

First Reading: April 10, 2018
Second Reading: April 17, 2018

ORDINANCE NO. 13297

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE, PART II, CHAPTER 11, BY THE ADDITION OF A NEW ARTICLE XVII ENTITLED "SMALL BUSINESS CONSTRUCTION MITIGATION GRANT PROGRAM" AND TO AMEND ORDINANCE KNOWN AS "THE FY2018 BUDGET ORDINANCE" SO AS TO REAPPROPRIATE NINETEEN THOUSAND DOLLARS (\$19,000.00) FROM THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT FOR USE IN THE SMALL BUSINESS CONSTRUCTION MITIGATION GRANT PROGRAM TO THE INDUSTRIAL DEVELOPMENT BOARD.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. That Part II, Chattanooga City Code, Chapter 11, of the Chattanooga City Code be and is hereby amended by the addition of the following new Article XVII entitled, "Small Business Construction Mitigation Grants" as follows:

Sec. 11-457. Definitions.

The City Council and the Mayor recognize the importance of obtaining Small Business Construction Mitigation Grants which are considered useful for the Economic and Community Development of the City. It is established that these Grants shall be awarded by the Industrial Development Board for the City from funds allocated to the Department of Economic and Community Development under specific circumstances set forth in this Article utilizing the following definitions:

Definitions:

"**Board**" means the Industrial Development Board of the City of Chattanooga, Tennessee.

"**City**" means the City of Chattanooga, Tennessee.

"**Clerk**" means Clerk of the City Council for the City of Chattanooga, Tennessee.

"**Construction Mitigation Zone**" means the impacted geographic area as defined by the City of Chattanooga Department overseeing the construction project.

"**ECD**" means the City's Department of Economic and Community Development.

"**Fund**" means funds appropriated by the City to the Board for the purposes set out in this Article or such other funds as from time to time may become available to the Board.

"**City Council**" means the duly elected Council of the City of Chattanooga, Tennessee.

"**Prohibited Business**" means those businesses whose primary source of revenue at the Qualified Project Site is derived from the sale or delivery of services directly to consumers in the adult entertainment, financial services, nightclubs, tattoo parlors, body piercing shops, cash advance branch banking, check cashing, title loan, pawnshops, and businesses operating from residential property.

"**Qualified Project**" means property located within the boundaries of the City occupied by a Qualified Business.

"**Qualified Project Site**" means a singular physical location at which a Qualified Business operates a non-prohibited business.

"**Qualified Business**" means an entity, including subsidiaries and parent organizations of the same that meets all of the following criteria at the time of application for a Small Business Construction Mitigation Grant under this Article:

1. Is engaged in a for-profit service or manufacturing industry business enterprise that is not a Prohibited Business as defined herein; and
2. Employs fewer than one hundred (100) persons, regardless of the locale, who are compensated for working at least thirty (30) hours per week; and
3. Is located in a designated construction mitigation zone.

Sec. 11-458. Small Business Construction Mitigation Grants.

- A. The City Council may at its discretion make grants to the ECD which shall be distributed by the Board for Small Business Construction Mitigation Grant program created by this Article. The Small Business Construction Mitigation Grants are intended to encourage economic development by business enterprises within the boundaries of the City and to encourage and support these business enterprises as set out below.

- B. The Board shall make the Small Business Construction Mitigation Grants to Qualified Businesses consistent with this article and the rules and regulations of the IDB subject to the availability of funding approved for the program by the City through the City's operating budget ordinance or from such other sources of funds as from time to time may become available to the Board.
- C. The Board shall only authorize the use of the Fund to reimburse a Qualified Business for all or part of its documented expenditures related to maintaining and growing a business impacted by a construction project, or other such costs or expenses that are consistent with the rules and regulations of the IDB or as are approved by the Board from time to time.
- D. The total amount awarded by the IDB to Qualified Businesses under this Chapter shall not exceed the total amounts in the Fund.
- E. The Small Business Construction Mitigation Grants awarded to a Qualified Business during any given year shall not exceed the amount of one thousand dollars (\$1,000), unless otherwise determined by the Board with assistance from the ECD.
- F. Any grant made in accordance with the provisions of this section will be memorialized by written agreement between the Board and the Qualified Business.
- G. In conjunction with the Board, the ECD shall be responsible for administering the Small Business Construction Mitigation Grant program. The Board, with assistance from the ECD and its discretion based upon the totality of circumstances to award or not award, shall adopt rules consistent with this chapter for the administration of the program created by this Article. Upon adoption, such rules shall be filed with the Clerk.
- H. The ECD shall provide written notice to the Chattanooga City Council within thirty (30) days of each Small Business Construction Mitigation Grant made pursuant to this chapter.

