University Ave. whereas the existing pond is sheltered from University Ave. by a landscaped berm and retaining wall.

We have no answer as to where the children's playground can go. Our only two ideas are to create a green roof with adequate safeguards including an elevator or to tear down more of our building to open up land.

Overflow Espresso Café is in the most precarious position of all of our properties. Overflow opened in June of 2007 and lost money each month June 2007 through Feb 2010. In March of 2010, thanks to the hard work of my son, Jeff, we broke even for the first time. We have been breaking even each month since and had hopes of profits as the economy strengthens.

Now we are anticipating a return to monthly losses as the LRT takes our parking lot, inhibits access and destroys the centerpiece of our site – the pond, waterfall and fountain. When we originally built Overflow we oriented it for spectacular views of these water features. There will be no way to recreate that with what is left after eminent domain.

We are in the process of trying to sell Overflow. The business broker we are listing it with suggests a sale price of about 1/6 of what we have invested in it. He insists that Overflow's rent will need to be reduced to make a sale work. Of course, a reduction in Overflow's rent reduces rental income for our 2929 building.

We are very disheartened that after 4 years of intense effort and on the brink of profitability we are being forced to liquidate our business at a large loss. We have invested \$675,000 in Overflow and are hoping to net \$90,000 from its sale. This will be possible only if we tie rent for the new owner to sales thereby sharing the risk of reduced sales during construction. If we are unable to sell Overflow, we may be forced to close it if construction reduces our sales, which seems certain.

Some people say we are sitting on "a gold mine" if we make it until the LRT is up and running. Making it that far is unlikely for Overflow Espresso Café. Furthermore, I'm very

skeptical that the LRT station at our doorstep will bring the hoards of customers these people predict. At this point in time, the 29th Avenue Station area is not really a destination stop. There is no large retail presence, dense housing or concentrated employment that makes this stop especially active. I will be satisfied if the LRT simply replaces the lost traffic we will experience from the reduced parking and restricted access. Overflow won't be around to find out.

Finally, our other tenants are just as concerned with LRT impacts as we are. Anytime Fitness is traumatized by the loss of parking and access. Fred Bertron, the owner, told me last week that he had 4 customers cancel their membership because our parking lots are "always full". This is before any impact from LRT. How many customers will be lost when one of our lots is gone and the other is reduced in size by 25%? How many customers will adjust to the brand new "back" entrance? How many potential customers will even find it? He too, is doubtful that many fitness center customers will take LRT to the gym. They are always carrying a gym bag and stopping here on the way to or from work or somewhere else.

Mary Jane Rasinski is the owner and director of Children's Village Montessori Day Care Center. She wants to know where her children's playground will be. I don't know what to tell her. She asks about parking. She states "no parents with 2 or 3 screaming children are going to ride the LRT to day care". Maybe she's wrong. She is also concerned that a station outside her door is a safety risk with the possibility of unsavory individuals coming and going via the LRT.

Our office tenants are very frustrated that on-street parking is disappearing along with much of our parking. They worry about ongoing noise as well as dust, noise and vibrations during construction. They are concerned about access for customers. Employees will get used to the convoluted routes necessary to get to us. Customers and visitors may never make it through the gauntlet of one way – single lane streets, rail blocked access and right turn only directions.

This may be hard to believe, but I know of no tenant who thinks having the LRT at our doorstep is a net positive. I personally love trains and on an emotional level I am very excited about having a station here. I think in the very long run (20+ years if we can ever afford to redevelop) it will be good financially too. In the meantime, the negative impacts are serious. Overflow will not make it. Some of our tenants will not make it. I am praying that we as property owners will survive.

In summary, in close order of importance we see the following possible negative impacts:

1. Reduced parking on our property.
2. Reduced or eliminated on-street parking.
3. Reduced / impaired access.
4. City codes that prevent implementing solutions.
5. Safety for the children of our 3 day cares.
6. Less useful signage.
7. Loss of pond and other landscaping.
8. Loss of playground.
9. Loss of traffic and congestion on University Ave.
10. Ongoing screeching of train wheels, noise & vibrations of trains.

11. Increased parking/traffic in the neighborhood.
12. All of the above exacerbated during construction.

Thank you for listening.

Sincerely,

David W. Barnhart
Pioneer Holding LLC V.P. (2800)
Pioneer Management Associates LLC President (2812)
Prospect Park Associates LLC President (2828)
Prospect Park Properties LLC V.P. (2929)
Overflow Espresso Café V.P.

From: Jamie Delton [mailto:jamie.delton@gmail.com]
Sent: Friday, March 25, 2011 1:25 PM
To: Centralcorridor
Cc: Haigh, Susan
Subject: March 16 2011 business impact testimony

Note updated material below.

March 16 -31 2011 University Ave business impact testimony

Central Corridor?

Scrap it!

My 8 concerns, if we cannot immediately scrap central corridor:

1. Despite recent promises, I don't like the tax setup – the property tax will increase every time the Met Council or CTIB has to pay for one of it's bonds, the schedule for which we have no control.
2. Traffic congestion will increase both during construction and after completion of the central corridor. Evidence: last summer's I-94 shutdown resulted in a standstill rush hour on University between Fairview and 280. Despite promises, the completed rail line will leave but one lane of traffic, suspect to congestion, and putting more idle cars onto Marshall, Thomas, Minnehaha, Peirce-Butler, I94, Concordia, Central, and Como.
3. Emergency evacuation; loss of one of only a few 4 lane streets in St. Paul.

4. Local parking, contrary to a city assessment, is not “abundant”. No parking proposed. Permit parking aggravates problem.
5. Plowing. Where does the snow go? Safety?
6. Access – handicapped ramps, handicap / pedestrian bridges, bike lanes, handicapped station-to-station access for winter time. Safety?
7. A furniture store and other stores on the Hiawatha line were damaged during construction. Legal battles like this and eminent domain cases will cost the tax payer millions on the Central Corridor.
8. \$140m spent to date – on what? How much was spent on promotion, ads, and “education” on the line?

I ran a business at 293 Como 55103 which, were I to engage in it again, would be affected adversely by Central Corridor congestion and the blight and loss of business on University. My Como business and all St. Paul businesses should be counted affected businesses.

Jamie Delton

385 Laurel Ave #108

St. Paul MN 55102

From: Sowa Unora [mailto:sowau@juno.com]
Sent: Tuesday, March 29, 2011 6:22 PM
To: O'Brien, Kathryn
Subject: RE: Parking and Light Rail Construction

Thanks for your attention to this. Yes, I would like this entered into the record.

By the way, I spoke to a construction worker who said that he and his coworkers generally are parking within the construction zone itself, not taking up parking spaces. He also said that one of the groups of workers (I forget which, possibly the utility crew) was being transported to the area from elsewhere. It's good to know that it is being handled in this way-- and hope this is true for all the workers.

Unfortunately, I have had problems with bus service. This whole situation is crazy for us all, but I do feel there are more issues with the buses than is reasonable.

- 1) The online automated trip planner directed me to a closed stop.

2) A bus driver said that Eustis was open, but I had previously been told (by either a driver or customer service over the phone, forget which) that it was closed.

3) At a closed stop, a sign directed us to Bedford. The #50 bus did not stop for me there. A driver the next day said that it should have. He commented that sometimes drivers "don't know" and the information may not have gotten to them. Seems to me they each should have a printout indicating where they should stop, and if they do have the info and aren't following it, they need to be wipped into shape. ;-)

4) A driver yesterday was not able to tell me where the open eastbound stop on University closest to Raymond was. It's understandable that not all drivers are regulars and completely familiar with the route, however, a printout/map could also solve that.

5) The signs at the stops say things like "the bus stops at Hampden, Vandalia, Fry..." but if one doesn't know where those streets are, how does one know which way to walk? One could be a block east of a stop but walk west and have to go a quarter mile. As noted in #2, I saw a stop with a direction indicated (I think there was even an arrow) but this is not true for others. It would be nice if there were maps at the bus shelters that are still left indicating where open stops are.

6) The signs written as in #3 can confuse people; the first time I saw one, I thought that a detour was indicated, rather than that the buses are stopping at those streets on University. A person who is not familiar with the streets could end up walking north or south, thinking that they'd hit the detour route.

I have communicated my concerns to Metro Transit. I do think it's also the concern of the construction planners (and funding should be included to support transit getting the info out, I'm curious if this is true.) I saw a very nice, full-color brochure posted at a local business, describing the planned progress of the construction and including a map and diagrams. I didn't see anything in it about bus service. We bus users are all too often left in the lurch and just as for the original plan not to have enough stops for the Midway area, I have no doubt that it is partly because there is a significant number of riders who are less affluent.

Similarly, one without internet service does not have effective access via the phone line to information. Hoping to get something mailed to me spent quite a bit of time on hold before getting to talk to a customer service person who then took time trying to find out if this was available and in the end there was nothing of this nature prepared for users. After asking around she did find something that she could send me, which I decided wasn't really what I was looking for. (FYI I do not have internet at home; check my email during limited time at the public library.)

Even on the internet, things could be improved. For example, the page <http://www.metrotransit.org/TransitArticles/Story.aspx?pageid=314&mid=431&articleid=305> about stop closures only lists them by name, so one not familiar with the streets would have to go to the interactive map (which I find cumbersome to use), or look up the route map, to figure out where they were. Why not just include a route map on that page marked with the appropriate stops? I know that often things like this happen simply because a person who is doing their best to provide information just doesn't realize the perspective of a person less familiar with the information or having easy access to it. I'm hoping that having brought these concerns to MT's attention, it can easily be improved.

On the positive side, I was glad to see the potholes filled in; hard to avoid them safely when down to one lane each way. If we have to deal with the construction, we should at least have a

decent surface to drive on, and I hope that whoever takes care of the pavement keeps University a priority.

Thanks again for your attention to this. It can't always be easy having a job dealing with complaints; do keep in mind that you're providing a very important service!

Sowa Unora
414-303-8377

----- Original Message -----

From: "O'Brien, Kathryn" <Kathryn.O'Brien@metc.state.mn.us>
To: 'Sowa Unora' <sowau@juno.com>
Cc: "Caufman, Robin" <Robin.Caufman@metc.state.mn.us>
Subject: RE: Parking and Light Rail Construction
Date: Tue, 29 Mar 2011 14:55:37 -0500

Sowa, I have forwarded your message on to our Central Corridor LRT Outreach staff, who are dedicated to responding to concerns and complaints received during CCLRT construction.

Could you please respond to let me know if you had also wanted your comment entered into the record as part of input on the Central Corridor LRT Business Impacts Supplemental Environmental Assessment?

Thank you,

Kathryn O'Brien
Environmental Services Manager

Central Corridor Project Office

540 Fairview Avenue

St. Paul, MN 55104

Ph: 651-602-1927

From: Sowa Unora [mailto:sowau@juno.com]
Sent: Wednesday, March 23, 2011 6:54 PM
To: O'Brien, Kathryn
Subject: Parking and Light Rail Construction

With loss of parking on University, we really depend on the side streets.

I was quite disappointed to see recently that 10 parking spaces were closed on Raymond south of Univ, and I think more north of Univ as well, for several days (at least; those are what I was aware of) before they were used by construction. If there is any way that they can be closed only when actually needed, that would be a great help.

It occurred to me one day to wonder where the construction workers are parking, those that do not have a work-related reason to be at the site? I certainly hope they're not taking up neighborhood spaces!

Sowa Unora
414-303-8377

From: Margaret Beegle [beegle@louberts.com]
Sent: Friday, March 18, 2011 4:34 PM
To: O'Brien, Kathryn
Subject: PRT

Dear Ms. O'Brien:

You still have time to install a Personal Rapid Transit circulator system.

Sincerely,
Margaret Beegle
Member of Citizens for Personal Rapid Transit

From: Mike and Benita [mailto:warns@pclink.com]
Sent: Thursday, March 31, 2011 1:27 PM
To: O'Brien, Kathryn
Subject: Public Comments for CCLRT Draft EAS

Please enter this e-mail into the official record for the public hearing concerning the Supplemental Environmental Assessment of Construction-Related Potential Impacts on Business Revenues.

I own a small bicycle shop just a half block south of University Avenue. Last year our total revenue was \$13,000. We broke even. We collect used bicycles, fix them, and give them away - we average about 500 per year. To finance this, we sell a limited number of ready-to-ride bicycles, used bicycles that need repairs, used bicycle parts and accessories, and art work we make from bicycle scrap and other salvaged materials. We are not a non-profit, we are a business. We pay taxes. We collect and pay sales taxes on everything we sell, including the special sales tax levied to pay to construct CCLRT.

We have three kinds of customers. The first are the low-income people who come to receive the gift of a bicycle. The second are those who come to shop to buy used bicycles, parts, or accessories. The third are people who are donating bicycles to us, and most of the bicycles are not in running condition. Although a significant number of the second group arrive by bicycle or bus, the other two groups primarily arrive by car. These customers, who come from all over the Twin Cities, need to park somewhere near our front door so that they can unload or load bicycles into their vehicles. Since all parking has been removed on University Avenue, these customers have a more difficult time finding a place to park close to our store. Lack of nearby parking will cause some of our donors, particularly the elderly ones who are downsizing and giving away their bicycles, to dispose of their bicycles elsewhere. This source of bicycles is where we get the majority of product suitable for resale, and that is what keeps our doors open and allows us to give away 500 bicycles a year to those who need them. The average sale price of a bicycle in ready-to-ride condition at our store is about \$100, which covers about 10 percent of our monthly operating expense. Every bicycle that we lose costs us dearly.

The SEAS for this project states that the average loss for businesses would be somewhere between 2 and 2.5%. While the study acknowledges that the amount of loss will vary depending on the kind of business, the amount of loss will be far greater. Often groups of businesses with similar products group together in an area to make the area a destination. This is especially true of second-hand businesses.

When one business closes, it has a ripple effect on those that remain. One second-hand store that sold mid-century home furnishings has already closed. The other two or three of these shops located nearby will experience less foot traffic due to less customer choice. Compound that with the disruption to the other stores due to construction and it is clear that losses will be substantial - at least 10 times the rate mentioned in the SEAS. These small, second-hand shops and other similar businesses like neighborhood coffee shops add character to St. Paul. Many customers choose these types of businesses because shopping there keeps money in the community rather than enduring the bland, corporate experience of many large chains.

The SEAS uses a study of business disruption from highway construction in Texas, and it is an old study. Applying results from that study to CCLRT construction in St. Paul is like comparing my second-hand bicycle shop to a bicycle shop that sells high-performance racing equipment to high-level athletes. There is already adequate proof of significant business revenue loss from CCLRT construction - just look at the revenue data for the businesses in Lowertown where construction made it difficult for customers to access those businesses. Some of the businesses closed, while others lost anywhere from 20 to 50% of revenue. Businesses along University Avenue, particularly those whose only customer parking option is on-street, will lose similar amounts of income. By the time construction is complete, I predict that between 5 and 10 percent of businesses currently operating along University Avenue will close, but for restaurants and small retail shops, the percentage will be more like 20%.

What will take their place? There will be a lot of new construction, but small retailers will not be able to afford to rent in the new buildings. Only the chains like Starbucks and their ilk will be able to afford the rents, and the local flavor that gave University Avenue its appeal will be gone. Porky's drive-in is being sold to Episcopal Homes to build what? More housing, but since it is a non-profit that is one more parcel that will be off the tax rolls.

CCLRT never should have been recommended for University Avenue. The recommendation of the citizens task force back in 1990, that was unanimously passed by the Ramsey County Board on April 6, 1991, that CCLRT (if it was ever built) should go along I-94 should have been honored. The number one reason for the decision was that the construction disruption and lack of parking after construction would decimate the business community. There was no formal community-driven process that resulted in the change in plans around 2002. Rather, it was developers, the Metropolitan Council, and elected officials who had come into office after the original decision that changed the plans - without appropriate community input. Now our small business community is being destroyed, one business failure after another, because greedy developers want to make money at our expense, and politicians think they know what is best for us and want to leave a "legacy." Some legacy - lots of Mom and Pop businesses losing everything they worked so hard to build.

There is still time to stop this nonsense and shut down this ill-conceived project. If you had listened to the people and built this along I-94, you wouldn't have this problem and we wouldn't be facing losing our shirts.

Benita Warns, Owner
Mr. Michael Recycles Bicycles, LLC
520 N. Prior Avenue
St. Paul, MN 55104
651-641-1037
www.mmrstore.com

From: Ardis Hafdahl [ahafdahl@hbg ltd.net]

Sent: Thursday, March 31, 2011 10:19 PM

To: O'Brien, Kathryn

Subject: Response to the draft Supplemental Environmental Assessment

Kathryn:

As the Property Management company for the Northwestern Building in the Lowertown district of St. Paul, I want to inform you of the negative impact that the construction of the Lite Rail has had on our building.

In reviewing the Supplemental Environmental Assessment I note that the businesses considered impacted are primarily retail type businesses and that the remaining "small businesses" which we would be classified beneath, would only have a negative loss of revenue of approximately 2.5 % or less. Clearly, in our case, that number is well below what we have experienced.

In the past 12 months, our revenue has been adversely affected by tenants choosing to not renew their leases, tenants who are withholding portions of their rent, tenants who are extremely delinquent in their rent and finally, loss of prospective tenants - all of these due to construction related issues such as noise, inaccessibility, lack of parking and water intrusion into basement tenant spaces.

All of this has contributed to a revenue loss, both current and future, in excess of \$100,000.00. This is significantly higher than the 2.5% projected in the assessment.

We ask that you re-evaluate the financial assistance programs in place for all businesses such as ours, as well as for our tenants, who have suffered losses during construction

Ardis Hafdahl
Asset Manager
Halverson and Blaiser Group
275 E. 4th Street, Ste. 300
Saint Paul, MN 55101
651-227-7053

From: Russ' A-1 Vacuum email [mailto:russ@a-1vacuum.com]
Sent: Wednesday, March 30, 2011 8:23 AM
To: O'Brien, Kathryn
Subject: University Avenue Light Rail Project - Unintended consequences...

Kathryn,

I feel the need to bring to your attention to an interesting twist to the Central Corridor Project.

We are getting several calls per day from customers asking if they can get to us to do business. Already! In our area, the light rail construction isn't slated to begin until the summer of 2012, over a year away.

Now for every caller asking this, I'm wondering how many aren't asking and just staying away. Our business is being affected. The problem is, I don't know if it's a general slowdown (again) or is light rail really affecting us already...

I think we have a perception problem. Construction woes in one area are perceived to be affecting all of us along the Avenue. Instead of worrying about losing business next year during the construction, my attention is now focused on today. I'm just not sure how to respond to this problem.

I only bring this to your attention because all of the negative reporting about this project has brought it into people's focus and, in my opinion, people are rightfully or wrongfully reacting to it. Unintended consequences, once again...

Sincerely,

[Russ Battisto](#)
[A-1 Vacuum Cleaner Co](#)
666 University Avenue
St Paul, MN 55104 USA

Tel: 651-222-6316 or 800-657-1874
Fax: 651-603-8265 or 800-421-0675

From: Jim Segal <jim@Ax-man.com>
To: Caufman, Robin; Rodriguez, Rita
Cc: Soler, Dan
Sent: Wed Mar 09 17:44:03 2011
Subject: RE: Urgent Help

Thanks for your quick reply. I am available tomorrow. I am less convinced the measures you suggest are going to eliminate the problem. Rain and snow spay is going to be a serious issue post construction that could cause businesses harm. Please make this part of the record for the supplemental EIS.

Thank you,

Jim Segal
Ax-Man Surplus Stores
1639 University Avenue
St. Paul, MN 55104
(651) 646-8653

From: Caufman, Robin [mailto:Robin.Caufman@metc.state.mn.us]
Sent: Wednesday, March 09, 2011 5:34 PM
To: Jim Segal; Rodriguez, Rita

Cc: Soler, Dan
Subject: RE: Urgent Help

Jim – thank you for your email and raising this concern. Dan was just having a conversation today with construction manager about this issue during construction. Post construction the new road design mitigates this issue by having new grading, storm gutters/sewers, and paving to ensure proper drainage.

Are you in the office tomorrow? I'll see if Dan can stop by on his way between meetings.

Robin

Robin Caufman
Manager of Public Involvement
Central Corridor LRT Project Office
Metropolitan Council
540 Fairview Ave. N.
St. Paul, MN 55104
651-602-1457
robin.caufman@metc.state.mn.us
www.centralcorridor.org

From: Jim Segal [mailto:jim@Ax-man.com]
Sent: Wednesday, March 09, 2011 5:23 PM
To: Rodriguez, Rita; Caufman, Robin
Subject: Urgent Help

Rita/Robin:

I would like to set-up an emergency meeting with you to demonstrate the serious design flaw of having moving traffic 9' from the door of any business on University Avenue. Traffic has been rerouted in front of my building due to some utility relocation (similar to how it will be post construction) and the results are very disappointing. Road spray is trashing the front of my building and rocks are hitting the windows as traffic drives by. This is creating a terrible pedestrian environment. You need to see for yourself that this is a very bad situation. Please contact me ASAP to meet so I can show you and we can discuss solutions.

Thank you,

Jim Segal
Ax-Man Surplus Stores
1639 University Avenue
St. Paul, MN 55104
(651) 646-8653

From: Leah Carr [mailto:leahcarr@comcast.net]
Sent: Monday, March 21, 2011 2:42 PM
To: O'Brien, Kathryn
Subject: We all are going to suffer

Dear Ms. Obrien,

I have encountered many issues over the last several weeks in regards to the construction of the CCLR. Today I could not get out of my neighborhood. Looking

at the work along University it is unimaginable that most businesses are going to suffer because of access problems during construction. They will continue to suffer after construction because no one will drive on University having to share the road with a train.

The citizens of the two cities have been ignored during the planning because the project would have been stopped long ago if anyone had listened to the public.

Leah Carr

From: Molly Park [mailto:mollypark@mac.com]
Sent: Friday, March 25, 2011 11:44 AM
To: O'Brien, Kathryn
Subject: March 16th Central Corridor meeting

Hi Kathryn,

I attended the evening Central Corridor-Business Community meeting on March 16th as a private citizen of Dakota County and former mayor of Sunfish Lake. I would like to share a few of my concerns with you and I appreciate your willingness to attend to them.

As expected, mitigation issues were a primary concern of the attendees. I would hope that the Met Council, in moving forward during these next crucial months would strive to implement the lessons learned from successful mitigation projects --both local (Lake Street Study) and national (Seattle Study). The business community seemed to have faith in the work of these studies which would provide a positive approach for a difficult situation.

Also, SIGNAGE during construction and after completion is key for the business owners' alternative access areas. Signage must be consistent, comprehensive and hopefully attractive in order to be successful at changing patterns of customer behavior.

I know you are embarking on a challenging, exciting project that will in the end, enhance our Twin Cities communities yet be sensitive to the unique character of University Avenue.

Take care and thank you for this opportunity to respond.

Molly Park



ChiroMed Clinic

Received
MAR 22 2011
CCPO/Met Council

Jay Y. Cherner, D.C., C.C.S.P.
Certified Chiropractic Sports Physician

Raisa Gringauz, M.D.
Diplomate American Board of
Physical Medicine and Rehabilitation

Member American Association of
Electrodiagnostic Medicine

March 18, 2011

Kathryn O'Brien
Environmental Services Manager
Central Corridor Project Office
540 Fairview Ave. N., Suite 200
St. Paul, MN 55104

RE: Mitigation Concerns Regarding University Ave. Property

Dear Ms. O'Brien:

This is in response to the Supplemental Environmental Assessment and the potential loss of business revenue as an adverse impact of the construction of the CCLRT Project, including mitigation activities.

I met you initially at my office on December 8, 2009. At our initial meeting, I offered three concerns regarding the CCLRT Project given my property is 100 years old, and from which I have a chiropractic practice:

1. Structure and utilities safety.
2. Vibration and noise.
3. Parking and handicapped access.

I also contacted Mr. Blakely regarding parking loss and, and completed the application for the 2009-10 Neighborhood Commercial Parking Program on December 18, 2009 (see copy).

On October 11, 2010, I wrote a letter to you requesting mitigation of the above issues (see copy). One month later, I received a response from Rita Rodriguez in which she provided me with links to vibrations and noise studies that, unfortunately, have nothing to do with my 100-year old building. As previously stated, I am very concerned with the structural safety of my property (given its age) due to the CLLRT Project construction.

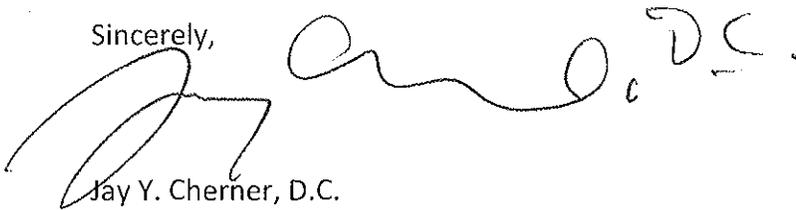
5355 PENN AVENUE SOUTH
 MINNEAPOLIS, MN. 55419
PHONE: 612-922-4649
FAX: 612-922-8954

1603 UNIVERSITY AVENUE WEST
ST. PAUL, MN. 55104
PHONE: 651-641-1110
FAX: 651-641-1420

In addition, I would like to bring to your immediate attention that I have lost all access for handicapped parking as a result of metered parking being eliminated in front of my office on University Avenue. This is effectively pushing me out of business since my practice would be in violation of Title III of the ADA, as well as State and City codes.

It is my understanding the MET Council is required to mitigate under the law for the construction of the CCLRT. I would appreciate the immediate opportunity to further discuss these concerns and your intention to comply with your obligations under the Act and the law.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Y. Cherner, D.C.", written in a cursive style.

Jay Y. Cherner, D.C.

Owner

1603-05 University Ave. West

St. Paul, MN 55104



ChiroMed Clinic

Jay Y. Cherner, D.C., C.C.S.P.
Certified Chiropractic Sports Physician

Raisa Gringauz, M.D.
*Diplomate American Board of
 Physical Medicine and Rehabilitation*

*Member American Association of
 Electrodiagnostic Medicine*

October 11, 2010

Kathy O'Brien
 MET Council
 540 Fairview Ave. N., Suite 200
 Griggs Midway Building
 St. Paul, MN 55104

RE: mitigation

Dear Ms. O'Brien:

This is to follow up on the meeting with you dated 12-18-09. Ms. Hue Pham was also present at the meeting. We discussed the following issues related to mitigation due to the businesses affected by construction of light rail project:

1. Structure and Utilities Safety

I explained to you my concerns regarding the structure of my building due to time of the original construction in 1907 at 1603-05 University Avenue West. I am especially concerned with structural stability of the building in light of the age and building technology at the time.

You assured me that MET Council's structural engineers did a study that confirmed safety should not be an issue. I requested to see the actual study and you promised to send it to me. I also requested a meeting with your structural engineer for the purpose of structural evaluation of my building and you promised that your structural engineer will contact me in a few weeks.

2. Vibration and Noise

We discussed my concerns regarding vibration and noise. The vibration elicited by the trains just a few feet away from the 100-year old building is a real concern. You assured me that study done by MET Council guarantee the safety of the structures on University Avenue, including my building. You promised to provide me with this study.

5355 PENN AVENUE SOUTH
 MINNEAPOLIS, MN. 55419
 PHONE: 612-922-4649
 FAX: 612-922-8954

1603 UNIVERSITY AVENUE WEST
 ST. PAUL, MN. 55104
 PHONE: 651-641-1110
 FAX: 651-641-1420

October 11, 2010
Kathy O'Brien
MET Council

Page 2

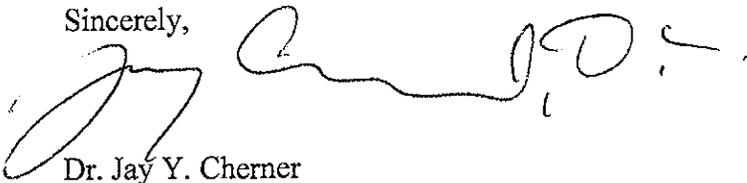
I asked you to mitigate the issue of noise just like it has been mitigated with MPR and U of M. I specifically asked your assistance with noise reduction insulated windows to reduce the incoming noise from the train's horn/ring. The concern here is my patients who seek care in my clinic for headaches. As you may understand, this kind of noise would be extremely irritating to my patients. However, you declined to mitigate the issue. Ms. Hue Pham recommended applying for "forgiving loan" up to \$ 25,000. I did apply for this loan but received no response.

3. Parking and Handicapped access

We discussed the issue of parking and handicapped access to my building for patients with disabilities. Currently, we use front entrance from University Avenue for this purpose. With construction of LRT everyone will loose parking from University Avenue. You told me that Mr. Blakely is handling the parking issue and he will be in touch with me. We are communicating, however, there is no solution mitigating these problems.

I can't express my frustration enough with the process. There is nothing but promises. Please let me know when I can expect immediate action towards above problems.

Sincerely,



Dr. Jay Y. Cherner
Owner

Neighborhood Commercial Parking Program

The purpose of the Neighborhood Commercial Parking Pilot Program (NCPP) is to provide forgivable loans for improvements to off-street parking along University Avenue. The program is being piloted to help mitigate the proposed loss of on-street parking due to Central Corridor Light Rail Transit. The NCPP will fund 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 equitably share the use and costs of off-street parking.

HOW MUCH IS AVAILABLE FOR PARKING IMPROVEMENTS?

Competitive forgivable loans will be available for up to \$25,000, although larger loans will be considered where multiple businesses and/or property owners cooperate on a shared parking agreement and submit a single application.

WHO CAN APPLY?

All business and property owners with frontage on University Avenue between Emerald Street and Rice Street in Saint Paul. Priority will be given to projects within the 11 critical areas identified in the recent report, *Mitigating the Loss of Parking in the Central Corridor*.*

WHAT TYPES OF PROJECTS WILL BE ELIGIBLE?

Cost-effective projects that improve the safety, appearance, or utilization of parking, or increase the amount of off-street parking, including:

- **Driveways:** closing or installing curb cuts or driveways to improve access
- **Paving:** repairing, repaving and restriping the surface of parking lots or in an adjacent alley
- **Walls and Fences:** repairing, removing, or replacing fencing and retaining walls
- **Garages:** repairing or removing commercial garages
- **Security:** repairing or installing security lighting and installing rear windows or rear doors with windows.
- **Accessibility:** improving handicapped-accessible parking or installing rear entrances or ramps to improve accessibility.
- **Pedestrian Improvements:** walkways to improve the safety of pedestrians in and around the parking lots
- **Landscaping:** adding, improving, or replacing landscaping that makes off-street parking more efficient and attractive.
- **Storm Water Management:** installing storm water management improvements that improve drainage
- **Recycling and Garbage:** relocating, or centralizing recycling and refuse containers
- **Direct project costs:** required licenses and permits, legal fees, design work, and fees are eligible, but are limited to 10% of the project

WHAT TYPES OF PROJECTS ARE NOT ELIGIBLE?

- Operating costs
- Rent for parking spaces
- Costs of acquiring land for parking
- Improvements to paid commuter or "park-and-ride" lots
- Improvements to existing parking ramps or decks
- Building or replacing garages

WHAT IS THE TIMELINE?

Materials for forgivable loan applications will be developed in Fall 2009, with applications due to the City in February 2010. Projects should be completed in the 2010 construction season.

WHERE CAN I GET MORE INFORMATION?

For more information on this or other parking programs, please contact Craig Blakely, City of Saint Paul Department of Planning and Economic Development, at 651-266-6697, or craig.blakely@ci.stpaul.mn.us.

*Report can be viewed at www.stpaul.gov/DocumentView.aspx?DiD=8599





2009-2010 Neighborhood Commercial Parking Program

Pre-Application Form

Project Name: CHIROMED CLINIC, P.A.

Project Address: 1603-05 UNIVERSITY AVE. WEST, ST. PAUL, MN 55104

Business(es) or Property Owner(s) submitting proposal: JAY Y. CHERNER, D.C.

Main Contact Person Completing the Application:

<u>JAY Y. CHERNER</u>	<u>OWNER</u>	<u>12-18-09</u>	
NAME (PLEASE TYPE/PRINT)	TITLE (IF APPLICABLE)	DATE	SIGNATURE

Daytime Phone: 612-327-9050 E-mail Address: JCHERNER@HOTMAIL.COM

<u>1603-05 UNIVERSITY AVE. W.</u>	<u>ST. PAUL</u>	<u>MN</u>	<u>55104</u>
STREET	City	State	Zip Code

Property Owner or Representative (if different):

NAME (PLEASE TYPE/PRINT)	TITLE (IF APPLICABLE)	DATE	SIGNATURE
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Loan request amount: \$ 25,000.00

PROPOSAL INFORMATION:

1. Please **attach** a description of your project.

2. Check the anticipated benefits that can be expected from this project. Please place a "1" next to the item you believe is the primary benefit, and a "2" next to the item you select as a secondary benefit:

<input checked="" type="checkbox"/>	Maximize utilization of existing lots	<input checked="" type="checkbox"/>	Provide foundation for infill development	<input type="checkbox"/>	Increase stormwater management
<input checked="" type="checkbox"/>	Increase ADA access	<input checked="" type="checkbox"/>	Improve personal safety	<input type="checkbox"/>	Encourage biking, walking, and transit
<input checked="" type="checkbox"/>	Improve auto circulation	<input checked="" type="checkbox"/>	Create shared parking	<input type="checkbox"/>	Innovative/Demonstration practice
<input checked="" type="checkbox"/>	Improve pedestrian circulation	<input checked="" type="checkbox"/>	Improves access during LRT construction	<input type="checkbox"/>	Leverage other funding
<input checked="" type="checkbox"/>	Provides a buffer to residential uses	<input checked="" type="checkbox"/>	Add/improve landscaping and aesthetics	<input type="checkbox"/>	Benefit a parking "critical area"

3. Please provide a rough estimate of how much of the loan request will be used in each category. Examples are:

- | | |
|------------------------------|---|
| Infrastructure improvements: | capital improvements to existing surface parking or alley, paving, striping, driveways, walls, fences |
| Pedestrian improvements: | lighting, ramps, new/improved building entrances, walkways, accessibility |
| Landscaping improvements: | plantings, stormwater management, brush removal |
| Efficiency improvements: | consolidating dumpsters or recycling, removing or repairing garages, bike parking, shared parking signage, etc. |

CATEGORY	LOAN REQUEST	OTHER FUNDS*	TOTAL
Infrastructure improvements	NOT REQUIRED PER AVE PHARM		
Pedestrian improvements			
Landscaping improvements			
Efficiency improvements			
** Direct Project Costs (limit to 10%)			
*** Other Eligible Costs			
TOTALS:			25,000.00

Construction-Related Potential Impacts on Business Revenues: Funds may be used for soft costs (i.e. architect, engineering, legal and other fees, permits, licenses.) Soft costs do not include general administrative expenses, rent, marketing, or operating costs. ***Other: Please provide a separate sheet with a detailed explanation and specific costs included in this category.

BIG TOP LIQUORS
1574 UNIVERSITY AVENUE
ST. PAUL, MN 55305
PHONE: (651) 644-4501
FAX: (651) 644-0874



March 23, 2011

TO: WHOM IT MAY CONCERN: PLEASE HELP!

On February 23, 2011, I sent you a letter concerning the Light Rail Project between Minneapolis and St. Paul. In that letter I pointed out that I have sent letters before this to various people, including the Governor and the Mayors of St. Paul and Minneapolis. I quoted then that I have never had a response from any one and it seems that it has carried over to the letter I have sent dated February 23rd.

