Results of the Supplemental Mitigation Assistance Program on Businesses Impacted by Light Rail Construction in the Rainier Valley

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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

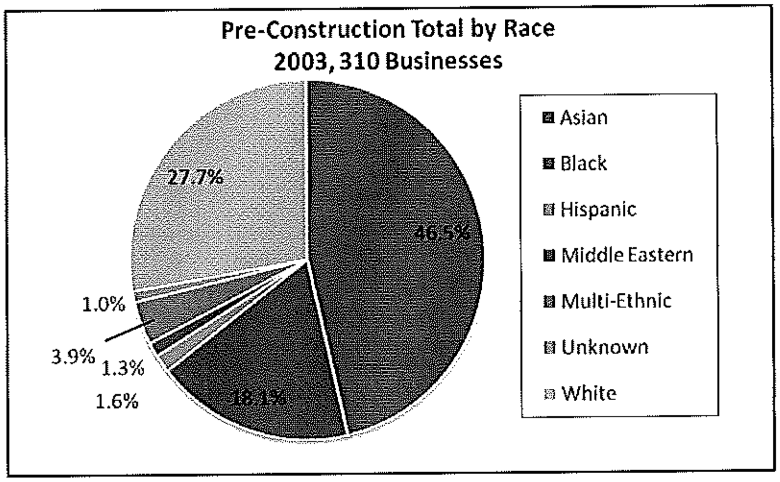
Race/Ethnicity

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.

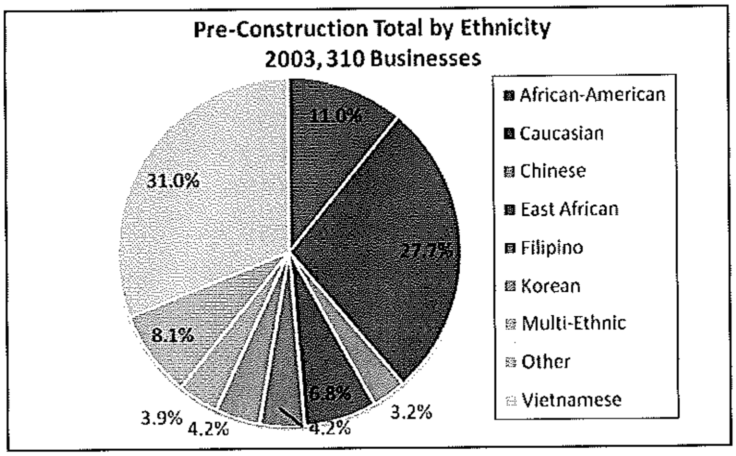
Pre-Construction Race Data

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%

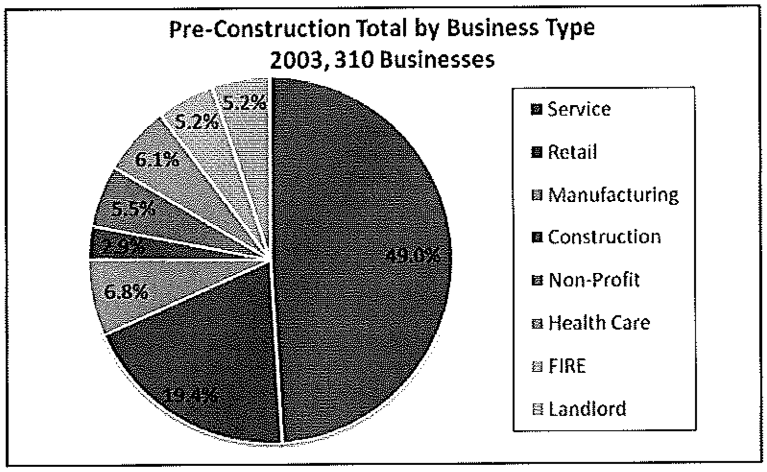


Business Type

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.