SECTION 2. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That there be and is hereby approved an amendment to the Budget Ordinance reappropriate \$19,000.00 from the FY2018 Annual Budget to the ECD for use in the Small Business Construction Mitigation Grant Program to the IDB.

SECTION 3. BE IT FURTHER ORDAINED, That this Ordinance shall take effect immediately after passage on second reading as provided by law.

Passed on second and final reading: April 17, 2018



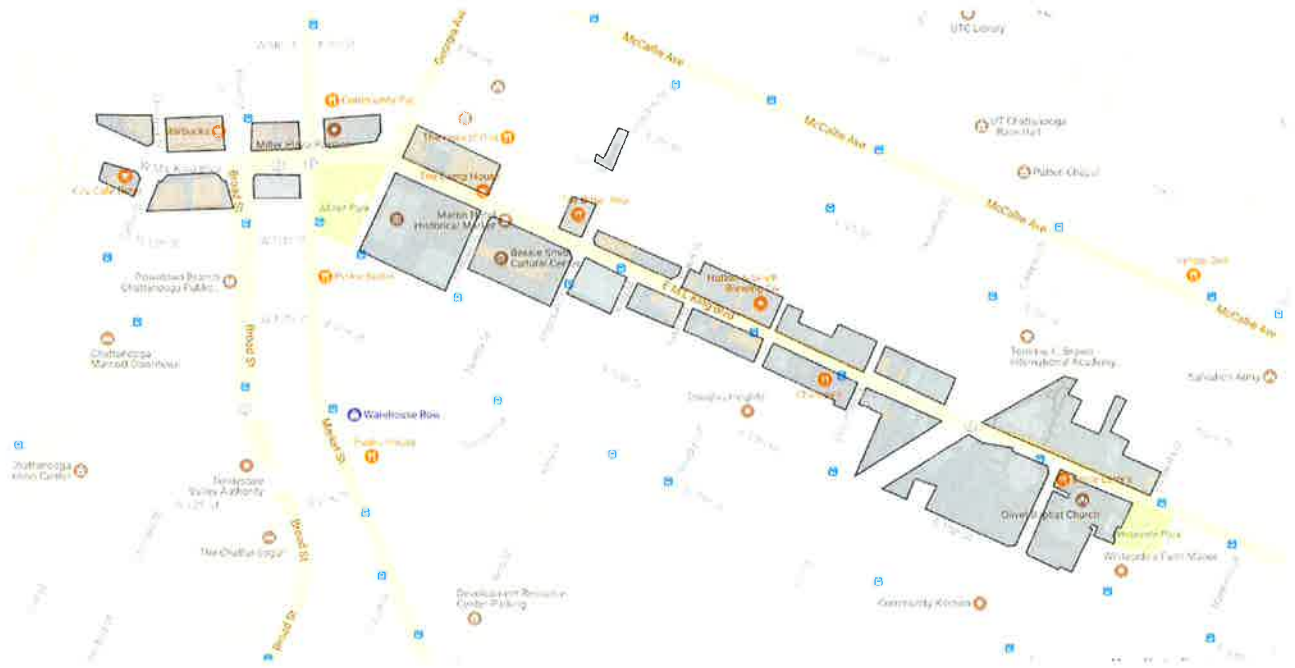
CHAIRPERSON

APPROVED: DISAPPROVED:



MAYOR

V2





City of Chattanooga

CONSTRUCTION MITIGATION PROGRAM

Introduction

Investment in infrastructure like roads, bridges, and sidewalks have the potential to generate long-term economic benefits for the surrounding area. While there is research to support that construction has a temporary positive impact on some businesses when construction crews frequent restaurants, motels, and convenience stores, it is clear that such impact is often minimal and targeted to specific industries. Therefore, in the short term, many construction projects limit access and change customers' shopping patterns which can have a negative impact on surrounding businesses.

The Construction Mitigation Program allows the City to help maintain existing businesses as investments are made to upgrade aging infrastructure. While much attention is paid to business recruitment tools, retention incentives and programs are often underestimated. Construction mitigation is one of many business retention tools needed to ensure small, local businesses can thrive as improvements are made to the infrastructure around them.

The rationale for the Construction Mitigation Program is very strong. However, these programs carry significant cost so it is critical the City utilizes the right mix of incentives and support to maximize all economic development funds.

The City of Chattanooga supports economic development through the implementation of construction mitigation services to limit or negate the negative impact that construction projects have on surrounding businesses. Construction mitigation programs exist in a variety of cities across the country and range from increased outreach efforts to direct incentives.

The City utilizes several existing solutions to help ease the burden of construction on local businesses. Because these construction practices are considered common sense, they are not specifically a part of the Construction Mitigation Program, but they are worth noting.