As of this date, March 23rd, I have not heard from anyone again. Why is it that we cannot get any cooperation from the people that initiated this Light Rail that is putting us out of business and losing jobs for many employees?

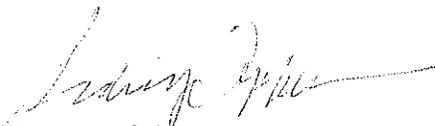
In today's St. Paul Pioneer Press, there was an article that I am enclosing a portion of that tells the whole story about the trouble we are having.

How long do you think it will take before some responsible people will come to our aid?

Hope to hear from someone soon.

I remain:

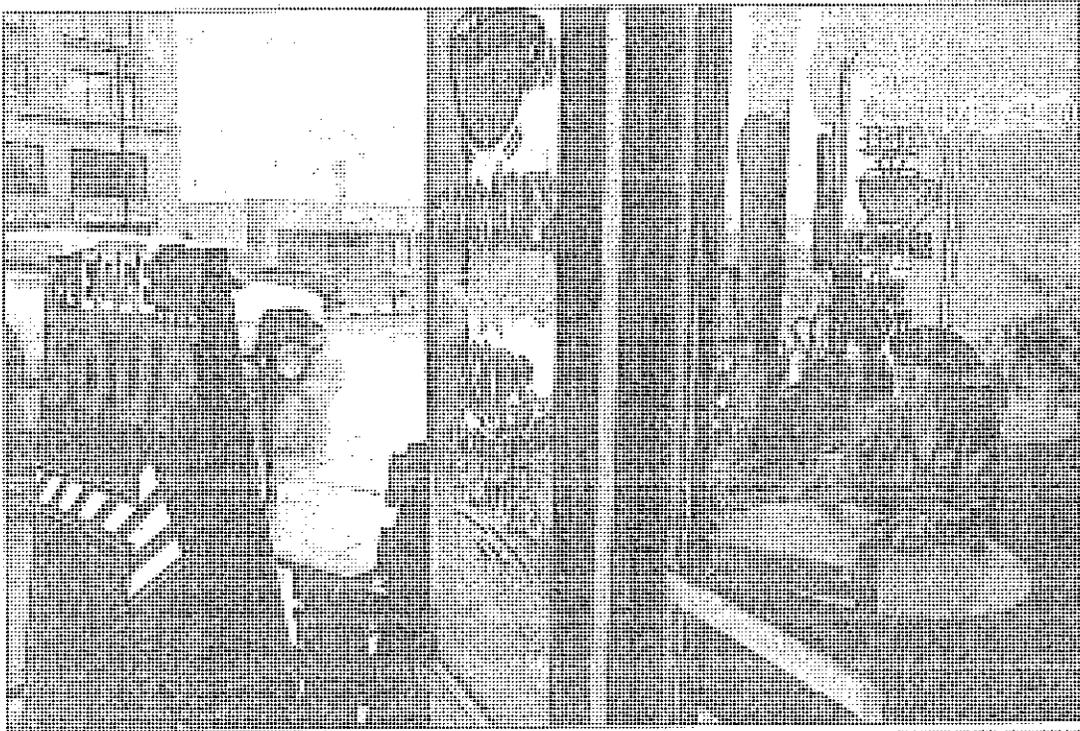
Sincerely yours,


Sidney Applebaum

SA:cd

THE BIG SQUEEZE

Light-rail work is shrinking parking on University Avenue. Businesses say they must adapt or die.



PIONEER PRESS: JOHN DOMAN

Patricia "YaYa" Y, who runs the Edge Coffee House near the corner of University and Raymond avenues in St. Paul, says her business has dropped considerably since Central Corridor construction eliminated traffic lanes and parking meters for her block.

Construction gets serious

The Central Corridor light-rail line, linking St. Paul and Minneapolis, entered its "heavy construction" phase this month.

Traffic between Emerald and Hampden has been shifted to the north side of the street. Drivers will have full access to Eustis, Cromwell, Franklin and Raymond; southern access to other cross streets will be closed.



By Frederick Mele > fmelo@pioneerpress.com

Patricia Y has a colorful résumé, and these days, she's thinking of polishing it.

The former DJ, known as "YaYa" to most everybody, runs the Edge Coffee House in St. Paul near the corner of University and Raymond avenues, where construction of the Central Corridor light-rail line began in earnest this month, eliminating traffic lanes and parking meters for her entire block.

"People would stop in front, run in, get a coffee and go to work," YaYa said. "That's gone. ... Right now, two-fifths of my business is gone."

To compensate, she has resorted to making her own baked goods instead of ordering them from local stores. She's thought up different flavors of Rice

Krispie treats. She's about to advertise home delivery. And she's taken a second, part-time job bartending at Lindsey's Prime Steak House in Arden Hills.

"I ain't going nowhere until I have to," YaYa said, contemplating

BONNER & BORHART LLP

March 31, 2011

Ms. Kathryn L. O'Brien
Environmental Project Manager
Central Corridor Project Office
540 Fairview Avenue
St. Paul, Minnesota 55101

via e-mail centralcorridor@metc.state.mn.us

Re: Central Corridor Light Rail Transit Project - Draft Supplemental Environmental Assessment

Dear Ms. O'Brien:

I represent plaintiffs in the pending civil action entitled *The Saint Paul Branch of the NAACP, et al., vs. The Metropolitan Council, et al.*, and I write to provide my clients' comment on the Draft Supplemental Environmental Assessment ("DSEA") published on March 1, 2011 by The Metropolitan Council (the "Agency"). I understand that the DSEA is intended to bring the Agency into compliance with the National Environmental Policy Act ("NEPA") by analyzing the impact of Central Corridor Light Rail Transit ("CCLRT") construction on business revenues within the Central Corridor.

The DSEA is deeply and fundamentally flawed because it fails to consider the best evidence of the impact CCLRT construction will have on business revenues. Further, the conclusions set forth in the DSEA are inconsistent with the very studies it purports to rely upon. Also, the DSEA's characterization of the proposed mitigation measures is inaccurate. Also, other studies relied upon by the Agency involve dramatically disparate transportation projects and, therefore, the conclusions derived from these studies are not relevant to a proper informed discussion of CCLRT's impacts. Finally, the methodology upon which the DSEA bases its conclusion that business revenues will decrease between 0-2.5% is not understandable. For all of these reasons, the Agency should substantially revise and supplement the DSEA in order to comply with the requirements of NEPA and its implementing regulations.

A. The DSEA Fails To Address The Best Evidence - The Loss Of Revenue Already Caused By The Construction of CCLRT In Lowertown, Saint Paul And Seattle

The DSEA, via its incorporation of the USDOT Volpe Center's "Technical Report on the Potential Impacts on Business Revenues during Construction of the Central Corridor Light Rail Project", relies upon four studies in support of its conclusions regarding the impact of the CCLRT's

construction on business revenues. The DSEA states that the Agency relied on these studies “[i]n the absence of substantive data available to assess loss of revenue directly applicable to construction-related environmental impacts on a light rail transit project in an urban setting” DSEA, § 4.1.2.

In fact, there is substantive data available to assess loss of revenue directly applicable to construction-related environmental impacts on a light rail transit project in an urban setting. This data is available because construction of CCLRT has already caused loss of revenue in the Lowertown section of Saint Paul and along certain areas on University Avenue. Further, because the cost of compiling this information is not exorbitant, the Agency has a lawful obligation to compile this data. 40 C.F.R. § 1502.22. Instead, the Agency appears to have completely ignored the substantial evidence available as a result of the relocation of utilities in the Lowertown area of Saint Paul. This evidence is readily available, geographically convenient and contemporaneous.

For example, Tim Holden, an owner of property located on University Avenue, testified at the March 16th public hearing that his property experienced a reduction in revenue of approximately \$7,500.00 over a period of less than one month as a result of CCLRT construction activities. This represented an approximately 50% reduction in revenue. This is the best sort of evidence, and the Agency has failed to collect or consider such evidence. For this reason, the DSEA fails to comply with NEPA.

There is other evidence that has been ignored by the Agency. For example, the DSEA fails to consider the impact on businesses caused by the recent construction of a light rail project in Seattle, Washington. The Seattle light rail project is qualitatively similar to the CCLRT. During the construction phase of the Seattle light rail, responsible government agencies, through the Rainier Valley Community Development Fund, approved approximately \$9,448,307.00 in business interruption payments to businesses along the impacted corridor. I have attached hereto a report entitled “Assessing Impacts of the Rainier Valley Community Development Fund (“RVCDF”) to Business Survival and Prosperity.” This report details the substantial financial investment by RVCDF to alleviate the impact of diminished business revenue caused by construction of the light rail line. Despite this investment, numerous businesses along the construction corridor failed due to construction related impacts. Accordingly, it is clear that offering no grant monies of any kind, as the Agency presently intends, will result in widespread business failures throughout the corridor. I note that the Seattle light rail was also built at grade through an ethnically and economically diverse neighborhood. The Agency’s failure to consider this evidence in assessing the potential impact of CCLRT construction on business revenues in the corridor is a fatal flaw in the DSEA.

B. The DSEA’s Conclusions Are Not Consistent With The Studies On Which It Purports To Rely.

The DSEA cites primarily to de Solminihac and Harrison to support the Agency’s conclusion that the upper range of diminished business revenue is 2.5%. That study, however, does not support this conclusion. The de Solminihac and Harrison study, entitled “Analyzing Effects of Highway Rehabilitation on Businesses” concluded that more than 775 of reporting businesses experienced a

drop in revenue and that 65% of the reporting businesses suffered revenue reduction in excess of 10%. See de Solminihac and Harrison, p. 141, Table 4. The study concludes “road construction can clearly affect sales of abutting businesses; common sense, anecdotal evidence, and the small number of research publications conclusively demonstrate this.” Id. at 142. The study further concludes that certain industries suffer greater revenue losses than others. The following categories of stores were identified as particularly vulnerable to dramatic revenue decreases as a result of construction:

1.	General merchandise	-28%
2.	Food stores	-37%
3.	Automotive outlets	-32%
4.	Home furnishings	-17%

Based upon these reported revenue decrease, the Agency concludes that an upper limit reduction of only 2.5% in revenue is foreseeable. This conclusion is directly at odds with the evidence in the administrative record. Further, the method employed by the Agency to manipulate this data is incomprehensible and, as such, violative of NEPA. An Agency finding that is diametrically at odds with the record evidence is, by definition, arbitrary and capricious. Accordingly, the Agency’s conclusion that the upper limit reduction of revenue loss is approximately 2.5% is in violation of NEPA.

C. The \$8.7 Million In Direct Financial Commitments Are Not Correctly Analyzed.

The DSEA states that “[d]irect financial commitments to mitigation measures total over \$8.7 million.” ES-3. This description dramatically overstates the resources dedicated to mitigating the impact of construction on business revenues. Of the \$8.7 million total, \$4 million is for “Community Outreach Coordinators.” This \$4 million budget item appears to describe a fixed overhead cost of the entire project’s community outreach budget - not mitigation targeted exclusively toward lost business revenue.

During my clients’ meeting with the Metropolitan Council, I asked if the \$4 million budget item represented a direct expense targeted exclusively to mitigation of lost business revenue or whether that budget item represented a pre-existing project cost that was now described as a mitigation measure. I was informed that it was likely the \$4 million item represented a pre-existing cost that was not being re-characterized. To date, I have not received a definitive response from the Agency on this point. In order to comply with NEPA, the Agency must accurately consider mitigation measures.

D. The DSEA Relies Upon Two Studies That Are Not Relevant.

Two of the four cited studies, Wildenthal and Buffington and Buddemeyer, Young and Vander Giessen, are entirely irrelevant to this project.

The Wildenthal and Buffington study regarding the widening of TX-21 in the 1990s is also very different. That study dealt with the impact of the highway widening project on business revenues in the town of Caldwell, Texas. The report's descriptions of the project and of Caldwell are telling:

The construction site of interest is a 3.75-km (2.33 mi) segment of TX-21 from Davidson Creek to 1.61 km (1 mi) west of FM-975 in Caldwell, Texas, in addition to the area on TX-36 adjoining the intersection of TX-21 and TX-36. Caldwell is a rural town of approximately 3,000 people. Bryan/College Station, a community of approximately 100,000, is approximately 40.23 km (25 mi) away. The next closest city with a population over 25,000 is Austin, approximately 128.75 km (80 mi) away. The construction transformed a two- to four-lane undivided highway with an open ditch into a four-lane divided highway with a two way left-turn lane, curbs, and gutters. A new railroad overpass bridge was constructed to allow for four lanes of traffic. Construction occurred between January 1991 and July 1993. No right-of-way was taken.

That Caldwell study went on to analyze a handful of businesses located in a sparsely populated rural area.

The Wyoming highway project analyzed in the Buddemeyer, Young and Vander Giessen study is similarly unhelpful in assessing the impacts of CCLRT. That project consisted of four separate projects spread over seven years. The projects included resurfacing, widening, and minor realignment of curved roadway sections of a state highway in proximity to Dubois, a rural Wyoming town of 962 people at the time of the 2000 census.

Finally, I note that while both the Caldwell, Texas and Dubois, Wyoming case studies are inapplicable, both project greater revenue losses than are recognized in the DSEA.

E. The Methodology Relied Upon By The Volpe Study Is Not Understandable.

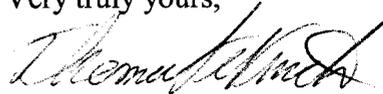
In order to fulfill NEPA's goal of informing the public of the environmental impacts of the agency's decision, the EIS must "be written in plain language and may use appropriate graphics so that decision makers and the public can readily understand them." 40 C.F.R. § 1502.8. Further, the EIS "must be organized and written so as to be readily understandable by governmental decision makers and by interested non-professional laypersons likely to be affected by actions taken under the [FEIS]." *Earth Island Institute v. U.S. Forest Service*, 442 F.3d 1147, 1160 (9th Cir. 2006). The methodology described on in Section 2.0 and again on page 9 of the Volpe Report is not readily understandable by a layperson. The Volpe Report is written in a manner that is not conducive to achieving NEPA's goal of informing the public. Further, I seriously doubt the Volpe Report can be

understood by the project planner themselves. Accordingly, the DSEA also fails to inform the decision maker regarding the likely foreseeable impacts of CCLRT.

Conclusion

The construction of CCLRT is likely to cause substantial reduction in revenue for those businesses along the corridor. This reduction in revenue will likely result in the closure of numerous businesses along the corridor. As the United States District Court for the District of Minnesota has recognized, the Final Environmental Impact statement fails to adequately analyze this impact - nor does it consider mitigation. The DSEA, in its present form, does not remedy the Final Environmental Impact Statement's deficiency with respect to its analysis of diminished business revenue resulting from construction of the CCLRT. Instead, the DSEA fails to consider relevant evidence that is either already in the record or available to the Agency. The DSEA's conclusions are at odds with its own sources. Other sources relied upon are not competent evidence. The DSEA overstates the mitigation measures relating to diminished business revenue. Finally, the DSEA does not set forth the methodology underlying its conclusions in a sufficiently comprehensible manner.

Very truly yours,



Thomas F. DeVincke

RVCDF 1

Assessing Impacts of the Rainier Valley Community Development Fund on Business Survival
and Prosperity

Olha Bilobran, Nelson Chen, Zoe Fitzgerald, James Policar

RVCDF 2

Abstract

The Rainier Valley Community Development Fund (CDF) was created to administer a mitigation fund designated by the City of Seattle to assist neighborhood businesses during construction of the Sound Transit light rail line. The fund would provide financial assistance to 307 businesses that would be directly affected by the construction of the rail stations and 4.6 mile track to run down Martin Luther King Jr. Way. The construction was anticipated to disrupt and at times eliminate access to businesses located along the alignment for a period of five years slated to end in March of 2008. The goal of our study is to assess the impact of the mitigation fund on the survival and prosperity of the firms receiving assistance.

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Methodology

Our assessment of the Rainier Valley Community Development Fund's impact on the survival and prosperity of businesses was divided into four sections for analysis and review:

1. History of the Fund based on interviews of RVCDF program staff, RVCDF Steering Committee Members, and literature review.
2. Quantitative Profile of Impacted Businesses using data provided by RVCDF program staff and traffic counts provided by the City of Seattle.
3. Comparison of Business survival in Rainier Valley to other cities that have experienced major infrastructure construction: Big Dig in Boston and construction of light rail in Los Angeles based on literature review.
4. Qualitative assessment of the impacts of the fund on business survival and prosperity based on interviews of business owners. The interviews were based on an interview guide developed in advance and approved by Seattle University's Human Subjects Committee and by the RVCDF (Appendix 1). Interviews were conducted by Olha Bilobran, Nelson Chen, Zoe Fitzgerald, and James Policar with the assistance of RVCDF Program Officer, Charleete Black. All interviewees signed a consent form (Appendix 2).

Number of businesses that received assistance: 161

Number of businesses interviewed: 22

Large: 3

Medium: 7

Small: 12

RVCDF 4

History of RVCDF

In 1996, voters in King, Pierce, and Snohomish counties approved a \$3.9 billion county transit system which included \$1.9 billion for link electric light rail lines in Seattle and downtown Tacoma. In Seattle the light rail line would run from Sea-Tac Airport to Northgate. Electrified light rail can operate at street level, underground, or on elevated tracks using overhead power lines. In contrast to the majority of the line's tunneled track the proposed light rail line would run at street level through Rainier Valley along a 4.6 mile stretch of Martin Luther King Jr. Way. Sound Transit would spend roughly \$154 million per mile from downtown to Northgate, but just \$47 million per mile on MLK Way (Brune, Serrano, & Vinh, 1999).

Sound Transit received many complaints from Rainier Valley residents on the proposed at grade rail line. "We must be allocated the same resources in the southeast as in the north", said Earl Richardson, executive director of Southeast Effective Development (Foster, 1998). South Seattle was the only neighborhood where an at-grade line was considered an option. "We were led to believe it was going to be much quieter than it was," said Bill Wippel who runs the Union Gospel Mission in Holly Park. "When we understood how long they would be, that they might have to put up sound barriers, that just blew us away" (Brune, Serrano, & Vinh, 1999).

Several concerns from southeast residents emerged: 1. While the train would bring economic revitalization existing businesses felt threatened by developers and would be heavily impacted during construction 2. Cars and trucks would be restricted from making left hand turns across the tracks except at specific intersections which occur every 4-5 blocks 3. Pedestrians would also be hindered having to walk several blocks to cross the street 4. Emergency vehicles would face the same restrictions and would probably experience delays. Rainier Valley residents

RVCDF 5

wanted Sound Transit to consider a tunnel but were told that prohibitive costs and the area's soil ruled these options out (C. Black, personal communications, May 28, 2008).

In order to qualify for federal funding, Sound Transit must demonstrate to the Federal Transit Administration that it has provided a "fair and equitable" planning process. The RVCDF, Socio-Economic Profile of Rainier Valley (2003) provides some insight into why many residents felt they received a less than fair deal from Sound Transit. The majority of Rainier Valley residents are non-white, nearly 83% as compared to the majority of Seattle where non-whites make up only 25% of the population. Rainier Valley is also home to a large proportion of Seattle's immigrant population as 40 percent of the population are foreign born and speak a language other than English at home. Median household income for Rainier Valley (\$38,731) is significantly lower than the median income for Washington State (\$45,776). Rainier Valley is among the neighborhoods with the highest levels of poverty in Seattle and King County (RVCDF, 2003). Residents felt that Sound Transit and the City of Seattle were unfairly burdening Rainier Valley in order to develop a mass transit system that would benefit all.

Resolution 99-34

In 1999, Sound Transit Board passed Resolution 99-34 establishing the alignment and station locations for the link and established a transit-oriented community development fund for Rainier Valley. Seattle's representatives on the Sound Transit Board included then-Mayor Paul Schell and King County Executive Ron Sims. Schell and other leaders spoke of transforming Martin Luther King Jr. Way South into a "great boulevard", lined with trees, and unmarred by utility poles, with new public art, and safe pedestrian crossings (Brunner, 2002). The fund was intended to soothe Rainier Valley residents and lessen the impacts of the light rail to Rainier

RVCDF 6

Valley businesses. Technically Sound Transit was obligated to establish the fund as part of an agreement signed with the Federal government. In an Interview, Schell said, the city and the county had always planned to split the cost, “It was never coming out of Sound Transit” (Brunner, 2002).

Save Our Valley v. Sound Transit

In 2001, Save Our Valley, a nonprofit organization composed of residents, property owners, and business owners in the Rainier Valley sued Sound Transit. Save Our Valley challenged the discriminatory design the at-grade plan imposes on residents of Rainier Valley. Claiming the design imposed disproportionately high and adverse environmental and safety harms and housing burdens on the low income and minority residents of Rainier Valley and denies meaningful mitigation measures that are accorded wealthier, white communities elsewhere along the proposed rail route (335 F.3d 932).

The lawsuit argued that the light rail project did not comply with applicable civil rights laws and the National Environmental Policy Act. Save Our Valley sought preliminary and permanent relief restraining the further approval and development of the Light Rail project unless alternatives, modifications, and/or mitigation are adopted that limit impacts to Rainier Valley. The lawsuit detailed many injustices to the community including the numerous commercial and residential displacements; failure to assess impacts to the community; failure to reach-out to communicate with the community; failure to translate official communications; diminished lane widths on MLK which would diminish safety and traffic flow, and 35 blocked cross-streets along the alignment which would impede timely emergency response (335 F.3d 932).

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The case was denied and a later appeal was also held. Save Our Valley's claim that the project did not comply with the National Environmental Policy Act was dismissed. The Court also found that a Federal Agencies' regulations do not make an individual's rights enforceable under the Civil Rights Act. The Department Transportation is not responsible for promulgating or protecting an individual's rights. Federal rights are created by Congress through statutes, not by agencies through regulations (Poverty Law Library).

RVCDF Incorporation

In 2000, the Rainier Valley community proposed the formation of a steering committee to develop the operating plan for the CDF. The steering committee was comprised of fifteen members: ten elected from the community and five representing public-sector stakeholders. The election was held at a community meeting. Representatives self-selected and everyone was invited to take part in the voting process (Personal communications, Patricia Pasquale, June 3, 2008). In 2002, the RVCDF incorporated with the mission to provide economic development opportunities to the Rainier Valley and issued their full operations plan which included the creation of the Business Interruption Payments. To be eligible to apply businesses' must have been opened on or prior to July 15, 2003. All applications must be received by June 30, 2008. Businesses were eligible to receive up to \$150,000 in assistance. In 2005, an amendment to the original operations plan was approved (RVCDF). The fund is paid for by King County and the City of Seattle and administered by the CDF and Sound Transit.

RVCDF 8

Business Interruption Payments Program

Business' affected by the light rail construction as identified by Sound Transit (306 in total) were invited to apply for financial assistance from the CDF. In order to be considered the following financial documents are required:

- Federal Income Tax returns for the past four years (2003, 2004, 2005, 2006) and
- Quarterly/Monthly B&O Tax payments to the Washington State Department of Revenue for the impacted period; and/or
- In-house or CPS prepared income statements, if applicable; and
- City of Seattle current business licenses for the impacted period of times; and
- Other documents as required by the Program Officer, such as
 - Articles of Incorporation, Partnership Agreements, Leases;
 - Bank statements, purchase and sale agreements

RVCDF will provide a translation in nine languages upon request (RVCDF, June 18, 2003). As of March 21, 2008 the RVCDF has granted 161 Business Interruption Payments. The RVCDF has approved \$9,448,307 and has disbursed \$8,775,408 to businesses (RVCDF).

Profile of Businesses

In order to provide a quantitative profile of impacted firms, I worked with Rainier Valley Community Development Fund staff and through the City of Seattle and King County Assessor's web sites to gather data that would give a high-level characterization of the impacted firms and their surroundings. The Rainier Valley Community Development Fund staff provided me a spreadsheet with various characteristics of businesses located along the Sound Transit alignment.

RVCDF 9

I received traffic data via the City of Seattle. Finally, the King County Assessor's website contains much property valuation data in various formats, of which I took two salient groups to present in this paper.

Rainier Valley Community Development Fund Data

In terms of the Rainier Valley Community Development Fund Data, I worked with Martina Guilfoil, Executive Director, and Charlie Black, Program Officer, along with Alex Krieg, an intern from the University of Florida, to clarify and gather as much data as they were able to provide. The primary hesitation they had was that the data should be scrubbed of any identifiable information before being sent to me. After receiving the data, and understanding what some of the fields represented, I was able to slice it a few different ways that I felt would provide interesting insight into the businesses along the Sound Transit alignment.

Six snapshots of the Rainier Valley Community Development Fund data provided, what I felt, the most interesting pieces of information surrounding the mitigation project. First, the count of overall businesses located on the Sound Transit alignment (figure 1.1). This snapshot shows there were 300 businesses on the alignment at the time the data was collected by Sound Transit. According to Rainier Valley Community Development Fund literature, there are 307 businesses on the alignment, so the quality of Sound Transit's data is in question. Nevertheless, 300 plus businesses on the alignment is a significant number. Large counts were evident for services, retail, and auto related businesses. Two observations for this snapshot are that there are a variety of businesses on the alignment and, as a result, Rainier Valley Community Development Fund staff needed to design and implement relevant programming for a diverse clientele.

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Count of BUS TYPE	
BUS TYPE	Total
Auto Related	32
Bar	4
Contractor	11
Entertain	5
Finance	6
Food	7
Grocery	19
Health Care	19
Landlord	12
Manufacture	16
Mini-Mart	4
Non-Profit	16
Real Estate	5
Restaurant	32
Retail	41
Service	61
Trucking	1
Unknown	9
Grand Total	300

(Figure 1.1)

The second snapshot I've chosen to provide was a count of the business types that received financial assistance from the Rainier Valley Community Development Fund (Figure 1.2). From this snapshot, it is interesting to note business types that correspond with overall business types. For example, there are high numbers of service, retail, and auto related businesses who received assistance. However, of the 300 business contained in the data set, only 142 sought assistance from the Rainier Valley Community Development Fund.

Count of BUS TYPE	
BUS TYPE	Total
Auto Related	19
Bar	2
Contractor	2
Entertain	1
Finance	2
Food	2
Grocery	13
Health Care	10
Landlord	9
Manufacture	3
Mini-Mart	4
Non-Profit	6
Restaurant	16
Retail	22
Service	31
Grand Total	142

(Figure 1.2)

RVCDF 11

The third table I've chosen to include here is a profile of businesses who did not receive assistance (figure 1.3). Reasons for not receiving assistance, as theorized by the Rainier Valley Community Development Fund staff, include business owners who did not want to submit tax returns in order to receive assistance, government agencies or large corporations who did not qualify, and potential applicants who were not aware of the program. The final instance, potential applicants who were not aware of the program, was evident during one of the on-site interviews I conducted. The business owner bought an existing business after the implementation of the fund and was not informed as to her eligibility until months after assuming ownership. Therefore, it is plausible there are many other business owners who are still unaware as to the Rainier Valley Community Development Fund and its offerings.

Count of BUS TYPE	
BUS TYPE	Total
Auto Related	13
Bar	2
Contractor	9
Entertain	4
Finance	4
Food	5
Grocery	6
Health Care	9
Landlord	3
Manufacture	13
Non-Profit	10
Real Estate	5
Restaurant	16
Retail	19
Service	30
Trucking	1
Unknown	9
Grand Total	158

(Figure 1.3)

The fourth table included in this document displays a list of businesses by type who have received assistance from the Rainier Valley Community Development Fund and relocated their businesses within the Rainer Valley (figure 1.4). Businesses along the alignment relocated for a

RVCDF 12

variety of reasons such as escalating rents and disrupted business environments. However, it was the goal of the Rainier Valley Community Development Fund and the City of Seattle to provide these businesses the means to make a successful transition to a new space within their current neighborhood. Of the total businesses that moved, both recipients and non-recipients of financial assistance, 5 relocated within the Rainier Valley. Possible reasons for their wanting to stay within the Rainier Valley include a need to maintain their current client base in favor of recruiting a new client base in another neighborhood. Additionally, at least one of the owners with whom I spoke said she had a deep connection with the neighborhood and did not want to leave.

Count of BUS TYPE		
BUS TYPE	in RV	Total
Health Care	Yes	1
Health Care Total		1
Restaurant	Yes	2
Restaurant Total		2
Retail	Yes	1
Retail Total		1
Service	Yes	1
Service Total		1
Grand Total		5

(Figure 1.4)

The fifth snapshot of the Rainier Valley Community Development Fund data included in this paper displays a count of businesses by type who have received assistance and relocated outside of the Rainier Valley (figure 1.5). One notable piece of information that can be gleaned from this snapshot is that a higher percentage of relocating businesses who received assistance from the Rainier Valley Community Development Fund relocated within the Rainier Valley as compared to those businesses who did not receive assistance. However, potential reasons why a business would leave the Rainier Valley might include escalating rents or a moving client base.

RVCDF 13

For example, and rents and property taxes in the area increase, businesses as well as their clientele will begin to move to cheaper areas. If business owners decide to do so, they may choose to follow the flight of their clientele in favor of recruiting new clientele in their existing location.

Count of BUS TYPE	
BUS TYPE	Total
Auto Related	3
Contractor	1
Grand Total	4

(Figure 1.5)

City of Seattle Traffic Flow Data

In terms of the City of Seattle Traffic Flow Data received via the Rainier Valley Community Development Fund staff, I noticed some interesting trends (figure 1.6). I chose to include data for an intersection which had the most data collected longitudinally over the course of multiple years. Data for other intersections was not as long-term and did not provide as much insight as Figure 1.6 does. The first observation I made was that initial traffic measurements listed by the City of Seattle are in increments of four week days and six days total as opposed to latter measures in increments of five week days and seven days total. Therefore, although it may appear that traffic counts dipped and are now on the rise to former rates, the table does not list comparable data. It is difficult to say whether the data would be the same or not, or for what reason the City of Seattle chose to gather data for a shorter time frame than previously, but, nevertheless, it raises questions.

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	Traffic Direction	Date	AWDT	Week Days	Days
MLK and S Bradford St	South	Jan-04	11,794	4	6
	North	Jan-04	11,255	4	6
MLK and S Bradford St	South	Jan-05	8,934	4	4
	North	Jan-05	8,919	4	6
MLK and S Bradford St	South	Jan-06	5,310	5	7
MLK and S Bradford St	South	Aug-06	5,350	5	7
	North	Jul-06	5,666	5	7
MLK and S Bradford St	South	Jan-08	7,676	5	7
	North	Jan-08	7,134	5	7
MLK and S Bradford St	South	Mar-08	8,332	5	7
	North	Mar-08	7,757	5	7

(Figure 1.6)

King County Assessor Property Data

Although property data available on the King County Assessor's website is voluminous, it is also disparate and hard to aggregate effectively. For example, I found property value data specifically for the Rainier Valley, organized by year, but the increments measured were different. Therefore, it was hard to effectively compare property value increases over the time span of the light rail construction. Nevertheless, I have chosen to include a snapshot of 2007 and 2006 property value data, as they measure property values over a similar two-year range. It is easy to observe the land percent change increase between the two groups is higher in 2007 than in 2006. Likewise, both improvements and total costs for property in the Rainier Valley had higher percent changes in 2007 than in 2006. Therefore, one may deduce that real estate activity is increasing and that predictions of escalating rents and property taxes are potentially accurate. For example, most of the business owners whom I interviewed as part of this project mentioned increasing rents as the main reason they might have to relocate, even in the event that their businesses survive.

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2007 Property Data				
Number of Sales	721			
Range of Sales	1/2004 - 12/2006			
	Land	Imps	Total	Sale Price
2006 Value	\$108,600	\$178,400	\$287,000	\$333,400
2007 Value	\$120,100	\$202,300	\$322,400	\$333,400
Change	\$11,500	\$23,900	\$35,400	
% Change	10.60%	13.40%	12.30%	

2006 Property Data				
Number of Sales	749			
Range of Sales	1/2003 - 12/2005			
	Land	Imps	Total	Sale Price
2005 Value	\$77,700	\$186,600	\$264,300	\$286,400
2006 Value	\$81,700	\$195,200	\$276,900	\$286,400
Change	\$4,000	\$8,600	\$12,600	
% Change	5.10%	4.60%	4.80%	

(Figure 1.7)

Comparison to infrastructure construction in other regions

In looking at the impacts the light rail construction had on local businesses, we looked at the Big Dig project in Boston and the construction of the subway and light rail lines in Los Angeles. The businesses we have interviewed in the Rainier Valley have mentioned the negative impact the light rail construction had on their business. One business owner mentioned that if it wasn't for the assistance offered by the Rainier Valley Community Development Fund (RVCDF), she would have to close her business and leave, as she would not be able to afford rent. Even with the RVCDF assistance, it wasn't enough for her.

A different circumstance occurred with the construction of the Big Dig in Boston. According to Nicole Gelinas of City Journal magazine, the idea behind the Big Dig was to re-do the Central Artery, which was constructed in the 1950's. The original design, according to Gelinas, was to accommodate 70,000 cars a day. (Gelinas, 2007) However, it ended up having to

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accommodate 170,000 cars a day. Boston and Massachusetts knew it had to revamp the system, and the Big Dig project was underway in 1983. It ended up costing \$14.6 billion by the time it was completed in 2005. The reason it took 22 years for the Big Dig to be completed was because officials sought to minimize the construction's disruptions to daily life as much as possible.

According to Andrew Garber of the Seattle Times, "one early, costly decision was to keep traffic moving uninterrupted during construction. This was achieved by digging the tunnel underneath the elevated highway, while traffic kept going on top" (Garber, 2002). The other thing that Big Dig officials did was take into account the concerns of residents. When Boston officials attempted to revamp the Central Artery in the 1970's, about 4,000 families were displaced. (Gelinias, 2007) According to Garber, in order to maintain public support of the project, Big Dig made sure certain work was done at certain times and they attached pork-barrel projects. For example, they would perform jackhammer construction only on Saturdays and they would build a park next to one of the routes respectively. Trying to keep people happy was the reason that costs of constructing the Big Dig was so high and the time it took to build was so long.

Los Angeles opened their first light rail service to customers in 1990. The Houston Tomorrow article on light rail construction's impact on businesses was "unable" to find official data regarding disruptions caused by the light rail/subway construction in L.A. However, small businesses interviewed for the article did report disruptions. The article mentioned that to construct a line through the Boyle Heights neighborhood, "Metro closed two to three blocks to excavate for the two underground stations" (Crossley et al., 2006). A small business owner interviewed by Houston Tomorrow mentioned that the construction of the light rail caused her

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business financial difficulties and after that line was completed, Metro officials did not compensate her or assist her in advertising.

According to a Los Angeles Times article, many Angelenos were very skeptical of expansion of the light rail and subway in the Southern California region. (Rudick, 2001) The article cited that other cities have experienced an increase in property values adjacent to light rail and subway lines, many Angelenos feared that the opposite will occur. “Many property owners near existing and planned Los Angeles lines remain convinced that the constant train noise and activity reduce real estate prices. Opponents of this plan – including many homeowners and businesses with property near the old track lines – complain that the revived lines will be a nuisance” (Rudick, 2001).

Data from these cities indicate that the light rail construction in the Rainier Valley could have been constructed in a way that was less disruptive to businesses. The questions remains: what is the cost? And more importantly who is willing to pay in order to make the construction less disruptive?

