Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

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REVISED
CONSTRUCTION COMMITTEE
OCTOBER 14, 2026

SUBJECT: BUSINESS INTERRUPTION FUND (BIF) AND EAT-SHOP-PLAY (ESP) PROGRAMS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

A. ADOPTING the Business Interruption Fund (BIF) Project Eligibility Policy, establishing two pathways to eligibility: Standard Eligibility and the Project Acceleration Partnership (Attachment A); and

B. RECEIVING AND FILING information on Metro's construction mitigation strategy for Bus Rapid Transit (BRT) projects, including Eat Shop Play (ESP).

ISSUE

At its May 2023 meeting, the Board approved Motion 17 by Directors Horvath, Dupont-Walker, Solis, Barger, Krekorian, and Dutra, directing the Chief Executive Officer (CEO) to establish a permanent BIF (Attachment B). The Motion also directed staff to provide a program update that considers, but is not limited to: A) resources necessary to maintain the permanent BIF and B) culturally competent outreach and inclusive technical assistance to adequately support affected businesses.

Metro will deliver an unprecedented program of transit construction over the next decade. BIF has proven to be one of Metro's most effective tools for keeping small businesses open through that construction, and clear eligibility criteria allow Metro to deploy it consistently and strategically. This report recommends adoption of a BIF Project Eligibility Policy, informed by ten years of experience.

The Policy also supports faster project delivery. Through a new Project Acceleration Partnership, BIF eligibility can extend to shorter-duration projects, such as Bus Rapid Transit (BRT), where the local jurisdiction commits to streamlining approvals that shortens construction. Qualifying construction acceleration strategies can reduce the duration of disruption for businesses allowing an earlier return to normal customer access. This report also responds to Director Solis's request for information on how Metro will support businesses along the North Hollywood to Pasadena BRT Project and other BRT corridors.

BACKGROUND

At its October 2014 meeting, the Board approved Motion 57 by Directors Molina, Dupont-Walker, Ridley-Thomas and Garcetti (Attachment C) authorizing the CEO to establish a special BIF pilot program for small businesses, including micro businesses, located along the Crenshaw/LAX Line, the Little Tokyo area along the Regional Connector and Section 1 of the Purple Line Extension due to the forecast schedule of sustained construction activity of at least six years. The Board subsequently authorized the expansion of the program to additional major rail construction projects, including the 2nd/Broadway segment of Regional Connector, Sections 2 and 3 of the Purple Line Extension, and most recently the East San Fernando Valley Light Rail Project.

The BIF was established to provide financial assistance to qualifying small businesses that experience revenue loss resulting from the duration of significant Metro construction impacts. Historically, the program has primarily supported businesses affected by major rail projects involving sustained, concentrated construction activities over extended periods.

At the conclusion of eight years of construction and opening of the Crenshaw/LAX rail project, now the K Line, program data indicated that 181 of the 240 businesses that received BIF grants, or 75%, remained in business. Similarly, following eight years of construction associated with the Regional Connector, 20 of the 33 businesses receiving BIF grants in the Little Tokyo area of the project, or 60%, remained in business.

These outcomes are notable given the duration of construction associated with these major rail projects. According to the Commerce Institute, an independently funded organization that publishes research, trends and advice for small business owners, broad data shows survival rate declining from approximately 76%-80% in the first year to 36%-47% after five years. This is generally consistent with Los Angeles County data indicating that fewer than half of new businesses remain active due to various management and environmental factors. Against these broader benchmarks, the fact that 60% -75% of BIF-assisted businesses along the Crenshaw/LAX and Little Tokyo portion of the Regional Connector corridors remained open following approximately eight years of construction demonstrates positive business retention outcomes among BIF participants.

Feedback from participating business owners reinforces these results. Owners report that BIF provided critical financial support during periods of significant construction disruption, and some report that they would have closed without a BIF grant. The program outcomes and participant feedback demonstrate the value of BIF as a construction mitigation tool.

Based on the experience and outcomes of the pilot program, at its May 2023 meeting, the Board approved establishment of a permanent BIF. Staff subsequently provided a March 2024 update outlining culturally competent outreach and inclusive technical assistance to adequately support affected businesses, next steps for the BIF Assessment and development of a BIF Project Eligibility Policy.

In support of Metro’s broader construction mitigation efforts, Eat-Shop-Play (ESP) provides a

targeted strategy to support small businesses affected by Metro's construction activities. The program objective is to mitigate reduced customer traffic by dedicating outreach and resources to promote local shops through marketing tools and promotional initiatives to drive community engagement. Originally launched as a pilot in July 2021, ESP initially helped brick-and-mortar businesses near existing major transit stops build an online presence during the COVID-19 pandemic.

In May 2026, Director Solis requested that staff provide an update on how Metro could support businesses that may experience impacts during construction of the North Hollywood to Pasadena BRT Project. This report responds to that request by providing information on Metro's construction mitigation programs, including Eat Shop Play (ESP), the proposed new BIF policy, and the resources and services available to support businesses along North Hollywood to Pasadena and other upcoming BRT project corridors.

DISCUSSION

Metro currently implements three complementary construction mitigation programs designed to support small businesses affected by Metro construction:

1. **Business Interruption Fund (BIF)** provides financial assistance to qualifying small businesses that demonstrate revenue loss resulting from eligible Metro construction impacts.
2. **Business Solution Services (BSS)** provides technical assistance and individualized support to businesses.
3. **Eat Shop Play (ESP)** provides marketing and promotional assistance to help businesses remain visible and connected with customers during construction.

Each program provides a different type of assistance, allowing Metro to deploy business mitigation strategies that are responsive to the nature, duration, and extent of construction impacts.

The BIF Project Eligibility Policy

Staff recommend two pathways for BIF eligibility on future Metro construction projects:

Pathway 1: Standard Eligibility. A project, or a defined portion of a project, qualifies when it meets both of the following criteria:

a) **Type of Construction Impacts:** Projects that include concentrated construction at station sites and along alignments, such as: extended lane closures, turn restrictions, directional closures, or full streets closures; K-rail installation and fencing treated with privacy screens or sound wall panels in front of or adjacent to businesses; building station structures; tunneling; drilling; piling and decking work; extensive relocation of utilities; major rearrangements of curbs, gutters and sidewalks over at least one city block; or street resurfacing and paving over one city block or full intersection.

b) **Duration of Construction Impacts:** Projects with construction sites adjacent to businesses where discrete, meaning individual construction work sites, construction impact activities (as

defined above) are expected to exceed 2 months cumulatively*. Duration refers to the duration of construction activities at a local area on the project, and not the duration of the entire project.

**The 2-month threshold is based on historical BIF activity for meaningful revenue loss with one month as the lowest common denominator for analysis of comparable financial documentation*.

Standard Eligibility may apply to an entire project or to a defined portion of a project, depending on where qualifying impacts occur.

Pathway 2: Project Acceleration Partnership. Where construction is shorter in duration, as is typical of Bus Rapid Transit (BRT) projects, BIF eligibility may be extended when the local jurisdiction partners with Metro to accelerate project delivery beyond what is already allowed via cooperative agreements or pending changes to agreements. The streamlining measures should shorten construction and reduce costs, such as approving extended street closures, expediting permit approvals, or expanding work hours. Eligibility applies to the area directly affected by the streamlining.

Examples of streamlining measures a local jurisdiction can provide include:

- Longer traffic control zones: approval of longer traffic control phases (in distance and duration) to facilitate shifting construction activities over a several block area, which would have otherwise required multiple phases lasting less than two months each.

- Directional or full street closures: approval of street closures to simplify construction to reduce construction durations when viable detour routes exist.

- Holiday moratorium waivers: approval to continue construction during holiday moratorium periods when work would otherwise stop.

