

INTRODUCED: March 26, 2018

A RESOLUTION No. 2018-R029

To request that the Mayor secure from the Greater Richmond Transit Co., Inc. certain City-contributed funds projected to be unexpended for the operating costs of the Broad Street Bus Rapid Transit project and introduce an ordinance to amend the Fiscal Year 2017-2018 General Fund Budget to establish, to the extent and in a manner permitted by law, financial and non-financial assistance programs for businesses in certain areas adversely affected by the construction of the Broad Street Bus Rapid Transit project.

Patron – Ms. Gray

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: APR 23 2018 AT 6 P.M.

WHEREAS, the General Fund Budget for the fiscal year commencing July 1, 2017, and ending June 30, 2018, makes an appropriation as a non-departmental line item to Greater Richmond Transit Co., Inc. (hereinafter, "GRTC") in the amount of \$13,963,188.00 (the "2018 Appropriation");

WHEREAS, upon information and belief, the City has disbursed \$10,472,391.00 of the 2018 Appropriation to GRTC at the time of the introduction of this resolution, representing 75 percent thereof, and currently retains \$3,490,797 of the 2018 Appropriation; and

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: APR 23 2018 REJECTED: _____ STRICKEN: _____

WHEREAS, the 2018 Appropriation represents an increase of \$1,663,188.00 (the “2018 Increase”) over the appropriation of \$12,300,000.00 made as a non-departmental line item to GRTC in the General Fund Budget for the fiscal year commencing July 1, 2016, and ending June 30, 2017; and

WHEREAS, during the consideration by the Council of the City of Richmond of the General Fund Budget for the fiscal year commencing July 1, 2017, and ending June 30, 2018, it was represented to the Council that, of the 2018 Increase, \$719,944.00 (the “2018 Pulse Funds”) was intended for operating costs associated with the Broad Street Bus Rapid Transit project (the “Pulse Project”); and

WHEREAS, subsequently, GRTC noted that it expects to expend \$439,966.00 of the 2018 Pulse Funds by June 30, 2018, leaving \$279,978.00 (the “Remaining Balance”) unexpended as of June 30, 2018; and

WHEREAS, the Council believes that the anticipated delay in the completion of the Pulse Project coupled with the adverse effects of the construction activities and impediments suffered to date reported in local media, impose undue financial and other hardships on businesses within certain areas from the City’s corporate boundary on East Main Street to the intersection of East Main Street and North 14th Street and along East Broad Street to the City’s corporate boundary just west of Staples Mill Road (the “Affected Areas”); and

WHEREAS, the Council believes that the Remaining Balance may serve as a potential funding source for programs to provide financial and non-financial assistance for businesses located within the Affected Areas; and

WHEREAS, the Council is of the opinion that the Mayor should petition GRTC for the return of or otherwise secure the Remaining Balance and introduce an ordinance to amend the

General Fund Budget for the fiscal year commencing July 1, 2017, and ending on June 30, 2018, to establish, to the extent and in a manner permitted by law, financial and non-financial assistance programs for businesses located within the Affected Areas;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Mayor is hereby requested to petition GRTC for the return of or otherwise secure the Remaining Balance and introduce an ordinance to amend the General Fund Budget for the fiscal year commencing July 1, 2017, and ending on June 30, 2018, to establish, to the extent and in a manner permitted by law, financial and non-financial assistance programs for businesses located within the Affected Areas.



Richmond City Council

The Voice of the People

Richmond, Virginia

Lou Brown Ali
Council Chief of Staff

Office of the Council Chief of Staff

RECEIVED

MAR 16 2018

OFFICE OF CITY ATTORNEY

Ordinance/Resolution Request

TO Allen Jackson, City Attorney

THROUGH Lou Brown Ali, Council Chief of Staff *LB*

FROM Charles M. Jackson, Council Budget Analyst *C.J.*

COPY Kimberly Gray, 2nd District Council Member
 Meghan K. Brown, Deputy Council Chief of Staff *MKB*
 Craig Bieber, 2nd District Liaison
 Haskell Brown, Deputy City Attorney

DATE March 15, 2018

PAGE/s 1 of 3

TITLE Provide Financial Assistance to Businesses along the GRTC Pulse Corridor.