Evaluation of the impact of the mitigation funds

In order to assess the impact of the mitigation funds on the survival of firms which are located on Martin Luther King Way in the zone impacted by Sound Transit construction, we interviewed them. The majority of the businesses receiving mitigation funds are quite small and many of the entrepreneurs are immigrants whose native language is not English.

The interviews were voluntary and consisted of eleven questions.

1. *What happened to your business during the Sound Transit construction?*

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The answers to this question were practically the same. Businesses slowed down or practically there was hardly any business as it was difficult to get to them during the construction and most of the customers are driving. There were no parking lots any more, the traffic was very busy. Multiple intersections were closed. Customers couldn't take the u-turn in some places. So these businesses lost their customers who found some closer or other similar businesses in other parts of Seattle.

One of the businesses had to close because Sound Transit took their land. Another one had to move its location because it was necessary to widen and clean the road. They were promised to get a new building for their business in two months but got it only in two years.

2. *What type of assistance did your company receive from the RVCDF? How did the CDF help you?*

The majority of interviewed businesses got the grant. And all of those that got it say that it was not enough though for some of them this money was very crucial as they wouldn't have been able to survive without it. Two entrepreneurs replied they were not aware of the grant or had very little information about it. Two of the businesses haven't applied as they either didn't have time or just didn't do that.

Two businesses said that the RVCDF helped a lot with advertisements. The Fund also tries to advertise in the street and newspaper to bring the customer. They (the Fund) organize a bus tour two times a year with the same purpose – to bring the customer.

3. *What would have happened to your business if you had not received any assistance from RVCDF?*

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Most of the businesses would have been closed. This question was not applicable for four businesses as they didn't apply for the grant. One answer was that the business would have bigger losses.

4. How did you use the grant money you received?

Mostly people paid their living, operating or household expenses, rent, employees, legal fees, utility bills, taxes with this money. Two entrepreneurs used the money to pay their loans/credits. One entrepreneur paid for a new business project. Another person said the money helped in marketing. Somebody used it for advertisement. One person used it for improvements (repairing), lightning, covering media costs and issuing new flyers. The question was not applicable to four businesses.

5. In addition to the assistance that was provided by RVCDF, were you able to obtain assistance from other financial sources during the past five years (such as bank loans, family members, friends, credit cards)?

Half of the entrepreneurs didn't obtain any other assistance. One of them, for example, said that his religion doesn't allow taking loans or credits. Those who had additional assistance obtained it from family members and/or friends (some of them had to return it very quickly), bank loans, credit cards. One of the entrepreneurs took a loan from Capital Development Center. As another entrepreneur informed, there was a South East Economic Development Program which was supposed to help businesses but they ran out of money.

6. In addition to the cash grants, in what other ways did RVCDF help you, i.e. business skills, referrals, etc?

The majority of businesses didn't get any other help except the grant. Some businesses indicate that RVCDF helped by putting signs along the road indicating that the business was still open.

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Others indicate that it helped with advertisements as well as putting a flyer to promote a business and to attract customers to come to the Rainier Valley. One entrepreneur said that the Fund hired a professional who created a website for their business with advertizing aim. One business owner indicated that RVCDF opened financial, marketing, advertising classes for training. Another indication was that the Fund used an interpreter so that people could understand what they needed and helped with paperwork. The question was not applicable to four businesses.

7. *If other forms of assistance are acknowledged, follow up with: How important was that assistance to your company's survival?*

Those who got other forms of assistance indicate that it was very crucial for them and they wouldn't survive without it.

8. *What could RVCDF have been done differently to make the assistance more helpful to your company?*

The answers to this question can practically be divided into two: one half said that nothing else could have been done, the Fund did good/great job; others would like the Fund to provide more money. And there were two businesses which had different opinion. One of them said that RVCDF should have investigated what businesses needed as the businesses are different and their owners are of different religious backgrounds. So the Fund didn't know the real problem and didn't train the owners. Another one said that the Fund could put their flyers in different languages and be more flexible with the loan program.

9. *What strategies did you use to keep your business going during periods when access to your business site was difficult or impossible? Did the RVCDF money help you in implementing those specific strategies?*

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The answers to these questions were very different. Some family members started helping the entrepreneurs with their business (i.e. working for them); others used more advertisement, e.g. gave out flyers to let people know they were still there, advertised in newspapers, put more signs around the building. Some reduced their prices to the lowest possible extent. Others had to fire some of their employees.

The other answers were:

- Remodeled the premises to impress the customers
- Borrowed money from the relatives
- Worked a lot themselves
- Hired additional staff so that they could go out and do a lot of network
- One of the spouses had to find job
- Did door to door selling, went to customers, arranged festivals
- Changed working hours and now works on Sundays
- Cut down employee hours to decrease payroll
- Rode bike to work to save gas money
- Offered discounts
- Welcomed all walk-ins (before the construction they had required appointments)
- Changed the way they communicated with customers (became more friendly)

The questions were not applicable to four businesses.

10. Do you have any ideas about how the construction project could have been conducted so as to lessen the impacts on businesses like yours?

The suggestions were as follows:

- To elevate the transit or do it underground

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- To do the construction step-by-step, not the whole thing at one time
- Not to upset traffic so much
- To do a u-turn in the places where there are businesses
- To provide more bike racks for people who find driving inconvenient because of the construction
- Maybe could do more advertizing to bring customers as the customers don't know that the road is almost finished
- Could have better coordination and understanding of impact on small businesses; have a heart as they do not care about people and their businesses
- The railway authority could cooperate with the Fund to make up something, e.g. how to invite customers, put signs that parking is in the backyard
- Places with lower rent fees could be provided

Other entrepreneurs didn't have any idea. And two entrepreneurs said that the communication during the construction was rather good.

11. Is your company likely to continue operating at your present location? If not, why?

The majority of entrepreneurs gave positive answers but some of them conditioned that they will be able to operate only for several months or one year the most. There were two negative answers as people were going to find cheaper places with better traffic or didn't have a long term lease. And there were two uncertain answers as people haven't made up their mind whether it was reasonable to stay at their present location.

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Observations/Conclusions

It is clear that Rainier Valley residents and businesses were impacted by the construction of the light rail. The question remains, did the creation of the mitigation fund and CDF do enough to ease the economic burden placed on residents of the Rainier Valley by Sound Transit. It is crucial to the neighborhoods future development that the needs and strengths of the area's current residents are taken into account. The benefits of development and economic growth should be tempered by the needs of a neighborhood's current residents. The Rainier Valley is a unique neighborhood in Seattle. It has a rich history of diversity and multiculturalism. Diversity is the neighborhood's greatest strength; Johnson [Steve Johnson, Seattle Office of Economic Development] says if it's lost, light rail's economic-development potential won't be fully realized. "We lose market appeal if we just become another neighborhood" (Pryne, 2008).

After interviewing Rainier Valley businesses we came up with the following observations:

- To help one of the businesses with marketing RVCDF hired an outside contractor. The cost of the work was rather high and was not done efficiently at all so the business couldn't use this product. To improve the situation the business owner found another firm which charged much, much less! And he will have to pay for this himself. Perhaps the CDF would better serve businesses by distributing funds only and not contracting for services?
- While many businesses said they would not have survived without the CDF funds the majority did not feel confident that they will survive until the light rail is running and beyond. Rents are rising and customers still have not returned to the numbers they had pre-construction.

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- Businesses and sometimes even customers who overheard our conversation were eager to tell their stories and were happy that someone was willing to listen.
- A recurring theme was that the fund was helpful but not enough.
- We talked to a few neighboring businesses who were impacted by Sound Transit but did not qualify to receive funds from CDF. For example, a new business owner who claimed that her parking lot was damaged by Sound Transit was seeking compensation. Why were only 307 businesses considered eligible? It seems that expanding the grant requirements or tailoring programs to businesses needs may have proved to be a more responsive program to the neighborhoods needs.
- We would have like to interview more businesses to provide a more comprehensive assessment of the mitigation funds impact on businesses survival but time and resources did not allow for this.
- Some people regardless the difficulties they had to overcome are really happy about the construction as it cleaned the area and they hope that richer people will come here to live and the area itself will look much better.

Thus we have the following suggestions as to how mitigate impacts better in future projects of this type:

1. The sum of grants given to business should be much bigger as there is inflation and the prices, rents, and fees are constantly rising. The \$150,000 cap for five years losses was not high enough in our opinion.
2. The information about construction, grants available, and trainings should be equitable. Preliminary studies of the population should be done as to provide translators if necessary and create an awareness of the needs.

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3. It was unclear what other services and referrals RVCDF provided in addition to the grant they seemed to be provided on an as-needed basis. We suggest a more formal structure for other available assistance so that all business owners are aware of all the forms of assistance they are eligible to receive.
4. The grant should have included an evaluation component that would provide data as to how the grant money helped the business, what their current financial state was, how the CDF could help them in the future. Program staff at CDF has a very close relationship with the businesses and are very aware of their needs and concerns but little of this information is formally documented.
5. Evaluate needs of business that are not being served by the grant and adjust the guidelines as needed to help all of those in need.
6. Earmark a portion of the mitigation fund to conduct a longitudinal study of the impacts of the construction and the fiscal health of affected businesses.

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Appendix 1

Approved Interview Questions

1. What happened to your business during the Sound Transit construction?
2. Was type of assistance did your company receive from the RVCDF? How did the CDF help you?
3. What would have happened to your business if you had not received any assistance from RVCDF?
4. How did you use the grant money you received?
5. In addition to the assistance that was provided by RVCDF, were you able to obtain assistance from other financial sources during the past five years (such as bank loans, family members, friends, credit cards)?
6. In addition to the cash grants, in what other ways did RVCDF help you, i.e. business skills, referrals, etc?
7. If other forms of assistance are acknowledged, follow up with: How important was that assistance to your company's survival?
8. What could RVCDF have been done differently to make the assistance more helpful to your company?
9. What strategies did you use to keep your business going during periods when access to your business site was difficult or impossible? Did the RVCDF money help you in implementing those specific strategies?

Prompts if needed:

--did you operate your business from another location? Was that a permanent move or just temporary?

--Did you or another family member take another job to supplement your income?

--Did you cut costs?

10. Do you have any ideas about how the construction project could have been conducted so as to lessen the impacts on businesses like yours?
11. Is your company likely to continue operating at your present location? If not, why?

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Appendix 2

SEATTLE UNIVERSITY

901 12th Ave, Seattle, WA 98122

CONSENT TO PARTICIPATE IN RESEARCH

TITLE: Rainier Valley Community Development Fund Evaluation

INVESTIGATOR: [Student's name, address, telephone number(s) to be added]

ADVISOR: (if applicable:) Prof. Paul Sommers
Institute of Public Service
206 296 6967

SOURCE OF SUPPORT: This study is being performed as partial fulfillment of the requirements for the master's degree in Public Management at Seattle University.

PURPOSE: You are being asked to participate in a research project that seeks to investigate the impacts of the Rainier Valley Community Development Fund's impacts on small businesses located along Martin Luther King Way during Sound Transit's construction project. You will be asked to respond to survey questions concerning the impact of the fund on your business. I will read the questions to you and ask for your responses. I will record the responses in my notebook.

RISKS AND BENEFITS: There is no risk to you or your business.

COMPENSATION: There is no compensation for participation in this study, nor is there any monetary cost to you.

CONFIDENTIALITY: Your name will never appear on any survey or research instruments. No identity will be made in the data analysis. All written materials and consent forms will be stored in a locked file in Prof. Sommers' office. Only he will have access to these materials. Your response(s) will appear only in statistical data summaries when the data are presented in written or oral form to the staff and board of Rainier Community Development Fund and staff of the City of Seattle Office of Economic Development. Your

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RIGHT TO WITHDRAW:

You are under no obligation to participate in this study. You are free to withdraw your consent to participate at any time without penalty. Your withdrawal will not influence any other services to which you may be otherwise entitled.

SUMMARY OF RESULTS:

A summary of the results of this research will be supplied to you, at no cost, upon request.

VOLUNTARY CONSENT:

I have read the above statements and understand what is being asked of me. I also understand that my participation is voluntary and that I am free to withdraw my consent at any time, for any reason, without penalty. On these terms, I certify that I am willing to participate in this research project.

I understand that should I have any concerns about my participation in this study, I may call the student who is asking me to participate at _____, or the professor supervising the student, Dr. Paul Sommers, at 206 296 6967. If I have any concerns that my rights are being violated, I may contact Dr. Barbara Anderson, chair of the Seattle University Institutional Review Board (206) 296-6161.

Participant's Signature

Date

Investigator's Signature

Date

ASSENT OF CHILD:

If this research involves subjects under the age of 18, obtain the signature of the child on an assent form as well as the signature of the Parent or Guardian on the consent form.

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Appendix 3

We were unable to include the following section in our final paper due to the following data constraints:

1. Comparison of impacted firms to businesses in similar industries in other business neighborhoods in Seattle. The intent is to compare Rainier Valley firms to a composite of “peer neighborhoods” since no neighborhood will have the same demographic profile or other characteristics duplicating the unique characteristics of Rainier Valley.
Lead: Edie Gilliss
Notes: In return we will be sharing the Interview data we gather from firms

I was unable to orchestrate the city data to meet any of our needs, given the following issues:

1. There were millions (literally) of city businesses started in the last 5 years--- and there was no one at the city that was able to break that data down for me. As you saw on the CD---it was immense. Even breaking it out by zip code was impossible. And Zipcode wouldn't have been particularly helpful, given:
2. People do not (for the most part) register their business at the location of their business--- actually, a lot of people get their business info/tax info at their home.
3. The City managers of the business level data could not tell me when a business “closed” officially. Because they couldn't give out individual data (only averages). So, even if I could have figured out the businesses that we wanted to track. They would have had to give me “averages.” Over years.

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DAVID MARKLE/ 303 CEDAR AVENUE / MINNEAPOLIS, MN 55454/ (612) 375-1706

March 30, 2011

Received

MAR 31 2011

CCPO/Met Council

By First Class Mail

Kathryn O'Brien
Central Corridor Project Office
540 Fairview Avenue
St. Paul, MN 55104

Re: Central Corridor LRT Business Impacts Environmental Assessments

Dear Ms. O'Brien:

Kindly include this letter and attachments in the record of Environmental Assessments.

Impact on Business in Cedar-Riverside

I am writing as a member of the West Bank Business Association located in the Cedar-Riverside neighborhood of Minneapolis. Impacts of the Central Corridor LRT (CCLRT) in my neighborhood have been overshadowed by the miles of negative impact on businesses along University Avenue in St. Paul. But CCLRT will have significant negative impact in Cedar-Riverside as well.

Almost all of the problems connected with CCLRT arose when the original I-94/Soo Line route was rejected by St. Paul and Ramsey County planners and officials in favor of routing the train down middle of University Avenue. That decision undermined the value of CCLRT for Minneapolis and St. Paul, and it destroyed CCLRT's ability to function as a metropolitan transit LRT trunk line. Unfortunately CCLRT will run on a busy street without priority at red lights. Consequently, CCLRT trains will travel a similar route at approximately the same average speed as the present No. 16 buses but will have only 23 stations for passenger access, as opposed to 69 access points for the No. 16 buses. Further, Metro Transit plans to reduce the No. 16 schedule dramatically, reduce the I-94 bus schedule, and totally eliminate the No. 50 buses. As a result overall transit service will diminish, at a cost of nearly \$1-billion.

The relatively high expenses associated with placing CCLRT infrastructure on University Avenue necessitated elimination of a transit tunnel on the East Bank campus of the University of Minnesota. Also eliminated was the alternative routing of the train from the northern edge of campus westward across the river on the Number 19 rail bridge. A quick study suggested a slightly lower initial ridership on the alternative, creating a potential problem for federal project approval. (The Number 19 bridge could have worked with the originally planned I-94/Soo Line route which a 1990 DEIS predicted would have 33% higher ridership than the University Avenue route.) Lacking the tunnel, the plan now puts trains on the surface of Washington Avenue S.E. through

Business Impact

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March 30, 2011

campus to the Washington Avenue bridge (Hennepin County Highway 122). The Washington Avenue bridge will no longer carry automotive traffic except to and from East River Road, a previously quiet parkway that's part of the Mississippi National River and Recreation Area.

The dramatically altered traffic flow poses serious problems for Cedar-Riverside. Much of the present cross-river automotive traffic will be diverted to other streets that are already congested, especially at rush hours.

On the west side of the Mississippi, the Cedar-Riverside neighborhood contains the West Bank campus of the University, the main campus of University-Fairview Hospital, Augsburg College, and various businesses, making it a major Minneapolis destination. Long isolated and enclosed by freeways and the river, Cedar Riverside's only remaining direct, non-circuitous links across the river to the East Bank will be the busy 10th Avenue and I-35W bridges and the I-94 bridge which is hopelessly congested at rush hour. Indirect access to Cedar-Riverside from Franklin Avenue South via the intersection of East River Road, 27th Avenue S.E. and Franklin Avenue S.E. across the river is already very problematical at peak times.

Despite its status as a destination with major institutions, the neighborhood contains many residents, characteristically of low household income, and it includes the Riverside Plaza complex said to be the highest density housing in the U.S. west of the Mississippi, as well as four public housing high rises and considerable other subsidized housing. When the City of Minneapolis recently supported extensive repair to Riverside Plaza, the City also tacitly consigned the Cedar-Riverside neighborhood to continued economic blight for many years into the future.

Permanent closure of the Washington Avenue bridge to all automotive traffic save that to and from East River Road drives another nail in the economic coffin of Cedar-Riverside, particularly for private businesses.

Impact on Business in Downtown Minneapolis and Bloomington

A 2008 study possessed by the Federal Transit Administration indicates that addition of two-car Central Corridor trains to the Hiawatha Line tracks between the Metrodome and the downtown Minneapolis terminus will most likely necessitate reduction of the Hiawatha Line schedule during peak hours. Projected schedules for both lines seem highly unrealistic for two-car trains, much less for anticipated three-car trains. Privately, some officials connected with the CCLRT project candidly admit

Business Impact

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March 30, 2011

joint use of the track presents "a challenge," but there has been no public acknowledgement of this major problem.

Aside from the Hiawatha LRT's slow transit speed in Downtown Minneapolis where it operates on the surface without priority at red lights, the Hiawatha Line has found wide acceptance as an attractive and heavily used transit link. Clearly, any reduction in Hiawatha Line service will have a negative impact on businesses in Bloomington and Downtown Minneapolis.

Tunneling both lines in Downtown Minneapolis remains the obvious solution to this problem but unfortunately has become less likely under the present circumstances than it was at the time of the inadequately funded Hiawatha Line construction.

Still Time to Change Course?

While some infrastructure work has begun on CCLRT, common sense dictates a return to the original I-94/Soo Line route in order to avoid the many severe consequences, problems and sheer inadequacy of the University Avenue route.

At the same time, if St. Paul officials want rails on University Avenue, they should plan a streetcar line, not a train.

Sincerely,



David Markle

From: Thea Johansen <theajohansen@aol.com>
Subject: **Central Corridor Comments**
Date: March 31, 2011 3:32:16 PM CDT
To: kathryn.obriens@metc.state.mn.us

To: Central Corridor Project Officers
From: Thea Johansen, Midway Business Owner and Resident

Re: Business and living impacts of Central Corridor Construction

March 31, 2011

I've been a business owner and resident in the Frogtown and Midway area for at least three decades. I'm very committed to this neighborhood, and I'm becoming distressed as I see the impact that the construction on University Avenue is having on small businesses and neighborhoods that I depend on. These are not fancy upscale businesses or neighborhoods. They are highly functional and uncomplicated neighborhoods with easy access to food, hardware, beauty or barber shops, and basic services. These are neighborhoods that already work well.

I was originally positive about the light rail project. I thought it was a vision generated in our community. Now I see it is an over arching vision of the Met Council and community engineers who have little accountability to the existing community. Although I would have preferred a route that did not disrupt University (ie. The St. Anthony corridor), I originally thought that the long term benefits of having light rail would be worth the price paid by neighborhoods. Way back, I saw signs in the windows of the Midway Book Store on Snelling and University warning of negative impact of light rail, and I shook my head thinking they were exaggerating. Now I see what they were trying to tell us locals.

I have changed 180 degrees as I've seen the heartbreaking disruption along University, the disappearance and imminent displacement of businesses that I have come to depend upon, and the patronizing and obfuscating attitudes of the Central Corridor planners toward long time residents and business owners alike.

Councilman Russ Stark asks us all to support existing University Ave. businesses during construction. Yesterday I tried to support a small post office in a small strip mall near Raymond on University. I tried every back route I could think of and was faced with torn up streets, traffic jams on parallel arteries, and impassable intersections every way I went. After 1/2 hour of trying, I sadly gave up. I've come to depend on this post office, I know the workers there after years of patronage, and I do not believe it will survive this construction. Few people would devote 1/2 hour to try to get to a business that is less than 5 minutes from home. I would do anything I could to keep these and other favorites in my neighborhood, but what can I do if even someone as motivated as I cannot take the steps to give them my business?

These are the businesses on University that I and my business depend on.
Major Tires, Schneider Drug, Handi Medical Supplies, Anchor Paper, MTS Business Solutions, Noll Hardware, Regina Vacuum, Ax Man, UPS Store, Glasgow Automotive.

These are restaurant and entertainment venues I frequent:

Ngon, Turf Club, Key's Restaurant, The Egg and I, Caspian Deli and Bistro, Russian Tea House, On's Thai Kitchen, Porky's, Ho Bien, Homie's, and countless small ethnic restaurants and stores peppered along the corridor from the Capitol to the University.

I regularly drop off at the Keystone food shelf, but am very unlikely to do this often now because of the lack of parking and difficult access. This is so detrimental to those who depend on that food shelf.

Most of these businesses are small, mostly family run, customer friendly, and service oriented. I repeat, this is why I moved here. Many were badly impacted when the big box stores moved in- many don't have a safety net to survive this LRT construction. If these businesses disappear- which most will- I'll drive all over the city to find anything like them. How's that for reducing my carbon foot print?

The access to these businesses and the cohesion and continuity of neighborhoods is what brought me to both live and work in the Midway area. I cannot see any of these factors surviving the Corridor construction, and that is heartbreaking because this is my home.

Please turn the zoning and the aid offered to businesses and residences away from the grand designs of the Met Council and towards the interests of those who live and work along and on either side of University Ave. - before it's too late. Although I suspect that it already is.

Thea Johansen

1661 Englewood Ave.
St. Paul, MN 55104
651 644-3153



DISTRICT COUNCILS COLLABORATIVE OF SAINT PAUL AND MINNEAPOLIS

D-6 North End ♦ D-7 Frogtown ♦ D-8 Summit-University ♦ D-11 Hamline-Midway ♦ D-12 St. Anthony Park
D-13 Union Park ♦ D-14 Macalester Groveland ♦ D-17 Capitol River ♦ Prospect Park East River Road
Southeast Como ♦ Marcy Holmes ♦ West Bank ♦ University District Improvement Association

1080 University Avenue West, Saint Paul, MN 55104 • 651.528.8165 • www.dcc-stpaul-mpls.org



Date: March 31, 2011

To: Maya Ray, Office of Planning and Environment, Federal Transit Administration
Kathryn O'Brien, Environmental Project Manager, Central Corridor Project Office,
Metropolitan Council

From: Carol Swenson, Executive Director
District Councils Collaborative of Saint Paul and Minneapolis

RE: Comments on the
Supplemental Environmental Assessment of Potential Loss of Small Business Revenues
Central Corridor Light Rail Transit Project, Saint Paul and Minneapolis, Minnesota

The District Councils Collaborative of Saint Paul and Minneapolis (DCC) appreciates the opportunity to provide comments on the Supplemental Environmental Assessment of potential loss of small business revenues as a result of construction of the Central Corridor Light Rail Transit (CCLRT) Project.

The DCC is a collaboration of 14 city-recognized neighborhood planning and community engagement organizations in or near the CCLRT Project study area. The DCC was formed in 2006 specifically to facilitate meaningful and informed community participation in CCLRT decision-making and to ensure that the needs and interests of residents and businesses, especially those of underrepresented communities, are given full consideration as the project moves from planning to operations. Our membership includes all the neighborhoods directly on the alignment from downtown Saint Paul to the West Bank in Minneapolis.

In 2006, the DCC announced its strong support for the Central Corridor Light Rail Transit project as a once-in-a-lifetime opportunity for Minneapolis and Saint Paul neighborhoods. We also emphasized that the project had to equitably benefit the communities it ran through; it had to connect them to each other and to the region. With this guiding principle in mind, the DCC worked tirelessly to secure three missing stations at Western, Victoria, and Hamline; we pushed the CCPO and neighborhoods to work together to find the best locations for traction power sub-stations; we advocated for safe pedestrian access to stations; and we have spoken out to ensure all voices are given fair consideration as the project moves from preliminary engineering, through final design and construction, and into operations in 2014. Now it is time to ex-

press our deep concerns about the negative economic impacts construction of the line is having on businesses located in the corridor.

The DCC values and supports a thriving and diverse small business community throughout the corridor. A strong small businesses community:

- contributes to each neighborhood's unique identity;
- helps generate lively street life, which in turn increases safety and contributes to a sense of community;
- generates job opportunities for residents of all ages;
- pays taxes and attracts redevelopment and other economic activity;
- participates in community organizations and supports community activities;
- attracts homeowners and renters, who participate in community organizations;
- offers residents shopping, entertainment, and service options that are nearby; and
- helps build transit ridership.

In other words, small businesses are part and parcel of a vibrant neighborhood and they are integral to the economic, land use, and transportation mix needed for a successful transit corridor.

The DCC is very concerned that the existing small business community survives construction and thrives afterward. Data provided by U-Plan tells us that the Central Corridor has a rich small business community. Sources they consulted documented 788 businesses that fit the accepted definition of a small business. Of these businesses, 374 have annual revenues between \$100,000 and \$500,000 and 228 businesses have annual revenues between \$500,001 and \$1 million. Data also indicate that 537 businesses employ between 1 and 5 employees and 157 businesses have from 6 to 10 employees. These businesses and their employees are an important part of our neighborhoods, and it is to their credit, especially Asian-immigrant business owners, that crime is down and older buildings have been repurposed in areas where they have started up commercial enterprises.

The EA and Supporting Report from the USDOT Volpe Center

The DCC questions the reliability of EA and Volpe findings and challenges the conclusion that businesses along the corridor will experience on average revenue losses of zero to 2.5 percent. The Volpe Center readily admits that there are limitations to the use of just one highway study from 1993 to calculate the impacts on businesses in the Central Corridor, and the Saint Paul Area Chamber of Commerce challenges its methodology for calculating revenue losses.¹ The DCC agrees and suggests that the limitations are significant enough that study findings are not applicable to the Central Corridor, and questions whether the EA sufficiently satisfies the recent Federal Court order in response to the lawsuit filed by Preserve and Benefit Historic Rondo Committee.

¹ Saint Paul Area Chamber of Commerce letter to Kathryn O'Brien, March 16, 2011.

In addition to the methodological challenges to the EA/Volpe conclusion that a maximum loss of only 2.5 percent can be projected, findings do not align with on-the-ground experience. We offer the following observations.

- During the summer of 2010 during the height of construction, restaurants in St. Paul's Lowertown reported revenue losses as high as 50 percent. Currently, all types of businesses on University Avenue are bracing for losses in the range of 20 to 50 percent. Public testimony and newspaper accounts verify these numbers.
- Several businesses have ceased operation, and at least 20 businesses have left the University Avenue for a variety of construction/LRT related reasons. Most notably, we are about to lose "Porky's," a St. Paul and University Avenue institution in an iconic National Register eligible building that will be destroyed for redevelopment.
- Businesses that rely upon on-street parking and/or easy access appear to be experiencing greater losses. The DCC was contacted by a family-owned restaurant to help promote them because of the revenue drops they've experienced after construction preparations started outside their door. In more than one instance, business owners have shared that it is only because they have a second business that is not dependent on a Central Corridor address that they are managing to survive.
- Business-oriented organizations have been quietly calling attention to the looming need for intensive business assistance. U-7, a consortium of nonprofit organizations that provides support services to businesses in the Central Corridor, has publicly stated that the "impacts of the construction of the LRT will be so widespread that it requires [a] mutually reinforcing two-part equation" of business owner preparation and additional solutions by multiple government entities to address "parking loss, decreased customer access, and predicted loss of sales during and after construction"² to prevent irreparable harm to some businesses.
- The EA identifies several million dollars in local mitigation funds devoted to business support services and mitigation during construction. Obviously, these agencies are convinced that there is a legitimate need or they would not be providing this level of support.

The DCC is concerned that the mitigation strategies proposed in the EA are not sufficient and, in some cases, mitigation needs are not fully disclosed.

Small businesses, especially those that are immigrant- or minority-owned, are reporting that the loan program identified in the EA does not meet their needs and is under-funded. The DCC shares these concerns and opposes a forgivable loan component, which may negatively impact a small business's credit rating. Access to operating capital will be crucial to small business survival during construction. The DCC strongly encourages the FTA and the Met Council to work with impacted businesses and local funding partners to revise the business assistance program so it meets the needs and constraints of small, minority- or immigrant-owned business.

² U7's Position Statement on LRT Best Practices, February 16, 2011.

The EA states that the Community Outreach Coordinator mitigation budget is valued at \$4 million. The DCC requests detail on this budget. Outreach coordinators spend a great deal of time meeting with residents in the community, attending project meetings, and representing the project at community events. These activities are not related directly to business mitigation and should not be included in the business mitigation budget. Along the same line, the DCC would request that the Business Assistance Program budgets be detailed to show how much of the fund goes directly to businesses and how much is used for program administration.

The EA refers to temporary loss of revenues due to temporary loss of on-street parking during construction only. This is misleading. The FEIS discloses permanent loss of up to 85 percent of on-street parking and it should be disclosed as such in the EA. Small businesses without access to off-street parking lots will experience long-term loss in revenues. Appropriate parking mitigation measures should be proposed in the EA. In addition, many small businesses in the Central Corridor will permanently lose on-street parking along many stretches of University Avenue as soon as construction begins. Since many businesses rely on on-street parking for their customers, they will experience a drop in revenue that is directly attributable to construction of the project. This situation is especially acute in areas where development occurred in the late nineteenth and early twentieth century when buildings and blocks were developed without thought to “off-street” parking.

Community Involvement

Finally, the DCC would like to express its great disappointment with the February 17 town hall meetings. Community members were extremely frustrated with the open house format that did not allow people to speak or to have questions answered before the entire group. It was not the “forum” or “town hall” as promoted in press releases. One-on-one conversations lack transparency and make it difficult for community members to hear other perspectives. This format did not advance general understanding of the intent of the EA study, and it undermined public trust in the NEPA process. The DCC proposes that the FTA hold a public meeting that can lend transparency, dispel rumors, and build trust.

Potential Mitigation Strategies

The DCC has consulted different papers and reports on business mitigation strategies utilized in various light rail construction projects across the country. We request that the FTA and Metropolitan Council give consideration to the following successful mitigation strategies as the Supplemental EA is prepared.

1. **Grants and/or Low-interest Loans** — The DCC is aware of and supports the existing \$1.5 million loan program, but we hear from many small businesses that the program, as it is currently structured, is not friendly to small businesses and does not meet their needs. We are also concerned that it is not large enough to meet the potential need corridor-wide. In addition to helping businesses bridge gaps in revenues, the loan program might also be used to:

- a. assist with relocation and re-establishment costs.
 - b. defray increased operating costs during construction.
 - c. increase working capital.
 - d. cover building improvement and equipment upgrades.
 - e. cover the cost of feasibility studies for improvements to their properties.
- The DCC does not support a forgivable loan option as this may negatively impact a small business's credit rating.
2. **Free, on-going business consultation** — The DCC is aware of "Ready for Rail" and supports the U7 program that provides business assistance. We would ask that this program be evaluated and properly resourced to ensure it is:
 - a. available to small businesses throughout the entire corridor.
 - b. accessible to all types of businesses and business owners, especially owners who are new Americans and may not have English as their first language.
 - c. part of a set of complementary business mitigation strategies and resources that work in concert to minimize the negative impacts of construction.
 3. **Intensive Marketing Campaign** — Aside from the "Discover Central Corridor Loyalty Card" program, the DCC is unaware of any plans for a marketing campaign during construction. Reports on other light rail construction projects suggest that an intense campaign can be helpful. Campaign strategies might include:
 - a. Radio ad campaign.
 - b. Courtesy signage for all businesses to advertise, market, or provide directions.
 - c. Signs with directions to businesses.
 - d. Ads on buses and in local and neighborhood papers.
 - e. Full page ads that feature clusters of businesses and stories about business owners.
 - f. Flyers to help with wayfinding.
 - g. Sponsored special media and social events to encourage people to visit businesses.
 - h. Door-to-door canvassing.
 4. **Free consultation with construction advisors** — Provide no-cost access to construction consultants who can meet with business owners to review what happens leading up to and during construction and to serve as an advocate for businesses in meetings with the CCLRT Project contractors. (Interpreters or multi-lingual construction consultants would be needed.)
 5. **Parking Mitigation** — About 85% of on street parking will be lost if the project is executed as currently proposed. This is a significant loss to businesses. The DCC urges the FTA and Metropolitan Council to develop strategies to provide replacement parking, including the option to restore on-street parking.
 6. **Increased coordination among different entities engaged in construction activities** to ensure businesses are receiving accurate and consistent information from various entities, to minimize disruptions, and to ensure immediate responses when problems arise.

The DCC appreciates the opportunity to submit comments for the Environmental Assessment. If there are questions, please contact Carol Swenson, Executive Director, at 651-249-6877 or carol@dcc-stpaul-mpls.org.



City of Saint Paul

City Hall and Court
House
15 West Kellogg
Boulevard
Phone: 651-266-8560

Signature Copy

Resolution: RES 11-576

File Number: RES 11-576

Urging the Metropolitan Council to add to construction and business mitigation efforts along Central Corridor given new information in the FTA's recent Supplemental Environmental Assessment.

WHEREAS, the Metropolitan Council and Federal Transit Administration (FTA), on March 1, 2011, released for 30 days of public review the *Draft Supplemental Environmental Assessment: Construction Related Potential Impacts on Business Revenues*; and

WHEREAS, the *Draft Supplemental Environmental Assessment* made a number of key findings, including:

- Little work has been done nationally to quantify the impact of completed light rail or roadway construction projects on small businesses, leaving our region with imperfect mechanisms with which to project potential impact; and
- A regression analysis of the impact of a highway construction project on a Houston business district in 1993, concluded that not all businesses were impacted equally by construction (de Solminihac and Harrison, 1993). Particularly vulnerable to a loss of sales revenue, based on the Houston analysis, are grocery (-37%), auto retail (-32%), furniture (-17%) and general merchandise (-28%) stores. All other businesses can be expected to experience minimal positive or negative impacts; and
- Some kinds of mitigation-construction phasing, close coordination with individual businesses, businesses counseling, traffic management and public relations/marketing-can serve to reduce the impact of construction. Of particular note was the effectiveness of the TxDOT strategy of scheduling work in the lanes directly in front of businesses early in the project so the businesses could start receiving the benefits of the rehabilitation before the end of the project;
- The same businesses negatively impacted by construction can expect to experience an increase in sales in the year following completion of the project; and
- Consultants to the FTA document 798 businesses with revenue less than \$2 million/year on the Central Corridor alignment along University and Washington Avenues in Saint Paul and Minneapolis. Sixty-seven of them are in the four classes of businesses determined in the Houston study to be the most impacted by construction; and
- Using the percentage impacts for the various classes of businesses and annual sales data provided in a DUSA database, the Environmental Assessment estimates an aggregated loss of sales for all businesses during construction to be 2.5% of all sales; and
- A series of commitments to mitigation measures have been made by the Metropolitan Council, the City of Saint Paul and a number of other partners.