- Expediting permit approvals: issuing approvals by local jurisdiction departments in timeframes that are significantly shorter than those established by cooperative agreements.

- Noise variances: approval to extend work into evening and nighttime hours beyond standard noise ordinance limits.

Metro recognizes that local elected offices, such as city council offices, and other local bodies, such as police commissions, have a role in negotiating working hours and noise variances with Metro to protect the communities they serve. As appropriate, Metro would coordinate with the local jurisdiction and any other appropriate local bodies on potential exemptios, waivers, and variance requests. Working hours and time savings from these measures depend on the specific characteristics of each

project; however, additional working hours secured in coordination with the local jurisdiction would be designed to reduce construction time.

The Project Acceleration Partnership is not intended to require a lengthy negotiation. A letter or approved concurrence from the local jurisdiction, such as the affected city council office, committing to the streamlining measures would be sufficient to establish a partnership under this pathway.

Staff will determine BIF eligibility for each Metro construction project before construction begins and report determinations to the Board in the annual BIF update. Figure 1 summarizes the two pathways, and Figure 2 shows their anticipated application to upcoming projects.

Figure 1: BIF Eligibility Pathways

	Pathway 1: Standard Eligibility	Pathway 2: Project Acceleration Partnership
Typical projects	Rail and other projects with sustained, concentrated construction	BRT and other shorter-duration projects
Eligibility	Qualifying construction type and impacts at a work site lasting more than two months	Local jurisdiction partners with Metro to streamline delivery
Geographic scope	Entire project or defined portion	Area directly affected by the streamlining

Figure 2: Anticipated Application to Upcoming Projects

Project	Anticipated Pathway
East San Fernando Valley LRT	Pathway 1 (BIF active)
Southeast Gateway Line IOS	Pathway 1
K Line Extension to Torrance, Eastside Extension IOS, Sepulveda Transit Corridor Phase 2	Pathway 1, confirmed before construction
North Hollywood to Pasadena BRT, Vermont Transit Corridor	Pathway 2, where streamlining is secured
G Line Improvements	Pathway 2, where streamlining is secured

Together, the two pathways direct BIF to the construction conditions that cause meaningful revenue loss and create a shared incentive for Metro and its city partners to shorten construction. Under either pathway, individual businesses must continue to satisfy BIF program eligibility requirements, including demonstrating qualifying construction-related revenue loss, before receiving a grant.

BIF Assessment

The BIF Assessment was advanced to inform implementation of the permanent BIF and development of the BIF Project Eligibility Policy. The Assessment examined Metro's historical BIF experience and anticipated future construction program to evaluate the potential number of businesses that may be

impacted, projected BIF funding needs, and program governance considerations.

The Assessment focused primarily on five major rail transit projects with planned construction during the 2025-2035 period: the East San Fernando Valley Light Rail Transit Project IOS, K Line Extension to Torrance, Southeast Gateway Line IOS, Eastside Extension IOS, and Sepulveda Transit Corridor Phase 2 LPA (IOS).

As a supplemental analysis, the Assessment also reviewed construction conditions on three upcoming Bus Rapid Transit (BRT) projects.

Project and Business Corridors Assessment

The Assessment evaluated business corridors associated with the five major rail projects to estimate the potential number of small businesses that could experience construction impacts and inform future BIF funding needs. The analysis considered business size, revenues, industry, and socioeconomic characteristics, including the location of businesses within Equity Focus Communities (EFCs).

Using BIF program eligibility criteria and available business data, supplemented by observational surveys of businesses adjacent to project corridors, the Assessment identified approximately 3,175 potentially eligible businesses across the five rail projects during the 2025-2035 study period.

These estimates are intended for program planning and forecasting purposes and do not constitute a determination of individual business eligibility for BIF.

Assessment of Projected Annual Budget Allocation

To evaluate the resources necessary to maintain the permanent BIF, the Assessment used historical program experience to forecast potential funding needs associated with the five rail projects. The analysis considered the estimated number of potentially eligible businesses, historical participation in BIF, anticipated grant amounts, duration of assistance, and periods when multiple major projects are expected to be under construction concurrently.

Historical program data showed that approximately 30% of eligible businesses within the Crenshaw/LAX impact area received BIF grants. Because the composition and construction conditions of future project corridors may differ, the Assessment tested a range of scenarios to account for variations in participation, grant amounts, duration of assistance, inflation, and other factors.

The analysis found that projected BIF funding needs for the future rail projects evaluated in the Assessment are expected to increase during periods when multiple major rail projects are under construction simultaneously. Under the range of scenarios evaluated, projected annual expenditures for these five projects remained below $10 million in any given year. The Assessment forecasted BIF funding needs for these five future rail projects and did not include existing projects already receiving BIF assistance or administrator costs. Accordingly, the projections should not be interpreted as a forecast of total BIF expenditure across all Metro construction projects.

Figure 3: BIF Cost Projections for 5 upcoming rail projects by Scenario and Recent Actual Program Expenditures ($ in Millions) by Calendar Year

Transit Rail Projects	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Low Estimate	$2.9	$3.3	$3.4	$4.1	$5.2	$5.4	$5.6	$2.5	$2.6	$2.6	$2.8
Historic Estimate	$3.5	$3.9	$4.1	$4.9	$6.3	$6.5	$6.8	$3.0	$3.1	$3.2	$3.3
High Estimate	$4.6	$5.2	$5.5	$6.5	$8.4	$8.7	$9.0	$3.9	$4.1	$4.2	$4.4
*BIF Actuals - *Includes total current projects (C/LAX, D Line Sections 1,2, 3 and BIF Fund Administration fee)*	$8.6	$8.2 **									

***Figure 3 includes total actual BIF expenditures for calendar years 2025 and 2026 to date. Unlike the Assessment projections, the actual expenditure includes the BIF Fund Administration fee and BIF assistance for existing projects, including Crenshaw/LAX, D Line Sections 1, 2, 3 which were not among the five future rail projects assessed in the study's cost projections. Accordingly, the actual expenditures are provided as recent program context and are not intended as a direct comparison to the study's projected scenarios.*
*** Value to date*

The Assessment concluded that projected BIF funding needs for the future five rail projects through 2035 remain below $10 million in any given year under the scenarios analyzed. Recent actual expenditures have exceeded the Assessment's high estimate reflecting expenditures associated with existing projects, including D Line activity, that were not part of the Assessment projections. Staff will continue to monitor program spending closely, and total BIF funding needs will continue to be addressed through Metro's annual budget process.

Leveraging BIF to Accelerate BRT Delivery

The Assessment reviewed three BRT projects anticipated to be under construction during the study period: the Vermont Transit Corridor, North Hollywood to Pasadena BRT, and Metro G Line Improvements.

BRT construction differs from rail. Rail projects involve concentrated, multi-year construction at station sites and along alignments. BRT construction adjacent to businesses consists primarily of curb, gutter, sidewalk, roadway, and station platform work lasting approximately four to eight weeks per site, typically completed in multiple traffic control phases.

Expanding BIF to shorter-duration construction would increase program administration costs, particularly given the historically low level of claims. Pairing this expansion with permit streamlining helps offset those costs while also shortening the duration of construction impacts on businesses. This approach allows Metro to provide additional business support while reducing overall construction time and cost.

Local permit conditions may influence the duration of BRT construction. When a city commits to streamlining approvals beyond existing cooperative agreements, Metro can complete construction

faster and at lower cost. The Project Acceleration Partnership recognizes that commitment by extending BIF eligibility to businesses in the affected area. The partnership benefits every party:

- **Businesses:** A shorter construction period means less disruption and a faster return to normal customer access, with BIF available during the most intensive work.
- **Cities:** Local jurisdictions deliver a completed project to residents sooner, with fewer months of construction on local streets.
- **Metro:** Fewer traffic control phases and shorter schedules reduce construction cost and schedule risk.