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

Kimberly Gray

SUGGESTED STANDING COMMITTEE

Finance and Economic Development

ORDINANCE/RESOLUTION SUMMARY

The patron requests a resolution petitioning Mayor Stoney and the Administration to: **A)** Request the Greater Richmond Transit Company (GRTC) to return a portion of the increased contribution for the Pulse in the Fiscal Year 2018 (FY18) Non-Departmental budget to the City of Richmond and **B)** Upon receipt of those funds, introduce a FY18 Budget Amendment to establish a grant and/or loan program to aid businesses along West Broad Street, that have been negatively impacted by the lengthy process for construction of the new GRTC Pulse system. Also, the new program is to include parking assistance alternatives to mitigate the barriers to parking and customer access.

BACKGROUND

In partnership with the U.S. Department of Transportation, the Commonwealth of Virginia (Virginia Department of Rail and Public Transportation - DRPT and Virginia Department of Transportation - VDOT), the City of Richmond and Henrico County, GRTC will develop a Bus Rapid Transit System, dubbed the Pulse, to improve commerce transit within the City.

GRTC Pulse is a modern, high capacity rapid transit system that will serve a 7.6 mile route along Broad Street and Main Street, from Rocketts landing in the City of Richmond to Willow Lawn in Henrico County. The system is expected to provide frequent, reliable transit service that allows a greater movement of

people along the corridor without depending solely on cars and parking.

The early incentive completion date of the GRTC Pulse project was December 30, 2017. However, the contractor for the project, Lane Construction, did not meet its early incentive completion date. The contractual fixed project deadline is scheduled for completion by June 30, 2018. As such, businesses along the corridor have expressed to the local media, that contending with traffic barriers, lost parking and other construction issues have negatively impacted their sales. Some owners have claimed a decline in sales as great as 20 percent.

The City's FY18 adopted budget included an increase in the appropriation to GRTC for the Pulse. The increase amount was \$719,944. This increase was appropriated based on the estimate that the project would open in late 2017. Because the project did not open as estimated, GRTC has indicated that out of the \$719,944 increase in funds for the Pulse, they anticipate utilizing \$439,966 through the end of the fiscal year which leaves a saving of \$279,978. Obtaining/Securing the identified savings from the FY18 Non-Departmental subsidy (granted to GRTC) will allow the Mayor and Administration to establish a program to provide financial (ex. grants/loans) and non-financial (ex. parking assistance) relief to impacted business. Localities across the nation have established similar construction mitigation programs with measurable success. These include Seattle (WA), St. Paul (MN), and Oakland (CA). The types of construction mitigation services used to assist businesses include:

Financial Products & Direct Compensation Incentives:

1. Grants
2. Subsidies
3. Relief from Local Business Fees and Licenses
4. Tax Credits
5. Loans (including Forgivable Loans)

Governmental Services/Non-Financial Assistance:

1. Parking Assistance
2. Complimentary Business Consulting (ex. Marketing, Legal Consulting, etc.)
3. Paid Advertising
4. Signage Relief

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact:

Staff time and resources will be required to secure the funds, draft the budget amendment and establish a construction mitigation/assistance program. The program will require staff resources to establish guidelines for assistance, disperse funds and provide monitoring and evaluation.

The amount of funding used to assist impacted businesses will vary according to program qualifications. No additional funds are being requested, this is simply requesting to reallocate identified savings from the GRTC Non-Departmental line

item in the FY18 budget and to re-appropriate those funds to a separate line item in Non-Departmental for a transfer to the special funds budget for a new special fund for the construction mitigation program.

Attachment/s Yes No