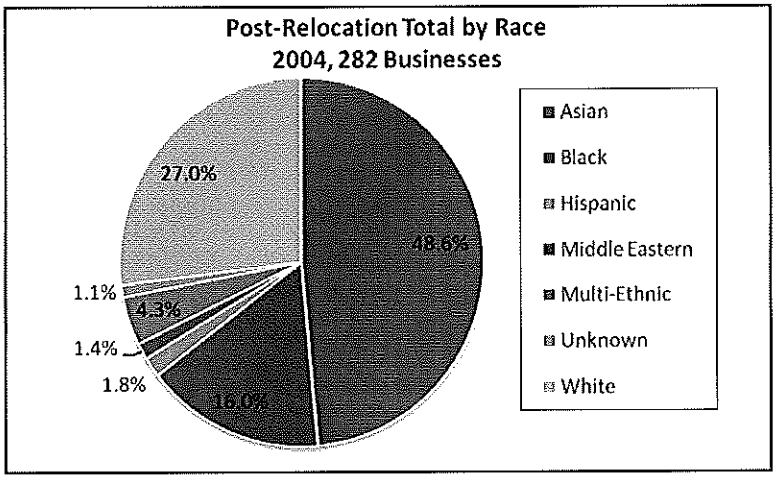
The data presented below build off the pre-construction data in two ways. First, the data examine the business population that remained along MLK and within the Rainier Valley after relocation as a result of the property acquisition that took place for light rail construction. A total of 58 businesses 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:

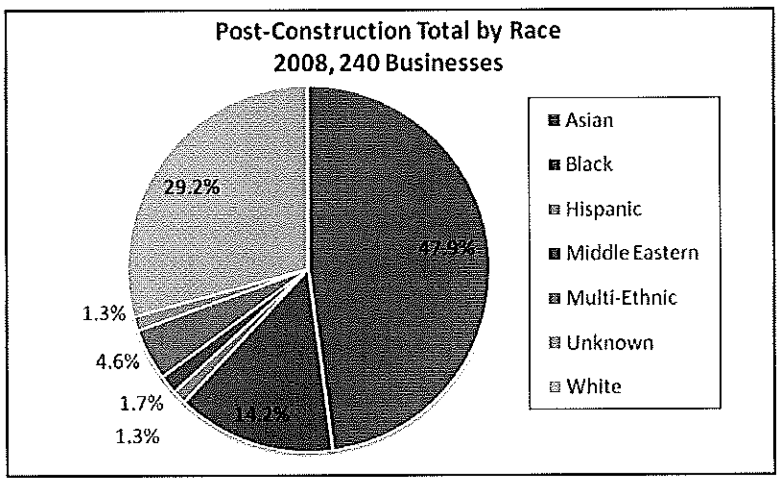
Post-Relocation Race Data

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%

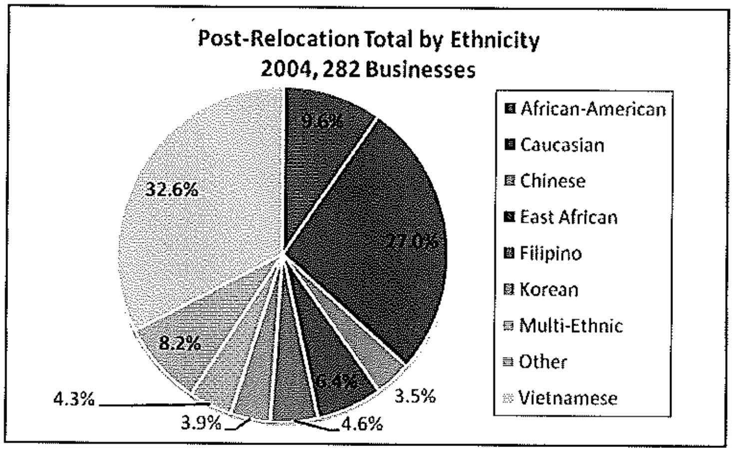


The data show that of the racial groups comprising the SMA-eligible businesses, the greatest business losses were concentrated among the largest groups, namely blacks, whites, and Asians. While these groups sustained the largest business losses, they remained at around the same proportion of businesses 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:

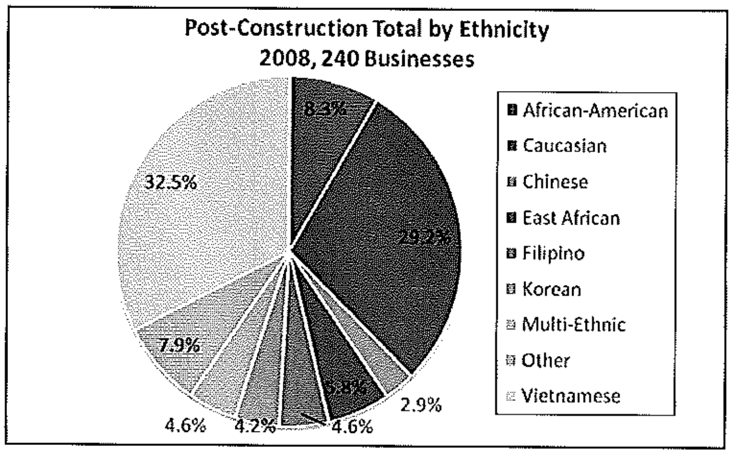
Post-Relocation Ethnicity Data

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%



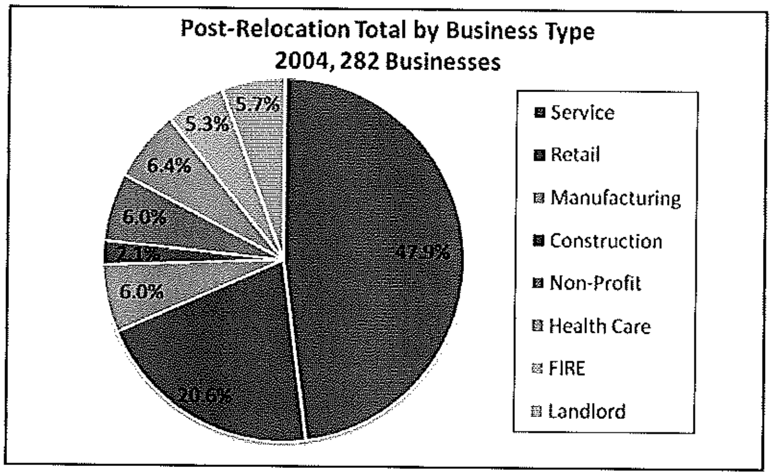
The ethnicity data indicate that the MLK business community remained a diverse group. The largest ethnic-businesses were those owned by Caucasians and Vietnamese individuals. Together they comprised more than 60% of the businesses along the alignment zone with the other almost 40% made up of 12 distinct 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:

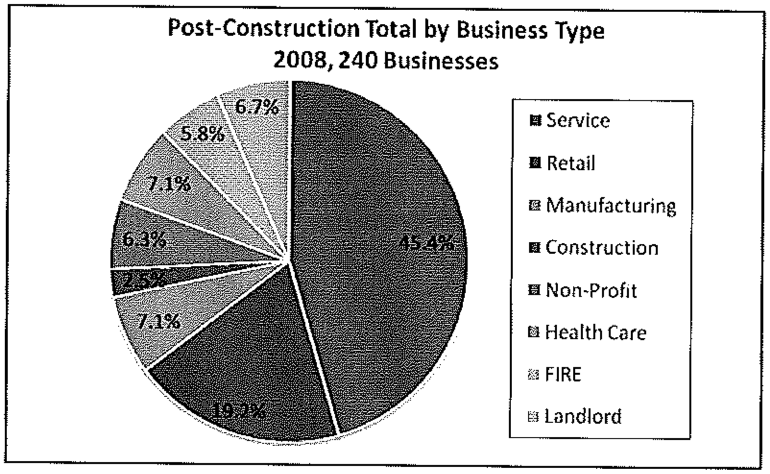
Post-Relocation Business Type Data

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.