Staff will pursue Project Acceleration Partnerships first on the North Hollywood to Pasadena and Vermont corridors. Eat Shop Play marketing support will be available on all BRT corridors, as described below.

Eat Shop Play (ESP) is Metro's construction mitigation and marketing program designed to support local businesses located near active Metro construction. Businesses within one-quarter mile of participating construction projects are eligible to enroll. Currently, ESP is active in the D Line Subway Extension, East San Fernando Valley Light Rail Transit, North Hollywood to Pasadena Bus Rapid Transit, and Vermont Transit Corridor projects, with the program scheduled to launch later this year in the Southeast Gateway Line Project. The program follows construction milestones and is intended to help businesses remain visible, accessible and connected to customers while construction is underway.

The program offers:

- Promotional Support: Opportunities to be featured in print and digital media "spotlights" through a combination of social media campaigns, banners on construction fencing, bus and rail ads, email promotions, editorial features online, and more.
- Visibility: Access to signage and collateral to help keep business visible while construction is underway.
- Marketing Assistance: Free virtual marketing webinars and coaching to help manage online presence and other marketing topics.

ESP has a history of supporting businesses along Metro construction corridors. During the Crenshaw/LAX project, more than 150 businesses received free marketing assistance with campaigns including social media, business spotlights and customer promotions to encourage residents to continue supporting local businesses. More recently, the reimagined ESP program has expanded its offerings beyond promotional campaigns to offer a long-lasting impact on businesses by running digital marketing education webinars paired with one-on-one marketing coaching.

Metro will also pursue partnerships with County and City economic development departments and local chambers of commerce to provide additional benefits and programs to businesses on Metro construction corridors. Under these partnerships, the partner entities would lead these efforts, and Metro would provide support through in-kind services, marketing, and sponsorship. Examples include shop local events and promotions that encourage residents to visit and support businesses throughout construction.

ESP is offered across Metro construction projects and scales efficiently to shorter-duration work such as BRT, because it directly addresses customer awareness, business visibility, and access. Paired with the Project Acceleration Partnership, ESP gives Metro a complete set of tools for BRT corridors: marketing and visibility support throughout construction, and financial assistance where cities partner with Metro to accelerate delivery through permit streamlining.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact the safety of Metro's customers or employees.

FINANCIAL IMPACT

There is no immediate financial impact to approving this recommendation.

Impact to Budget

Board approval of this recommendation has no immediate impact on the FY27 budget. The funding for the administrative costs is provided through Measures R and M Administration funds. Funding for BIF in future years will be addressed through the annual budget development process. BIF eligibility established through a Project Acceleration Partnership will be funded within the annual BIF budget, and staff will document the schedule and cost savings associated with each partnership.

EQUITY PLATFORM

BIF directly supports the small and microbusinesses most affected by Metro construction. As of July 31, 2026, BIF has awarded more than $57.4 million to nearly 600 businesses. Approximately 66% of participating businesses are owned by individuals identifying as Black or African American, Hispanic or Latino, or Asian, and approximately 56% of grant dollars have gone to minority- and women-owned businesses (Attachment D).

The five rail projects planned through 2035 traverse 81 Equity Focus Community census tracts, with the highest concentrations of affected businesses along the East San Fernando Valley and Eastside Extension corridors. Metro supports these communities with one-on-one technical assistance through Business Solution Services, promotional support through Eat Shop Play, grants of up to $60,000 per impact year, and a $1,500 Presumptive Eligibility Award for street vendors and microbusinesses. All outreach, applications, and workshops are offered in English and Spanish, with additional languages provided based on community needs.

The Project Acceleration Partnership extends BIF to businesses on shorter-duration projects and shortens the time communities experience construction impacts. Staff have not identified any inequitable impacts from adoption of the Policy.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the

SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While this item does not directly encourage sharing a ride, walking, or rolling, Metro's construction mitigation programs support transit-adjacent businesses and communities during construction. Supporting the retention of businesses located near transit has the potential to reduce VMT by helping maintain access to goods, services, and employment opportunities that can be reached by transit, walking, or rolling. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item generally supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item aligns with Metro Strategic Goal 3 - Enhance communities and lives through mobility and access to opportunity.

BIF and Metro's complementary construction mitigation programs support this goal by helping small businesses and local economies withstand disruptions associated with construction of Metro transportation infrastructure. Supporting businesses located along Metro project corridors also contributes to the long-term economic vitality of the communities Metro serves.

ALTERNATIVES CONSIDERED

The Board could decline to adopt the Policy and continue determining BIF eligibility on a project-by-project basis. Staff do not recommend this alternative. Case-by-case determinations create uncertainty for businesses and local jurisdictions and make program costs harder to forecast.

The Board could adopt the Policy without the Project Acceleration Partnership, limiting BIF to projects that meet the Type and Duration criteria. Staff do not recommend this alternative. It forgoes the opportunity to use BIF to secure permit streamlining that shortens construction and reduces project costs, and it leaves businesses on BRT corridors without a path to financial assistance.

NEXT STEPS

Upon Board approval, staff will incorporate the BIF Project Eligibility Policy into the BIF Administrative Guidelines and apply it when evaluating future Metro construction projects. Staff will advance BIF for the Southeast Gateway Line IOS project consistent with the Policy.

Staff will engage the local jurisdictions along the North Hollywood to Pasadena BRT and Vermont Transit Corridor projects on Project Acceleration Partnerships and will report to the Board on any

partnerships established, including the streamlining approvals secured and the associated schedule and cost savings.

Staff will also advance Eat Shop Play services and enhancements to support businesses along the East San Fernando Valley LRT, Southeast Gateway Line IOS, Vermont BRT, and North Hollywood to Pasadena BRT project corridors.

Staff will provide annual updates to the Board on BIF, Eat Shop Play, and Project Acceleration Partnership outcomes.

ATTACHMENTS

Attachment A - BIF Project Eligibility Policy
Attachment B - Motion 17
Attachment C - Motion 57
Attachment D - BIF Diversity Portfolio Ending July 31, 2026

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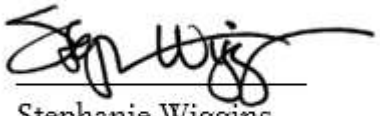

Stephanie Wiggins
Chief Executive Officer

REVISED
ATTACHMENT A

Business Interruption Fund (BIF)
Project Eligibility Policy

Introduction:

LACMTA's continued commitment to support small "mom and pop" businesses by minimizing its construction impacts with financial assistance through the Business Interruption Fund (BIF) program has been transformational in successfully preserving small businesses through the construction phase of a Metro project.

The BIF provides grants up to $60,000 per impact year for small "mom and pop" businesses that can prove revenue loss directly due to the period of construction disruption on Metro projects. BIF grant eligibility is quantified by a decrease in revenue throughout the quarter(s) of construction activity (Impact Period), relative to a previous quarter(s) where no construction activity was present (Pre-Impact Period), because of a specific adjacent Metro construction project. The goal of the BIF program is to mitigate the most impactful and unavoidable construction disruptions responsibly and sensibly so that businesses will survive construction, remain open, operating and thrive post-construction when new infrastructure brings enhanced mobility connecting Los Angeles County communities.

As a construction mitigation program, the BIF is not only a benefit to small businesses, but also to the stakeholder community and overall project delivery. BIF has been well received by business owners who have indicated that they would have had to shut down their business if not for the BIF grants. Fear and doubt from stakeholders are replaced with relief and reassurance because the BIF addresses community concern head-on with the grant process helping to offset revenue losses. This process not only keeps businesses open but allows the community to generate income and customers to continue to be served.