WHEREAS, the City Council of the City of Saint Paul has reviewed the draft document and has the following comments:

- The City Council acknowledges and appreciates the Metropolitan Council and prime contractor efforts to adopt a phased construction schedule that restores the streets and sidewalks in front of individual businesses as early as possible in the construction process; and
- The City Council acknowledges and appreciates the investments (e.g. no-cost marketing assistance, forgivable loans to develop parking, alley improvements to support access) being made by project and community partners to support businesses in their efforts to prepare for and operate through the construction period; and
- Construction impacts cannot be defined narrowly by the loss of revenue in the construction year because:
 - o Businesses who anticipate a reduction in revenue employ cost saving measures in order to minimize the impact on their bottom line.
 - o Businesses generally experience an increase in sales after a significant public improvement. Ignoring an increase in sales in the year following construction distorts the true impact (positive and negative) of construction; and
- Acknowledging that a 2.5% projected combined loss of sales on the Corridor bears no relationship to the projected impact on any individual business, the weighted average, nonetheless, provides a useful benchmark for policymakers; and
- Sales for Central Corridor businesses outside of the two downtowns that report less than \$2 million in annual sales total \$519,539,000. A 2.5% loss of sales for a nine-month construction season can be estimated to be \$9.75 million; and
- The City of Saint Paul and its partners understand that the construction process will impact small businesses and want to make every effort to support them through the process with a variety of mitigation measures in addition to the construction phasing plans already adopted by the Metropolitan Council and its contractors; and
- The Metropolitan Council and its partners should make every effort to match the \$9.75 million projected loss of revenue with \$9.75 million in investments designed to support Corridor small businesses impacted by construction; and
- Acknowledging that different kinds of businesses will benefit from different kinds of investments, \$6.025 million have already been invested in a range of supportive services, including:
 - i. \$1,500,000 Small business support loan fund (Metropolitan Council and Central Corridor Funders Collaborative)
 - ii. \$1,325,000 Neighborhood Commercial Parking Program: Forgivable loans for parking improvements (City of Saint Paul)
 - iii. \$850,000 Contractor Incentive Program (Metropolitan Council, awards recommended by Corridor businesses)
 - iv. \$650,000 Street lights/trees/furniture (City of Saint Paul)
 - v. \$400,000 Construction access and signage improvements (Metropolitan Council)

- vi. \$350,000 Alley improvements (City of Saint Paul)
- vii. \$675,000 Marketing support to individual businesses (U-7, Bigelow, St. Paul Foundation and Central Corridor Funders Collaborative)
- viii. \$150,000 Facelift financing (Neighborhood Development Center, City of Saint Paul, Living Cities)
- ix. \$125,000 Grassroots marketing (MCCD, Midway Chamber of Commerce, McKnight Foundation and Central Corridor Funders Collaborative)

The Neighborhood Commercial Parking Program is incorrectly described on page 20 of the report as being financed by the Metropolitan Council. All of the program funds come from the City of Saint Paul. The Business Mitigation Fund, itemized on page 22 of the report will be administered by the City of Saint Paul, but will be financed by the Metropolitan Council and the Central Corridor Funders Collaborative.

NOW, THEREFORE, BE IT RESOLVED that the City of Saint Paul urges the Metropolitan Council to work with the City, other partners and businesses in the Central Corridor to mitigate anticipated losses of \$9.75 million due to construction by adding \$3.625 million to the \$6.025 million already invested in mitigation measures; and

BE IT FINALLY RESOLVED that the City of Saint Paul recommends that the priorities for additional funding be the small business support loan fund, the City's Neighborhood Commercial Parking Program fund, and corridor-wide marketing efforts.

At a meeting of the City Council on 3/23/2011, this Resolution was Adopted As Amended.

Yea: 5 Councilmember Harris, Councilmember Helgen, City Council President Lantry, Councilmember Thune, and Councilmember Stark

Nay: 0

Absent: 2 Councilmember Bostrom, and Councilmember Carter III

Vote Attested by 
Council Secretary _____
 Trudy Moloney

Date _____

Approved by the Mayor 

 Chris Coleman

Date _____

Received
MAR 10 2011
CCPC/Met Council

428 Fulton St.
St. Paul, MN 55102

Kathryn O'Brien
Environmental Service Manager
Central Corridor Project Office
540 N. Fairview Avenue, Suite 200
St Paul, MN 55104

Dear Ms. O'Brien,

I am a resident of St. Paul for 82 years.
I love St. Paul.

The construction of the Central Corridor
along University Avenue should be
elevated between Emerald St and
Dale St. so that parking could remain
where businesses want it; at their
front doors.

I have expressed this idea to Peter Bell
who thought it would be too costly.
Squeezing space elsewhere would also be
costly and not satisfy the merchants.
Sincerely,

Marianne Mesch

Public Comments on The “Draft Supplemental Environmental Assessment”

Submitted to: Metropolitan Council

Submitted by: Va-Megn Thoj, Executive Director, Asian Economic Development Association

Date: March 31, 2011

The Asian Economic Development Association (AEDA) submits these comments on its own behalf and on the behalf of Asian businesses on University Avenue. AEDA is a 3 grassroots economic development organization with a special focus on micro-entrepreneurs and small businesses in low-income Asian Minnesotan communities. AEDA provides Asian entrepreneurs and business owners access to business information, resources and, advocacy. We work with the community to create thriving, sustainable multicultural neighborhoods with strong community leadership and economic justice.

Regarding the EA community process, we want to raise an objection to the confusing process and short time given by the Met Council to allow for public participation, input and comments to the CCLRT Draft Supplemental Environmental Assessment (DSEA). Met Council and FTA could not provide clear explanations for their puzzling chosen community process, other than citing an FTA regulation. They held multiple community meetings to listen to comments that they could not accept as testimonies but would accept as written comments. These comments however were not official and it was not clear what their purpose was, but they were asked, which business assumed would be included in the supplemental environmental assessment. Than two weeks later the DSEA was published, apparently written concurrently with but separately and without the comments from the previous meetings. With the publication came the announcement of another comment period, this time an official one on the published DSEA. The rigmarole gave rise to suspicions about whether Met Council and FTA had the intention of conducting a fair and transparent environmental assessment. Inevitably many businesses expressed fear and mistrust that Met Council and FTA would railroad the process. Unfortunately, the methodology and conclusions of the DSEA justify the critical reaction of the businesses.

AEDA echoes others who have called into question the methodology, validity and credibility of the finding of the DSEA that CCLRT construction would not cause more than 2.5 percent loss of revenue for businesses. We submit the attached comparative matrix to demonstrate our concern that the DSEA understates the impact of construction on Central Corridor small businesses by averaging potential losses across all business types. The simplicity of the matrix, which is the result of a careful analysis of the studies that the SDEA uses, contradicts Met Council's conclusions and cast doubts on the soundness of its methodology. For example, the matrix shows that the top four businesses categories impacted by the Houston highway project (the De Solminihac et al study) saw a range of 17%-37% revenue decrease. The matrix also suggests two projects that are more analogous to University Avenue and therefore more predictive of CCLRT construction impact on small businesses.

The obfuscatory EA community process, the artificially low 2.5 percent loss of revenue finding, the inexplicable methodology and the case studies employed by Met Council and FTA raise questions about their good faith effort to produce an accurate environmental assessment. Indeed, we seriously question if Met Council and FTA intended to circumvent and not undertake a supplemental FEIS per the order of Judge Donovan Frank. We are concerned that they deliberately understated the impact of the CCLRT on business revenues in order to push through

execution of the Full Funding Grant Agreement. This is troubling considering that two civil rights complaints remained unaddressed. Federal regulations make clear that FFGA cannot be executed until the complaints are addressed.

Furthermore, AEDA submits the following comments in regards to Central Corridor Asian-owned small businesses. According to several studies (one is attached), minority-owned small businesses are typically more disadvantaged than mainstream and larger businesses due to various factors, including typically having lower average sales volumes; less likely to access business resources; having a smaller market base; and having smaller amounts of risk capital. All of these factors make Asian small businesses more vulnerable to disruption in terms of their revenue and cash flow. In the SDEA, as in the FEIS, Met Council does not consider these factors in how the CCLRT will adversely impact Asian and other minority businesses, and how these factors could contribute to the disproportional adverse impact of the project on Asian businesses. Without an assessment of these factors and disproportional adverse impacts, there is no indication that the “mitigation commitments” listed in the SDEA will be effective or adequate to mitigate losses for the Asian businesses in Central Corridor.

In the following, AEDA provides brief analyses of potential impacts, some of the mitigation commitments, and makes recommendations for additional business support and mitigation.

PARKING

AEDA conducted a survey of customers of six Asian-owned businesses on their demand for parking. These businesses will lose on-street parking during and after LRT construction and do not have customer access to off-street parking. All of the customers surveyed depended on driving to get to these businesses.

<u>Business Type</u>	<u>No. of Customers Surveyed</u>	<u>% of Customers Needed Parking</u>
Retail	16	100%
Dining	6	100%
Hair Salon	13	100%
Service	9	100%
Hair Salon	8	100%

AEDA concludes from this survey that businesses depending on parking and will lose substantial revenues if their customers’ parking will be eliminated, limited, or disrupted, even temporarily. The lack of parking and access to parking during construction will cause businesses to lose revenues. The permanent loss of on-street parking will cause business to lose revenues. These businesses will not survive on University Avenue.

AEDA recommends that the Met Council obtain information on the parking demand of businesses individually and in clusters, and assess how they will be impacted if parking cannot be created to meet demands. AEDA recommends that Met Council provide funding support for parking management programs that will create more physical parking spots to meet the demand for parking during and after construction. AEDA specifically recommends support of creating a parking improvement district at University and Western. Plans that will not allow businesses to share and access more parking, to meet existing and future demand for parking, will not help businesses survive. AEDA also recommends adequate financial grant assistance to help

businesses that will lose revenues because their on-street parking will be eliminated and they will not have access to new parking.

ACCESS

Lack of customer access, including customer entry to businesses and customer access to parking, will negatively affect business revenues. During construction on University Avenue, customer and parking access will be limited or cut off completely during utility location and relocation and during the different phases of light rail construction and streetscape construction. Construction barriers and detours will deter customers from patronizing businesses. Both sides of University Avenue will be impacted for up to 300 days. In Lowertown St. Paul, construction limited customers' access to businesses. Impacted businesses reported revenue loss of up to 60%. AEDA recommends that Met Council and Met Council obtain information on the impact of construction on Lowertown business revenues and the effectiveness of any mitigation. Met Council should provide adequate financial grant assistance for businesses that will lose revenues due to access issues.

CONSTRUCTION DISRUPTIONS

Disruptions of business operations will reduce business revenues. Disruptions include physical impact of LRT construction; utility shutoffs; noise; dust and pollutions; unsafe and dangerous construction zones; lack of access to parking; and lack of pedestrian access. All of these causes of disruptions will impact and reduce business revenues. AEDA recommends adequate financial grant assistance to help businesses that will lose revenues due to disruptions.

IMPACT OF CCLRT ON BUSINESS REVENUES

Many businesses will not survive because the CCLRT will substantially reduce their business revenues. A study is needed on the impact of construction and operation of the CCLRT on business revenues along University Avenue. Data is needed to develop strategies and programs to prevent business revenue loss. Appropriate case studies will provide some of the data on LRT impact on business revenues. Lowertown St Paul and Lake Street in Minneapolis should be studied as well as other cities. Attached are two documents on the mitigation and impact of the Seattle Sound Transit on the Rainier Valley, which is a business community that bears many similarities to Central Corridor.

A base line and tracking study of CCLRT impact on businesses is also needed. It will give a clear before, during and after picture. Such a study, which monitors business indicators including revenues, will show how businesses fare under the CCLRT.

LOANS

Loans will not have a net positive affect on businesses that will lose revenues due to LRT construction impacts. The current amount limit on loan per businesses will not help businesses mitigate their revenue loss. The loan terms are onerous for businesses, especially disadvantaged Asian businesses with little or no creditworthiness. The loans take too long to kick in and to process. The loan will put businesses whose revenues are already negatively impacted by LRT at greater risk of defaulting on the loans. AEDA recommends grants with a higher limit per qualified business and that can be accessed timely with undue red tape.

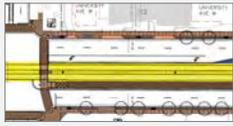
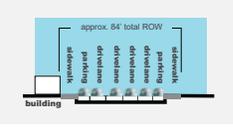
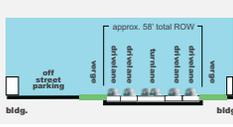
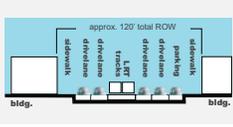
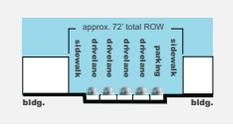
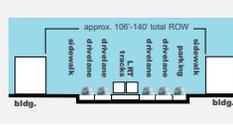
MARKETING

Current marketing proposals, such as buy local campaigns and lunch parties, will have a minimal effect on most Asian businesses losing revenues caused by LRT construction. AEDA recommends substantially more funding specifically for general customer incentive marketing programs. Considering the narrower ethnic market base of Asian businesses, AEDA recommends marketing strategies specifically for Asian businesses, such as the strategies proposed by AEDA for “Little Mekong.” Marketing, with no consideration paid to customer profiles and Asian business needs, will not help them to survive during and after construction.

TECHNICAL ASSISTANCE

Current level of technical assistance is not adequate to mitigate the anticipated business revenue losses (20%-60%) caused by LRT construction. More funding will be needed. Asian businesses need programs tailored to meet their needs, given that they are typically disadvantaged as stated above. An example of specialized and tailored assistance is one-on-one business consulting on an on-going long-term basis where adequate trust and an appropriate rapport can be developed. In addition, a handholding and interpersonal approach throughout the technical assistance process is necessary as most business owners lack the experience to deal with the drastic impact of LRT on their businesses and revenues. More funding is needed to develop and implement such strategies from start to finish with each business.

COMPARATIVE ANALYSIS: PRECEDENTS FOR UNIVERSITY AVENUE

	SUPPLEMENTAL STUDY				UNIVERSITY AVE.	SUGGESTED PRECEDENTS	
	DE SOLMINIHAC, ET. AL.	BUDEMEYER, ET. AL.	WILDENTHAL, ET. AL.	YOUNG, ET. AL.		DIAZ, JOSE	KRIEG, ALEXANDER
LOCATION	Houston, TX	Dubois, WY	Caldwell, TX	12 Cities in WY	University Ave., St. Paul	Lake Street, Minneapolis	MLK Way, Seattle
# OF BUSINESSES	approx. 1532	172	49	28 (avg.)	947	953 (2006)	525 (2009)
COMPLETED	1992	2008	1993	1997-2003	2014 (PROJECTED)	2006	2008
PROJECT TYPE	HIGHWAY REHAB; HOV	HIGHWAY RECONST.	HIGHWAY WIDENING	VARIOUS HWY. IMPROVEMENTS	TOTAL RECONST.; LRT	TOTAL STREETScape RECONSTRUCTION	TOTAL RECONST.; LRT
TYPE OF COMMUNITY	SUBURBAN	RURAL	RURAL	RURAL	URBAN	URBAN	URBAN
AVERAGE DAILY VEHICLE TRIPS	250,000	3,000	14,200 (2007)	varies	28,000	20,000 (2007)	18,200 (2008)
LANES OF TRAFFIC	12 ; 4 FRONT. ; 2 HOV	4	4	varies	4	4	4
IMAGE				information not available			
PLAN: TYPICAL CONFIGURATION POST CONSTRUCTION				information not available			
TYPICAL CROSS SECTION				varies			
BUSINESS IMPACTS	17%-37% REVENUE DECREASE IN TOP 4 CATEGORIES: Food Stores General Merchandise Automotive Retail Furniture Stores	0% IMPACT	0% IMPACT	0% IMPACT	under construction (as of 2011)	10%-40% OF BUSINESSES WITHIN HALF OF THE BLOCKS CLOSED DURING CONSTRUCTION TAX REVENUES DECLINED 10%-33% BETWEEN BLOOMINGTON AND HIAWATHA DURING CONSTRUCTION	25% OF RETAIL, 10% OF SERVICE BUSINESSES CLOSED DURING CONSTRUCTION 2003-2009 TAX REVENUE GROWTH DROPPED BY 11% EVEN AS ECONOMY GREW RAPIDLY



Buy Newark: Adopting a Comprehensive Buy-Local Strategy for the City of Newark

by Arnold Chandler

Introduction

Every day in Newark, millions of dollars flow between residents, major governmental and institutional purchasers, and businesses. Steering a portion of this enormous purchasing power toward local, small, and minority- and women-owned businesses could yield substantial local economic impacts that would benefit a broad and deep cross-section of Newark residents. Local governments and major anchor institutions in cities across the country have adopted a variety of local purchasing and procurement initiatives that seek to connect businesses that are more likely to spend, hire, and invest locally with public contracting opportunities.

This briefing paper was prepared to inform a November 13th discussion of how leaders in Newark's local government and major institutions can strengthen the city's local economy by leveraging their enormous purchasing power to promote the growth and stability of the city's small, minority-owned, and women-owned businesses. This paper will describe how such policies and programs have been enacted across the country and the promise they offer for Newark.

Connecting Prosperity to Inclusion: The Importance of Newark's Local Economy

After decades of stagnation, accumulating evidence in Newark points to the beginnings of an economic turnaround. Median household income in Newark grew by 28 percent between 2000 and 2006, compared to just 17 percent in New Jersey as a whole. Newark's poverty and unemployment rates both declined over the same period, while they increased statewide.¹ Furthermore, an array of developments have recently changed the physical and economic terrain of the city. These signs of renewal include investments in the Newark Arena and the Joseph G. Minish Passaic River Waterfront Park; a burst of housing development, especially university student-

housing construction; new corporate investments; and major infrastructure projects like the new light rail link between Penn Station and Broad Street Station. Altogether, these investments signal the potential upgrading of the Newark economy within its region and statewide. However, the realization of this potential depends on policies and government and institutional investment priorities that create a deep and sustainable path to economic revitalization.

While renewed economic growth is a welcome development for Newark, it is important to ensure that the benefits of a turnaround reach a wide and deep

cross-section of residents and businesses. There are visible and lingering effects of decades of economic stagnation and neglect amidst evidence of Newark's changing economic fortunes. Creating a sustainable path to prosperity entails recognizing and mitigating the likelihood that without deliberate efforts to be inclusive, many of Newark's residents will be left behind as opportunity grows for others. Recent data suggests that the benefits of economic growth in the city are accruing disproportionately to those at the top of the economic ladder. Between 2000 and 2006, for example, the share of Newark households earning less than \$35,000 a year declined by 16 percent, only marginally better than the decline of 14

percent for the state as a whole. However, the share of Newark households earning more than \$75,000 a year increased by 41 percent during the same period, compared to just 24 percent for the state.²

Preventing economic growth from exacerbating long-standing inequities in Newark will not only require comprehensive workforce strategies tied to industrial growth sectors, but the participation of residents, businesses, government, and anchor institutions in a broad strategy to channel their spending in ways that help grow and diversify the city's base of local small businesses.

Buy Newark: Toward Growing a Strong Local Economy

Supporting the growth and diversification of Newark's "local" economy will complement efforts to attract and retain large employers in the city. **It involves ensuring that the services and goods demanded by local government, major anchor institutions like universities and hospitals, large and small businesses, and residents are supplied, to the extent possible, by local small businesses.** Because they employ city residents and buy from local suppliers, local businesses tend to circulate their income and investments in ways that broadly benefit local residents. Recent economic impact studies of the benefits of local spending in Chicago and San Francisco, for example, found that steering consumer spending toward local businesses rather than national chains resulted in significantly higher amounts of money circulating in the local economy, as well as more jobs for city residents.³ In particular, the study of Chicago found that for every \$100 in consumer spending at chain businesses, only \$43 remained in the local economy, compared to the \$68 that remained after spending with locally-owned businesses. Moreover, locally-owned businesses spent

a higher share of their revenue on labor (28 percent) than chains (23 percent) and procured goods locally at twice the rate of national firms.⁴

Newark benefits considerably from its competitive advantage in key industrial clusters that draw income and resources to the city from the surrounding metropolitan region, as well as the national and global economy. In particular, the city shows significant economic strength in "tradeable" industrial areas like transportation, logistics, and distribution; health services; and education and knowledge creation.⁵ However, the extent to which these industries benefit Newark residents beyond those directly employed by them depends in large part on whether they are locally-owned. Income generated locally that immediately flows out of the community does little to promote the long-term economic health of the city economy or improve the quality of life for local residents. Newark, therefore, would benefit from a comprehensive citywide strategy to leverage its considerable economic assets for sustainable locally-based economic growth.

Leveraging Newark's Assets: The Potential of a Buy-Newark Approach

Newark has a number of important assets that could be leveraged to expand locally-based economic development. The city and county governments, Newark's major educational and medical institutions, and several large companies all procure a large volume of goods and services from businesses throughout New Jersey and in Newark itself. In particular, the city of Newark, Essex County, and Newark's four largest educational institutions collectively procure hundred of millions of dollars worth of goods and services each year. While not a comprehensive analysis, these examples offer a glimpse of the potential purchasing power that can be leveraged for strengthening Newark's local economy.

The City of Newark. There is not currently any publicly available data on the size of the city of Newark's contracting and procurement activities. However, a study commissioned by the city that is currently underway will help determine the portion of the city's millions of annual procurement dollars that flow to local small businesses.

Essex County. Essex County annually spends hundred of millions of dollars that could be steered to local and small businesses. Between 2002 and 2004, 23 agencies within the county spent \$937 million on goods and service contracts.⁶ Of this total spending,

roughly \$85 million went to "disadvantaged business enterprises" and \$31 million to "minority-owned business enterprises."⁷ Data on the amount of Essex County spending that went to small or local businesses is not currently available.

Newark's institutions of higher education.

Newark's four largest educational institutions, which together compose the Council of Higher Education in Newark, are a considerable economic force in the metropolitan region. Collectively, Essex County College, the New Jersey Institute of Technology, Rutgers University-Newark, and the University of Medicine and Dentistry of New Jersey-Newark served over 26,000 students and employed 1,750 city residents in 2000, making CHEN one of the top employers in Newark.⁸ In addition, these institutions expect to see significant growth in enrollment in the next few years. As a group, Newark's universities have among the largest purchasing powers in the Newark region; they spent over \$1.1 billion on salaries, goods, and services in 2000.⁹ In 2000 the members of CHEN spent roughly \$18.6 million with vendors located in the city. In that same year, small, minority-owned, and women-owned businesses located anywhere in New Jersey received about \$18.9 million of the consortium's contracts for goods and services.¹⁰

A Comprehensive Strategy for University Local Procurement: The University of Pennsylvania's "Buy West Philadelphia" Program

The University of Pennsylvania's "Buy West Philadelphia" program stemmed from the university's economic improvement efforts in its surrounding neighborhood and focused on leveraging the university's purchasing power for the benefit of the local community. One of Penn's major goals was to increase its spending with local and minority-owned businesses. To ensure success, the university adopted a comprehensive approach that included:

- **A requirement that larger contractors partner with local vendors** in West Philadelphia.
- **Incentives for local purchasing** that tied purchasing staff's performance evaluations to their use of West Philadelphia businesses.
- **A system to monitor the performance** of the "Buy West Philadelphia" program and evaluate it over time.
- **Community-based partnerships.** In order for the program to be effective, Penn realized it would need community involvement, and it partnered with two community based organizations. These partnerships allowed Penn to identify potential local vendors, as well as understand the local business landscape.
- **Technical assistance.** Penn has utilized the university's Wharton Small Business Development Center to assist local businesses in addressing issues such as marketing, logistics, and resource management.

The "Buy West Philadelphia" program has been quite successful. Between 1997 and 2003, the university spent a total of \$344.1 million on goods and services from West Philadelphia businesses. Of the \$61.6 million of purchasing Penn did from West Philadelphia businesses in 2003, \$41.1 million came from minority-owned businesses, with \$13.1 million from African American-owned businesses in particular. By taking on a holistic approach to economic renewal within their surrounding community, Penn's buy-local strategy has enjoyed continued success.

Challenges to a Small-Business Buy-Local Approach

In spite of the significant opportunity presented by the sheer volume of institutional and government spending in Newark, a number of challenges currently face both small businesses and purchasing agencies in steering dollars locally:

- **Information gaps:** The most significant barrier facing small businesses in securing purchasing contracts is their lack of knowledge regarding procedures and eligibility requirements. Determining how to take advantage of formal contract bids and informal contracting opportunities in a timely way is a persistent challenge for small businesses. Similarly, purchasing agents in local government and major anchor institutions lack information regarding local suppliers of goods and services.
- **Contracts that are too large for small business to take on by themselves:** Many institutions offer large-scale contracts for the procurement of goods and services, which in many cases are beyond the capacity of small businesses to satisfy without forming joint ventures with larger partners. Without incentives to encourage large firms to form these joint ventures, small firms are effectively excluded from participation.
- **Cash-flow limitations:** The cash-flow cycles for many small businesses can prohibit pursuing contracts where bonding is required or lengthy contract review processes are employed. Moreover, slow payment schedules that in some cases take upwards of 90 days deter small business participation.
- **Lack of centralized purchasing and coordinated procurement systems:** The lack of a centralized purchasing division or procurement practices that are coordinated and managed across institutional departments or government agencies can compromise the effectiveness of a buy-local strategy. Because multiple agencies or departments can be involved in a single procurement action, streamlining these operations is essential to ensuring that purchasing agents consistently buy local when feasible.

Growing Newark's Local Economy: Promising Policy Strategies

In cities across the country, local governments, universities, and nonprofits have pursued several promising and innovative strategies for steering purchasing and procurement dollars toward the local economy. We have distilled a menu of options for a comprehensive buy-local strategy that can guide both local governments and major anchor institutions in Newark. These options generally fall into two broad strategic categories.

Leveling the playing field through purchasing preferences: Through purchasing preferences, local governments and major anchor institutions provide small and local businesses a small advantage in the bidding for public contracts. This allows small firms that may not enjoy certain scale-related cost advantages to still be competitive in the pursuit of procurement contracts.

Adopting comprehensive approaches to local procurement: Comprehensive local procurement approaches involve an array of activities from organizational process improvements to small business

development. The overall objective is to help small businesses take better advantage of the opportunities presented by targeted local procurement programs. Comprehensive initiatives are generally most effective when they are adopted in combination with local purchasing preferences.

Local Purchasing Preferences

When purchasing goods and services, several cities and counties across the country give financial preferences to local businesses in order to support their growth and viability, as well as strengthen the local economy. Typical among most jurisdictions is the award of a preference to small and/or local businesses if their contract bid exceeds that of the lowest-bidding non-local firm by no more than a certain percentage. In jurisdictions that have local purchasing preferences, this percentage generally ranges from 1 percent to 5 percent, although Detroit, Michigan, and Suffolk County, New York, offer preferences as high as 10 percent for certain purchases. The Port Authority

of New York and New Jersey offers a 10 percent purchasing preference for small businesses, which enhances their competitiveness with larger suppliers. Local governments and institutions will often tailor key elements of their local purchasing preferences to meet their particular goals and to suit aspects of their local

economies. Basic components used in the design of local purchasing preference policies are outlined in the box "Key Elements of Local Purchasing Preferences."

Key Elements of Local Purchasing Preferences

Over two dozen cities in the United States have laws that give preference to local businesses over non-local ones. These policies typically include some combination of the following four elements:

- 1. Preference percentage:** The percentage amount a local firm is allowed to exceed the lowest bid of a non-local firm.
- 2. Purchase ceiling:** The purchase amount above which a preference is no longer applied. In most cases, preferences do not apply to large purchase contracts and capital improvement projects.
- 3. Apportioning preferences for joint ventures:** It is in the interest of cities that are trying to support small and local businesses to encourage joint partnerships and sub-contracting arrangements that allow these businesses to participate in large city contracts. Importantly, however, it is necessary to establish the proper apportionment of preferences in the bidding for these contracts so that larger or non-local firms aren't encouraged to use a local or small firm as a front for obtaining a preference.
- 4. Definition of a "local" or "small" business:** The definition of a local business can vary by jurisdiction. Ordinances usually define local as either within the city boundaries, within the county or a multiple-county area, or within the metropolitan area. However, the meaning of "local" from a strategic standpoint concerns more than just geography. For a city or county, key questions to factor into the definition of local businesses include:
 - Whether franchises of chain firms are eligible to register as local firms.
 - Whether firms that employ local residents receive higher priority.
 - How to prevent a large firm from using a small local business as a front in order to take advantage of bid preferences.
 - Whether firms that patronize local suppliers receive additional preferences.

Comprehensive Approaches to Local Procurement

A number of cities and universities across the country have adopted comprehensive approaches to supporting small, local, minority-owned, and women-owned businesses that go beyond offering purchasing preferences alone. Many of these additional activities are intended to help small businesses take better advantage of opportunities presented by targeted local procurement strategies. Because purchasing, whether governmental or institutional, is usually divided among different purchasing bureaucracies that don't usually incorporate economic development goals into their decision-making, local procurement strategies must be deployed as a deliberate set of policies that intentionally align diverse agencies' goals. The variety

of local procurement strategies described below includes both stand-alone initiatives and potential components of a comprehensive approach.

Improving Procurement Processes

Often the biggest impediments to effectively connecting local businesses to procurement opportunities are uncoordinated organizational processes. More than just purchasing, procurement involves:

- the description of requirements and the selection and solicitation of sources for goods and services;
- the preparation and award of contracts and all phases of contract administration; and

- the combined functions of purchasing, inventory, and storage.

Effectively implementing a buy-local approach may require improvements to all of these processes. As part of its Small Business Opportunity Program created in 2002, San Jose launched a comprehensive effort to align data collection and coordinate purchasing processes across several agencies to make the city's contracting opportunities more accessible to small

businesses. Because several agencies were involved in procurement, the city had to coordinate processes between the Finance Department, General Services, Public Works, the San Jose Redevelopment Agency and the city's Office of Economic Development.¹¹ As a result of these efforts, the city has had tremendous success boosting its level of local- and small-business contracting. See the box, "The City of San Jose: Steering Procurement Dollars Locally."

The City of San Jose: Steering Procurement Dollars Locally

San Jose has adopted a comprehensive strategy to increase local government procurement from local and small businesses within the city. The strategy has two main components. In 2003, the city developed an initiative to improve the participation of small businesses with 35 or fewer employees in city contracting. Known as the Small Business Opportunity Program, it incorporated three key elements: performance measures, outreach and education, and process improvements. In 2004, the city adopted a local/small-business preference policy for businesses located within Santa Clara County. Together, these efforts have significantly increased participation of local businesses in city contracting. In fiscal year 2005–2006, small suppliers captured nearly half of local contracts and nearly a third of the \$838 million awarded in procurement contracts. The city's comprehensive strategies to align data collection and coordinate processes across several agencies included the following key elements:

- 1) Performance measures:** In order to evaluate participation levels over time, judged against the availability of small businesses within San Jose, the program incorporated several performance measures that are reported to the City Council at periodic intervals. In order to effectively monitor the program's performance, the city had to standardize the collection of small-business participation data across all purchasing agencies and categories.
- 2) Outreach and education:** The city instituted several activities to ensure that local businesses are aware of available contracting opportunities. These included:
 - establishing an online registration system that delivers custom e-mail notifications to registrants regarding the availability of construction contracting and professional consulting opportunities by type and dollar amount;
 - releasing a quarterly electronic newsletter regarding the program;
 - developing materials to describe how small, local, and minority-owned businesses can participate in the program;
 - advertising in the Minority Business and Professional Directory; and
 - joining the Greater San Jose Hispanic Chamber of Commerce and conducting trainings with members.
- 3) Process improvements:** In order to better coordinate procurement across government agencies, as well as improve the ability of small businesses to meet the minimum requirements for participation in certain contracting opportunities, the city adopted several process improvements, including:
 - updating the central vendor database and training buyers in different city agencies on how to access suppliers by product;
 - modifying the minimum bid levels (from \$100K to \$5K) that can be submitted in the city's online-bidding interface to increase the volume of bid opportunities available to small businesses;
 - obtaining "builders risk insurance" at a lower premium charge for building construction contracts to decrease the cost to contractors working for the city; and
 - creating an "owner-controlled insurance program" to allow small businesses to contract for jobs with appropriate insurance coverage

Creating a Comprehensive Small-Business Database

One challenge to local procurement for purchasing agents is the absence of a centralized repository of information on local suppliers and their offerings that can be matched to purchasing requirements. Local governments, business consortia, and universities can help play a brokering role in the local economy by producing such a repository. This helps reduce transaction costs for small businesses as well as enhance their competitiveness with larger national chains that have significantly greater marketing resources. In Chicago in the 1980s, several large corporations formed a Buy Chicago Committee to facilitate the purchase of goods from small businesses. They created a database of products and services that large corporations could purchase locally. The database contained all products manufactured in Chicago organized by Standard Industrial Classification codes. It also included contact information for corporate purchasing agents. Small Chicago businesses were asked to submit product brochures so that purchasing agents could identify local product suppliers with offerings that matched their needs.

Targeting Procurement to Select Local Businesses

Some jurisdictions and institutions target their preferences toward specific industries that are likely to generate large local multipliers or that are particularly important to meeting local-government or business-supply needs. One reason for this sort of targeting is that certain types of local suppliers could actually work against the goals of local procurement policies if they were eligible to participate. Wholesalers, for example, tend to hire additional workers when sales are slow in order to pursue more aggressive marketing tactics to drum up business. Similarly, they tend to lay off sales staff when sales pick up. This practice creates a negative relationship between increasing sales volume and employment and thus would create the opposite of the intended effect of local procurement strategies if such companies were eligible to participate.¹² Local purchasing preferences and procurement policies should be tailored to the local economy in order to maximize their strategic value. The University of Vermont's Burlington Community Outreach Partnership, for example, analyzed most of the university's roughly \$135 million in purchases in 2000, to identify the industrial sectors that promised the greatest multiplier effects for the Vermont economy and used those insights to help shape the University's

purchasing approach.¹³ As a result, the university was able to strategically steer its local procurement dollars to both the city of Burlington and the state of Vermont.

Providing Assistance with Bonding Requirements

Meeting bond requirements in order to bid on city contracts is a pervasive challenge for small businesses lacking the requisite financial resources. Some cities have developed programs in order to assist small businesses over this hurdle. The city of San Francisco assists small, minority-owned, and women-owned businesses with a Surety Bond Program for construction-related projects. The services provided under the program include:

- bid, performance, and payment bond guarantees to surety companies up to 40 percent of the bond or \$500,000 total aggregate limit;
- loan guarantees to banks up to 50 percent of loan or \$500,000, whichever is less;
- cost subsidies for preparing financial statements up to \$3,200;
- payment of funds control fees for up to 1 percent of bond amounts; and
- training on bonding, financing, and business management.