- The City works with local businesses to phase projects as much as possible. For example, if a street is being repaired, the City will repair it a portion at a time so that businesses may still be accessed during construction.
- When appropriate, the City works to phase projects to maintain connectivity. This is not always possible, but it is favored by the City for minimal interruption of traffic flow.
- The City also keeps a flexible work schedule whenever possible. For example, if the majority of businesses surrounding construction sites are hotels, the City would work during the day to prevent noise disturbing guests at night. However, a retail/restaurant

corridor may prefer the City to work during the day and the City would work to accommodate as many needs of local business as possible when scheduling work.

In addition to commonplace mitigation tactics, this brief lays out a variety of steps the City will take to mitigate the short-term negative effects of construction and how community members can learn more about them. Through the Construction Mitigation Program, the City of Chattanooga offers increased outreach efforts, additional signage, website/hotline, project liaison, parking consultation, paid advertisement, business promotions, and business support/professional development.

Construction Mitigation Program Components

Increased Outreach Efforts

One of the most important parts of an effective construction mitigation program is clear, constant communication from the City - before and during a construction project. Public meetings are a critical way for the City to distribute information to the public and gather valuable feedback. As part of standard construction projects, City staff meet with various neighborhood associations and businesses. At the request of business owners, the City will gladly schedule additional meetings to keep the area businesses and residents up-to-date on construction progress. In addition, the City will cover the cost of advertising these public meetings by direct phone, flyers, email, social media, and traditional media.

Signage

Signage refers to signs, banners, or placards to promote the affected business community and encourage access to businesses impacted by construction projects. It does not refer to signs identifying alternative routes for motor vehicles or the existence of construction projects, but to signs with a commercial purpose. These signs can be requested by the businesses affected by construction, but will be designed, printed, and approved by the Traffic Division within the City of Chattanooga's Department of Transportation.

Website/Hotline

A special hotline can be set up with an automated response system to provide information and communication for questions regarding construction projects. Hotlines allow for more immediate and low-tech response to citizen questions. This hotline can be set up in addition to the City's 311 line, which provides an additional way for citizens to get information or register a concern.

In addition to a hotline, the City can launch a separate website to promote patronage of businesses in the area and offer updates about construction including parking information, alternative routes, and project updates. This will be developed, hosted, and maintained at the expense of the City.

Project Liaison

A Project Liaison is a defined contact person who will handle all inquiries related to a construction project and has the ability to influence the construction process to incorporate stakeholder needs. The liaison is not an advocate for the City or the contractor, but rather an individual who may reach out to various groups and consider the needs of stakeholders and businesses. The City will designate a project liaison at the request of businesses.

Parking Assistance

For any construction affecting parking, the City will take steps to limit the effect of the reduction of available parking during construction. This may include providing alternative parking locations, free public transportation to the area, or consultation regarding existing on-site facilities.

Paid Advertisement

Paid advertising is another way for cities to promote affected businesses. This may include print, radio, or television advertisements that are business and/or neighborhood specific. This type of advertising is different from news releases or other media coverage. Advertisements inform the public that businesses are still open despite construction and encourage individuals to continue to use those businesses. The City of Chattanooga will underwrite paid advertising campaigns for specific projects and will distribute the material used in those campaigns to businesses who wish to run their own ads or publish to social media. The City will advertise on public television, CARTA buses, newspaper and radio.

Business Promotions

A variety of cities across the country work with the local business community to support existing promotions or develop new promotions to encourage patronage of businesses affected by construction. Some hold parties or job fairs in the locations affected by construction to draw more people to the area. Others enter customers into a raffle when they shop at an affected business. In addition to customer-focused promotion, there is also business-to-business promotion -- encouraging businesses from outside the area to frequent businesses affected by the construction. These promotions may occur during the time of construction or to celebrate the end of the construction period. The City is open to supporting creative ways to encourage new and existing customers to frequent areas affected by the construction.

Business Development

The City is currently in the process of developing information that can be distributed to businesses to help them maintain profit levels during construction projects. These business education guides exist in other cities and are often targeted toward small, local businesses that have less experience with large-scale traffic shifts that result in short-term revenue loss. Topics

covered in this guide include potential low-cost marketing strategies, communication tips for keeping regular customers, and other suggestions to improve business practices and efficiency. This guide will also include a list of resources like City Departments, local universities, and business/community organizations dedicated to assisting businesses.

Small Business Construction Mitigation Grant

The Small Business Construction Mitigation Grant is designed to support the surrounding businesses affected by qualified construction sites by mitigating business challenges. These grants will provide funds to merchants affected by the construction area in the amount of \$1,000 per business. These funds are to be used to support and reimburse costs associated with increasing awareness of businesses affected by ongoing improvements.