Additionally, the BIF allows project contractors and community relations teams to progress the work by minimizing public opposition during the more disruptive phases of the project such as street closures and detours. A more supportive community stakeholder base allows for a smoother, quicker transition to project completion and opening. As seen during the 10-year pilot phase on multi-year large rail projects, the benefits of the BIF program has resulted in a more favorable attitude towards these major construction impacts for Metro's future projects.

The BIF program best fits instances of prolonged major construction activities, typically occurring more than 60 consecutive days or two months. However, the BIF program could also address business impacts if unique construction acceleration approaches are advanced with support from local jurisdictions. Therefore, when determining future project eligibility under the permanent BIF program to offset loss of revenue for adjacent businesses, the extent of the type and duration of projected construction impacts should be considered, along with the ability to deploy other mitigation strategies.

Project Eligibility Policy:

Staff recommends two pathways for BIF eligibility on future Metro construction projects:

Pathway 1: Standard Eligibility. A project, or a defined portion of a project, qualifies when it meets both of the following criteria:

a) **Type of Construction Impacts:** Projects that include concentrated construction at station sites and along alignments, such as: extended lane closures, turn restrictions, directional closures, or full streets closures; K-rail installation and fencing treated with privacy screens or sound wall panels in front of or adjacent to businesses; building station structures; tunneling; drilling; piling and decking work; extensive relocation of utilities; major rearrangements of curbs, gutters and sidewalks over at least one city block; or street resurfacing and paving over one city block or full intersection.

b) **Duration of Construction Impacts:** Projects with construction sites adjacent to businesses where discrete, meaning individual construction work sites, construction impact activities (as defined above) are expected to exceed 2 months*. Duration refers to the duration of construction activities at a local area on the project, and not the duration of the entire project.

   **The 2-month cumulative threshold is based on historical BIF activity for meaningful revenue loss with one month as the lowest common denominator for analysis of comparable financial documentation*.

Standard Eligibility may apply to an entire project or to a defined portion of a project, depending on where qualifying impacts occur.

Pathway 2: Project Acceleration Partnership. Where construction is shorter in duration, as is typical of Bus Rapid Transit (BRT) projects, BIF eligibility may be extended when the local jurisdiction partners with Metro to accelerate project delivery beyond what is already allowed via cooperative agreements or pending changes to agreements. The acceleration measures should shorten construction and reduce costs, such as approving extended street closures, expediting permit approvals, holiday moratorium waivers, or expanding work hours. Eligibility applies to the area directly affected by the streamlining.

Staff will determine BIF eligibility for each Metro construction project before construction begins and report determinations to the Board in the annual BIF update. Figure 1 summarizes the two pathways.

Figure 1: BIF Eligibility Pathways

	Pathway 1: Standard Eligibility	**Pathway 2: Project Acceleration Partnership**
Typical projects	Rail and other projects with sustained, concentrated construction	BRT and other shorter-duration projects
Eligibility	Qualifying construction type and impacts at a work site lasting more than two months	Local jurisdiction partners with Metro to streamline delivery
Geographic scope	Entire project or defined portion	Area directly affected by the streamlining

Together, the two pathways direct BIF to the construction conditions that cause meaningful revenue loss and create a shared incentive for Metro and its city partners to shorten construction. Under either pathway, individual businesses must continue to satisfy BIF program eligibility requirements, including demonstrating qualifying construction-related revenue loss, before receiving a grant.

Metro

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Metro

Board Report

File #: 2023-0351, **File Type:** Motion / Motion Response

Agenda Number: 17.

CONSTRUCTION COMMITTEE
MAY 18, 2023

Motion by:

DIRECTORS HORVATH, DUPONT-WALKER, SOLIS, BARGER, KREKORIAN, AND DUTRA

Creation of a Permanent Business Interruption Fund Motion

Since the passage of Measure M in 2016, Los Angeles Metro has embarked on the nation's largest transportation construction program including nearly $30 billion being invested in bus and rail operations; more than $22 billion for local street improvements; and $2.5 billion to keeping infrastructure in a state of good repair, with billions more from previous voter-approved transit investment measures. While transit rail construction and maintenance can create growth potential for small businesses located along transit corridors, construction can also create challenges that carry a financial impact for these businesses.

In 2014, the Metro Board of Directors authorized the agency to designate up to $10 million annually to be used for the implementation of a Pilot Business Interruption Fund in support of small businesses impacted by rail construction between 2014 and 2022. Overall, Metro's Business Interruption Fund awarded more than $37 million to more than 440 businesses located along the Crenshaw/LAX Transit Project, the Little Tokyo area and the 2nd/Broadway segment along the Regional Connector, as well as Sections 1, 2 and 3 of the Purple Line Extension that have been impacted by transit rail construction.

In February 2023, Directors Krekorian, Horvath, Najarian, Barger, Bass and Dupont-Walker introduced a motion seeking a comprehensive assessment of the Pilot Business Interruption Fund program, and a report back with recommendations on how the Pilot Business Interruption Fund could be applied to address local business impacts created by the construction of the East San Fernando Valley Light Rail Transit Line Project. In April 2023, the Board approved an expansion of the Business Interruption Fund to the East San Fernando Valley Light Rail Transit Project, including some program modifications based on lessons learned. The Pilot Business Interruption Fund will provide critical financial support to small businesses along the Van Nuys corridor to cover the cost of construction impacts and help pay utilities, insurance, rent or mortgage, and payroll among other expenses.

However, Metro has additional multi-year transit rail projects in the pipeline or under construction of a value of $1 billion or greater that cause construction activity resulting in negative financial impacts to nearby small businesses that would benefit from the funding from this program.

SUBJECT: CREATION OF A PERMANENT BUSINESS INTERRUPTION FUND MOTION

RECOMMENDATION

APPROVE Motion by Directors Horvath, Dupont-Walker, Solis, Barger, Krekorian, and Dutra that the Metro Board direct the Chief Executive Officer to establish a permanent Business Interruption Fund and provide a program update in November 2023 that considers, but is not limited to, the following:

A. Resources necessary to maintain a permanent Business Interruption Fund; and

B. Culturally competent outreach and inclusive technical assistance to adequately support affected businesses.

Amendment to Item 57

Motion by Directors Molina, Dupont-Walker, Ridley-Thomas and Garcetti

Business Interruption Fund

September 18, 2014

WE, THEREFORE, MOVE that the Board direct the Chief Executive Officer to:

1. Establish a pilot program for a special **Business Interruption Fund** for mom and pop businesses located along the Crenshaw Line, within the Little Tokyo area along the Regional Connector, **and Phase I of the Purple Line Extension** immediately.

2. Define mom and pop businesses as those **meeting the following criteria:**
   a. Having 25 employees or fewer;
   b. **A minimal operational history of two years;**
   c. **Being in good standing with local, state and federal tax requirements; and**
   d. **Able to produce financial records (i.e. gross receipts, business license information, pay roll taxes and other pertinent financial information) demonstrating the loss of business revenue directly related to the period of construction disruption.**

3. Conduct a baseline survey of all businesses within the project areas.

4. **Identify and designate $10,000,000 of Metro funds annually to be used for the implementation of the Business Interruption Fund. Funds shall be distributed through the project's administration and/or respective Business Solution Center.**

5. **Each business should be eligible for a maximum of $50,000 annually, not to exceed 60 percent of their annual business revenue loss.**

6. Participation in the program would release MTA and the general contractor from further liability claims for business loss unrelated to specific incidents of damage and would be voluntary.