Unbundling Contracts and Using Procurement Purchasing Cards

In the early 1990s, Columbia University created their "Look Local First" action plan.¹⁴ In order to address some of the capacity issues facing local businesses and some of the concerns of university departments, Columbia created smaller contracts, allowing local vendors to build capacity and purchasing agent to provide feedback and eventually expand the contract. The university also created a procurement card allowing purchasing agents to purchase goods quickly and in smaller amounts from local vendors.¹⁵

Supporting the Formation of Buy-Local Campaigns by Local Business Associations

Local chambers of commerce and independent business alliances can form strategies that complement local-government and institutional buy-local strategies. Several cities, including Salt Lake City; Philadelphia;

Portland, Oregon; San Francisco; and Austin, have local small-business alliances that have formed buy-local campaigns to encourage residents to buy locally. A loyalty program called Locals Care, cosponsored by the city of Santa Fe, provides discounts for purchases made at local participating businesses, and for each dollar spent, a portion goes to local nonprofits of

the consumer's choice.¹⁶ A private-sector buy-local program in combination with public-sector and institutional efforts can help extend the multiplier effect of local purchasing beyond the typical goods and services procured by public agencies or anchor institutions.

Recommendations

The examples described in this paper illustrate that there are several ways that key local actors can change how they spend their dollars to strengthen their local economies. Local governments, major institutions, and corporations in Newark can adapt many of these approaches to the unique reality of the city. Below is a list of recommendations for discussion at the November 13th convening, which can serve as the building blocks for mapping out a comprehensive Buy Newark strategy going forward.

Adopt a comprehensive approach. Comprehensive buy-local approaches tend to achieve the deepest and most sustainable effects in terms of growing local small businesses. While local purchasing preferences are important first steps in most buy-local strategies, additional strategies are often necessary to achieve sustained impact.

Develop a local purchasing preference policy. Local purchasing preference policies help level the playing field for local small businesses as they compete with large national chains to serve the procurement needs of local government, institutions, and large businesses. A review of purchasing preferences adopted nationwide shows that policies should be designed in a way that truly benefits the "local" economy and encourages joint ventures.

Create a centralized small-business supplier database. A centralized repository of information on local suppliers and their offerings can provide purchasing agents with needed information to match local businesses with their purchasing requirements in a timely way. Local governments, business consortia, and universities can help play a brokering role in the local economy by producing such a repository, which will reduce transaction costs for small businesses as well as enhance their competitiveness with larger national chains that have significantly greater marketing resources.

Expand small business outreach; create a purchasing website. Outreach efforts that include extensive documentation of procurement policies and contracting guides as well as deliberate and sustained efforts to communicate that information to small businesses are essential for implementing an effective buy-local approach. Cities and institutions have done this by establishing an online registration system for automated communication of contracting opportunities to registrants via e-mail, putting out monthly or quarterly publications about procurement policies and plans, advertising in publications targeted to minority business owners, and offering trainings at local chambers of commerce and business associations with small business or minority memberships.

Create internal incentives for local purchasing. To ensure that local purchasing becomes deeply ingrained across departments and agencies, one useful strategy is to tie performance evaluations and other internal perks to the volume of purchasing dollars steered to local small businesses.

Develop a system to monitor performance of the local procurement strategies. In order to evaluate the effectiveness of a buy-local approach, it is important for governments and institutions to develop internal systems for tracking progress. A baseline understanding of the number of local small businesses that could potentially serve procurement needs, combined with an ongoing measure of the total share of procurement dollars that flow to these businesses, could yield benchmarks for understanding the effectiveness of the strategy over time.

Form a private sector buy-local committee. A private-sector buy-local program in combination with public-sector and institutional efforts can help extend the multiplier effect of local purchasing beyond the typical goods and services procured by public agencies or anchor institutions. As has happened in

cities across the country, corporations, local chambers of commerce, and independent business consortia can help catalyze an effort to encourage both businesses and residents to steer a larger portion of their dollars to local small businesses.

Provide assistance with bonding requirements and encourage joint ventures. Meeting bond requirements in order to bid on city contracts is a pervasive challenge for small businesses lacking the requisite financial resources. Some cities have developed programs in order to assist small businesses that can't meet bond requirements when bidding on public contracts.

Notes

¹U.S. Census Bureau, 2000 Census and 2006 American Community Survey.

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⁶University of Minnesota Disparity Study Team, *Analysis of Essex County Procurement and Contracting: Final Report*, submitted to the County of Essex Disparity Study Commission (2007).

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⁸Council on Higher Education in Newark, *Economic Impact Report* (Newark, NJ: The Roper Group in association with A. Ilan Consulting, 2001), p. 6.

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Acknowledgements

PolicyLink would like to thank the Prudential Foundation and its program officer, Mary Puryear, for their support of the on-going PolicyLink Newark Economic Inclusion and Equitable Development project. The Prudential Foundation has provided the PolicyLink team with invaluable insight on both the challenges and opportunities facing Newark and connected our efforts to both private and public leadership that can make a real difference in fostering an environment of inclusion and participation. PolicyLink also thanks the numerous leaders from both the public and private sectors in Newark, who spent quality time with PolicyLink, in multiple conversations over the past year. Their input significantly informed this policy brief.



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RVCDF Supplemental Mitigation Program Results

Prepared by Charleete M. Black

I. BACKGROUND

Formation of Sound Transit

The Central Puget Sound Regional Transit Authority (Sound Transit) was created by the Washington State Legislature in the early 1990s. Sound Transit builds and operates high-capacity transit system within the region's most heavily travelled corridors.

Construction Project:

In November 1996, voters in the three-counties of King, Pierce & Snohomish areas approved \$3.9 billion in local taxes necessary to fund the regional bus and rail transit systems for King, Pierce & Snohomish counties. Various design alternatives were considered to link downtown Seattle to Sea-Tac Airport by light rail.

Community Response

In 1999, Sound Transit chose an at-grade route through the Rainier Valley from South McClellan along MLK to the Boeing Access Road. The City of Seattle staff consultants began outreach in early 1999 to inform the businesses of the changes about to happen and surveyed the businesses regarding their needs and encouraged community input to ease the upcoming disruptions. Numerous neighborhood meetings took place during this time that involved local leaders, residents, property and business owners. Much controversy was created during this period with the community fearing the worst about being displaced and the perceived impacts to the community at large. This led to a local protest with dozens of southeast Seattle residents and business owners under the banner of "Save Our Valley" who carried signs and attended the publicly held community meetings in an attempt to discourage the project using at-grade tracks through the center of MLK. The choice of many residents and business owners was to build an underground tunnel. According to Sound Transit Officials, under the tunnel alternative, the project would be cost prohibited and the tunnel alternative would not be economically viable.

The community outcry was so widespread the elected officials and the RV community settled on a compromise. On November 1999 the Sound Transit Board approved a resolution calling for the establishment of a \$50 million fund that would be available to the RV community in part "to fund physical & economic improvements" in the Central Link light rail corridor. The resolution called for the establishment of a community advisory panel to set priorities for the use of the funds. This commitment was written into legislation that enabled the 1st phase to begin. The original plan for construction was to commence in 2003 and be completed and operating in 2008. Actual construction began in the 4th quarter 2003.

Formation of Rainier Valley Community Development Fund:

Legislation led to a steering committee being formed in 2000, consisting of 10 Rainier Valley community members and 5 government representatives, who established the community's priorities for use of the \$50 million and submitted written recommendations to the Sound Transit Board and Seattle City Council in a detailed Operating Plan, which was approved in 2002.

The activities led to the creation of the Rainier Valley Community Development Fund which became part of the Link Light Rail Project in November 1999 and was incorporated in September 2002. The CDF Founding Board and the greater Rainier Valley community established the organization to seure community control of the fund to lessen the impact of light rail construction on Rainier Valley businesses and residents and to provide future investment opportunities in the community.

II. Community Profile

Neighborhood Overview The Rainier Valley is located 6 miles southeast of downtown Seattle. The Valley is centered on Rainier Avenue S. and Martin Luther King Jr. Way S., its main (northwest and southeast-bound) thoroughfares. Both the Rainier Avenue and the Valley were named after Mount Rainier which goes through several distinct neighborhoods, with the north end being mainly industrial, the central (Columbia City) portion a densely-populated historical district, and the southern portion a less dense collection of businesses, apartments, and houses. Prior to construction, According to the King County Census Bureau, Seattle was estimated to have a population of 563,374 of which 40,791 live in the zip code 98118 in Rainier Valley, the area primarily impacted by light rail construction. 34% of the residents in this section of the community are foreign born. The poverty rate at the time construction was 14% compared to 8% throughout King County. The median income level in this community, prior to the start of construction of light rail, was \$44,697 compared to King County's \$66,035.

Ethnic Makeup and Languages of Business owners:

Rainier Valley is a multi-cultural community boasting one of the most diverse ethnic makeups in the United States and in Seattle. Over the past decades the Rainier Valley has embraced multiple ethnic groups to include Europeans, African Americans, Asians and Africans. There are 11 different languages and more than twice the number of dialects in the Rainier Valley Community.

MLK Pre-Construction Ethnic Makeup of Business Owners:

<i>MLK Business Owners</i>		
Ethnicity	Number	% of Total
African-American	34	11.0%
Cambodian	4	1.0%
Caucasian	86	28.0%
Chinese	10	3.0%
East African	21	7.0%
Egyptian	1	0.5%
Filipino	13	4.0%
Jamaican	1	0.5%
Japanese	4	1.0%
Korean	13	4.0%
Laotian	1	0.5%
Mexican	3	1.0%
Multi-Ethnic	12	4.0%
Pacific Islander	1	0.5%
Unknown	3	0.5%
Unknown Asian	1	0.5%
Unknown Hispanic	2	1.0%
Middle Eastern	3	1.0%
Vietnamese	97	31.0%
Total	310	100.0%

MLK Alignment Business Profile:

The business community is made up of primarily small businesses, restaurants, convenient stores, manufacturers, construction companies, wholesale & retail stores and service providers (for-profit & non-profit). Annual gross revenues range from the low \$15,000 to \$46,000,000. The largest employers, along the alignment in the Rainier Valley by sector, include contractors (492), service industry (394), health care industry (301) and restaurants (248).

MLK Pre-Construction Business Profile

Type of Business/Service	Number	% of Total
Auto Related	33	11.0%
Bars	5	2.0%
Contractors	11	4.0%
Convenience Stores/Gas	5	2.0%
Entertainment	2	1.0%
Finance	10	3.0%
Grocery Stores	18	5.0%
Health Care Providers	19	6.0%
Landlords	16	5.0%
Manufacturing	20	6.0%
Mini Marts	2	1.0%
Non-Profits	15	5.0%
Real Estate	3	1.0%
Restaurants	41	13.0%
Retail	39	12.0%
Service Providers	64	20.0%
Transportation	4	1.0%
Unknown	3	1.0%
Total	310	100.0%

III Alignment Identification:

The decision to provide light rail service at grade along MLK resulted in a 4.6 mile stretch of the alignment impacting 310 businesses in the Rainier Valley. This segment is identified in two ways by Sound Transit. It is identified by "Reach" and by "Station". There are 10 Reaches and 4 Stations along the corridor from South McClellan Street (north) to the Boeing Access Road (south).

Imminent domain impacted residential households, commercial property owners and business owners who were required to sell or move to accommodate this massive public works project. Each Reach & Station had its own unique community characteristic.

A Reach breaks up segments in smaller sections and Sound Transit's outreach team is assigned to a Reach accordingly to address construction impacts. The RVCDF provided grant funds to assist the businesses within the impacted Reach. The Stations indicate the major rail connections for riders. The businesses most impacted were located in Reaches 4-10. These businesses were very near the Mount Baker and Othello Stations.

Traffic Patterns:

Physical construction impacts began in late 2003. The traffic count along the alignment has dropped significantly once construction began. The initial impacts were experienced by the relocating businesses. The most severe construction impacts began July 2004. The average weekday traffic volume, north bound at S. Bradford Street, located in Reach 9 (near the intersection of MLK Jr. Way South (4) businesses were identified in this Reach) decreased from 12,000 vehicles per day (pre-construction) to 7,000 vehicles as of August 2005. Traffic data is not available after this date. The traffic count data provided does not address the Reaches most impacted. As of the date of this report, commuters continue to avoid MLK using alternative streets to include Beacon Hill Avenue; Rainier Avenue and Seward Park Drive. Semi-trucks were frequently seen on Beacon Hill Avenue. Access to businesses was difficult, resulting in potential customers shying away from traveling the alignment and doing businesses elsewhere during peak hours. Paving was anticipated to be completed by year-end 2007. This did not occur. Construction continued through the 3rd quarter 2008. Final construction and testing, which involves lane closures and periodic disruptions continues to linger. It is undetermined when

normal traffic patterns will resume. In addition, access to individual locations has been permanently impacted due to the elimination of parking along MLK, turn restrictions and the reduction of main intersections.

IV Development of The Rainier Valley Community Development Fund Operating Plan

After considerable changes, the \$50 million commitment was and is being funded from a variety of governmental sources. Of the \$50 million, \$7.2 million came from Sound Transit through the tunnel agreement with the City of Seattle; \$7.3 million is being funded through the City of Seattle's General Fund and the remaining \$35.5 million is funded from a portion of the City of Seattle's annual Block Grant allocation.

In the approved Operating Plan, \$28.7 million was initially allocated to provide Supplemental Mitigation Assistance to offset direct construction impacts and \$21.3 million was initially allocated to Community Development Programs to provide long term investments in The Rainier Valley. These allocations included funds to the community and delivery costs of the RVCDF. SMA funds were primarily focused on providing assistance to businesses directly impacted by construction along the alignment. Community Development Programs are designed to impact the community within its federally designated NRSA.

V. Products Developed For Impacted Businesses Along the Alignment:

Per the original Operating Plan the RVCDF was to offer three categories of products:

1. Supplemental Mitigation Products and Services
2. Community Development Products and Services and
3. Transit-Oriented Development Products and Services.

1. Supplemental Mitigation products were designed to provide mitigation assistance for expenses and/or losses incurred by an impacted business or property owner that result directly from the construction of light rail. Supplemental Mitigation products were compensatory in nature and disbursed after Sound Transit made its required payments to relocating businesses. This product was administered by Sound Transit through the RVCDF acting as Agents with supporting contributions to the light rail project by the City of Seattle and King County.

2. Community Development: Community Development Products were described in the original Operating Plan to include commercial mortgages & bridge loans to be made available to relocating businesses. These products required HUD CDBG guidelines to be met (Davis Bacon, prevailing wage, job creation or retention). Due to the HUD restrictions and reporting requirements and in additional costs passed on to the borrowers, this was not an attractive product to the business owner. This product was not implemented. At that time the CDF did not have the staff capacity to service requests.

3. Transit-Oriented Development products were to allow the community both to leverage the economic opportunities associated with improved transportation and to invest in the community. This product is now being implemented by the loan officers in the RVCDF.

The initial focus was on Supplemental Mitigation Products & Services. These products were in the form of "payments" (grants) which did not have to be repaid and "advances" (loans) which were to be repaid. Only impacted businesses and property owners located along the alignment between South McClellan Street and the Boeing Access Road were eligible for these products. It was estimated that construction was to begin in 2003 and completed by the end of 2008. The Steering Committee projected supplemental mitigation disbursements of \$28.7 million in 2003 and ending in 2008.

1. The Supplemental Mitigation Products included the following:

- A. Re-establishment Payments
- B. Business Interruption Payments
- C. Working Capital Advance
- D. Equipment Advance
- E. Tenant Improvements Advance

A. Re-Establishment payments were designed to assist businesses that physically relocated due to the light rail construction project and to partially offset supplemental business expenses not covered by obligations of Sound Transit requirements per the Federal Transportation Authority regulations. These funds did not have to be repaid. The businesses are reimbursed for certain eligible costs or expenses as determined by the Operating Plan. These payments were made after Sound Transit expended its portion of the relocation funds available to the businesses. The eligible uses for these funds included direct or indirect moving expenses, functional repairs/improvements to replacement site necessary for operations, increased rents up to 24 months, modifications to the replacement property and advertisement. Duplication of payments was not allowed. Initially the maximum amount was capped at \$100,000 and later increased up to \$250,000.

B. Business Interruption payments were designed to compensate business for the loss of business and/or rental income due to construction impacts and were made available for landlords, relocating and non-relocating businesses. Initially the payments were capped at \$25,000 annually up to 2 years based on demonstrated need for relocating businesses and \$30,000 for 1 year for non-relocating businesses also based on demonstrated need. These amounts were determined based on Sound Transit's estimate that construction would last no less than 3 months and no longer than 9 months in front of any one property. This program has been amended nine times over a 6 year period to accommodate business needs where the amounts were ultimately increased up to \$150,000. The eligible businesses to receive assistance began with those located on the MLK corridor and in 2008 expanded to the South Henderson Street segment between MLK and Renton Avenue South.

C. Working Capital Advances: This product was a loan to be repaid and made available to relocating and non-relocating businesses. This product was capped at \$250,000. Eligible uses of this product were for operating expenses required to continue operation during the mitigation period.

Three relocating businesses received working capital advances that totaled \$214,317. This product was not well received by the businesses that could not substantiate the ability to repay the obligation when sales were impacted by construction. Two of these Advances were discounted and sold off to Community Capital Development, a CDFI that works with small businesses in Rainier Valley. The remaining Advance was paid off by the business.

D. Equipment Advance: This product was a loan whose eligible use included the purchase of furnishings, fixtures and equipment for ongoing operation of the business that exceeded the compensation provided by Sound Transit. This product was made available to re-locating businesses only. Two businesses received equipment advances for a total of \$59,732. One advance was discounted and sold to Community Capital Development and the remaining business receiving this product, closed operations after relocating and the advance was charged off.

E. Tenant Improvement Advances: This product was a loan available for relocating businesses only. The maximum amount available capped at \$200,000. The eligible uses were to provide funds for costs associated with the build-out of permanent or temporary facilities to accommodate business activity in excess of Sound Transit's and CDF's compensatory payments. This product could not be used for furnishings, fixtures or equipment. This product was never implemented due to the uncertainty by the business owners who were nervous about the ability to repay the debt

after moving into a new facility and also raised questions about the requirements for prevailing wage (David-Bacon) requirements.

Commercial Property Incentive Program:

In addition to the SMA Products made available, in 2003 the City of Seattle offered a "Commercial Property Incentive Program". This program was created to encourage owners of commercial properties in the Rainier Valley that were vacant or underutilized to improve the receiving site and lease available space to relocating businesses. The Commercial Property Incentive Program was administered by the CDF who provided up to \$100,000 to assist property owners who provided long-term leases to relocating businesses. Five commercial property owners took advantage of this program. This program provided commercial landlords \$49.9 thousand for the receiving sites to relocating businesses.

VI. Annual SMA Payments Disbursed to Businesses:

The primary focus of the SMA program evolved into grants to impacted businesses for Re-establishment ("REE") and Business Interruption ("BI"). The following gives a snapshot of annual outcomes and changes through 2008. Advances and Other products are summarized.

2003 SMA Disbursements

#	REE	#	BI	#	Advances
3	\$117,617	0	\$ -0-	1	\$95,000

Re-establishment Products

Several businesses were required to vacate the premises by the 1st quarter 2004. Three relocating businesses identified replacement sites and received assistance in 2003. The first payment for relocation assistance was June 2003. Some of these were partial payments that were disbursed the following year subject to required documentation.

Business Interruption Products

Business interruption payments were not made during this period. Extensive community outreach began in November 2003. The 1st amendment to the business interruption policy changed to revise the formula for determining losses, date of eligibility and the frequency of payments to be made.

Advances

The RVCDF provided one business with \$95,000 in advances (loans) in the form of working capital and equipment replacement.

2004 SMA Disbursements

#	REE	#	BI	#	Advances
28	\$2,155,835	54	\$ 1,255,461	3	\$179,048

Re-establishment Products

Twenty eight businesses were provided assistance, of which 25 were relocating businesses. Due to the nature of construction and the unanticipated additional expenses incurred to relocate, the Board revised the SMA policy for Re-establishment Payments to increase the amount of eligibility from \$100,000 to \$250,000, on an exceptional basis, to insure a successful relocation. The revised policy also allowed owners, who were unable to find a replacement site, to purchase another business using re-establishment funds. Two businesses received exceptional re-establishment payment assistance during this period.

Business Interruption Products

Construction along the alignment began in July 2004. This was the beginning of impacts to non-relocating businesses. Relocating businesses were assumed to be impacted as soon as Sound Transit took possession of the property. Fifty four businesses received business interruption payments. Thirty eight of these businesses were relocating and the remaining non-relocating businesses were either adjacent to businesses required to move (demolition was taking place) or impacted due to underground utility work. Many of the relocating businesses were not able to identify a replacement site and were forced to close the operations and went into storage resulting in no income to provide for ongoing expenses.

Advances

Three relocating businesses received advances during this period for equipment and working capital.

2005 SMA Disbursements

#	REE	#	BI	#	Advances
13	\$892,337	83	\$1,598,402	0	\$ -0-

Re-establishment Products

Thirteen businesses received relocation assistance of which nine were 1st time applicants during this period. Three of these received exceptional re-establishment payment assistance.

Business Interruption Products

The Board approved: a) increased BI payments up to \$50,000 for non-relocating businesses and b) added another SMA product called the Exceptional Business Interruption Payment. This product would allow non-relocating businesses to apply for an additional \$20,000 in interruption assistance based on exceptional construction impacts. These amounts are included in the BI disbursements listed above. Annual payments were made to landlords and the amounts were capped at \$30,000. Sixty four non-relocating businesses received business interruption assistance in 2005. Additional amendments were approved during this period to clarify eligibility. (Houses of Worship were excluded and Non-Profits were to be funded by Sound Transit.)

2006 SMA Disbursements

#	REE	#	BI	#	Advances/Other
10	\$575,607	102	\$2,054,968	0	\$ -0-

Re-Establishment Products

Ten businesses received relocating assistance of which 5 were 1st time applicants during this period. One business received an exceptional payment.

Business Interruption Products

An extensive study was completed by the RVCDF, using the financial documentation provided by the businesses, to determine the impacts of construction along the alignment. Many owners were frustrated by the low traffic count and lack of business. The study revealed that while some businesses were barely surviving, many experienced losses significantly larger than the assistance provided under current policies. Due to the decreased sales and increased expenses, traditional lenders would not consider giving credit to businesses. Suppliers discontinued providing credit in many cases and owners were left to obtain funds from non-traditional sources. One hundred two businesses received BI payments of which 12 were relocating businesses.

2007 SMA Disbursements

#	REE	#	BI	#	Advances
2	\$35,876	87	\$3,169,214	0	\$ -0-

Re-Establishment Products

There were no new relocating businesses in 2007. The amounts reported above are balances carried over from the prior year.

Business Interruption Products

Construction delays and frequent street closures impacting businesses resulted in the Board approving Business Interruption Payments to be increased to all businesses up to \$150,000. There was such high demand for additional business interruption assistance that 2007 payments peaked during this period. The Board also added the South Henderson Segment off of the alignment as being eligible due to construction impacts. Again, a BI Amendment was approved by the Board which eliminated the Exceptional BI payments recognizing the construction had changed to impact the entire alignment for the duration rather than individual sections of Reaches. A sunset date for the program was determined for the SMA Program during this period. Eighty seven businesses received BI payment assistance of which 4 were relocating businesses.

2008 Disbursements

#	REE	#	BI	#	Advances
1	\$43,600	73	\$2,939,652	0	\$ -0-

Re-Establishment Products

One business had been approved in 2007 for additional re-establishment payments in 2008 and completed its relocation in the 4th quarter 2008. There is one remaining business that was approved for Re-Establishment Payment assistance; however this transaction was not funded in 2008 and will not be funded until 2009, after this report has been completed.

Business Interruption Products

The SMA Program is sun setting effective December 31, 2008. Payments were made for losses through March 31, 2008 with the exception of the Mount Baker Segment. Additional impacts in this segment continued thru 12/31/08.

Summary for Supplemental Mitigation Program:

Prior to construction there were a total of 310 businesses and landlords identified as eligible for assistance along the MLK alignment, the industrial corridor and the South Henderson segment, many of whom experienced construction impacts since the project began in July 2004. Seventy one (71) of these businesses were required to relocate due to light rail construction. Two hundred forty (224) are non-relocating businesses and the remaining 15 are landlords (commercial & residential).

Summary Chart of Supplemental Mitigation Program:

Type of Business	Total #	#Assisted	#Closed	Total Assistance Rec'd
# Relocating Businesses	71	53	13	\$6,141,653
# Non-relocating Businesses	223	115	25	8,647,785
# Landlords	16	10	0	291,323
Total	310	178	38	\$15,080,761

Of the relocating businesses required to physically move, 53 received some form of assistance from the RVCDF. The remaining relocating businesses did not apply for RVCDF funding; however, these businesses may have received assistance from Sound Transit, closed or moved prior to construction activity.

Business & Employment Outcomes

	# Businesses	# Employees In RV	# Employees Outside RV
Pre-Construction	310	2575	Not Applicable
Post Construction	229	2225	199

Prior to construction the 310 businesses along the alignment employed between 2575-3000 individuals. Some of the businesses in the industrial sector did not disclose the number of employees working for them, however based on the nature of operation; it is assumed an additional 425 individuals were employed by these businesses. The Rainier Valley has retained approximately 2225 jobs.

There are 229 businesses that remain in Rainier Valley along the alignment. The eligible businesses to receive assistance began with those located on the MLK corridor and in 2008 expanded to the South Henderson Street segment between MLK and Renton Avenue South.

As previously stated the sunset date for the SMA program was December 31, 2008 with the exception of the Mount Baker segment which is estimated to be sometime between the 1st & 2nd quarter 2009.

Annual Projected versus Actual SMA Activities

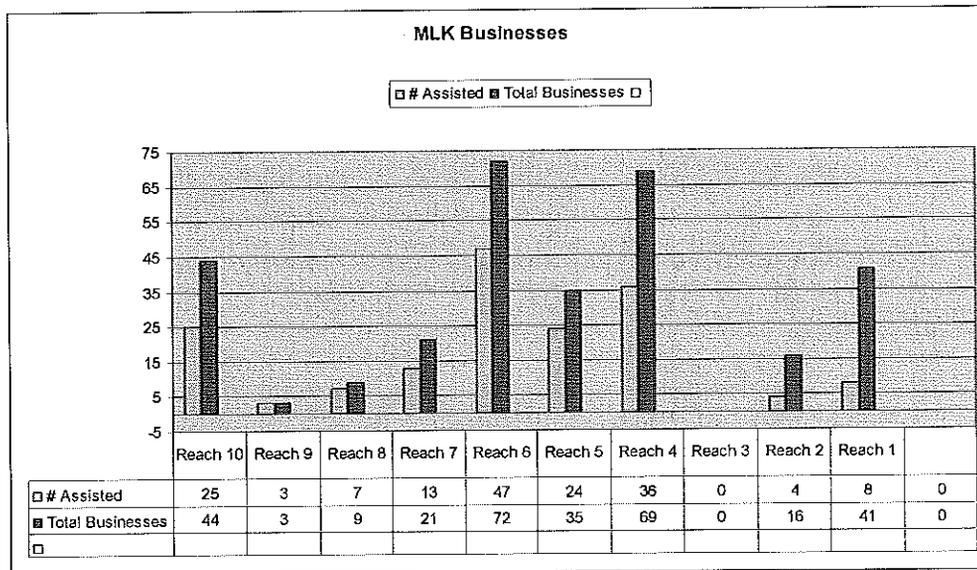
Supplemental Mitigation Activities									
	2002	2003	2004	2005	2006	2007	2008	2009	Total
Original Projections	\$3.0	\$8.0	\$3.5	\$3.5	\$7.5	\$1.0	\$1.0	\$1.2	\$28.7
Actual Disbursed	\$-0-	\$.5	\$3.6	\$2.5	\$2.6	\$3.2	\$2.6	\$.1	\$15.1

The chart above summarizes the original operating plan, the construction impacts began when the first relocating businesses vacated, immediately replaced with initial staging areas for Sound Transit. The operating plan projected disbursements were to begin in 2002 with a total of \$28.7 million to be distributed over a seven year period. Included in these amounts were administrative costs.

Cumulative projected & actual disbursements

Product	Original Projected 2002	Actual Disbursements Thru 12/31/08
Supplemental Mitigation Program		
Payments		
• Re-Establishment	\$5.28 MM	\$ 3.74 MM
• Business Interruption	9.69 MM	\$11.1 MM
Total Payments	\$14.97 MM	\$14.84 MM
Advances		
• Working Capital	\$7.50 MM	.214 MM
• Tenant Improvement	2.80 MM	0
• Equipment	.75 MM	.060 MM
Total Advances	\$11.05 MM	\$.274 MM
Total SMA Disbursements	\$26.02 MM	\$15.1 MM

Note: The total amount projected above does not include delivery costs. Re-establishment payment was approved in the amount of \$96.4K that will be disbursed in 2008. This is not included in the SMA totals.



Summary & Conclusion:

It is clear that the supplemental mitigation assistance provided to the impacted businesses prevented closures and vacant or boarded up buildings. The SMA program resulted in a high retention rate of businesses (73.9%) and employees (86.4%) remaining in the Rainier Valley.

Original projections estimated \$14.97MM to be paid out in "Payments" (grants) and reported actual Payments of \$14.84MM December 31, 2008. This part of the program was very successful in meeting the targeted goals. Modifications to the re-establishment and business interruption programs resulted in meeting the original projections. Of the 71 relocating businesses, 52 (73.2%) received assistance from the RVCDF and 35 (49.3%) remain in Rainier Valley.

Due to a series of events "Advances" (loan) did not meet projections. Impacted businesses experiencing substantial reductions in revenues and profits could not support debt and were uncomfortable with borrowing, not knowing how construction was going to impact their business. The fund allocated to this program is being used to provide community development loans to local businesses within the NRSA.

**Results of the Supplemental Mitigation Assistance Program on
Businesses Impacted by Light Rail Construction in the Rainier Valley**

By Alex Krieg

**Candidate for Masters in Urban and Regional Planning
University of Florida, December 2009**

Executive Summary

The decision to construct and operate Central Link light rail at-grade on Martin Luther King Jr. Way South created widespread community concern about the impact that prolonged construction would have on local businesses. As a result, the Rainier Valley Community Development Fund (CDF) was founded in 2002 to manage a \$50 million fund established by the City of Seattle, King County, and Sound Transit. The Fund was established to mitigate lost revenues of the businesses impacted by light rail construction and to invest in long-term business and real estate development in the Rainier Valley.

To minimize the impact of the five-year construction project, the CDF created the Supplemental Mitigation Assistance (SMA) program in an effort to prevent business closures and vacant storefronts along the MLK corridor. The SMA program provided financial assistance in the form of grants to businesses that could document a loss in net revenues or to businesses that were relocated as a result of light rail construction. From 2003 through 2008, the CDF disbursed \$15,102,232 in SMA payments to local businesses.

Prior to construction, there were 310 businesses eligible for the SMA program. Forty-seven (47) of the 310 businesses closed by the end of the SMA program. This translates to an 85% survival rate of the businesses eligible for SMA products. One hundred and eighty-one (181) businesses received some portion of the \$15.1 million of SMA funds spent. Only 18 businesses (10%) that received SMA funding closed before the end of the SMA program. Of the 129 businesses that did not receive SMA funding, 29 closed, for a 78% survival rate, suggesting that the SMA program indirectly assisted businesses that did not receive SMA funds.

The CDF believes that it is important to examine the efficacy of the SMA program because of the amount of money invested into the community by the CDF, City of Seattle and Sound Transit. The CDF wants to identify the lessons learned and best practices of the program, and to offer recommendations to other organizations, neighborhoods, and cities in similar situations. Perhaps the single best practice of the SMA program was that of adaptation. A construction project as large as the Rainier Valley segment involves hundreds of millions of dollars, several diverse actors, and many unanticipated events. The CDF amended the various SMA products more than 10 times in response to the changing conditions on the ground. These changes were made always in the best interest of the businesses feeling the effects of light rail construction.

The need for adaptability and creating a strong relationship between the CDF and the businesses impacted are central recommendations based on the CDF's best practices. Other recommendations include the need for a stronger relationship between financial and technical assistance for impacted businesses, ongoing monitoring and reporting requirements, and better data collection to allow for post hoc research and documentation of the program's impacts.

The CDF is proud of the findings of the SMA program. An 85% survival rate for primarily small, independent, ethnic/immigrant-owned businesses in the face of a massive infrastructure construction project speaks to the success of the program. Avoiding massive business closures and vacant storefronts was achieved, and maintaining the diversity and character of the businesses, while allowing them to benefit from the opening of Central Link is a tremendous accomplishment. In this respect, the SMA program can be judged only as an unqualified success.

I. Rainier Valley Community Development Fund/Supplemental Mitigation Assistance History

The Rainier Valley Community Development Fund (CDF) was created officially in November 1999 by Sound Transit Resolution number R99-34, which called for the establishment of "a \$50 million Transit-Oriented-Community-Development Fund to be available to mitigate impacts of the construction and operation of light rail in southeast Seattle." The CDF also appeared in the Final Environmental Impact Statement as the primary mitigation measure for light rail construction impacts on businesses in the Rainier Valley segment.

In establishing a mission, a set of values, and an operating plan, the original CDF steering committee emphasized attributes that have informed the CDF's work since then: an organization that directly serves and benefits the Rainier Valley community, and outlasts the 10-year, \$50 million outlay that capitalized the fund. Crucially, the focus of the CDF's work has adapted to the conditions on the ground. The initial operating plan dealt exclusively with establishing the Supplemental Mitigation Assistance (SMA) program, while the operating plan amendment, approved in 2005, laid out the framework for achieving the CDF's mission over the long term. When light rail construction finished in 2008, the CDF wound down its SMA activities, and has since focused on loan-making and community development opportunities within the greater Rainier Valley.

The SMA program put more than \$15 million into the MLK business community's hands over the course of light rail construction. As a result of this tremendous investment in the community, the CDF believes it is necessary to examine the experience of the SMA program. This report describes the various components of the SMA program and the ways in which they were utilized. It provides details about the business community before and after light rail construction. The report also compares the projected versus actual disbursements and assesses the outcomes of the SMA program. The report concludes with a discussion of the program's success, best practices, and recommendations for organizations addressing similar projects and impacts.

II. Supplemental Mitigation Assistance Products

The original operating plan approved by the Sound Transit board included descriptions for five distinct SMA products:

Re-establishment Payments

Re-establishment payments were designed to assist businesses that were physically relocated as a result of light rail construction. These payments were made to businesses when the legally-obligated payments made by Sound Transit under federal law were inadequate in re-establishing business operations. These payments were grants and did not have to be repaid. Businesses were reimbursed for certain eligible costs and/or expenses, as determined by the operating plan. Re-establishment payments were made after Sound Transit expended its portion of the relocation funds available to businesses. Eligible uses for these funds included direct and indirect moving expenses, functional repairs, improvements, and modifications to the replacement site necessary for business operations, covering increased rents for up to 24 months, and advertising. The maximum amount for re-establishment payments was originally \$100,000, but was subsequently increased to \$250,000.

Business Interruption Payments

Business interruption payments were designed to compensate businesses for the loss of business income and/or rental income as a result of light rail construction. These payments were made to landlords, relocating businesses that relocated along the alignment zone, and non-relocating businesses. The operating plan originally limited business interruption payments to \$30,000 for one year for non-relocating businesses, and annual payments of \$25,000 for two years for relocating businesses. Businesses were required to demonstrate need in order to receive business interruption payments.