The grants would offset costs of doing business while profits may be low including, but not limited to, enhanced marketing, advertising, and incentives for loyal customers. The funding for these grants is through Council approval and will be administered through the Department of Economic & Community Development in partnership with the Industrial Development Board (IDB).

Eligibility for Small Business Construction Mitigation Grant

Small businesses with less than 50 employees who have been adversely affected by construction projects lasting more than 30 days may apply to receive the Small Business Construction Mitigation Grant.

Due to the unique nature of construction projects, especially as it relates to traffic patterns that change during construction, the Department of Economic & Community Development in concert with the Chattanooga Department of Transportation will determine the eligibility on a case-by-case basis using the following criteria as a guide: construction duration, proximity to construction, and severity of traffic disruption.

MLK BLVD CLOSURE FAQ

1. Who is the City's project liaison for the MLK Closure project?

Eric Booker, Project Engineer with Public Works, is the Project Liaison for Miller Park, Georgia Ave. and Patten Pkwy. Eric can be reached at ebooker@chattanooga.gov or

423-643-6185. Eric Asboe, of CDOT, is the Project Liaison for the repaving of MLK Blvd. Eric can be reached at [easboe@chattanooga.gov](mailto: easboe@chattanooga.gov) or 423-643-5966.

2. Who do I contact for more information on applying for a grant?

Vanessa Jackson, Program Coordinator, Chattanooga Office of Multicultural Affairs (OMA) [vjackson@chattanooga.gov](mailto: vjackson@chattanooga.gov) or phone: (423) 643--6706

3. How will I know if my business is eligible for the Small Business Construction Mitigation grant?

If your small business has 50 employees or fewer, is located within the determined boundary around MLK Blvd and has been negatively impacted by the closure, you likely qualify. Therefore, you are encouraged to submit an application.

4. How much is the grant and what can it be used for?

The grant is \$1,000 payable to the business owner or entity. It can be used for business expenses associated with maintaining or growing your business.



ML KING BOULEVARD CLOSURE MITIGATION PROGRAM

The Mitigation Program provides support to businesses in the MLK corridor affected by the initial closure of MLK Blvd between Market Street and Georgia Avenue due to Miller Park construction.

These same businesses continue to be impacted by additional construction along ML King Boulevard from Georgia Avenue to Central Avenue and pending construction on Georgia Avenue, from ML King Boulevard to Patten Parkway.

As part of the Program, the Department of Economic & Community Development is committed to provide grants up to \$1,000 per business.

Who is eligible?

For-profit businesses located in the mitigation area as defined by Chattanooga Department of Transportation (**see attached map on 2nd page**). Eligible businesses employ 100 employees or less at the affected location.

How much is the Mitigation Grant?

The mitigation grant is \$1,000 payable to the business owner or entity.

Who do I contact for more information about applying for the Mitigation Grant?

Eligible businesses should contact **Vanessa Jackson**, Program Specialist, Department of Economic & Community Development at vjackson@chattanooga.gov or 423-643-6706.

How do I apply for the Mitigation Grant?

The grant application can be found online at connect.chattanooga.gov/miller-park.

Applicants should complete the online application, print it and either mail to **City of Chattanooga, 101 E. 11th Street, Suite 200, Chattanooga, TN 37402 Att: Vanessa Jackson** or e-mail a scanned copy of the application to vjackson@chattanooga.gov. **The deadline for applying for this grant is June 17, 2018.** Any hand delivered applications must be received in our offices by June 17th, while any mailed applications should be postmarked by June 16, 2018 at the latest.

MLK CONSTRUCTION MITIGATION MAP AREA



MLK BLVD CLOSURE FAQ

1. Who is the City's project liaison for the MLK Closure project?



Eric Booker, Project Engineer with Public Works, is the Project Liaison for Miller Park, Georgia Ave. and Patten Pkwy. Eric can be reached at ebooker@chattanooga.gov or 423-643-6185. Eric Asboe, of CDOT, is the Project Liaison for the repaving of MLK Blvd. Eric can be reached at easboe@chattanooga.gov or 423-643-5966.

2. Who do I contact for more information on applying for a grant?

Vanessa Jackson, Program Coordinator, Chattanooga Office of Multicultural Affairs (OMA)
vjackson@chattanooga.gov or phone: (423) 643--6706

3. How will I know if my business is eligible for the Small Business Construction Mitigation grant?

If your small business has 50 employees or fewer, is located within the determined boundary around MLK Blvd and has been negatively impacted by the closure, you likely qualify. Therefore, you are encouraged to submit an application.

4. How much is the grant and what can it be used for?

The grant is \$1,000 payable to the business owner or entity. It can be used for business expenses associated with maintaining or growing your business.