7. **Direct the Chief Executive Officer to work with Los Angeles County and local cities to seek all appropriate legislation that would temporarily reduce or waive taxes and fees imposed on impacted businesses during transit-related construction activities and work with the Los Angeles County Assessor's Office to immediately initiate outreach activities to businesses impacted by transit-related construction activities in order to inform them of the Assessor's Office Proposition 8/Decline-in-Value Review process.**

8. Report back to Construction Committee monthly, **beginning in October**, with an implementation plan **and report back to the Board of Directors in September 2015 with an evaluation of the program including utilization levels and recommendations for program modification.**

Attachment D- BIF Diversity Portfolio Ending July 31, 2026

Number of Businesses by Ethnicity/Project

	African American	Hispanic	Asian	Caucasian	Total Businesses
CLAX	148	21	47	33	249
PLE1	20	6	32	71	129
PLE2	0	6	8	54	68
PLE3	0	0	0	5	5
LTRC	0	2	27	4	33
2BRC	1	9	3	10	23
ESFV	1	58	7	26	92
Total	170	102	124	203	599

Grant Amounts by Ethnicity/Project

	African American	Hispanic	Asian	Caucasian	Total Businesses
CLAX	$11,343,924.71	$1,590,305.94	$6,620,568.11	$4,587,444.74	$24,142,243.50
PLE	$1,953,976.17	$287,395.39	$4,199,641.64	$9,713,813.52	$16,154,826.72
PLE2	$0.00	$555,478.51	$1,011,308.91	$7,324,817.48	$8,891,604.90
PLE3	$0.00	$0.00	$0.00	$1,332,356.00	$1,332,356.00
LTRC	$0.00	$80,418.91	$1,861,920.99	$612,072.58	$2,554,412.48
2BRC	$2,214.41	$415,867.94	$109,118.84	$422,962.84	$950,164.03
ESFV	$22,133.17	$1,616,031.07	$400,066.92	$1,337,538.87	$3,375,770.03
Total	$13,322,248.46	$4,545,497.76	$14,202,625.41	$25,331,006.03	$57,401,377.66

Business Interruption Fund (BIF) and Eat-Shop-Play (ESP) Programs

Construction Committee
October 14, 2026

Metro

Recommended Actions:

A. **ADOPTING the Business Interruption Fund (BIF) Project Eligibility Policy, establishing two pathways to eligibility: Standard Eligibility and the Project Acceleration Partnership (Attachment A);**

B. **RECEIVING AND FILING information on Metro's construction mitigation strategy for Bus Rapid Transit (BRT) projects, including Eat-Shop-Play (ESP).**

BIF Helps Keep Small Businesses Open

$57.4M

awarded to nearly 600 small businesses

as of July 31, 2026

75%

of K Line (Crenshaw/LAX) grantees remained open

181 of 240, after 8 years of construction

60%

of Little Tokyo grantees remained open

20 of 33, after 8 years of Regional Connector construction

National benchmark: across all U.S. small businesses, only 36% to 47% are still open after five years.

- Metro will deliver an unprecedented program of transit construction over the next decade
- Clear criteria supports Metro deployment of BIF consistently and strategically, replacing case-by-case decisions
- The Policy is informed by ten years of BIF experience and responds to Board Motion 17 (May 2023)

Two Pathways to BIF Eligibility

Pathway 1

Standard Eligibility

Typical projects

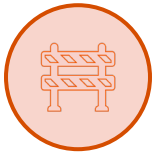
Rail and other projects with sustained, concentrated construction

Eligibility

Qualifying construction type and impacts at a work site lasting more than two months

Geographic scope

Entire project or defined portion



Pathway 2

Project Acceleration Partnership

Typical projects

BRT and other shorter-duration projects

Eligibility

Local jurisdiction partners with Metro to streamline delivery

Geographic scope

Area directly affected by the streamlining

Under either pathway, individual businesses must still demonstrate qualifying construction-related revenue loss before receiving a grant.

Pathway 1: Standard Eligibility

A project, or a defined portion of a project, qualifies when it meets **both** criteria:

a) Type of Construction Impacts

Concentrated construction at station sites and along alignments, such as:

- Extended lane closures, turn restrictions, directional or full street closures
- K-rail and fencing with privacy screens or sound walls adjacent to businesses
- Station structures, tunneling, drilling, piling and decking, major utility relocation
- Curb, gutter, sidewalk, resurfacing or paving over one city block or more

+

b) Duration of Construction Impacts

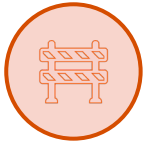
More than 2 months*

of cumulative qualifying impacts at an individual work site

- Measured at the local work site, not across the entire project corridor
- May apply to an entire project or a defined portion, depending on where impacts occur

**The 2-month threshold is based on historical BIF activity for meaningful revenue loss.*

Pathway 2: Project Acceleration Partnership



For projects with shorter-duration construction impacts such as BRT

BIF eligibility may be extended when the local jurisdiction partners with Metro to streamline project delivery beyond existing cooperative agreements.

Streamlining measures should shorten construction and reduce costs. Examples are on the next slide.

Eligibility applies to the area directly affected by the streamlining.

A shared incentive

Businesses

Less disruption and a faster return to normal customer access, with BIF available during the most intensive work

Cities

A completed project for residents sooner, with fewer months of construction on local streets

Metro

Fewer traffic control phases and shorter schedules reduce construction cost and schedule risk

Pathway 2: Streamlining Examples

Examples of streamlining measures a local jurisdiction can provide include:

- **Longer traffic control zones**
- **Directional or full street closures**
- **Expediting permit approvals**
- **Noise variances**

Metro recognizes that local elected offices, such as city council offices, and other local bodies, such as police commissions, have a role in negotiating working hours and noise variances with Metro to protect the communities they serve. As appropriate, Metro would coordinate with the local jurisdiction and any other appropriate local bodies on potential approvals and variance requests.

Time savings depend on the specific characteristics of each project; however, additional working hours secured in coordination with the local jurisdiction would be designed to reduce construction time.

The Project Acceleration Partnership is not intended to require a lengthy negotiation. A letter or approved concurrence from the local jurisdiction, such as the affected city council office, committing to the streamlining measures would be sufficient to establish a partnership under this pathway.

Anticipated Application to Upcoming Projects

Pathway 1: Standard Eligibility

East San Fernando Valley LRT
BIF active

Southeast Gateway Line IOS
Anticipated

K Line Extension to Torrance
To be confirmed before construction

Eastside Extension IOS
To be confirmed before construction

Sepulveda Transit Corridor Phase 2
To be confirmed before construction

Pathway 2: Project Acceleration Partnership

North Hollywood to Pasadena BRT
Where streamlining is secured

Vermont Transit Corridor
Where streamlining is secured

G Line Improvements
Where streamlining is secured

Staff will pursue Project Acceleration Partnerships first on the North Hollywood to Pasadena and Vermont corridors.

BIF Assessment: Funding Outlook

What the Assessment found

- **Scope:** Five major rail projects planned for construction from 2025 to 2035
- **Businesses:** About 3,175 potentially eligible businesses identified, for planning purposes only
- **Peaks:** Needs rise when multiple rail projects are under construction at once
- **Projection:** Initial modeling suggests annual needs for these five projects may generally stay below $10 million; estimates will be refined as projects advance

What to keep in mind

- **Not included:** Other existing projects already receiving BIF, administration costs, and projects made eligible through a Project Acceleration Partnership
- **Cost pressures:** Actual costs may rise as more projects become eligible, construction schedules overlap, or administrative needs grow
- **Budget:** Staff will monitor spending closely and address total BIF needs through the annual budget process
- **Partnerships:** Schedule and cost savings must be documented for each Project Acceleration Partnership

Eat Shop Play: Support on Every BRT Corridor

Construction mitigation and marketing support for businesses within one-quarter mile of participating Metro projects, timed to construction milestones.