The amounts specified for business interruption payments were enumerated in the original operating plan. Similarly, the time limits were premised on Sound Transit's original construction timeline, which estimated direct impacts in front of businesses lasting no less than three months and no more than nine months. As the construction process changed from a segmental plan to one that impacted the entire Martin Luther King (MLK) corridor, so did the business interruption payment program. The program was amended a total of nine times over a six-year period to accommodate the needs of businesses throughout the construction process. The final amount businesses could receive was \$150,000, and still required the demonstration of losses on the part of the business. Eligibility for the business interruption payment program was extended to businesses in the South Henderson Street segment between MLK and Renton Avenue South in 2008.

Working Capital Advances/Equipment Advances

Working capital advances were a loan product intended to augment business interruption payments. These advances were available to both relocating and non-relocating businesses, with the goal of covering legitimate business operating expenses required to continue operation during the construction phase.

Equipment advances were designed for relocating businesses to purchase equipment that could not be sufficiently covered by Sound Transit compensation.

Tenant Improvement Advances

The purpose of tenant improvement advances was, like equipment advances, to assist relocated businesses with costs associated with the build-out of permanent or temporary facilities to accommodate business activity above and beyond Sound Transit and CDF compensatory payments.

Total Payments by Type

Payment Type	Number of Businesses Assisted	Number of Payments	Total Disbursed	Average Payment
Re-establishment Payment	44	126	\$ 3,773,709.98	\$ 29,950.08
Business Interruption Payment	168	912	\$ 11,054,475.00	\$ 12,121.13
Working Capital Advance	3	3	\$ 214,316.68	\$ 71,438.89
Equipment Advance	2	2	\$ 59,732.00	\$ 29,866.00
Tenant Improvement Advance	0	0	\$ -	\$ -

The above table shows the activity associated with the various SMA products. It is clear to see that the re-establishment and business interruption payments accounted for almost all of the SMA funds distributed. Therefore, the rest of this report addresses the impact of these two SMA products on the business community in the MLK corridor.

The question remains why the working capital, equipment, and tenant improvement advances were as underutilized as they were. Because the advances were administered as loan products, it was especially difficult for businesses to demonstrate the ability to repay the advances, given that they had experienced substantial revenue declines due to light rail construction. These declines in revenue, along with the lack of equity held by the businesses—most businesses rent their space—account for the limited use of these advance products. There was also the issue that the Tenant Improvement Advance would trigger CDBG Davis-Bacon requirement that increases the cost of the project by 15-20% for the payment of prevailing wages and benefits.

The following table shows year-over-year figures for how the various SMA products were disbursed. It is plain to see that re-establishment payments were more common in the earlier part of the SMA program's history, as this was when businesses were physically relocated by light rail construction. As re-establishment payments waned, business interruption payments grew, both as light rail construction began and as businesses were able to get their tax and financial documents in order to receive payments. When major construction operations ended in 2008, so did most business interruption payments.

Total Payments by Type, Year-over-Year

Year	Re-establishment Payments	Re-establishment Total	Business Interruption Payments	Business Interruption Total	Advances	Advance Payments
2003	7	\$ 70,453.80	0	\$ -	2	\$ 95,000.00
2004	71	\$ 2,155,835.36	84	\$ 1,255,461.00	3	\$ 179,048.68
2005	22	\$ 892,337.30	168	\$ 1,615,732.00	0	\$ -
2006	21	\$ 575,607.23	221	\$ 2,048,968.00	0	\$ -
2007	3	\$ 35,876.29	236	\$ 3,169,214.00	0	\$ -
2008	2	\$ 43,600.00	198	\$ 2,940,134.00	0	\$ -
2009	0	\$ -	5	\$ 24,966.00	0	\$ -
TOTAL	126	\$ 3,773,709.98	912	\$ 11,054,475.00	5	\$ 274,048.68

III. MLK BUSINESS DEMOGRAPHICS

A. Pre-construction Data

Race/Ethnicity

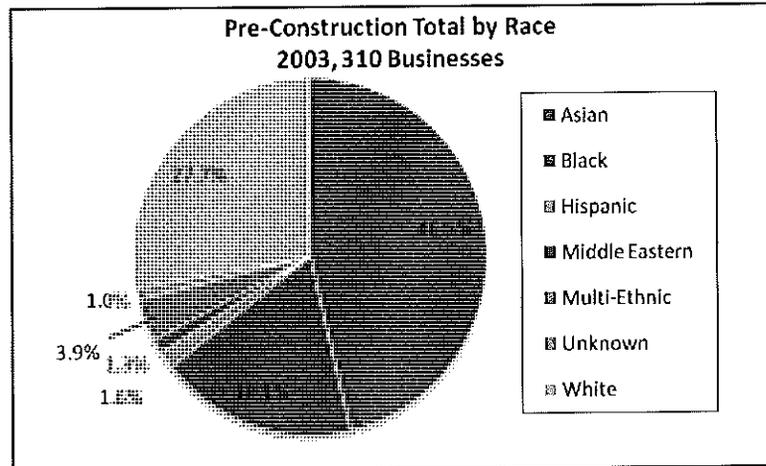
The following data represent CDF figures related to businesses that were eligible to receive Supplemental Mitigation Assistance funds. With the addition of the businesses from the South Henderson Street segment, there were a total of 310 landlords, relocating businesses, and non-relocating businesses eligible for some type of SMA funding.

The tables and charts below show the racial and ethnic breakdown of these 310 businesses. It also reflects the inherent diversity in the Rainier Valley. Asian businesses were made up of primarily Vietnamese-owned businesses, but also included sizeable Korean, Filipino, and Chinese-owned businesses. Furthermore, there were businesses owned by Cambodians, Japanese, and Laotians, meaning that seven (7) Asian ethnicities were represented amongst the business community. It is unsurprising to see large number of black and white-owned

businesses as well. The black-owned businesses were split between African-Americans and East Africans, represented primarily by Ethiopians, Eritreans, and Somalis. Finally, a smattering of businesses owned by individuals of two or more races, and Hispanic and Middle Eastern populations were represented along the alignment as well.

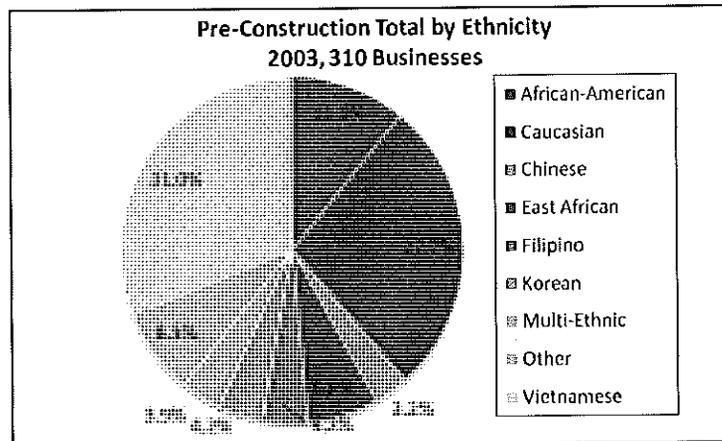
Pre-Construction Race Data

Race	Number	% of Total
Asian	144	46.5%
Black	56	18.1%
Hispanic	5	1.6%
Middle Eastern	4	1.3%
Multi-Ethnic	12	3.9%
Unknown	3	1.0%
White	86	27.7%
Total	310	100%



Pre-Construction Ethnicity Data

Ethnicity	Number	% of Total
African-American	34	11.0%
Caucasian	86	27.7%
Chinese	10	3.2%
East African	21	6.8%
Filipino	13	4.2%
Korean	13	4.2%
Multi-Ethnic	12	3.9%
Other	25	8.1%
Vietnamese	96	31.0%
Total	310	100%

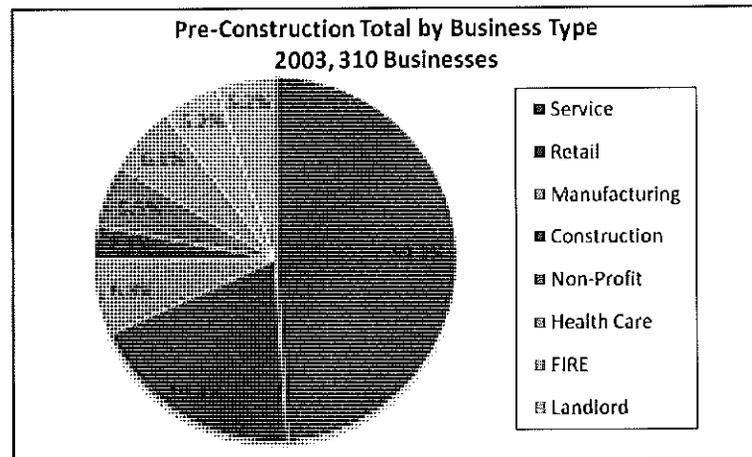


Business Type

The following table demonstrates business type according to the National American Industry Classification System (NAICS). Health care and non-profit businesses were pulled from their NAICS categories because of their value to the community. Similarly, landlords were also categorized unto themselves, as they were in a distinct category when it came to SMA funding. The combination of retail and service sectors comprised a bit more than two-thirds of the businesses along the MLK corridor. The remaining one-third is split relatively equally between the construction, FIRE (finance, insurance, and real estate), health care, manufacturing, and non-profit sectors.

Pre-Construction Business Type Data

Business Type	Number	% of Total
Service	152	49.0%
Retail	60	19.4%
Manufacturing	21	6.8%
Construction	9	2.9%
Non-Profit	17	5.5%
Health Care	19	6.1%
FIRE	16	5.2%
Landlord	16	5.2%
Total	310	100%



The service sector in the Rainier Valley ran a wide spectrum of different businesses. The most common service-related businesses were restaurants and auto-related establishments; within the auto-related establishments there were used-car dealerships, mechanics, and parts stores. The retail sector includes the small-scale grocery stores scattered through the alignment, as well as convenience stores and gift shops that cater to the various ethnic groups in the Rainier Valley.

Overall, the pre-construction data demonstrate great diversity of business type along the MLK corridor. The southern portion of the alignment zone included a cluster of large-site manufacturing, construction, and auto-related businesses, giving an industrial character to this part of MLK. The health care, non-profit, and FIRE businesses (52 total, or 16.8% of the total) were found throughout the MLK corridor. Health care businesses ranged from optometrists to dentists to general practitioners. Non-profit businesses served the diverse ethnic groups that reside in the Rainier Valley. The finance, insurance, and real estate businesses covered national banks, insurance agents, remittance centers, and realtors.

B. Post-construction Data

Examining the post-construction SMA data maintained by the CDF gives an incomplete picture of the impacts of light rail construction on the MLK business community. Because concurrent information was not gathered on new businesses that opened along the alignment zone, one can come away with the impression that the MLK business community is shrinking. Nevertheless, it is important to examine and analyze the available data for indications about the impact of the SMA program.

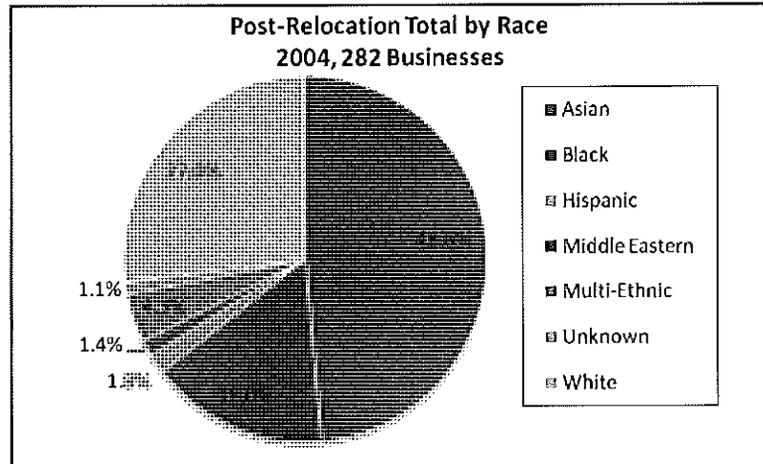
The data presented below build off the pre-construction data in two ways. First, the data examine the business population that remained along MLK and within the Rainier Valley after relocation as a result of the property acquisition that took place for light rail construction. A total of 58 businesses were relocated, and, of those, 30 were relocated either along MLK or within the greater Rainier Valley neighborhood. The post-relocation data show the make-up of businesses remaining after 28 businesses left the MLK corridor and the Rainier Valley. Second, the data show the businesses that remained open from this post-relocation period until the termination of the SMA program at the end of 2008.

Race/Ethnicity

The pre-construction data on business ownership by race and ethnicity demonstrated the incredible diversity of the MLK business community. Both the post-relocation and post-construction data show that the diversity remained:

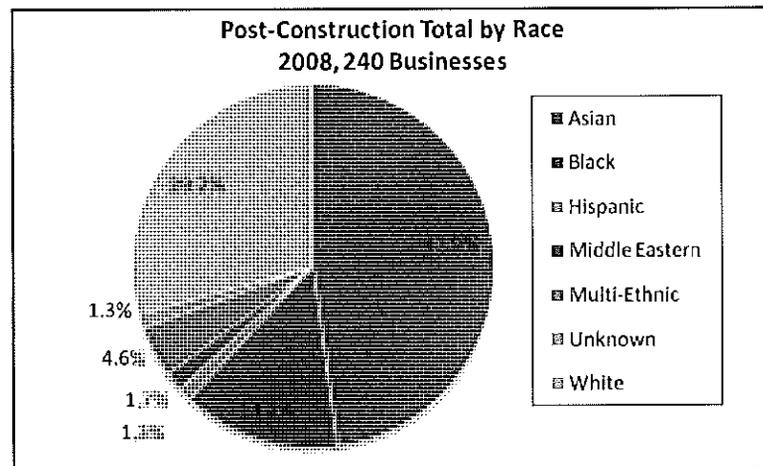
Post-Relocation Race Data

Race	Number	% of Total
Asian	137	48.6%
Black	45	16.0%
Hispanic	5	1.8%
Middle Eastern	4	1.4%
Multi-Ethnic	12	4.3%
Unknown	3	1.1%
White	76	27.0%
Total	282	100%



Post-Construction Race Data

Race	Number	% of Total
Asian	115	47.9%
Black	34	14.2%
Hispanic	3	1.3%
Middle Eastern	4	1.7%
Multi-Ethnic	11	4.6%
Unknown	3	1.3%
White	70	29.2%
Total	240	100%

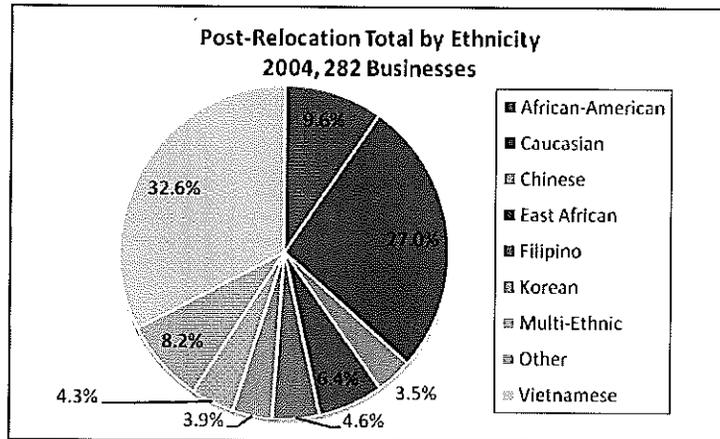


The data show that of the racial groups comprising the SMA-eligible businesses, the greatest business losses were concentrated among the largest groups, namely blacks, whites, and Asians. While these groups sustained the largest business losses, they remained at around the same proportion of businesses along the alignment zone, never dipping below 91.3% of the total. Black-owned businesses appeared to fare the worst of SMA-eligible businesses. There were 56 black-owned businesses before light rail construction began (18.1% of the total), and only 34 (14.2% of the total) by the time construction ended, meaning that almost 40% of black-owned businesses closed during the construction phase. This figure contrasts with 20% of Asian-owned businesses closing over the same period (144 open in 2003; 115 open in 2008), and 19% for white-owned businesses (86 open in 2003; 70 open in 2008).

Data on business ethnicity post-relocation and post-construction also show that the business community retained its diversity:

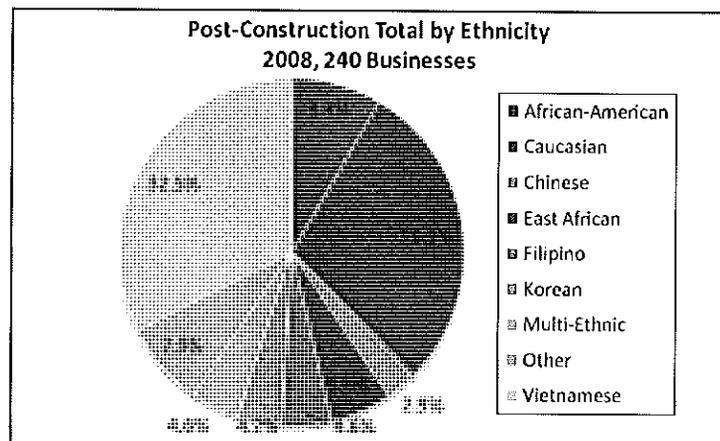
Post-Relocation Ethnicity Data

Ethnicity	Number	% of Total
African-American	27	9.6%
Caucasian	76	27.0%
Chinese	10	3.5%
East African	18	6.4%
Filipino	13	4.6%
Korean	11	3.9%
Multi-Ethnic	12	4.3%
Other	23	8.2%
Vietnamese	92	32.6%
Total	282	100%



Post-Construction Ethnicity Data

Ethnicity	Number	% of Total
African-American	20	8.3%
Caucasian	70	29.2%
Chinese	7	2.9%
East African	14	5.8%
Filipino	11	4.6%
Korean	10	4.2%
Multi-Ethnic	11	4.6%
Other	19	7.9%
Vietnamese	78	32.5%
Total	240	100%



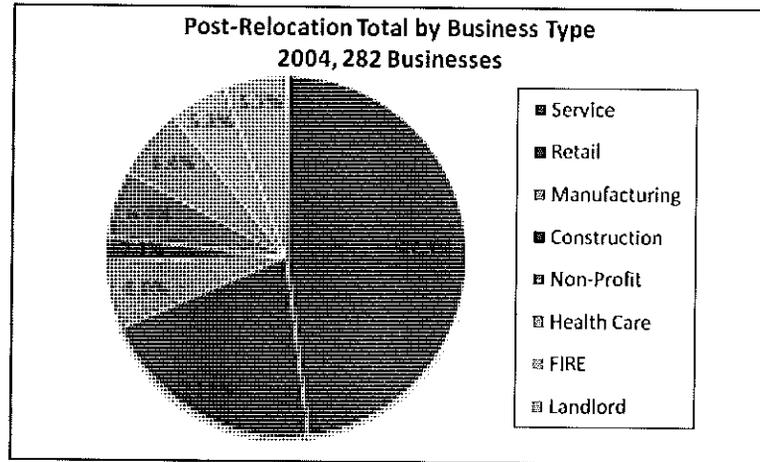
The ethnicity data indicate that the MLK business community remained a diverse group. The largest ethnic-businesses were those owned by Caucasians and Vietnamese individuals. Together they comprised more than 60% of the businesses along the alignment zone with the other almost 40% made up of 12 distinct ethnic groups. The data demonstrate, however, that African-American-owned businesses fared the worst of ethnic groups in terms of business closures. Before light rail construction, there were 34 African-American owned businesses. At the end of the SMA program and among SMA-eligible businesses, only 20 African-American businesses remained, resulting in a decrease of 41%. No other ethnic group saw a decrease greater than 33% from the pre- to post-construction period.

Business Type

Considering the comparative size of the retail and service sectors within the SMA-eligible business population, it is unsurprising to see that the majority of the business closures during the construction period were in these sectors:

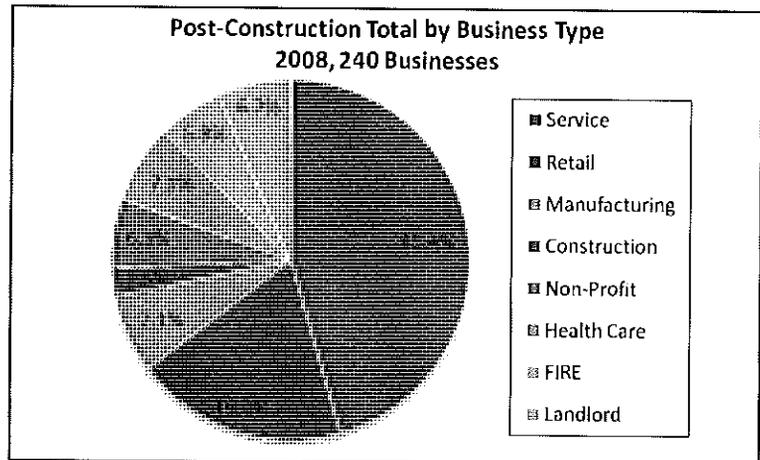
Post-Relocation Business Type Data

Business Type	Number	% of Total
Service	135	47.9%
Retail	58	20.6%
Manufacturing	17	6.0%
Construction	6	2.1%
Non-Profit	17	6.0%
Health Care	18	6.4%
FIRE	15	5.3%
Landlord	16	5.7%
Total	282	100.0%



Post-Construction Business Type Data

Business Type	Number	% of Total
Service	109	45.4%
Retail	46	19.2%
Manufacturing	17	7.1%
Construction	6	2.5%
Non-Profit	15	6.3%
Health Care	17	7.1%
FIRE	14	5.8%
Landlord	16	6.7%
Total	240	100%



Summary

The preceding data show that, while the numbers of businesses within the SMA-eligible universe shrank, considering the length of the construction schedule and the impacts to access, the businesses along the alignment zone weathered the impacts amazingly well. Black- and African-American-owned businesses fared worse than other businesses along the alignment zone. Unfortunately, the available data do not allow for greater conclusions to be drawn as to why this occurred.

IV. Projected v. Actual SMA Disbursements

The following chart summarizes the original operating plan funding projections based on the projected construction impacts. The original operating plan anticipated seven years of SMA payments for a total of \$28.7 million. The chart also shows the actual disbursements under the SMA program. The projections include operating and administrative costs related to the SMA program, while the actual disbursements show only those funds disbursed to impacted businesses.

Projected v. Actual Disbursements, Year-over-Year

	2002	2003	2004	2005	2006	2007	2008	2009	Total
Projected Disbursements	\$3,000,000	\$ 8,000,000	\$ 3,500,000	\$ 3,500,000	\$ 7,500,000	\$ 1,000,000	\$1,000,000	\$1,200,000	\$28,700,000.00
Actual Disbursements	\$ -	\$ 165,453.80	\$3,590,345.04	\$2,508,069.30	\$2,624,575.23	\$3,205,090.29	\$2,983,734	\$ 24,966	\$15,102,233.66

The next chart further breaks down the projected vs. actual SMA disbursements by the varied SMA products. It is apparent from the chart that the major discrepancy in projected vs. actual disbursements comes from the almost total lack of SMA advances made to the impacted businesses. As mentioned earlier, advances were intended as specifically tailored loan products, requiring a certain amount of information and a demonstrated ability for businesses to repay these loans. But because so many of the corridor's businesses were micro-businesses that suffered substantial revenue loss, and thus could not easily show that they could repay these advances, the SMA advance products as designed were unsuccessful.

In contrast with the actual distribution of SMA advances, the actual distribution of SMA payments were forecasted with great accuracy. The difference between projected and actual disbursements is approximately \$140,000, which is within 1% of the projected total. The distribution between the two SMA payment products is less accurate, with a smaller total going to re-establishment payments, and more going toward business interruption payments. The difference in distribution is the result of the fewer number of businesses eligible for re-establishment payments and the longer-than-anticipated construction schedule that created greater impacts in terms of business interruption. With the lengthier construction process and the larger number of businesses eligible for business interruption payments, greater than projected business interruption payments come as no surprise.

Projected v. Actual Disbursements, by SMA Product Type

SMA Product	Projected Disbursements	Actual Disbursements
Re-establishment	\$ 5,280,000.00	\$ 3,773,709.98
Business Interruption	\$ 9,690,000.00	\$ 11,054,475.00
Total Payments	\$ 14,970,000.00	\$ 14,828,184.98
Working Capital Advance	\$ 7,500,000.00	\$ 214,316.68
Tenant Improvement Advance	\$ 2,800,000.00	\$ -
Equipment Advance	\$ 750,000.00	\$ 59,732.00
Total Advances	\$ 11,050,000.00	\$ 274,048.68
TOTAL	\$ 26,020,000.00	\$ 15,102,233.66

V. Conclusion, Best Practices, and Lessons for the Future

As measured by its goal of preventing business closures and vacant storefronts along Martin Luther King Way, the SMA program must be judged as a success. There was a high rate of retention of the businesses along the corridor with 47 of the 310 eligible businesses closing during the course of the SMA program.

Recent research shows that this rate of closure (15%) is far ahead of the typical closure rate for businesses in America. One study found that, of new firms, only "66 percent of new employers survive two years or more, 50 percent survive four years or more, and 40% survive six years or more."¹ That 85% of these businesses remain open, especially in the face of such extensive light rail construction, speaks to the impact of the SMA funds. To tease out these figures a little further, 18 out of the 181 (about 10%) that received SMA assistance closed versus the 29 out of the 129 (about 22%) that did not. This finding suggests two things: one, that the businesses that utilized the SMA program were better positioned to survive the construction process; and two, that the SMA program itself benefited even those businesses that did not receive funds by preventing assisted businesses from closing.

SMA Product Totals, by Type of Business

Business Type	Total	% of Total	# of Payments	% of Payments	Total Payments	% of Total	Average Payment
Non-Relocating	118	38.06%	731	70.15%	\$8,594,314.00	56.91%	\$11,101.09
Relocating	52	16.77%	294	28.21%	\$6,228,282.66	41.24%	\$20,873.38
Landlords	11	3.55%	17	1.63%	\$279,637.00	1.85%	\$17,386.07
No Assistance	129	41.61%	0	0.00%	\$0.00	0.00%	\$0.00
Totals	310	100.00%	1042	100.00%	\$15,102,233.66	100.00%	\$14,493.51
Closed Businesses	Total	% of Total	# of Payments	% of Payments	Total Payments	% of Total	Average Payment
Non-Relocating	10	3.23%	55	5.28%	\$436,803.00	2.89%	\$7,941.87
Relocating	8	2.58%	64	6.14%	\$860,451.02	5.70%	\$13,444.55
Landlords	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00
No Assistance	29	9.35%	0	0.00%	\$0.00	0.00%	\$0.00
Totals	47	15.16%	119	11.42%	\$1,297,254.02	8.59%	\$10,901.29

With the SMA program ended, the CDF continues to monitor the businesses along the alignment to determine their ongoing experiences since construction has ended and as light rail operations begin. The businesses continue to deal with a reconfigured MLK corridor, a smaller traffic count on MLK, the loss of street parking along MLK, and the elimination of many left-hand turns throughout the corridor. These issues, coupled with the general economic downturn facing the country, continue to leave the businesses along the MLK corridor vulnerable. While the beginning of light rail operations may result in greater exposure of the Rainier Valley and the businesses along MLK, light rail itself is not a panacea. The CDF will build off the success of the SMA program and the good will that it has engendered within the business community as a result of the SMA program to continue working towards the CDF's mission.

¹ Headd, Brian. 2002. "Redefining Business Success: Distinguishing Between Success and Failure." *Small Business Economics*, Vol. 21, pg. 54.

Best Practices

Having determined that the SMA program was successful in mitigating impacts from light rail construction on the business community along the Central Link alignment zone, it is possible to establish what some of the best practices were that led to this success. Listed below are three examples of the CDF's best practices in the administration and implementation of the Supplemental Mitigation Assistance Program.

- *Adaptation:* Had the CDF implemented and stuck to the re-establishment and business interruption payment products as envisioned in the original operating plan, many of the businesses along the alignment would likely be out of business today. The decision to adapt the products to the circumstances on the ground was necessary as a result of the change in the construction schedule. By repeatedly adjusting the requirements of receiving business interruption payments, the CDF could best serve the needs of the business community impacted by light rail construction.
- *Active, ongoing engagement:* The dedication to and representation of the business community's best interests by the CDF reflected a close working relationship between the businesses and CDF staff. The engagement, follow-up, and follow-through on the part of the CDF in getting business participation were crucial in ensuring the success of the program.
- *Clear goals:* Establishing the goals of the SMA program early was another feature that ultimately led to the success of the SMA program. Operating from a framework that assisting the businesses along the alignment, and preventing a situation where vacant storefronts and closed businesses were the norm, the CDF could both adapt to the changing conditions and maintain the active engagement that also led to the success of the SMA program.

Recommendations for the Future

This report concludes by offering recommendations for organizations, neighborhoods, and cities that may experience a situation similar to the one that occurred in the Rainier Valley. These recommendations are based exclusively on the experiences of the Rainier Valley, and are meant to be general guidelines related to construction impacts on a business community in a diverse, low-income area. The intention of these recommendations, beyond providing guidance for future impacted neighborhoods, is also to promote social learning, where the CDF, Sound Transit, the city of Seattle, and the Rainier Valley community as a whole can benefit from the construction experience.

- *Ensure strong collaboration and communication among the various actors:* Construction of a project of this scale is an enormous undertaking involving many moving parts and impacting some areas more than others. In the Rainier Valley context, the principal actors were Sound Transit, RCI Herzog, various Seattle city agencies, King County, the CDF, and the residents and businesses along the alignment. Getting everyone on the same page and keeping lines of communication clear and open are vital for the success of any project, but especially one that creates a new transportation network and takes years to complete.
- *Strengthen the relationship between financial and technical assistance:* The CDF was created to satisfy the Central Link EIS' mitigation of construction impacts to the businesses along the alignment. While the role of the CDF was to administer payments

and advances to the impacted businesses, Sound Transit established a technical assistance program available for businesses along the entire Central Link alignment. Value would have been added by requiring businesses seeking financial assistance to also receive technical assistance, so that they may improve business practices and be better positioned when construction ended.

- *Centralize business assistance:* Related to the above point, creating one sole technical and financial assistance provider, or contracting it to one community organization (one that is based in the impacted neighborhood preferably), may ensure a more successful outcome.
- *Dedicated outreach before, during, and after construction:* The concerted effort at reaching out and engaging the business population before and during construction was a key factor in the success of the SMA program. The CDF continues to be active in addressing the needs of the business community, and as a result, maintains a proactive relationship with the businesses along the alignment. Cultivating strong relationships with the business community should be a paramount goal of any future programs.
- *Prepare for the end of construction/SMA program:* The CDF was created in 1999. Almost 10 years have passed since construction impacts to the MLK business community have been an issue. Nevertheless, construction has ended, and so has the SMA program. Preparing the organization for this reality, and preparing the business community for both the end of business assistance and construction are necessary in ensuring the success of similar programs.
- *Build adaptation into the program:* Construction projects like the one in the Rainier Valley are constantly evolving and presenting new and unanticipated obstacles. When developing, administering, and implementing a program similar to the SMA program, adaption is absolutely crucial. Building adaptation into the program allowed the CDF to be adept at amending various products to guarantee the greatest benefit to the businesses.
- *On-going reporting, monitoring and the need for strong data:* Reporting and monitoring need to be included as a requirement for receiving funds. Better reporting and keeping rigorous and standardized data would allow for a more clear and verifiable means for measuring and addressing how construction is impacting businesses. Clear and standardized data also allows for post-hoc research and documentation of the program's impacts. Similarly, a tracking system with dedicated software to create standardized datasets is also desirable.



March 16, 2011

SENT VIA USPS & E-MAIL

Kathryn O'Brien
Environmental Project Manager
Central Corridor Project Office
540 Fairview Avenue
Saint Paul, MN 55410

Re: Draft CCLRT Supplemental Environmental Assessment

Dear Ms. O'Brien:

The Saint Paul Area Chamber of Commerce ("Chamber") is pleased to submit the following comments to the Metropolitan Council ("Council") and the Federal Transit Administration ("FTA") in response to the Draft Supplemental Environmental Assessment ("SEA") released for public comment in March of 2011.

The Chamber strongly supports the Central Corridor Light Rail Transit ("CCLRT") project. We believe this project will provide significantly more transit options for commuters, increase access of the downtowns, and create economic development opportunities for our region.

The Chamber recognizes that construction of CCLRT will cause disruption to many businesses. It is therefore critical that effective mitigation efforts be established and actively reviewed to ensure their success.

While the Chamber is generally pleased that the SEA recognizes CCLRT construction has the potential to harm business revenues and outlines mitigation efforts that will be put in place to address those impacts, we have several concerns that we wish to express:

I. Construction-Related Potential Impacts to Business Revenues

The Chamber is concerned about the average percentage revenue loss figure determined by the Volpe Institute in its study ("Technical Report") of potential impacts to business revenues caused by CCLRT construction-related activities. The Technical Report estimates that the average revenue loss of affected businesses will range from no impact to 2.5 percent loss of revenue. We believe this figure is artificially low, particularly with respect to certain types of businesses (e.g. retail), and therefore understates the actual impact of construction on businesses. Our concern is primarily based on the methodology by which the figure was calculated.



According to the Section 3.2 of the Technical Report, the average revenue loss figure was calculated by summing and dividing the “revenue loss estimates”¹ by the total revenues from all small businesses in the corridor. Thus the calculated value represents potential average revenue losses for business as a whole and not necessarily by industry or type of business. As the Technical Report correctly states, “these average impacts do not provide good predictions of sales revenue impacts for any particular business, because businesses experience both greater and lesser impacts, with only the average presented.”

Furthermore, the Technical Report applied the standards articulated by the De Solminihac and Harrison study to its own study because it appeared to be “the most analogous to the Central Corridor Project.” The Technical Report seems to base this conclusion on the fact that the De Solminihac and Harrison study was the most applicable because it was developed to study a construction project, albeit a highway project, in a “major urban area with a variety of options for consumers to switch their business away from the construction corridor.” We believe there is a real difference between a highway construction project (as studied by De Solminihac and Harrison) and a light rail construction project (as studied in the case at hand).

Recommendation

The Chamber recommends that the Council and FTA obtain additional information from businesses through the use of a survey-based study that will allow for an ongoing statistically significant metric to gauge potential impacts to business revenue. We believe that implementing this approach will provide a way to separate the impact of construction across industry sectors and allow comparison of initial impacts on businesses to those during and after construction. We also believe that data obtained from a survey will better allow for the development and deployment of customizable mitigation strategies focused on particular business types rather than on business as a whole. When individual businesses are categorized into broad groups and studied as a whole, the impact of mitigation efforts are lost. By focusing on a sample-based methodology the Council would be able to determine, to a far greater degree, the success of the various mitigation efforts employed.

We understand that this proposal will create additional work for the Council, but without the additional study and only a broad assessment of the impacts, the Council will be left with only anecdotal evidence to assess the construction impact and determine which mitigation efforts have produced the best results.

¹ The revenue loss estimates were derived from averaging revenue-weighted potential losses across all business types multiplied by the percentage impacts from generated by the De Solminihac and Harrison.



