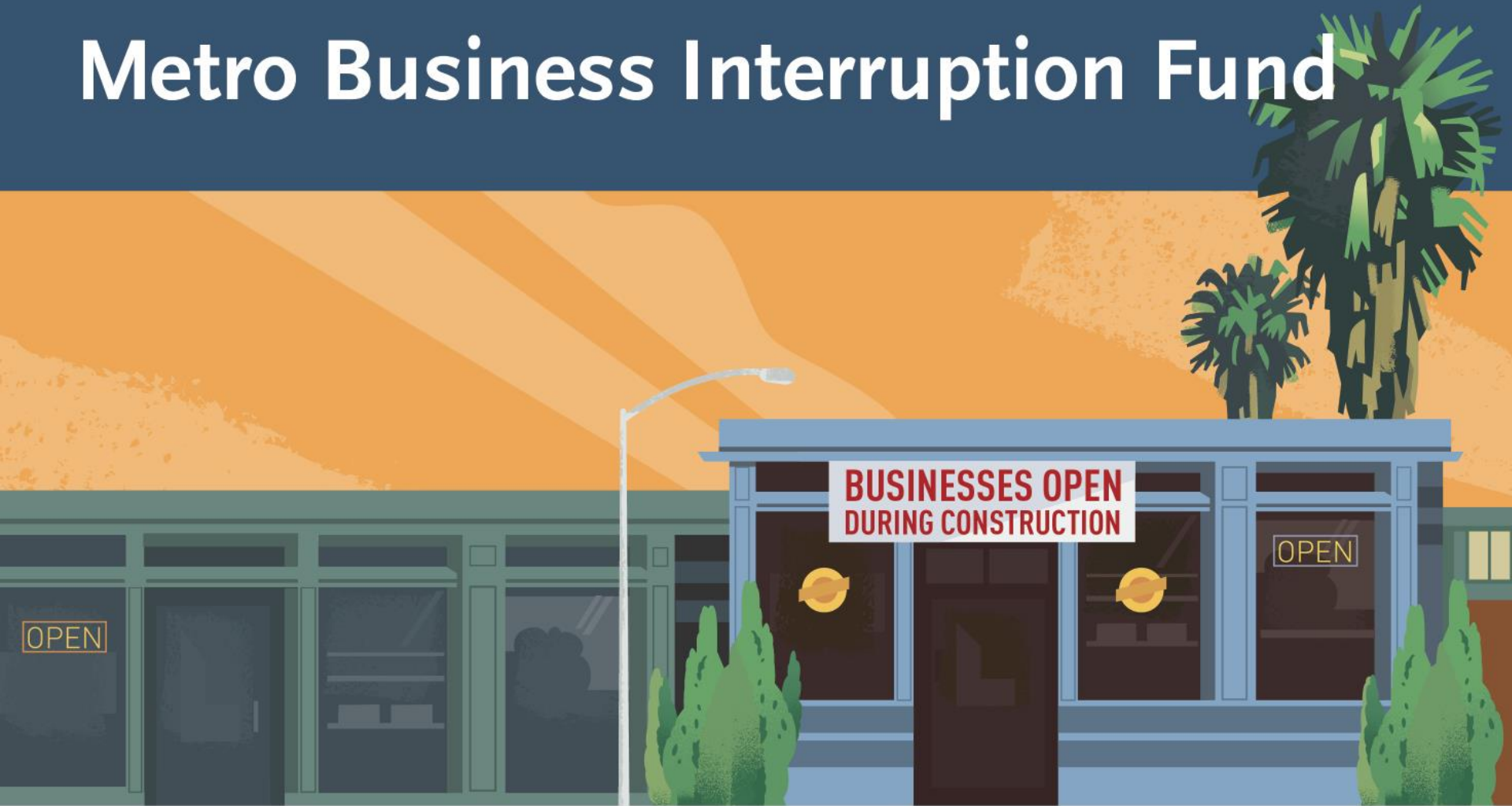


# Metro Business Interruption Fund



# Motion 32

- Motion 32, approved February 23, 2023, authorized staff to complete an assessment of the Pilot BIF and report back with recommendations on how the Pilot BIF could be applied to address local business impacts created by the construction of the East San Fernando Valley Light Rail Transit Line Project.

# Program Success Factors

The BIF has been successful due to various factors:

- It has been applied to Metro's transit rail projects with a construction budget over one billion dollars;
- It has been applied to Metro rail transit projects that are multi-year (4 plus years) with significant construction activities, and or unprecedented full street closures with a duration greater than six continuous months;
- It provides grants to small businesses that have been directly impacted by Metro's construction projects as authorized by Metro's Board who recognized the significant impact construction may have on the small "mom and pop" businesses located on corridors.
- It has been delivered through defined program eligibility requirements and guidelines, ensuring equitable access to financial resources for businesses in each of the transit rail project corridors; and
- It has been delivered via direct community outreach and in-person engagement by a third-party administrator which has proven to be the most effective way to build community trust and engagement ensuring that the program meet the needs of the businesses impacted by construction.



# Potential Expansion to ESFV LRT

- Staff assessed the BIF's applicability solely for the southern segment of the ESFV LRT Project\*.
  - The southern segment will be 6.7 miles long and include 11 at-grade stations along with the maintenance facility.

\*Staff will re-evaluate the project alignment in conjunction with Program Management's conclusion of the analysis for the northern segment of the ESFV Project.

# Potential Expansion to ESFV LRT

- Approximately 2,600 small businesses are located within a ¼ mile of ESFV LRT Project alignment

Project Zip Codes	Small business location Buffer	Small Business* Count	Average Number of Employees	Average Sales Volume
91331, 91402, 91405, 91411, 91401	¼ Mile	2,611	5	\$312,024

Data Source: Dun & Bradstreet

\*Small Businesses are defined as having 25 or fewer full-time employees

# BIF Program Modifications

- Metro staff propose increasing the maximum annual BIF grant threshold from \$50,000 to \$60,000.
  - Historically, approximately 25% of grants awarded had revenue losses that exceeded the current annual maximum of \$50,000.
  - Staff believe that increasing the annual maximum of the BIF grant threshold from \$50,000 to \$60,000 will be viable and not require any budgetary changes.



# BIF Program Modifications

- Metro staff propose implementing a new “Presumptive Eligibility” grant application and award for an annual maximum of up \$1,500.
  - Businesses would be able to self-certify their revenue losses and not provide financial documentation upfront (subject to audit per BIF guidelines).
  - The self-certification process would reduce the burden of gathering and providing financial documentation.
  - 18% of ineligible businesses (23 firms) have been deemed ineligible for the BIF due to insufficient financial documentation.
  - Firms that apply and are awarded a grant under this process continue to be eligible for the full grant amount (up to \$60K) should they apply for and provide required evidence of loss and financial documentation required by the BIF guidelines.



Thank you