1 Promotional Support

Print and digital spotlights: social media, fence banners, bus and rail ads, email promotions

2 Visibility

Signage and collateral that keep businesses visible while construction is underway

3 Marketing Assistance

Free virtual marketing webinars paired with one-on-one coaching

- **Active:** D Line Subway Extension, East San Fernando Valley LRT, North Hollywood to Pasadena BRT, Vermont Transit Corridor; launching later this year on the Southeast Gateway Line
- **Track record:** More than 150 businesses received free marketing assistance during Crenshaw/LAX construction
- **BRT toolkit:** ESP provides marketing and visibility support throughout construction; the Project Acceleration Partnership adds financial assistance where cities streamline delivery
- **Partnerships:** County and City economic development departments and local chambers of commerce would lead programs such as shop local events, with Metro support through in-kind services, marketing, and sponsorship

Next Steps

1. **Update BIF Administrative Guidelines to incorporate the BIF Project Eligibility Policy**

2. **Advance BIF on the Southeast Gateway Line IOS**
   - Consistent with the approved Policy

3. **Engage local jurisdictions on BRT projects to explore Project Acceleration Partnership opportunities**
   - Report to the Board on partnerships established, approvals secured, and schedule and cost savings

4. **Continue advancement of Eat Shop Play services**

5. **Provide annual updates on BIF, Eat Shop Play, and Project Acceleration Partnership outcomes**

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2026-0676, **File Type:** Program **Agenda Number:** 14.

REVISED
CONSTRUCTION COMMITTEE
OCTOBER 14, 2026

SUBJECT: BUSINESS INTERRUPTION FUND (BIF) AND EAT-SHOP-PLAY (ESP) PROGRAMS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

A. ADOPTING the Business Interruption Fund (BIF) Project Eligibility Policy, establishing two pathways to eligibility: Standard Eligibility and the Project Acceleration Partnership (Attachment A); and

B. RECEIVING AND FILING information on Metro's construction mitigation strategy for Bus Rapid Transit (BRT) projects, including Eat Shop Play (ESP).

ISSUE

At its May 2023 meeting, the Board approved Motion 17 by Directors Horvath, Dupont-Walker, Solis, Barger, Krekorian, and Dutra, directing the Chief Executive Officer (CEO) to establish a permanent BIF (Attachment B). The Motion also directed staff to provide a program update that considers, but is not limited to: A) resources necessary to maintain the permanent BIF and B) culturally competent outreach and inclusive technical assistance to adequately support affected businesses.

Metro will deliver an unprecedented program of transit construction over the next decade. BIF has proven to be one of Metro's most effective tools for keeping small businesses open through that construction, and clear eligibility criteria allow Metro to deploy it consistently and strategically. This report recommends adoption of a BIF Project Eligibility Policy, informed by ten years of experience.

The Policy also supports faster project delivery. Through a new Project Acceleration Partnership, BIF eligibility can extend to shorter-duration projects, such as Bus Rapid Transit (BRT), where the local jurisdiction commits to streamlining approvals that shortens construction. Qualifying construction acceleration strategies can reduce the duration of disruption for businesses allowing an earlier return to normal customer access. This report also responds to Director Solis's request for information on how Metro will support businesses along the North Hollywood to Pasadena BRT Project and other BRT corridors.

BACKGROUND

At its October 2014 meeting, the Board approved Motion 57 by Directors Molina, Dupont-Walker, Ridley-Thomas and Garcetti (Attachment C) authorizing the CEO to establish a special BIF pilot program for small businesses, including micro businesses, located along the Crenshaw/LAX Line, the Little Tokyo area along the Regional Connector and Section 1 of the Purple Line Extension due to the forecast schedule of sustained construction activity of at least six years. The Board subsequently authorized the expansion of the program to additional major rail construction projects, including the 2nd/Broadway segment of Regional Connector, Sections 2 and 3 of the Purple Line Extension, and most recently the East San Fernando Valley Light Rail Project.

The BIF was established to provide financial assistance to qualifying small businesses that experience revenue loss resulting from the duration of significant Metro construction impacts. Historically, the program has primarily supported businesses affected by major rail projects involving sustained, concentrated construction activities over extended periods.

At the conclusion of eight years of construction and opening of the Crenshaw/LAX rail project, now the K Line, program data indicated that 181 of the 240 businesses that received BIF grants, or 75%, remained in business. Similarly, following eight years of construction associated with the Regional Connector, 20 of the 33 businesses receiving BIF grants in the Little Tokyo area of the project, or 60%, remained in business.

These outcomes are notable given the duration of construction associated with these major rail projects. According to the Commerce Institute, an independently funded organization that publishes research, trends and advice for small business owners, broad data shows survival rate declining from approximately 76%-80% in the first year to 36%-47% after five years. This is generally consistent with Los Angeles County data indicating that fewer than half of new businesses remain active due to various management and environmental factors. Against these broader benchmarks, the fact that 60% -75% of BIF-assisted businesses along the Crenshaw/LAX and Little Tokyo portion of the Regional Connector corridors remained open following approximately eight years of construction demonstrates positive business retention outcomes among BIF participants.

Feedback from participating business owners reinforces these results. Owners report that BIF provided critical financial support during periods of significant construction disruption, and some report that they would have closed without a BIF grant. The program outcomes and participant feedback demonstrate the value of BIF as a construction mitigation tool.

Based on the experience and outcomes of the pilot program, at its May 2023 meeting, the Board approved establishment of a permanent BIF. Staff subsequently provided a March 2024 update outlining culturally competent outreach and inclusive technical assistance to adequately support affected businesses, next steps for the BIF Assessment and development of a BIF Project Eligibility Policy.

In support of Metro’s broader construction mitigation efforts, Eat-Shop-Play (ESP) provides a

targeted strategy to support small businesses affected by Metro's construction activities. The program objective is to mitigate reduced customer traffic by dedicating outreach and resources to promote local shops through marketing tools and promotional initiatives to drive community engagement. Originally launched as a pilot in July 2021, ESP initially helped brick-and-mortar businesses near existing major transit stops build an online presence during the COVID-19 pandemic.

In May 2026, Director Solis requested that staff provide an update on how Metro could support businesses that may experience impacts during construction of the North Hollywood to Pasadena BRT Project. This report responds to that request by providing information on Metro's construction mitigation programs, including Eat Shop Play (ESP), the proposed new BIF policy, and the resources and services available to support businesses along North Hollywood to Pasadena and other upcoming BRT project corridors.

DISCUSSION

Metro currently implements three complementary construction mitigation programs designed to support small businesses affected by Metro construction:

1. **Business Interruption Fund (BIF)** provides financial assistance to qualifying small businesses that demonstrate revenue loss resulting from eligible Metro construction impacts.
2. **Business Solution Services (BSS)** provides technical assistance and individualized support to businesses.
3. **Eat Shop Play (ESP)** provides marketing and promotional assistance to help businesses remain visible and connected with customers during construction.

Each program provides a different type of assistance, allowing Metro to deploy business mitigation strategies that are responsive to the nature, duration, and extent of construction impacts.

The BIF Project Eligibility Policy

Staff recommend two pathways for BIF eligibility on future Metro construction projects:

Pathway 1: Standard Eligibility. A project, or a defined portion of a project, qualifies when it meets both of the following criteria:

a) **Type of Construction Impacts:** Projects that include concentrated construction at station sites and along alignments, such as: extended lane closures, turn restrictions, directional closures, or full streets closures; K-rail installation and fencing treated with privacy screens or sound wall panels in front of or adjacent to businesses; building station structures; tunneling; drilling; piling and decking work; extensive relocation of utilities; major rearrangements of curbs, gutters and sidewalks over at least one city block; or street resurfacing and paving over one city block or full intersection.

b) **Duration of Construction Impacts:** Projects with construction sites adjacent to businesses where discrete, meaning individual construction work sites, construction impact activities (as

defined above) are expected to exceed 2 months cumulatively*. Duration refers to the duration of construction activities at a local area on the project, and not the duration of the entire project.