II. Availability and Use of Mitigation Resources

While the Chamber is pleased with the various “mitigation commitments” listed in Section 4.2.2 of the SEA, we are concerned about their availability and how they will be accounted for. Specifically, we are concerned that businesses currently (or soon to be) affected by construction may not have access to many of these resources, including, but not limited to the Business Mitigation Fund and the Neighborhood Commercial Parking Program.

Recommendation

The Chamber requests that detailed information about the availability and status of the various mitigation commitments be provided to businesses affected by CCLRT construction. We also believe that businesses could benefit from a regularly scheduled detailed accounting of the “financial commitments” described in Table 4-1 of the SEA so that businesses will gain an understanding of how the financial commitments are utilized and whether or not they have been effective. Additional reporting measure will provide businesses with an understanding of the availability and status of certain mitigation resources.

III. Conclusion

While the Chamber has several concerns, we are generally pleased that the document acknowledges construction-related activities have the potential to impact business revenues and that specific mitigation measures have been developed to address those impacts. It is very important that the Council fully implement the strategies discussed in Section 4.2 of the SEA in a timely and efficient manner. These programs, which the Chamber supports, offer businesses with the means to overcome business disruption caused by CCLRT construction. The Council should ensure that all elements described in Section 4.2 are not only implemented and made widely known, but are regularly examined for effectiveness.

The Chamber does not believe a compelling reason exists to delay construction of the CCLRT project. We believe that implementation of our recommendations will sufficiently alleviate our concerns.

Sincerely,

Matt Kramer
President
Saint Paul Area Chamber of Commerce

Centralcorridor

From: Harry Kent [hkent@macalester.edu]
Sent: Tuesday, March 01, 2011 10:44 AM
To: Centralcorridor
Subject: Information on Statistical Analysis of Business Impact

To Whom it May Concern,

I am inquiring about whether there is any more available information on the statistical analysis of the impact of LRT construction that was conducted for the Supplemental Environmental Assessment. I would like to know how the specific calculations were done, and see where the work came from. Any further information or guidance would be greatly appreciated. Thank you.

Harry Kent

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Central Corridor Light Rail Transit
Draft Supplemental Environmental Assessment
Construction – Related Potential Impacts on Business Revenues

Midway Chamber of Commerce Response
March 14, 2011

Members of the Board of Directors of the Midway Chamber of Commerce (the Chamber) have reviewed the Draft Supplemental Environmental Assessment (DSEA) dated February 28, 2011 and the accompanying Technical Report by the USDOT Volpe Center dated February 2011, and offer the following responses:

The Chamber recognizes the significant difficulty in attempting to link potential effects of light rail construction to revenue fluctuations for a particular business or class of businesses. A host of reasons, either general or unique to a specific industry, may contribute to the success or failure of a particular business.

Many circumstances that negatively impact the revenue of a particular business and require some action from the owner are clearly not attributable to LRT construction. Some of these may include competition by other like businesses, ineffective or inadequate marketing, poor product(s) compared to competition, changes in the market for that business, uncompetitive pricing of goods or services, inadequate financing or changes in business regulations or licensing. Any particular business, either before, during, or after the LRT construction, may find itself subject to one or many of these impacts.

That is certainly not to say that LRT construction won't have significant impact on businesses. The difficulty is in attributing the true negative impact of LRT construction. Identifying the impacts of LRT construction on specific businesses would entail a significant and detailed collection of pre-construction, mid-construction and post construction business operating data relative to the affected businesses.

The DSEA clearly recognizes these difficulties, as does the Volpe Technical Report in section 2.1.2. It is also recognized in the DSEA that these very complicated impacts on forecasting are likely the reason that there are few published studies of the impacts of LRT construction (or any transportation construction) on the revenues of businesses.

Of the four such studies identified by the authors of the DSEA and the Volpe Report, only one was similar enough to be of any significance. That study, De Solminihac and Harrison (1993), was of an urban highway rehabilitation project in Houston, Texas. As a result of the revenue impacts identified in that study, which were then applied to certain categories of businesses in the Central Corridor, the DSEA concluded that the potential impact on business revenues of the Central Corridor Light Rail Transit (CCLRT) construction is in the range of 0 to a negative 2.5% impact.

It is apparent from the description of the De Solminihac study methodology and the means by which it was applied to a limited number of similar businesses in the Central Corridor that the predictions of percentages of change in revenues is very limited in predictive value. These facts are clearly recognized in the DSEA and are not flaws in the DSEA, but are inherent problems in the nature of the question and the inability to isolate construction impacts from a host of other impacts upon a business. The predictive value is also low because of the lack of previous studies.

The Midway Chamber commends the DSEA for its elaboration on the potential impacts of construction. The delineations in Section 4.1.1 assist the Midway Chamber in supporting our members with the potential impacts of construction. The DSEA has enabled the Midway Chamber to more clearly understand the suggested areas of mitigation and the measures already implemented. The Chamber will participate in many of the stated mitigation efforts. The Chamber's primary role will be to effectively direct members to the proper resource(s) when questions arise throughout the entire construction period.

In conclusion, the DSEA enabled the Chamber to better understand the fact that linking fluctuations in business revenue to LRT construction is unique to every business and a very difficult task. This DSEA should enable all of us who are involved in strengthening the business community to better focus our efforts and to identify areas of most need.



Kari Canfield
President/Executive Director
Midway Chamber of Commerce

Christopher Ferguson
Owner, Stadium Village Dairy Queen
716 Washington Ave SE
Minneapolis, MN
55414

Kathryn O'Brien
Environmental Project Manager
Central Corridor Project Office
540 Fairview Avenue
Saint Paul, MN 55410

Re: Draft CCLRT Supplemental Environmental Assessment

Dear Ms. O'Brien:

I am please to submit the following comments to the Metropolitan Council ("Council") and the Federal Transit Administration ("FTA") in response to the Draft Supplemental Environmental Assessment ("SEA") released for public comment in March of 2011.

I support the Central Corridor Light Rail Transit ("CCLRT") project.

The construction of CCLRT will cause disruption to many businesses in Stadium village including my own. It is therefore critical that effective mitigation efforts be established and actively reviewed to ensure their success. I do not believe the mitigation measure put in place to date by the Council will be effective in mitigating the impact on businesses in Stadium Village.

While the SEA recognizes CCLRT construction has the potential to harm business revenues, I do not believe that the SEA took an honest took of the facts of this project and the businesses already impacted by construction in 2010 and early 2011. It is intellectually dishonest for the authors of the report to claim the restaurants, such as ours, are in a category of businesses that will not see a significant impact based on the information that was available, if they wanted to ask for it and review it. Intentionally omitting data from analysis to be able to draw the desired conclusions calls in to question the credibility of the authors of the report and the sponsors of the report, the FTA and the Council.

The Council has a history of only seeking input on the project from people that are supports of the project. Businesses owners that were against the project and changes to the project were not asked for comments when significant changes were made to the constructions plan in Stadium Village to move the train from below grade to at grade. This pattern of behavior has continued with the SEA as

information was not sought or included that would lead to a fair and unbiased assessment of the impacts on business. It appears that the conclusions of the report were predetermine and only information that supported those conclusions was sought and included in the report.

The analysis of the information was based on a nearly 20 year old report of a construction project the De Solminihac and Harrison study. The similarities to the CCLRT are tenuous at best. The only reason I can see for using this study by the authors is that it gave them the best possible case for the predetermined conclusion they were trying to support. Studies and information on the Seattle LRT project and other more analogous project were even considered.

According to the Section 3.2 of the Technical Report, the average revenue loss figure was calculated by summing and dividing the “revenue loss estimates” by the total revenues from all small businesses in the corridor. The calculated value represents potential average revenue losses for business as a whole and not necessarily by industry or type of business. As the Technical Report correctly states, “these average impacts do not provide good predictions of sales revenue impacts for any particular business, because businesses experience both greater and lesser impacts, with only the average presented.”

The analysis must be done by business type to be credible. Businesses owners acknowledge that many business will not see an adverse impact from construction, however any business that relies on pedestrian or vehicular traffic will be significantly impacted. This analysis should be done by business type, including the quick service restaurants category, and mitigation measures should be put in place if businesses in a category are found to be impacted.

I recommend that the Council and FTA use of a survey-based study that will allow for an ongoing statistically significant metric to measure impacts to business revenue. An impartial 3rd party should conduct the survey that does not have any affiliation to or relationship with the Council or the FTA. Businesses owners should be asked to approve the recommended organization. If impacts are found, they should be mitigated. In addition, I would recommend that the Council and the FTA, measure traffic outside businesses. This would create an unbiased measure of the impact of construction on businesses. Businesses are responsible for converting traffic or potential customers into customers. The measurement of traffic, which is directly impacted by construction, eliminates the claims that businesses are to blame for their own drops in revenue. If traffic or potential customer is maintained, then the drop in revenue can be attributed to the business; economy or other factor not related to the CCLRT project, the mitigation of that impact should be born by the business owner. If, however, traffic is reduce during construction the mitigation of that impact should be born by the Council.

The extent of the mitigation efforts summarized in Table 4-1 is misleading, with respect to business mitigation. Parking Assistance and Business Assistance programs are primarily funded and support by other groups are therefore not part

of the Council mitigation in the same way that a business owner taking out a loan at the bank or spending money on marketing is not part of the Council mitigation efforts. The Council provided \$1 million of the Business Mitigation Fund but it must be repaid by the businesses and is there not an expenditure by the council. The Contractor Incentive Program and the Community Outreach Coordinators are not programs specifically for businesses. Impacts on businesses are a part of the success of the contractor in achieving the full incentive. In Stadium village the impacts on the university of Minnesota and the residential community are also part of the assessment. The **Community** Outreach Coordinators are not **Business** Outreach Coordinators. Their responsibilities are much broader than businesses issues. The Contractor Incentive Program and the Community Outreach Coordinators should be at most allocated 50% to business mitigation. Therefore the actual amount spent by the council on business mitigation is only \$2.825 million, a relative small amount for a project of this size. To compound the problem, the Council's mitigation efforts have not been effective in addressing the primary of a business mitigation plan: keep customers coming to business in the construction areas. In fact, the Council has made a determined effort to discourage people from coming to Stadium Village through signage and press releases.

I believe the construction should continue but an honest assessment of the impacts on businesses owners of construction should be conducted and a plan to mitigate those impacts should be implemented. I would recommend that small businesses owners be represented on the Central Corridor Management Committee to aid in the implementation of the mitigation. The CCLRT should not be built at the expense of the small owners.

Sincerely,



Chris Ferguson
Owner, Stadium Village Dairy Queen
Vice President of the Stadium Village Commercial Association



national CAPACD
national coalition for asian pacific american community development

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March 31, 2011

Ms. Kathryn L. O'Brien
Environmental Project Manager
Central Corridor Project Office
540 Fairview Avenue
St. Paul, Minnesota 55101
via e-mail centralcorridor@metc.state.mn.us

Re: Revised Comments to Draft Supplemental Environmental Assessment – Central Corridor Project

Dear Ms. O'Brien:

Our coalition includes a number of nonprofit community based organizations that represent and serve Asian American small businesses along the Central Corridor and also the predominantly lower income residents of the surrounding neighborhoods. As has been established in the FEIS, the population along the corridor particular on the St Paul side includes a significant number of lower income Asian Americans.

We understand that other commentators will be raising concerns regarding the DSEA's flawed and inadequate analysis of potential business losses resulting from the project construction activity. It makes no sense to rely upon data from losses from projects thirty years ago while failing to apply readily available data regarding actual economic losses resulting from the initial phases of present project. Nor is it logical to apply an average calculation of losses across business type when the studies available show that impacts differ greatly by business type. We join in those criticisms of the DSEA. We also raise here a parallel set of objections to the draft.

As the Metropolitan Council has been informed and has previously noted, there are a significant number of minority operated small businesses along the corridor with a high concentration along the section known as Midway East. This concentration of minority businesses coincides with a high percentage of businesses entirely dependent on street parking. This parking will largely be eliminated both during and after the construction period. These businesses are also physically smaller and economically less resilient to loss of revenue.

Despite these additional risk factors facing minority businesses along the corridor and along the Midway East section in particular, the DSEA fails to provide any analysis or quantitative assessment of the likely impacts of the project on minority businesses. Nor does the DSEA propose or describe any policies or practices that will mitigate those likely impacts. The lack of analysis in the study renders it virtually useless for impacted communities or policy makers to adequately respond to the proposed project and engage in meaningful planning.

The DSEA process should be reopened with a full and meaningful opportunity for impacted communities to assess and respond to an adequately described and analyzed project proposal.

Sincerely,



Gen Fujioka
Senior policy advocate
National CAPACD

3-12-11

Nikolai Alenov
Russia Tea House
1758 University Ave.
ST. Paul MN 55104

On my first year in business 32 years ago, we had a snow storm far greater than this year. Due to my lack of experience and commonsense, I decided to open the Tea House for business. I was sure I would get some hungry customers or some of the snow plowers working that day. My business is a fast food, hot and ready to eat, not made to order. I had two customers that day and most of my hot food went to waste.

From what I hear, there is a construction storm far greater than any snow storm coming my way, and it will last at least 9 months. I have received much information on how to prepare for this storm, how to cut back my operating expenses and that I can get a low interest loan so I can pay my property tax this year. This construction storm will affect some businesses that depend on daily auto traffic more than other businesses.

The city knows that it will lose a lot of tax revenue from: sales tax, income tax, fee tax, license tax, and other taxes because of this CCLRT construction. To minimize the loss of tax revenue the city is encouraging Businesses to endure the storm because they need the tax revenue from University ave. now and especially latter. I see no consideration for the loss of income for the property owners and the businesses that will stay in business after the construction.

Most of the property's on University Ave. are zoned as commercial and are taxed more for the privilege of having one of the most traveled and accessible avenues in the city. Now if the city can no longer offer us the accessibility of University Ave. that we depend on for our income to pay the property taxes, we should NOT BE TAXED for this period of construction. Why should the land owners and the businesses compensate the city. The people making these decisions are not being directly affected financially as we are and would think twice if half of their salary was taken away and they would still have to pay their taxes. YES the city will take in less tax revenue because this is the honest, fair, and just action to help the businesses survive. The benefit to the city will of course be the future taxes derived from healthy businesses.

Preparation for the major construction has begun this month and has caused some traffic delays, I have had many customers complain of how long it took them to get to my store and many have called to ask if construction has started in front of my Tea House. I have told my customers to look for information about the Tea House on FACE BOOK to see when I will close down and hopefully reopen.

In a restaurant situation, especially a smaller place as is the Tea House, waste of food and energy is as detrimental as lack of customers. I expect my income to be cut at the very least, in half.

Nikolai Alenov

PUBLIC COMMENT

POSITION STATEMENT AND SUPPORTING DOCUMENTATION

ON

DRAFT SUPPLEMENTAL ENVIRONMENTAL ASSESSMENT FOR

THE CENTRAL CORRIDOR LRT, MARCH 2011

SUBMITTED BY:

UNIVERSITY AVENUE BETTERMENT ASSOCIATION (UABA)

712 UNIVERSITY AVENUE, SUITE 105

ST. PAUL, MN 55103

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March 30, 2011

To: Metropolitan Council
Federal Transit Administration

From: The University Avenue Betterment Association (UABA)

Re: Comments to the draft Supplemental Environmental Assessment (draft SEA)
for the Central Corridor LRT, dated March 2011

Introduction

The University Avenue Betterment Association (UABA), a 501(c) 3 corporation, was established in 2009 to be the voice of the small businesses along University Avenue. UABA has 200 donors, nearly all of which are small businesses located along the University Avenue portion of the Central Corridor Light Rail Transit (CCLRT) line.

UABA was created because small businesses along University Avenue were not being consulted or included in the planning process for the CCLRT. UABA became a member of the Business Resource Collaborative (BRC) and the Central Corridor Community Agreements Coordinating Committee (CACC) and has worked closely with the Asian Economic Development Association (AEDA) in organizing and hosting speaker forums to spread CCLRT related information to businesses. It has contracted with University Avenue Business Preparation Collaboration (U7) to disseminate information about the U7 services and loan programs available to businesses.

In partnership with the Hamline University School of Business, UABA created a Business Information Center to provide business and accounting services to businesses on a pro bono basis. These services stressed ways that businesses could prepare for and document the anticipated losses they will experience during the construction of the CCLRT.

With student and faculty assistance from the William Mitchell College of Law Community Development Clinic, UABA created and trained a panel of attorneys to service the Legal Resource Center. These attorneys provide legal advice on a pro bono and reduced rate basis to businesses with a wide range of legal concerns.

UABA created a parking committee consisting of business and residential members which met with the City of Saint Paul personnel to explore resolutions to the impact caused by the loss of 1,143 parking spaces during construction and the permanent loss of 971 parking

spaces along University Avenue. That effort was not successful. (See App. A., Letter to Mayor Coleman, dated January 12, 2011)

For the past two years, UABA members have attended hundreds of meetings with local county, state and federal employees and elected officials. Their message has remained the same throughout all of these encounters: this project is being built on the back of small businesses. There has been a total lack of concern for the devastating impact that four years of construction will have on the revenues of these businesses. (See App. A, Opinion piece, We talk, but it seems as if nobody listens) Finally, someone listened: Judge Donovan Frank has provided a forum for UABA to present its case on the impact to businesses that is being caused by the loss of all on-street parking during construction, the impact of the lack of access, traffic congestion, noise, dust, vibrations, utility shutoffs, and the customers' inability to find businesses during construction.

Environmental Assessment vs. Environmental Impact Statement

The Defendants failed to follow Judge Frank's order to supplement the Federal Environmental Impact Statement (FEIS). Judge Donovan W. Frank found that the "Plaintiffs have demonstrated that the FEIS is inadequate insofar as it fails to address the loss of business revenues as an adverse impact of the construction of the CCLRT. Accordingly, Defendants must supplement its analysis of business interruption impacts." (*Memorandum Opinion and Order*, p. 43) "The Court has concluded that the FEIS was deficient in its consideration of lost business revenue as an adverse impact of the construction of the CCLRT." (*Memorandum Opinion and Order*, p. 44) The judge specifically ordered,

"Defendants shall supplement the FEIS consistent with this Order."

(*Memorandum Opinion and Order*, p. 45, emphasis added)

Defendants failed to comply with this Order when they improperly submitted a draft Supplemental Environmental Assessment (draft SEA) rather than a draft Environmental Impact Statement.

A draft SEA is a written assessment used to determine whether or not a federal undertaking would significantly affect the environment. If the agency (in this case the Federal Transit Administration and Metropolitan Council) determines the project would not significantly affect the environment then the agency issues a Finding of No Significant Impact (FONSI). If the agency determines that there may be significant consequences to the proposed federal

undertaking, then an EIS is prepared. An EIS is a more detailed evaluation of the proposed action and alternatives. (42 U.S.C. 4321 et seq., 40 C.F.R. § 1501-1508).

Once a determination has been made that a proposed action will have a significant environmental impact, an environmental assessment (EA) is no longer of use. An EA's core function has already occurred once there has been a finding of significant environmental impact. Because an EA is an assessment used to determine whether an EIS is to be prepared, an EA cannot be prepared after or to supplement an EIS. (42 U.S.C. 4321 et seq., 40 C.F.R. § 1501-1508) The EA is a tool used to determine if there will be an impact, while an EIS is a tool looking specifically at the type of impact and its alternatives.

In this case, the Federal Transit Administration (FTA) originally determined that the Central Corridor LRT project would have a significant environmental impact and that an EIS was necessary. The Defendants' preparation of a draft SEA rather than a Supplemental EIS is improper because it does not produce the required amount of analysis regarding business interruption impacts, as Judge Frank ordered.

The differences between an EA and an EIS are significant. An EA is meant to be brief and cursory. According to Section 1508 of the CEQ NEPA regulations, an EA briefly discusses the need for the proposal, alternatives to the proposal, the environmental impacts of the proposed action and alternatives, and a list of agencies and persons consulted. An EIS, which is described in Section 1502 of the CEQ NEPA regulations, requires a more thorough analysis. It must include discussions of the purpose and need for the action, alternatives, the affected environment, the environmental consequences of the proposed action, a list of preparers, agencies, organizations and persons to whom the statement is sent, an index and an appendix.

The primary purpose of an EIS is to "serve as an action-forcing device to insure that the policies and goals defined in the Act are infused into the ongoing programs and actions of the Federal Government. It shall provide full and fair discussion of significant environmental impacts and shall inform decision makers and the public of the reasonable alternatives which would avoid or minimize adverse impacts or enhance the quality of the human environment. Agencies shall focus on significant environmental issues and alternatives and shall reduce paperwork and the accumulation of extraneous background data. Statements shall be concise, clear, and to the point, and shall be supported by evidence that the agency has made the necessary environmental analyses. An environmental impact statement is more than a disclosure

document. It shall be used by Federal officials in conjunction with other relevant material to plan actions and make decisions.” (40 CFR § 1502.1)

An EIS must meet certain requirements:

- “(a) Environmental impact statements shall be analytic rather than encyclopedic.
- (b) Impacts shall be discussed in proportion to their significance. There shall be only brief discussion of other than significant issues. As in a finding of no significant impact, there should be only enough discussion to show why more study is not warranted.
- (c) Environmental impact statements shall be kept concise and shall be no longer than absolutely necessary to comply with NEPA and with these regulations. Length should vary first with potential environmental problems and then with project size.
- (d) Environmental impact statements shall state how alternatives considered in it and decisions based on it will or will not achieve the requirements of sections 101 and 102(1) of the Act and other environmental laws and policies.
- (e) The range of alternatives discussed in environmental impact statements shall encompass those to be considered by the ultimate agency decision maker.
- (f) Agencies shall not commit resources prejudicing selection of alternatives before making a final decision.
- (g) Environmental impact statements shall serve as the means of assessing the environmental impact of proposed agency actions, rather than justifying decisions already made.” (40 CFR §1502.2)

The draft SEA fails to fulfill the above requirements and is deficient in both form and substance. The mitigation measures discussed in the draft SEA are presented in an encyclopedic fashion and are presented without adequate analysis. Specifically, absent from the draft SEA is a meaningful discussion of the likelihood of effective mitigation based on the proposed strategies. Additionally, as this comment points out, the draft SEA is in many instances unresponsive to necessary components that the Met Council purports to include. Notably absent is the public testimony generated at the February 16 hearing. The draft SEA neglects to include any mention of this testimony, so it has utterly failed to analyze any public concerns voiced at that time.

Further, the draft SEA violates the requirement of an EIS to be kept concise and be no longer than absolutely necessary. The repetitious nature of this document indicates a serious lack of attention to detail. An unsophisticated reader can immediately recognize the persistent

use of cut and pasted language throughout the document. Once the duplicated paragraphs are eliminated, the thinness of the analysis is immediately apparent. A proper EIS requires a robust discussion of alternative considerations to agency decisions. The draft SEA neglects to include a discussion of alternatives considered by the Met Council which might avoid negative business impacts along University Ave. For example, the draft SEA fails to discuss relocation benefits for impacted businesses as a feasible alternative. This wholesale failure to identify or analyze alternatives to the proposed mitigation measures causes the report to read as a justification for decisions already made, rather than a rigorous evaluative method.

Volpe Report

The draft SEA relies almost exclusively on a technical report in reaching its conclusions about the construction-related potential impacts on business revenues. This report, “The Potential Impact on Business Revenues during Construction of the Central Corridor Light Rail Project” was created by the U.S.DOT Volpe Center, Sari Radin and Rosalie Ray authors. The report is unreliable and should not be relied upon to analyze loss of business revenues that will be felt by the University Avenue business community.

The technical report attempts to establish an upper and lower bound on the impact construction will have on business revenue. The range has been determined between 0 and 2.5%. However, the report does admit, “[n]o studies have directly tied the impacts qualitatively described [above] to quantitative estimates of sales revenue losses”⁵. Despite this, the report makes use of four previously conducted studies to calculate the range without directly addressing a single qualitative impact. That is an immediate warning sign that the studies forming the basis of the findings are unreliable. The Technical Report does not, in any way, address the extent to which the seven identified categories may influence business revenue. Rather, it groups them together in an effort to explain broad impacts on revenue.

The upper bound of 2.5% loss of revenue was established using a study performed by de Solminihac & Harrison in 1993. The lower bound of 0% loss of revenue was established using three studies: Buddemeyer, Young & Vander Geissen (2008); Wildenthal & Buffington (1996); and Young, Wolffing & Tomasini (2005).

The Volpe Report admitted that the studies relied upon are not representative of the conditions and environment of the Twin Cities. “Moreover, the highway projects varied significantly from the Central Corridor project in terms of construction complexity, duration,

construction staging options, geographic constraints and construction seasons, all of which can contribute to the impact of construction on a given business' revenues." (See draft SEA Appendix A, p. 3, Section 2.1.2. The following is a discussion of why it is entirely inappropriate and irresponsible to use these studies to analyze the impacts of the LRT construction on University Avenue businesses. To better illustrate the lack of similarities, see the Matrix in Appendix A, created by U-Plan.

Methods of Analysis

Report: de Solminihac & Harrison (1993): This study "...was used to estimate the upper bound of effects on revenues of potentially impacted businesses because its context was most analogous to the Central Corridor LRT."

Similarity of Conditions: The dissimilarities between a highway project in Houston in 1993 and a light rail project in the Twin Cities in 2011 are obvious. There is virtually no winter to speak of in Houston thus no dramatic consequences on construction procedures during winter months. Tax rates, subsidies, preferences, accessibility, and many other key economic factors are vastly different in Texas than in Minnesota, the implication being that Minnesota and Texas businesses differ in type significantly.

The type of construction was also dissimilar from the LRT here in Minnesota. The impact to business revenue was analyzed as resulting from a highway reconstruction project. This project bears remarkably few similarities to the construction of the LRT.

The world has drastically changed in the 18 years since this study was conducted. With the invention of the internet, a severe recession, a massive spike in fuel prices, and increased international competition, among other factors, the modern business model hardly resembles the business model of 1993. Even a mere student of quantitative research theory would not rely on a study this old. Relying on stale research severely undercuts the appropriateness of the Volpe methodology.

Purpose: The de Solminihac study was conducted to analyze the effects of an expedited highway rehabilitation construction project on business revenue. This has absolutely nothing to do with LRT.

Measurement: Another issue with the Volpe report is that the regression models used in the study are not identified. Key indicators are entirely absent such as the difference in

percentage between predicted sales and actual sales, the number of businesses analyzed, and the confidence interval used.

Another significant methodological flaw is grouping businesses together in classes that have vastly different economic situations. Consider two University Avenue grocery stores: one a small, highly specialized grocery store like the Makola African Market with annual revenues of less than \$250,000, and the other, Rainbow Foods, a multi-store, multi-million dollar behemoth. (See U-Plan dataset referenced in footnote 9 of the Volpe Report.) Parking is one of the many areas that this study fails to address. The fact that Rainbow Foods has access to a large, permanent parking lot while the Makola African Market depends entirely on on-street parking would, intuitively, have an enormous impact on the loss of business revenue. A study that lumps such drastically different businesses into a single class is clearly deficient.

The classification system used in the study is highly suspect. The Volpe Institute used the North American Industry Classification System (NAICS) to place the businesses into the categories identified by de Solminihac. The problem is that this system *did not exist* until 1997. This leads to a high likelihood that, since the definitions for the classification types were not given, the Volpe Institute misidentified their model by using different classification definitions, rendering their conclusion invalid. This is especially true when the Houston study clearly identified significant losses in four prominent University Avenue business categories, i.e. general merchandise (28% decrease), food stores (37% decrease), automotive outlets (32% decrease), and home furnishings (17% decrease). (See draft SEA, Tech Report table 1, p.4) Then Volpe concluded there were only six general merchandise and three furniture stores in the entire eleven mile corridor. (See draft SEA, table 3 – 1, p. 13) This analysis fails to utilize and analyze impacts experienced by businesses in Lowertown and the impacts now being felt by businesses on University Avenue.

Conclusion: Due to dissimilarities and the problems in methodology and scope, this study clearly cannot form the basis of the upper bounds for impact on business revenue due to the LRT construction. The draft SEA even states “...the highway projects varied significantly from the Central Corridor project in terms of construction complexity, duration, construction staging options, geographic constraints and construction seasons, all of which can contribute to the impact of construction on a given businesses’ revenues”. Relying on this study is entirely inappropriate and scientifically irresponsible.

Report: Buddemeyer, Young & Vander Geissen (2008); Wildenthal & Buffington (1996); Young, Wolffig & Tomasini (2005): Together these studies were used to establish a lower bound of 0% impact to business revenue.

Similarity of Conditions: One study analyzes the construction impacts of a town with a population of 3,000 people. Another examines areas ranging from a population of 800 to no more than 50,000. Finally, one study was actually conducted in Yellowstone National Park. Belief that these studies purport to say anything relevant or statistically meaningful about the Central Corridor Project is laughable.

Because of the small size of the populations analyzed, a fatal flaw is introduced into the analysis: monopolies by businesses. In Minneapolis/St. Paul, a large metropolitan area, one has almost limitless choices from which to choose where one would like to shop; dozens of stores sell identical or similar products. This competitive pressure means that it is easy for businesses to lose customers for relatively minor inconveniences such as poor access or construction. This high stakes competition in a metro market is hardly present in small towns or remote areas. Where relatively few options exist, a customer is more willing, if not forced, to tolerate inconvenience. The studies used to determine the lower bounds of business impacts examined cases in which limited options forced consumers to continue patronizing businesses despite construction inconveniences. This simply is not the case in the Twin Cities.

Conclusion: UABA cannot stress enough that if a study has no similarity to the targeted area then it has no relevance as a predictive model. The draft SEA cannot rely on studies looking at Yellowstone National Park or relatively small business populations to anticipate business impacts in the Twin Cities.

Report: “Report on Mitigation of Transportation Construction Impacts, Minnesota Department of Transportation: Best Practices, February 2009

The MnDOT Report focused mainly on highway construction projects. The analysis presented in this study also considered Environmental Impact Statements (EIS) from four light rail projects that are either constructed or in the final design phase: Portland’s light rail link to Milwaukee, scheduled to be finished in 2015; Dallas’s Green Line (the DART Project), already operating as of December 2010; and two projects in Seattle, the East Link and the North Link, scheduled to open in 2016. All of the projects except the DART Project have some stretch of their corridor operating along a retail street.

The draft SEA relied on the MnDOT Best Practices guidelines for mitigation measures: “. . . (5) financial assistance to businesses losing nearby on-street parking, and; (6) general financial assistance to small businesses affected by construction activities.” (See draft SEA, p. ES-3 and 18)

No mitigation plan has been established to replace the lost on-street parking; the parking loan program is merely improving existing off-street private parking lots with no significant increase in the number of parking spaces, especially in the areas identified as critical parking areas. The \$1.5 million business loan program is clearly inadequate and not available to many businesses. (See App. A, Resolution, # RES 11-576, Saint Paul City Council, dated March 21, 2011; Statement, U-7 Position Statement; Flyer, Ready for Rail Small Business Loan; and the Mitigation Measures section below).

Conclusion: The draft SEA fails to identify and evaluate effective mitigation strategies, including compensation for damages caused by the loss of on-street parking and loss of revenue caused by construction. Both are required by the Best Practices of MnDOT and by the requirements for an Environmental Impact Statement.

Overall Conclusion

The Technical Report conducted by the Volpe Institute does not correctly or appropriately analyze the upper and lower bound on estimated losses to business revenue. The upper bound was estimated using a single study conducted 18 years ago with misspecified information. The lower bound uses studies so dissimilar from the conditions of Minneapolis/St. Paul it is almost insulting. “[Q]uantifying the amount of lost business revenue in the absence of future global and local economic factors and historical context is an inconclusive analysis to undertake for project-level analysis.” (See draft SEA, App. A) Despite this admission of inconclusiveness, the report maintains that the range of 0-2.5% forms a sufficiently reliable conclusion. When the livelihoods of hundreds of business owners are at risk, a study as woefully deficient as the Volpe Report is simply unacceptable.

Seven Factors

The draft SEA, the Volpe Report and a study by the Minnesota Department of Transportation identify seven potential construction-related impacts to be examined in determining the impact of the Central Corridor LRT construction on small businesses

- Pedestrian access

- Traffic and vehicular access
- Temporary parking loss
- Utility shutoffs
- Noise and vibrations
- Increased dirt and dust
- Visual impacts

(See draft SEA, App. A, p. 2)

The following comments address the sufficiency of the identification, analysis and mitigation efforts for these seven factors.

Pedestrian access: The draft SEA is inadequate in addressing the impact of construction on pedestrian access. It also fails to quantify the pre-construction pedestrian counts along sections of the avenue. The document acknowledges that construction activities will temporarily impede access to pedestrians (See draft SEA, p. ES-2) with pedestrian access “restored to its final condition by the end of heavy construction activities.” (See draft SEA, p.6) The draft SEA merely concludes “Impacts to Pedestrian Access: Impediments to pedestrian access will occur mainly at the beginning of the construction period within each phase, when one side of the road is demolished to build new sidewalks and roadway. During this period, pedestrians will need to access the building from side streets or use temporary sidewalks created by the contractor. (See draft SEA, p. 14)

The draft SEA does not offer any other analysis or mitigation measures regarding pedestrian access.

This analysis is inadequate. Pedestrians may feel intimidated using a side street or alley entrance due to safety concerns. Dirtiness and the presence of construction debris are additional concerns for pedestrians. At the March 16 Public Hearing, one business person noted that “the pedestrian environment will be impacted by the dirt and dust from the construction.” The unclean environment may discourage pedestrian traffic. There is nothing in the draft SEA that addresses lighting and safety concerns.

Some businesses do not have side street or alley access. (See App. A, Public Comment Form, Hafner) There is no information about what a pedestrian can do if there is no side street access or temporary sidewalks.

Pedestrians must have access to all businesses at all times during construction and must feel safe while walking in the area.

Traffic and vehicular access: The draft SEA does not adequately address problems associated with loss of access and does not provide for adequate mitigation measures for the loss of access. It does not even provide funding for pre-construction, construction and post-construction traffic counts. What better way to objectively evaluate the impact on an area?

Without access, businesses will close: Lack of access was the chief reason one business recently closed. According to one former employee of a business, "They couldn't withstand the lack of access."

The draft SEA states that construction can impact vehicular access to businesses in two ways: it will increase congestion on the roadway and block access to entryways. Increased congestion on the roadway will reduce customer access to a business. Congestion can also serve to block access, as it becomes difficult to turn in or out of the building's parking lot. (See draft SEA, p. 14)

Missing from the analysis is a discussion and mitigation measures for access to businesses when streets are blocked and intersections are closed, the impact of the traffic patterns during construction, and the access issues facing delivery vehicles.

Some of the buildings have parking lots accessible only from University Avenue. The draft SEA is silent as to a mitigation measure for those buildings that have no alley or side street access. Also, with only one traffic lane in each direction, vehicles needing to turn left into a building's parking lot will bring travel to a standstill.