**The 2-month threshold is based on historical BIF activity for meaningful revenue loss with one month as the lowest common denominator for analysis of comparable financial documentation*.

Standard Eligibility may apply to an entire project or to a defined portion of a project, depending on where qualifying impacts occur.

Pathway 2: Project Acceleration Partnership. Where construction is shorter in duration, as is typical of Bus Rapid Transit (BRT) projects, BIF eligibility may be extended when the local jurisdiction partners with Metro to accelerate project delivery beyond what is already allowed via cooperative agreements or pending changes to agreements. The streamlining measures should shorten construction and reduce costs, such as approving extended street closures, expediting permit approvals, or expanding work hours. Eligibility applies to the area directly affected by the streamlining.

Examples of streamlining measures a local jurisdiction can provide include:

- Longer traffic control zones: approval of longer traffic control phases (in distance and duration) to facilitate shifting construction activities over a several block area, which would have otherwise required multiple phases lasting less than two months each.

- Directional or full street closures: approval of street closures to simplify construction to reduce construction durations when viable detour routes exist.

- Holiday moratorium waivers: approval to continue construction during holiday moratorium periods when work would otherwise stop.

- Expediting permit approvals: issuing approvals by local jurisdiction departments in timeframes that are significantly shorter than those established by cooperative agreements.

- Noise variances: approval to extend work into evening and nighttime hours beyond standard noise ordinance limits.

Metro recognizes that local elected offices, such as city council offices, and other local bodies, such as police commissions, have a role in negotiating working hours and noise variances with Metro to protect the communities they serve. As appropriate, Metro would coordinate with the local jurisdiction and any other appropriate local bodies on potential exemptios, waivers, and variance requests. Working hours and time savings from these measures depend on the specific characteristics of each

project; however, additional working hours secured in coordination with the local jurisdiction would be designed to reduce construction time.

The Project Acceleration Partnership is not intended to require a lengthy negotiation. A letter or approved concurrence from the local jurisdiction, such as the affected city council office, committing to the streamlining measures would be sufficient to establish a partnership under this pathway.

Staff will determine BIF eligibility for each Metro construction project before construction begins and report determinations to the Board in the annual BIF update. Figure 1 summarizes the two pathways, and Figure 2 shows their anticipated application to upcoming projects.

Figure 1: BIF Eligibility Pathways

	Pathway 1: Standard Eligibility	Pathway 2: Project Acceleration Partnership
Typical projects	Rail and other projects with sustained, concentrated construction	BRT and other shorter-duration projects
Eligibility	Qualifying construction type and impacts at a work site lasting more than two months	Local jurisdiction partners with Metro to streamline delivery
Geographic scope	Entire project or defined portion	Area directly affected by the streamlining

Figure 2: Anticipated Application to Upcoming Projects

Project	Anticipated Pathway
East San Fernando Valley LRT	Pathway 1 (BIF active)
Southeast Gateway Line IOS	Pathway 1
K Line Extension to Torrance, Eastside Extension IOS, Sepulveda Transit Corridor Phase 2	Pathway 1, confirmed before construction
North Hollywood to Pasadena BRT, Vermont Transit Corridor	Pathway 2, where streamlining is secured
G Line Improvements	Pathway 2, where streamlining is secured

Together, the two pathways direct BIF to the construction conditions that cause meaningful revenue loss and create a shared incentive for Metro and its city partners to shorten construction. Under either pathway, individual businesses must continue to satisfy BIF program eligibility requirements, including demonstrating qualifying construction-related revenue loss, before receiving a grant.

BIF Assessment

The BIF Assessment was advanced to inform implementation of the permanent BIF and development of the BIF Project Eligibility Policy. The Assessment examined Metro's historical BIF experience and anticipated future construction program to evaluate the potential number of businesses that may be

impacted, projected BIF funding needs, and program governance considerations.

The Assessment focused primarily on five major rail transit projects with planned construction during the 2025-2035 period: the East San Fernando Valley Light Rail Transit Project IOS, K Line Extension to Torrance, Southeast Gateway Line IOS, Eastside Extension IOS, and Sepulveda Transit Corridor Phase 2 LPA (IOS).

As a supplemental analysis, the Assessment also reviewed construction conditions on three upcoming Bus Rapid Transit (BRT) projects.

Project and Business Corridors Assessment

The Assessment evaluated business corridors associated with the five major rail projects to estimate the potential number of small businesses that could experience construction impacts and inform future BIF funding needs. The analysis considered business size, revenues, industry, and socioeconomic characteristics, including the location of businesses within Equity Focus Communities (EFCs).

Using BIF program eligibility criteria and available business data, supplemented by observational surveys of businesses adjacent to project corridors, the Assessment identified approximately 3,175 potentially eligible businesses across the five rail projects during the 2025-2035 study period.

These estimates are intended for program planning and forecasting purposes and do not constitute a determination of individual business eligibility for BIF.

Assessment of Projected Annual Budget Allocation

To evaluate the resources necessary to maintain the permanent BIF, the Assessment used historical program experience to forecast potential funding needs associated with the five rail projects. The analysis considered the estimated number of potentially eligible businesses, historical participation in BIF, anticipated grant amounts, duration of assistance, and periods when multiple major projects are expected to be under construction concurrently.

Historical program data showed that approximately 30% of eligible businesses within the Crenshaw/LAX impact area received BIF grants. Because the composition and construction conditions of future project corridors may differ, the Assessment tested a range of scenarios to account for variations in participation, grant amounts, duration of assistance, inflation, and other factors.

The analysis found that projected BIF funding needs for the future rail projects evaluated in the Assessment are expected to increase during periods when multiple major rail projects are under construction simultaneously. Under the range of scenarios evaluated, projected annual expenditures for these five projects remained below $10 million in any given year. The Assessment forecasted BIF funding needs for these five future rail projects and did not include existing projects already receiving BIF assistance or administrator costs. Accordingly, the projections should not be interpreted as a forecast of total BIF expenditure across all Metro construction projects.

Figure 3: BIF Cost Projections for 5 upcoming rail projects by Scenario and Recent Actual Program Expenditures ($ in Millions) by Calendar Year

Transit Rail Projects	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Low Estimate	$2.9	$3.3	$3.4	$4.1	$5.2	$5.4	$5.6	$2.5	$2.6	$2.6	$2.8
Historic Estimate	$3.5	$3.9	$4.1	$4.9	$6.3	$6.5	$6.8	$3.0	$3.1	$3.2	$3.3
High Estimate	$4.6	$5.2	$5.5	$6.5	$8.4	$8.7	$9.0	$3.9	$4.1	$4.2	$4.4
*BIF Actuals - *Includes total current projects (C/LAX, D Line Sections 1,2, 3 and BIF Fund Administration fee)*	$8.6	$8.2 **									

***Figure 3 includes total actual BIF expenditures for calendar years 2025 and 2026 to date. Unlike the Assessment projections, the actual expenditure includes the BIF Fund Administration fee and BIF assistance for existing projects, including Crenshaw/LAX, D Line Sections 1, 2, 3 which were not among the five future rail projects assessed in the study's cost projections. Accordingly, the actual expenditures are provided as recent program context and are not intended as a direct comparison to the study's projected scenarios.*
*** Value to date*

The Assessment concluded that projected BIF funding needs for the future five rail projects through 2035 remain below $10 million in any given year under the scenarios analyzed. Recent actual expenditures have exceeded the Assessment's high estimate reflecting expenditures associated with existing projects, including D Line activity, that were not part of the Assessment projections. Staff will continue to monitor program spending closely, and total BIF funding needs will continue to be addressed through Metro's annual budget process.