Under the terms of the construction contracts, cross streets will be closed, have limited access or be regulated by stoplights. Of the 11 miles under construction, only 17 intersections will have traffic signals regulating vehicles; four more intersections will have signals for pedestrians only. Vehicles will be able to turn right or left or proceed forward at these 17 intersections. At the remaining intersections, vehicles will have limited or no access to and from cross streets. Intersections with limited access will require only right turns from cross streets to University Avenue and from University Avenue to cross streets. The draft SEA fails to analyze the impact of this right turn only requirement on the access issue. There are 31 cross streets requiring right turns only to and from University Avenue. These will offer significant challenges to businesses trying to attract and maintain customers. Customers attempting to reach businesses

will be inconvenienced by these right turn only intersections, and may take their business elsewhere. This lack of access will cause businesses along University Avenue to suffer. At the Public Hearing one business person stated, “Aldine was to be a through street, not a right turn only; customers from the west will have to go down to Fry for a U-turn. 50% of my business comes from Minneapolis.” In Lowertown, 4th Street was closed to pedestrians and to vehicles. Not even pedestrians could walk from the Farmers’ Market to the Black Dog Café on a Saturday or Sunday. (See App. A, Affidavit, Remke)

Many businesses rely on pick-up and delivery services and will be adversely impacted by the lack of access.

The draft SEA is insufficient because it does not fully identify the impacts or offer effective alternatives to address the problem.

Temporary parking loss: The draft SEA does not adequately analyze the impact the loss of parking on University Avenue will have on business revenues and business expenses. Before construction, there were 1,143 parking spaces on University Avenue. All of these spaces will be eliminated during construction; after construction, only 172 will be restored, for a net loss of 971 parking spaces. In addition, there are only 554 parking spaces on the cross streets. (See charts starting on page 45, April 2009 report, Mitigating the Loss of Parking in the Central Corridor (hereinafter MLPCC) available at www.stpaul.gov/centralcorridor) No additional cross street spaces will be created; no additional public spaces have been created to compensate for the loss of on-street parking.

Furthermore, side street parking may also be banned periodically during construction “if needed to maintain safety and traffic flow.” (See City of Saint Paul website, “Side Street Parking Management” at <http://www.stpaul.gov/index.aspx?NID=2734> Nowhere in the draft SEA is there an acknowledgement of this fact and analysis of the impact this will have on businesses. The draft SEA mentions that side street parking may be impacted by the closure of intersections (See draft SEA, p. 14, App. A, p. 7) but doesn’t explain whether the impact is difficult access or loss of spaces.

The loss of parking will impact employees, customers and delivery personnel:

- “Employees can often park further from the business if remote long term parking can be identified.” (See MLPCC, p. 10, available at www.stpaul.gov/centralcorridor). No remote long term parking has been identified. Without a parking program for employees,

businesses face the prospect of employees competing with customers for limited parking. If employee parking is too far away, employees may not participate. Additionally, employees will seek parking on residential streets. To reserve these parking spaces for themselves, residents will petition the city to create permit parking, further reducing the number of parking spaces for employees and customers.

- The Affidavits and Public Comments in Appendix A all identify the loss of on-street parking as a critical component of their loss of customers and loss of revenue. At the March 16th Public Hearing, one owner who relies on street parking stated that before the loss of parking, she was adding six to seven new members to her business every month; once the construction started and parking removed, she added “two members in February and none in March.” The importance of maintaining on-street parking wherever possible during construction was manifest when Lake Street was re-constructed. (See App. A, Report, Taking it to the Street: How roadway design helped shape a neighborhood’s development)
- Once delivery truck drivers have navigated the traffic congestion and access routes, they will find they do not have a place to park so that they can load and unload their goods. It will be impossible for delivery trucks to stop and make deliveries, or they will block streets and alleys doing so. (See App. A, Public Comment Form, Hafner) The city states they will eliminate parking, thereby making the current parking lane a traffic lane. Delivery trucks will be barred from stopping in the traffic lane. In addition, not all businesses have the ability to take or load deliveries in the alley. “Businesses that are accustomed to receiving deliveries during the daytime or evening peak will need a solution for delivery trucks to pull up and unload.” (See MLPCC, p. 11 available at www.shmoul.gov/centralcorridor). This ignores the fact that under the terms of the construction contract, crews are allowed to work from 7 a.m. to 10 p.m. seven days a week. (See App. A, Flyer, 2011 Construction Schedule) At the March 16th Public Hearing, one business owner stated, “I can’t afford to get trucks in and out of my business; I had to hire a new employee to deliver goods because of the project.” (See App. A, Affidavit, Nielsen and testimony of Mike Baca at March 16, 2011 public hearing.) Other businesses may have to rely on this solution adding to their expenses. Additional parking spaces must be created for delivery vehicles.

No solutions on a parcel by parcel basis are occurring.

The Parking loan program deserves particular scrutiny. According to the draft SEA customer commercial parking will be mitigated by the Neighborhood Commercial Parking Program funded by the Metropolitan Council and administered by the City of St. Paul. (See draft SEA, p. 20) The program allows low interest loans of up to \$25,000 to individual businesses to improve off-street parking. The entire program has \$1.325 million in loan funds. The program is inadequate to meet the needs of individual businesses and for the business community as a whole.

The Metropolitan Council through the NCPP, "...provides low interest loans of up to \$25,000 to individual businesses that can be used for facilitating agreements with other businesses for shared parking or limited construction improvements to improve the access or parking efficiency..." (See draft SEA, p. 20).

This program is inadequate for several reasons:

It is underfunded. The amount available to individual businesses is too small to create the volume of replacement spaces needed. The program does not provide enough funds to finance large scale improvements to private parking lots. Repaving a parking lot or adding improvements such as fencing may cost much more than the \$25,000 permitted per business. When the financial needs are multiplied by the several hundred businesses on University Avenue, the total funds for the program are inadequate. It also is insufficient to fund the creation of public parking spaces or lots on the many vacant lots along University Avenue.

Second, the terms of the program are complex and onerous for small businesses: there are two documents – the loan agreement is 26 pages long, the note is four pages long. The documents require loan applicants to get (and pay for) additional insurance, indemnify the city, comply with the city's apprentice and trainee guidelines when hiring contractors and sub-contractors, obtain two bids for the project and maintain the parking lot for seven years in order for the loan to be forgiven. For some small business owners, the documents were not in their primary language and contained unfamiliar concepts.

Third, the program doesn't target the specific parking needs of the eleven critical parking areas identified in the MLPCC report.

Utility shutoffs: The draft SEA's discussion of this issue is deficient. It states "[b]usiness impacts due to utility shutoffs usually have a fairly short duration and can be

scheduled around business hours. Utilities located along the corridor include gas, water, electricity, and internet service, and all will need to be relocated during at least one phase of the project. There are approximately four hotels and bed and breakfasts adjacent to the alignment, all of which potentially need access to at least water and electricity 24 hours a day. Additionally, restaurants and food stores would need advanced warning of shutoffs to ensure adequate food storage and safety measures are put in place, and the loss of power or water could impact personal care services and manufacturers. Professional services businesses tend to keep regular business hours, so that utility shutoffs could be adjusted to minimize impacts." (See draft SEA, p.14-15).

The draft SEA fails to identify, analyze and mitigate against the impact of unplanned utility shut-offs. During construction it is inevitable that there will be accidental utility shut-offs of which business will not have advanced notice or warning. Roger Nielsen, a Lowertown business owner since 1974, lost utility services requiring him to close his business or restrict hours; the basement of his building flooded. (See App. A, Affidavit, Roger Nielsen)

This is a real problem: Within the first month of major construction, hundreds were evacuated from 12 businesses near the Snelling and University intersection due to a gas leak. According to an article in the Minneapolis Star Tribune, the gas leak occurred when Xcel Energy crew members were rerouting a pipe in preparation for the Central Corridor LRT construction. "Workers had capped one end of the pipe, and the cap blew off." (See App, A, Article "Gas leak shuts down busy area of St. Paul") An Xcel spokesman was quoted as saying Xcel was not sure how the cap came off – a statement that adds to the fears and uncertainties facing businesses in the Central Corridor. Victims were quoted as saying their lungs burned, they felt light-headed, and they could smell a strong rotten-egg odor for more than two hours. The article also reported that traffic was snarled for hours at one of the busiest intersections in the Twin Cities. Although most workers were able to reenter their businesses by 2 p.m., Xcel reported that service for about 1,200 customers would not be restored until midnight, the article said. In fact, at least one property owner did not have gas restored until nearly noon the following day.

Another owner, whose business is within feet of where the cap blew, reports that no one from the utility company or the city's fire department notified them of the problem. It was only after a client, arriving for his appointment, mentioned something was she even aware there was an issue. She had to seek out a utility worker to confirm what had happened and learned that her

85 employees and patients had to evacuate the building. If she had not been pro-active, it is pure speculative to say when the business would have been notified. In addition to being out of their work space for three hours, the business suffered damage to their compressors and computer screens. (See App. A, Email, Tina Lehmann, Metro Dental Care)

Small business owners rely on day to day customers to sustain their businesses. Unexpected and extended utility shut-offs will cause major monetary loss, either because the business will have to close temporarily, spoilage of food and other perishables, the additional cost of contacting customers and clients to re-schedule appointments, and the additional cost of delivering to the customer or client goods and services that are time sensitive.

There is no plan of action to deal with unexpected utility interruptions and no plan to deal with extended utility interruptions. The draft SEA failed to even mention unplanned utility interruptions and did not provide mitigation measures for either planned or unplanned interruptions. Therefore, Defendants have clearly failed to comply with the Court's Order.

Noise and vibrations: Businesses adjacent to LRT construction experience an increase in noise and vibration. Heavy machinery operating in very close proximity to businesses produces high decibels of noise pollution. The noise is audible inside of businesses, with doors and windows sealed. At times, construction noise is loud enough to interrupt phone conversations and to require raised voices during indoor conversations. Customers, employees, vendors, and others all are negatively affected by the construction noise. Construction noise is intrusive and unwanted, and has the effect of driving away customers, frustrating employees, and interrupting the flow of business.

Heavy construction machinery produces noticeable vibrations inside of businesses along the Central Corridor. Vibrations are distracting and intrusive to customers and employees and may cause temporary and permanent building damage. Yet the Metropolitan Council refuses to recognize the right of a business to seek temporary relocation funds under the Uniform Relocation Act. (See discussion below).

Increased dirt and dust: Construction activities produce large amounts of dirt and dust. Fine concrete dust is disseminated in a large area around construction work zones, and it finds its way onto building exteriors, into air vents, and is tracked onto building floors. In addition to concrete dust, other mud and fine debris are also generated by construction activities. Splashed mud and dirt soil windows, walls, doors, and floors. The increased presence of dirt and dust

create additional expenses for business owners who must spend resources on additional cleaning and maintenance for business interiors and exteriors. Patios can't be used and dust infiltrates into businesses serving food and beverages. (See App. A, Affidavit, Remke)

The draft SEA acknowledges that dirt and dust will be a problem and that "the need to clean this dust will negatively impact businesses. . ." (See draft SEA, p. 15) Businesses will have to do more window cleaning, mopping and sweeping, both in and out of their buildings, and will impact outdoor dining. The only mitigation measure is to confine construction work to the daylight hours. (See draft SEA, p. 15)

This is totally inadequate: Minnesota enjoys long daylight hours during construction season. The draft SEA does not state that the contractor will be *required* to work only during daylight hours. In fact, under the terms of the construction contract, construction crews are allowed to work from 7 a.m. to 10 p.m. seven days a week if needed." (See App. A, Flyer, Central Corridor LRT 2011)

The draft SEA does not discuss alternatives or compensation measures for businesses forced to clean up daily and the lost revenue due to patio closures.

Visual impacts: The draft SEA acknowledges that "[c]onstruction of temporary fencing and equipment movement and storage may obstruct business signage and may lead customers to believe that businesses have closed during the construction period, leading them to look elsewhere for their business." The draft SEA states that this problem would largely affect non-appointment based businesses, such as retail shops and many restaurants, as those businesses with appointments can assure their customers that they are operating. It would also reduce the likelihood of impulse decisions to stop in at a particular store or personal care service place, such as a nail salon. (See draft SEA, page 15).

The presence of heavy equipment, construction-related signage, temporary fencing, and other obstacles all diminish the value of investments made by businesses for exterior aesthetics and deter customers from patronizing businesses along the avenue. The value of logo development, sign production, landscaping, architecture, lighting, and other intentional aesthetic investments is diminished by unsightly construction materials. Additionally, when business facades are obscured by temporary equipment, the businesses lose out on brand impressions made by their physical spaces. Fewer customers are able to connect with them visually, resulting in decreased sales potential.

Multiple business owners complained that in Lowertown, the construction equipment actually obstructed the public's view of their businesses. (See App. A, Affidavits of Jim Golden, Sara Remke and Roger Nielsen) Due to the lack of people mingling around, the Black Dog Café had three burglaries during construction.

The only mitigation measure identified is signage: at page 20, the draft SEA states that construction signage will include "open for business" signage for businesses that are subject to temporary changes in access. Nothing addresses the problem of obstructed views.

Missing Items

Missing factor: Missing from the list of seven factors is the impact of traffic congestion, and pedestrian and vehicle counts, distinctly different items from access, parking and the other issues in the list. With the severe lane and turning restrictions imposed by construction activities, fewer cars can physically move along the corridor at any given time. The result of this is increased congestion on the road. This is costly for businesses because fewer customers are likely to spend time battling congested roads to do business with affected businesses, employees are likely to be late to shift work due to traffic in the area, and business' open hours may be affected. In a metropolitan area, consumers have multiple places to seek a particular good or service. Traffic reports of congestion in the area exacerbate the problem.

The draft SEA states, "In addition to the impact to customers, constraints on vehicle access also hinder delivery of goods to the stores and restaurants, which can be further hampered by roadway congestion. Impacts to vehicle access may cause businesses to reduce or relocate services during the period of roadway reconstruction. Businesses that rely on pick-ups and deliveries at specific times may be affected by traffic conditions along the roadway." (See draft SEA, p. 14 and App. A, §3.1.2 Impacts to Vehicle Access, p. 7)

Because the draft SEA does not analyze this factor separately, there are no mitigation measures to address this problem.

Missing studies: The draft SEA and the Volpe Institute ignore relevant findings from studies conducted in areas consistent with the Twin Cities and University Avenue markets. The draft SEA also fails to incorporate into its analysis the actual experiences of the businesses impacted by utility relocation and other Central Corridor LRT construction in the Lowertown area of Saint Paul. Studies performed on Lake Street and Seattle found

- Between 10% and 40% of businesses in half of the block groups on Lake Street were no longer in operation by the end of construction;
- 25% of retail businesses closed by the end of construction in Seattle (See App. A, Report, Alex Krieg, Results of the Supplemental Mitigation Assistance Program on Businesses Impacted by Light Rail Construction in the Rainier Valley, p. 61); and
- 50% of the construction firms closed.

The Lake Street and Seattle studies evaluated business impact based on the percentage of businesses within an industry grouping that closed. It is important to note that business closures are not the same as impact on business revenue. However, because 25% of the retail businesses along MLK Way in Seattle closed, it is obvious that there was an impact on revenue which exceeded 2.5%. The projects in the studies cited in the Met Council report are not analogous to the Central Corridor LRT. The Houston project was a highway retrofitted to accommodate bus rapid transit, therefore dealing only with select transit elements of a dissimilar nature from the CCLRT. This study does not provide any additional information that describes the proximity of the businesses to the project, the number of lanes of traffic, level of access, or prevalence of off-street parking. The Central Corridor LRT project is a complete reconstruction of the right of way, with direct impacts on adjacent businesses. (See App. A, Matrix, Comparative Analysis: Precedents for University Avenue; also see App. A, Report, "Economic Indicators of the Lake Street Corridor" by Jose Diaz, December 2009; App. A, Report, "The Impact of Light Rail Construction on Neighborhood Business Activity in the Rainier Valley, Seattle, Washington" by Alexandre Krieg, University of Florida 2009).

UABA gathered affidavits from owners with businesses located on University Avenue and in the Lowertown area of Saint Paul. (See App. A, Affidavits of Business Owners). In these affidavits, the owners describe their past and current experiences with the construction work on the Central Corridor LRT as well as their concerns for the survival of their businesses in the future. Some of these concerns specifically address and contradict claims made in the draft SEA and by the Volpe Institute. It is unrefuted that the 2009 and 2010 Lowertown construction caused huge losses in income and revenues with Innuendos and Rumors closing. Already since construction started on the west phase in 2011, businesses have seen an immediate and dramatic drop in business and revenues. The draft SEA ignores this relevant and valuable information entirely.

The Met Council cannot be allowed to ignore the experiences, concerns and responses of the very people that have been and continue to be impacted most by the construction. These are the very people Met Council claims that it is trying to help through mitigation measures.

Missing Comments: At two town hall meetings held on February 17, “[b]usiness owners, employees and citizens were provided the opportunity to discuss specific issues and provide written and verbal comments” regarding “potential impacts to businesses during project construction, including the potential loss of business revenue during the construction period.” (See draft SEA, p. 23). Glaringly absent from the draft SEA is a list of those comments, an analysis of those comments, and a discussion of the specific mitigation measures in place that will address those comments. Each business owner currently operating on University Avenue knows how its business operates, what it needs to be successful, and how construction of the Central Corridor LRT will uniquely impact that business. Regardless, the draft SEA fails to use the information gathered at those meetings and fails to even explain why this information is missing.

UABA also objects to the manner in which the Met Council gathered information from the business owners. At the February 17 “town hall meetings” no oral comments were permitted and no written comments were received unless they addressed certain topics and were written on the small card provided. In preparation for these two meetings, UABA created a comment form (See App. A, Comment Form) so that business owners and managers could

- Provide specific information about why they believed their businesses would lose income and revenue both during construction and after the LRT was operational;
- Evaluate the effectiveness of the programs MET Council already created to address their issues; and
- Suggest ways in which Met Council could address the identified problems.

Missing Analysis: The draft SEA fails to identify and analyze the job losses that have and will occur as a result of the loss of business revenue. University Avenue is home to 947 businesses employing at least 3,500 individuals. There have already been business closings and resulting job losses due to construction. At the March 16 Public Hearing, one participant testified that she lost her job due, directly, to the construction. Porky’s popular drive-in restaurant is closing because the owner anticipates that the LRT will ruin his business. (See App. A, Article, Light rail pushes Porky’s owners to seek sale.)

Met Council must re-write the draft SEA to incorporate these missing items into its analysis and allow another comment period on this re-write.

Missing from the parking analysis:

- **Impact on residential blocks:** With the removal of 1,143 parking spaces from University Avenue, employees and customers will seek spaces in the adjacent residential blocks. This will undoubtedly cause parking shortages for those residents, increase traffic in the quiet residential streets and foster resentment. In some blocks, access to businesses will be through alleys which are adjacent to residential areas. Customers, employees and delivery vehicles will all use the alley for access. Of the three, delivery vehicles, particularly semis, will cause the most disruption and impact on residential areas. Some delivery trucks will have no choice but to block the alley while unloading and loading goods.
- **Permit parking:** The draft SEA does not mention the city's plan to establish permit parking in the residential blocks adjacent to University Avenue and doesn't analyze the impact this will have on businesses. ". . . [P]ermit parking zones should be established on neighborhood streets away from University Avenue..." (See MLPCC, p. 12 available at www.stnaut.gov/centralcorridor). The purpose is to allow residents and employees a place to park; those without a permit will be limited to two hours or parking or not all.
- **Squatters:** The draft SEA does not address the issue of squatters – that is, unauthorized persons, taking parking in private lots along the CCLRT. Squatters taking parking spaces remains an unresolved issue for businesses. Business owners along the CCLRT have started experiencing squatters parking in their lots thus depriving the business owner's customers of the parking. This is creating an enforcement issue for businesses. Now businesses have to take employee time, hire a parking lot attendant or find some other way to keep squatters out so that their own customers, employees and delivery personnel have spaces to park. This issue must be analyzed and effective mitigation measures created.
- **Parking for construction workers:** The parking programs are inadequate to address the loss of parking along the CCLRT line during construction. Two parking programs are mentioned in the draft SEA: Construction Employee Parking Plan (CEPP) and the Neighborhood Commercial Parking Program (NCP) (See draft SEA, p. 20). Under the

CEPP , “construction contracts will require contractors to minimize use of available parking by developing an employee parking plan to direct employee and construction vehicle parking away from business...areas.”

The CEPP lacks detailed information on how this program will be administered and enforced to insure that construction employees are not taking parking needed by businesses. Furthermore, there is nothing in the draft SEA that states how information about the CEPP will be made available to contractors. One participant at the March 16, 2011 Public Hearing declared, “To deal with construction people parking, they take away my parking-instead of just telling the construction people where they can park.”

Missing Sign Analysis: The present signage program is inadequate to mitigate the impact of construction. The draft SEA states that “construction signage will include “Open for Business” signage for all businesses that are subject to temporary changes *in access*. These signs will include an “open for business” statement, emergency contact information, and Central Corridor Project Office contact information.” (See draft SEA, p. 20) In addition, a \$200,000 fund for signage is provided by the Metropolitan Council. (See draft SEA, p. 19).

These measures are totally inadequate. Lowertown businesses complained the signage program was inadequate and businesses fear this will be repeated along University Avenue. (See App. A, Public Comment Form, Halden) At the Public Hearing one business person commented, “Signage is horribly inadequate.” There are over 900 businesses covering eleven miles for a four year project. The signage fund won’t be adequate. Signage should also include the name of individual businesses and should be located where they are most effective to let customers know businesses are open and to direct customers to parking and entrances, as was done in Arizona.

Timeline

The draft SEA states that “Once the roadway is removed adjacent to an existing property, contractors will have a maximum of 150 days to restore the roadway directly adjacent to the property. Once sidewalks are removed, contractors will have a maximum of 15 days to restore sidewalk areas. . . . Traffic and pedestrian access will be restored to its final condition by the end of heavy construction activities.” (See draft SEA, p. 6)

This statement is misleading in several respects:

The roadway in front of any business will be impacted for the entire construction period, not merely 150 days. The “150 days” timeframe only refers to the construction on one-half of the roadway. Once one-half of the roadway is completed, the other half of the roadway bed will be torn up and rebuilt. Throughout the entire construction period, the center lane will be under construction. During the construction on either half of the roadway, there will be only one lane of through traffic in each direction on University Avenue. Therefore, during the entire construction period, businesses will experience traffic congestion and the seven impacts identified in the Vople report (pedestrian access, traffic and vehicular access, temporary parking loss, utility shutoffs, noise and vibration, increased dirt and dust, and visual impacts). It will not matter that the construction is taking place on only one side of the roadway – the impacts will be felt by businesses on both sides of the roadway.

Second, the “150 day” clock starts to run only *after* the roadway is removed. The draft SEA does not state how long the contractor may take to remove the roadway. Vehicle and pedestrian traffic has been altered or closed on the west end since March 7, 2011, but the 150 days has not started.

Third, buried in the draft SEA are the hours of construction: Construction hours will generally be from 7 a.m. to 5 p.m. weekdays, but crews will be allowed to work from 7 a.m. to 10 p.m. seven days a week if needed.” (See App. A, Flyer, Central Corridor LRT 2011 Construction Schedule) Nowhere in the draft SEA does the Met Council analyze the impact of seven days of construction, particularly for restaurants that experience their heaviest customer traffic on Fridays, Saturdays and Sundays.

Fourth, in the Lowertown of Saint Paul which has been undergoing construction as part of the CCLRT for the two construction seasons of 2009 and 2010, no parking or vehicle traffic was permitted from March to December, yet the draft SEA fails to acknowledge that fact or analyze the impact of that fact. The impact is documented in the affidavits of Nielsen, Remke Golden and McInerney. (See App. A, Affidavits)

Mitigation Measures

The mitigation strategies identified in the draft SEA are inadequate because they merely recite the measures in an encyclopedic fashion, rather than analyze various measures. The draft SEA fails to identify alternatives considered, criteria for evaluating the alternatives, program parameters and a means of evaluating program effectiveness.

The draft SEA states, “Business programs have been developed to provide measures to assist businesses impacted by construction of the Project. These programs have been identified to specifically assist small businesses that may be impacted by temporary vehicular and pedestrian access changes, traffic detours, or other construction-related impacts (e.g., noise, dust).” (See draft SEA, p. 20-21)

Detailed planning information and meaningful evaluation criteria are critical to the legitimacy of any CCLRT business impact mitigation strategy proposed by the Metropolitan Council. The draft SEA fails to identify the basis for the technical parameters of its proposed business assistance programs and provides no criteria for measuring the success of the mitigation strategies it proposes. Therefore, the proposed mitigation strategies are entirely inadequate.

Business Mitigation Fund: The draft SEA indicates that a loan of up to \$10,000 may be obtained by individual business owners from an available pool of \$1.5 million. The draft SEA provides some of the detail about a business mitigation fund support program which will provide low- or no-interest loans and grants with no obligation to repay to small businesses (gross annual sales less than \$2 million) that may experience construction-related disruptions. Individual small businesses whose business focuses on retail sales would be eligible for loans of up to \$10,000. Loans could be used for basic business expenses including taxes, rent/mortgage, utility or personnel payments. The business mitigation fund is being administered by the City of St. Paul Housing and Redevelopment Authority. (See draft SEA, p. 20).

The draft SEA provides no information as to *how* these figures were established and provides no foundational support for the \$10,000 loan cap. It provides no further detail on how, or even if, program effectiveness will be monitored, measured, and analyzed. The loan program is inadequate at best and insulting at worst for three reasons:

First, consider three separate cases for business revenue. Business A makes 100,000 per year, Business B makes 500,000 per year, and Business C makes 2,000,000 per year. Divided by the number of months in a year, A makes an average of \$8,333 every month, B makes \$41,667 per month, and C makes \$166,667 monthly. Let us first be overly optimistic and assume that the businesses will lose revenue equal to the top of the threshold provided by the Volpe Institute: 2.5% per month. In the first month, Business A will lose \$208, Business B will lose \$1,042, and Business C will lose \$4,167. The business mitigation grant of 10,000 will recoup all of Business

A's losses for 48 months, Business B's losses for about 9.5 months, and Business C's losses for 2.4 months. On its face, this would seem reasonable but let us now turn to a more realistic case.

Assume that the loss of business revenue is about 10% per month. Granted, this is outside the level given by the Volpe Institute but it is still well below the threshold of loss to business sectors like supermarkets. Business A will exceed the \$10,000 provided by the mitigation fund in just 12 months, Business B will surpass the level of relief provided in 1.2 months, and Business C will lose \$10,000 in just over half a month. (See App. A, Public Comment Form, Stansky)

These numbers are realistic and may be as overly optimistic as the Volpe Institute's upper bound of 2.5%. One study performed to analyze the loss of business revenue due to construction identified that some business sectors will lose up to 37%. If we consider that some businesses may exceed the level of aid provided by the mitigation funds in under a month when their loss is just 10%, one begins to worry that the mitigation funds will be nowhere near what is required to help struggling businesses.

Second, the terms of the loan program are onerous to small businesses and require a business to wait 60 days before even applying for the loan. The program requires the completion of the Ready for Rail training course and the creation of a Construction Preparation Financial Plan before construction starts. (See App. A, Flyer, Ready for Rail – Small Business Loan Program). This is an onerous burden for a small business owner. Business owners who relied on the Metropolitan Council representation that the Central Corridor LRT construction would not have an adverse impact on their businesses are out of luck because they cannot meet the requirements of the program. They learned of the devastating impact on their businesses *after* construction began.

Third, only \$1.5 million has been committed to this program. At \$10,000 a loan, this fund will help only 150 of the 950 plus small businesses on University Avenue employing 3500 individuals. Even the Saint Paul City Council concluded this was grossly underfunded. (See App. A, Resolution, # RES 11-576, City of Saint Paul, dated March 21, 2010, urging the Metropolitan Council to add \$3.635 million to construction and business mitigation efforts along the Central Corridor, given the new information in the draft SEA).

Additional Mitigation Measures: The draft SEA identifies an additional resource, valued at \$230,000, to provide business consulting and technical assistance to businesses affected by CCLRT construction. Further business consulting and marketing support services through the

U7 are identified and valued at \$400,000. A fund described as “other” is listed with a value of \$7,670. The total funds identified for “Business Assistance” are \$2,137,670. (See draft SEA, p. 22)

The draft SEA provides no analysis as to whether \$2.1 million in “business assistance” is likely to provide a substantial mitigating effect on bottom line impacts for businesses along the CCLRT.

Compensation, not mitigation, needed: A compensation program should be included in the mitigation strategies for small businesses to compensate them for any documented loss of business revenue resulting from the CCLRT construction. A business compensation fund should reimburse businesses for expenses incurred while they attempt to mitigate the specific impacts on their unique businesses. Such expenditures might include bus passes for employees, additional signage to alert customers that they are open for business signage to assist customers in locating parking and changes in delivery schedules due to construction. A reimbursement program would have two primary functions: First, to reimburse businesses for costs associated with mitigation measures. Second, to reimburse businesses for verifiable losses incurred as a result of the construction of the CCLRT. A compensation program combined with a loan fund would provide a more substantial mitigation effect for local businesses than the loan fund alone.

A business compensation fund has a verifiable track record as an effective mitigation measure, as it has been successfully implemented in other communities. The Community Development Fund (CDF) in Seattle is an example of the successful implementation of a compensation fund. The CDF included \$16 million in Supplemental Mitigation Assistance for businesses impacted by Light Rail Construction in the Rainier Valley to compensate businesses for moving and re-establishment costs, increased operating costs, decreased revenues, and for other purposes. Additionally, an \$8 million loan fund was made available for businesses in support of projects that preserved and strengthened cultural and economic diversity, long-term livability and economic opportunity. (See App. A, Report, Collins R. “Light Rail Transit Construction Impact Mitigation Strategies: Case Studies and Recommendations for the Central Corridor” 21 December 2007)

Rainier Valley boasts an 85% survival rate among businesses eligible for funds. The CDF points to its adaptability as the key to its success and it notes that it adapted its program offerings more than ten times in response to changing conditions. The Rainier Valley project also

recommends investing in data collection to allow for after-the-fact documentation of the program's impacts. The emphasis on an empirical approach to program design is wholly absent from the business mitigation strategies identified in the draft SEA.

In sum, the mitigation strategies proposed in the draft SEA to address business impacts during CCLRT construction are inadequate and should be enhanced with a substantial business compensation fund. The mitigation strategies should reflect the best practices of similar projects in other communities and must include robust methodology to measure program outcomes.

Relocation Benefits

For all the reasons identified in these comments and in the draft SEA, the Central Corridor LRT is a "displacing activity" for which federal relocation benefits should be made available to eligible businesses.

Under the Uniform Relocation Act, "displacement" is defined as a person who "moves from real property...on which such person is a residential tenant or conducts a small business...as a direct result of rehabilitation, demolition, or such other displacing activity as the lead agency may prescribe..." (42 U.S.C. § 4601(6)). For the CCLRT the lead agency is the Federal Transit Administration. This definition is not restricted to displacement caused by the taking of real property by eminent domain. The policy underlying this law is to provide for fair, uniform and equitable treatment of **all affected persons**, to minimize the adverse impact of displacement, which is recognized as essential to maintaining the **economic and social wellbeing of communities**, and to establish a uniform policy for the fair and equitable treatment of persons displaced as a direct result of programs or projects undertaken by or with the financial assistance of a federal agency. (42 U.S.C. § 4621(a)(4))

The primary purpose of this law is to ensure that such persons shall not suffer disproportionate injuries as a result of programs and projects designed for the benefit of the public as a whole and to minimize the hardship of displacement on such persons. (42 U.S.C. §4621(b).

University Avenue businesses will be forced to close or relocate as a result of the construction of the CCLRT and its impacts, such as increased expenses and decreased revenues. The draft SEA and the Volpe Institute admits this:

- "If construction impacts to businesses are sufficiently adverse, then businesses may close or relocate." (See draft SEA, p. ES 1.6, Conclusions and Summary of Commitments);

- “Project construction activities can result in short-term, temporary impacts to businesses” and acknowledges that “[i]mpacts to vehicle access may cause businesses to reduce or relocate services during the period of roadway reconstruction.” (See draft SEA, p. ES 4.1.1, Potential Impacts);
- “The Technical Report [prepared by Volpe Institute] also states that the estimate of impacts is subject to significant uncertainty. Given this uncertainty, it is likely that there may be businesses with sales revenue losses other than those identified as being impacted. If construction impacts to businesses are sufficiently adverse, then businesses may fail or relocate.” (See draft SEA, p.ES 6.0). Porky’s and Chocolat Celeste are examples of businesses which have or will relocate.
- “In addition to the impact to customers, constraints on vehicle access also hinder delivery of goods to the stores and restaurants, which can be further hampered by roadway congestion. Impacts to vehicle access may cause businesses to reduce or relocate services during the period of roadway reconstruction.” (See draft SEA, p.3.1.2 Impacts to Vehicle Access).

At the March 16th Public Hearing, a former employee stated her boss “lost his American dream and his \$30,000 investment” when the owner was forced to close his business. Another person testified that she recently moved her business off of University Avenue to survive. (See App. A, Affidavit, Mary Leonard) U7 also acknowledges the threat of business displacement posed by construction. “The parking loss, decreased customer access, and predicted loss of sales during and after construction may, in some cases, be so extreme that no level of preparation from the business alone can overcome this damage. Therefore, additional, well-designed, well-funded, and well-implemented corridor-wide solutions by Metropolitan Council and other government entities are necessary to help offset the impacts of LRT.” See App. A, U7’s Position Statement on LRT Best Practices)

Given the multiple acknowledgments that construction of the CCLRT will displace local businesses, the Federal Transit Authority must designate the project a “displacing activity” within the Uniform Relocation Act (42 U.S.C. §4601(6)). Businesses which are forced to close or relocate as a result of the construction of the CCLRT and its impacts must be made eligible to obtain federal relocation benefits. Eligible expenses (42 U.S.C. § 4622(a)) outlined by the law include actual reasonable expenses in moving; actual direct losses of personal property as a result

of moving or discontinuing a business; and actual reasonable expenses in searching for a replacement business.

The Uniform Relocation Act speaks directly to those who are at risk of being put out of business by construction activities while the rail line is being built, not just those whose property has been acquired for the project. By deeming the project a “displacing activity”, the FTA and Metropolitan Council will “minimize the adverse impact of displacement” to all affected people, because minimizing such impacts is “essential to maintain the economic and social well-being of communities.” With the “displacing activity” designated, the Met Council can proceed with implementing a relocation benefits program and give effect to the purpose of the federal law.

The draft SEA does not identify or analyze the Uniform Relocation Act as a mitigation option for businesses affected by the construction and doesn't explain why these benefits should not be available to small businesses. A Freedom of Information Act request by UABA was not responded to by the FTA regarding those displaced who did not have real property acquired by eminent domain. The FOIA response from LaHood was limited to only property acquisition - there was nothing included about displacing activities despite how the request was worded. Therefore the draft SEA does not meet the requirements for an EIS (40 CFR §1506.1) and is deficient.

Conclusion

Based on all of the above, UABA asks Met Council and the FTA to do the following:

- Create an adequate compensation fund, to compensate small businesses for documented loss of revenues and increased costs necessitated by the construction of the Central Corridor LRT from Lowertown construction which started in 2009 to the end of construction;
- Deem the project a “displacing activity”, making businesses forced to relocate due to construction eligible for Federal Relocation Benefits;
- Create additional parking spaces for the public in vacant lots and in the lots connected to vacant buildings;
- Summarize and analyze all public comments from the February 17 town hall meetings and the March 16 public hearings;

- Retain a neutral third party to prepare a comprehensive, supplemental EIS which meets the requirements of 40 CFR §1502.2 and incorporates and addresses these comments and the other written and oral comments filed; and
- Conduct pre-construction, construction and post-construction pedestrian and vehicle counts for each block in the Central Corridor, including Lowertown.