Leveraging BIF to Accelerate BRT Delivery

The Assessment reviewed three BRT projects anticipated to be under construction during the study period: the Vermont Transit Corridor, North Hollywood to Pasadena BRT, and Metro G Line Improvements.

BRT construction differs from rail. Rail projects involve concentrated, multi-year construction at station sites and along alignments. BRT construction adjacent to businesses consists primarily of curb, gutter, sidewalk, roadway, and station platform work lasting approximately four to eight weeks per site, typically completed in multiple traffic control phases.

Expanding BIF to shorter-duration construction would increase program administration costs, particularly given the historically low level of claims. Pairing this expansion with permit streamlining helps offset those costs while also shortening the duration of construction impacts on businesses. This approach allows Metro to provide additional business support while reducing overall construction time and cost.

Local permit conditions may influence the duration of BRT construction. When a city commits to streamlining approvals beyond existing cooperative agreements, Metro can complete construction

faster and at lower cost. The Project Acceleration Partnership recognizes that commitment by extending BIF eligibility to businesses in the affected area. The partnership benefits every party:

- **Businesses:** A shorter construction period means less disruption and a faster return to normal customer access, with BIF available during the most intensive work.
- **Cities:** Local jurisdictions deliver a completed project to residents sooner, with fewer months of construction on local streets.
- **Metro:** Fewer traffic control phases and shorter schedules reduce construction cost and schedule risk.

Staff will pursue Project Acceleration Partnerships first on the North Hollywood to Pasadena and Vermont corridors. Eat Shop Play marketing support will be available on all BRT corridors, as described below.

Eat Shop Play (ESP) is Metro's construction mitigation and marketing program designed to support local businesses located near active Metro construction. Businesses within one-quarter mile of participating construction projects are eligible to enroll. Currently, ESP is active in the D Line Subway Extension, East San Fernando Valley Light Rail Transit, North Hollywood to Pasadena Bus Rapid Transit, and Vermont Transit Corridor projects, with the program scheduled to launch later this year in the Southeast Gateway Line Project. The program follows construction milestones and is intended to help businesses remain visible, accessible and connected to customers while construction is underway.

The program offers:

- Promotional Support: Opportunities to be featured in print and digital media "spotlights" through a combination of social media campaigns, banners on construction fencing, bus and rail ads, email promotions, editorial features online, and more.
- Visibility: Access to signage and collateral to help keep business visible while construction is underway.
- Marketing Assistance: Free virtual marketing webinars and coaching to help manage online presence and other marketing topics.

ESP has a history of supporting businesses along Metro construction corridors. During the Crenshaw/LAX project, more than 150 businesses received free marketing assistance with campaigns including social media, business spotlights and customer promotions to encourage residents to continue supporting local businesses. More recently, the reimagined ESP program has expanded its offerings beyond promotional campaigns to offer a long-lasting impact on businesses by running digital marketing education webinars paired with one-on-one marketing coaching.

Metro will also pursue partnerships with County and City economic development departments and local chambers of commerce to provide additional benefits and programs to businesses on Metro construction corridors. Under these partnerships, the partner entities would lead these efforts, and Metro would provide support through in-kind services, marketing, and sponsorship. Examples include shop local events and promotions that encourage residents to visit and support businesses throughout construction.

ESP is offered across Metro construction projects and scales efficiently to shorter-duration work such as BRT, because it directly addresses customer awareness, business visibility, and access. Paired with the Project Acceleration Partnership, ESP gives Metro a complete set of tools for BRT corridors: marketing and visibility support throughout construction, and financial assistance where cities partner with Metro to accelerate delivery through permit streamlining.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact the safety of Metro's customers or employees.

FINANCIAL IMPACT

There is no immediate financial impact to approving this recommendation.

Impact to Budget

Board approval of this recommendation has no immediate impact on the FY27 budget. The funding for the administrative costs is provided through Measures R and M Administration funds. Funding for BIF in future years will be addressed through the annual budget development process. BIF eligibility established through a Project Acceleration Partnership will be funded within the annual BIF budget, and staff will document the schedule and cost savings associated with each partnership.

EQUITY PLATFORM

BIF directly supports the small and microbusinesses most affected by Metro construction. As of July 31, 2026, BIF has awarded more than $57.4 million to nearly 600 businesses. Approximately 66% of participating businesses are owned by individuals identifying as Black or African American, Hispanic or Latino, or Asian, and approximately 56% of grant dollars have gone to minority- and women-owned businesses (Attachment D).

The five rail projects planned through 2035 traverse 81 Equity Focus Community census tracts, with the highest concentrations of affected businesses along the East San Fernando Valley and Eastside Extension corridors. Metro supports these communities with one-on-one technical assistance through Business Solution Services, promotional support through Eat Shop Play, grants of up to $60,000 per impact year, and a $1,500 Presumptive Eligibility Award for street vendors and microbusinesses. All outreach, applications, and workshops are offered in English and Spanish, with additional languages provided based on community needs.

The Project Acceleration Partnership extends BIF to businesses on shorter-duration projects and shortens the time communities experience construction impacts. Staff have not identified any inequitable impacts from adoption of the Policy.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the

SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While this item does not directly encourage sharing a ride, walking, or rolling, Metro's construction mitigation programs support transit-adjacent businesses and communities during construction. Supporting the retention of businesses located near transit has the potential to reduce VMT by helping maintain access to goods, services, and employment opportunities that can be reached by transit, walking, or rolling. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item generally supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item aligns with Metro Strategic Goal 3 - Enhance communities and lives through mobility and access to opportunity.

BIF and Metro's complementary construction mitigation programs support this goal by helping small businesses and local economies withstand disruptions associated with construction of Metro transportation infrastructure. Supporting businesses located along Metro project corridors also contributes to the long-term economic vitality of the communities Metro serves.

ALTERNATIVES CONSIDERED

The Board could decline to adopt the Policy and continue determining BIF eligibility on a project-by-project basis. Staff do not recommend this alternative. Case-by-case determinations create uncertainty for businesses and local jurisdictions and make program costs harder to forecast.

The Board could adopt the Policy without the Project Acceleration Partnership, limiting BIF to projects that meet the Type and Duration criteria. Staff do not recommend this alternative. It forgoes the opportunity to use BIF to secure permit streamlining that shortens construction and reduces project costs, and it leaves businesses on BRT corridors without a path to financial assistance.

NEXT STEPS

Upon Board approval, staff will incorporate the BIF Project Eligibility Policy into the BIF Administrative Guidelines and apply it when evaluating future Metro construction projects. Staff will advance BIF for the Southeast Gateway Line IOS project consistent with the Policy.

Staff will engage the local jurisdictions along the North Hollywood to Pasadena BRT and Vermont Transit Corridor projects on Project Acceleration Partnerships and will report to the Board on any

partnerships established, including the streamlining approvals secured and the associated schedule and cost savings.

Staff will also advance Eat Shop Play services and enhancements to support businesses along the East San Fernando Valley LRT, Southeast Gateway Line IOS, Vermont BRT, and North Hollywood to Pasadena BRT project corridors.

Staff will provide annual updates to the Board on BIF, Eat Shop Play, and Project Acceleration Partnership outcomes.

ATTACHMENTS

Attachment A - BIF Project Eligibility Policy
Attachment B - Motion 17
Attachment C - Motion 57
Attachment D - BIF Diversity Portfolio Ending July 31, 2026

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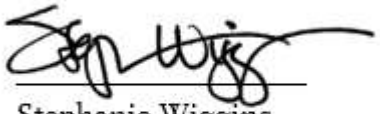

Stephanie Wiggins
Chief Executive Officer