



Business Preservation Along the Purple Line Light Rail Construction Corridor

*Equitable Development Action Plan
Montgomery County, Maryland*

Developed in partnership with



Mission

To drive the economic and social advancement of low- to moderate- income Latinos and other DC area residents by equipping them with the skills and tools to achieve financial independence and become leaders in their communities.

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01 | About the Organization

The Latino Economic Development Center (LEDC) envisions all residents having equitable access to financial stability by building financial assets and becoming actively invested and engaged in their communities.

By fostering communities that are inclusive, just, and self-sustaining, LEDC values the economic and social advancement of the underserved as fundamental to the long-term health of the larger communities where they live and work. LEDC's bilingual and culturally-competent staff provide services out of six offices in the region (with headquarters in Washington, DC and additional offices in Montgomery County, MD; Baltimore, MD; and Arlington, VA) and operates a seventh office in Puerto Rico.

In 2015, LEDC developed a model for working with existing small businesses located in quickly changing areas, dubbed "Resilient Business Corridors." LEDC is currently implementing this model in seven business corridors located in Northwest and Southeast Washington, DC and Montgomery County, Maryland (including areas where the Purple Line Transit project is currently under construction). These areas are affected by rapid change brought on by exterior forces including gentrification, large-scale construction, and transit-oriented development. LEDC's aim is to help businesses survive the often-chaotic transition period in order to benefit from the economic advantages that await once the changes are complete. Most importantly, LEDC believes that current residents and business owners are entitled to the progress that development brings about.



The Purple Line Corridor Coalition (PLCC) is an innovative public-private-community collaboration working to leverage Maryland's largest transit investment in the 21st century to create a place of opportunity for all who live, work and invest in the corridor. Their work is guided by the goals and vision laid out in the Community Development Agreement for the Purple Line Corridor which was developed through an extensive stakeholder engagement process. LEDC is engaged in the PLCC as a member of its governing Steering Committee as well as the Small Business Working Group.

02 | About the Purple Line Project

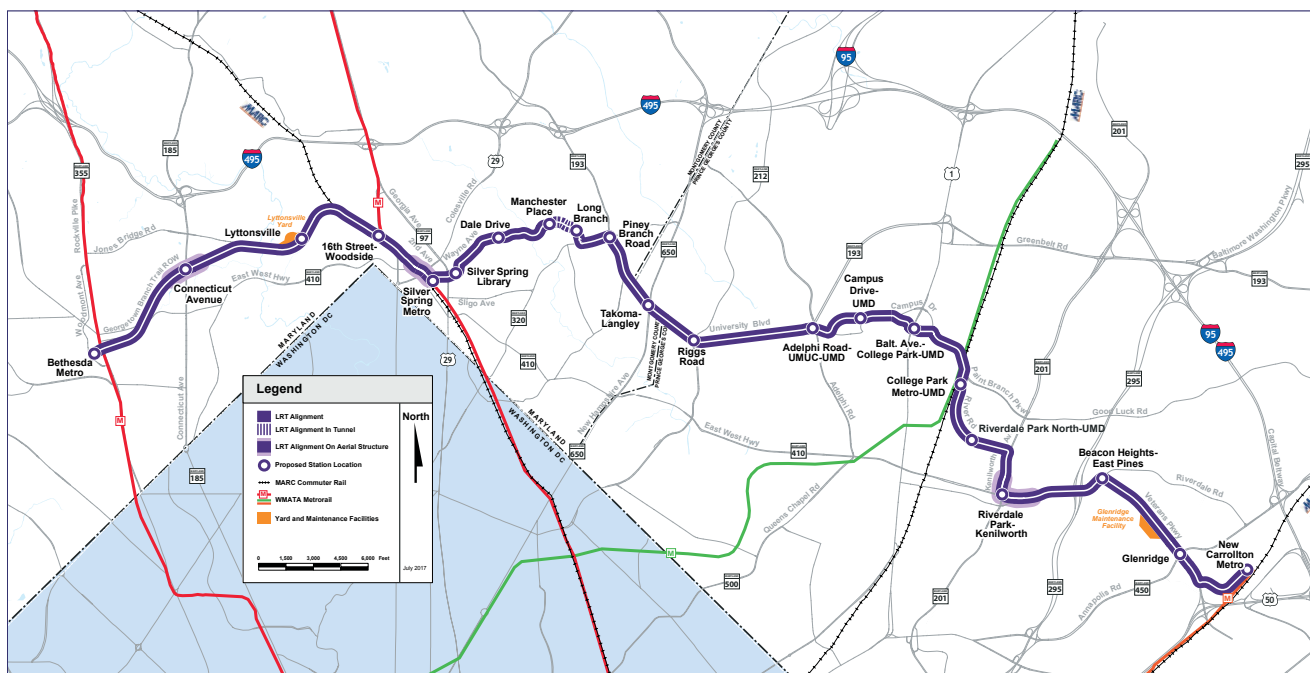
Montgomery County and Prince George's County are two suburban counties in Maryland, adjacent to the region's core urban center of Washington, DC. The east-west link between the two Maryland counties relies predominantly on the Capital Beltway (I-495), part of the interstate highway system built in the 1960s. As some of the suburban communities within the counties such as Bethesda, College Park and Silver Spring have grown into major residential and employment centers, the existing road capacity has been unable to keep up with demand. In 2013, after a more than a decade of proposals and impact studies, the Maryland Board of Public Works approved a Public-Private Partnership (P3) between the Maryland Department of Transportation Maryland Transit Administration (MDOT MTA) and Purple Line Transit Partners (PLTP) to proceed with development of the Purple Line light-rail. The project is believed to be the most expensive government contract in Maryland; the \$5.6 billion contract forms one of the largest

public-private partnerships on a U.S. transportation project, resulting in the first major light-rail line in the National Capital Region in years.

The Purple Line construction project officially broke ground in August 2017, with a scheduled completion date of 2022. According to updates in late 2019 from PLTP, only segments of the track will begin operating in 2022 while construction continues in other parts of the line.

For commuters, the Purple Line light-rail is expected to add capacity to meet the demand for east-west connections and will cover a 16-mile area, with a planned twenty-one stations. It will be the first transit line to connect four branches of the Washington Metropolitan Area Transit Authority metro-rail line, three Maryland Area Regional Commuter Train (MARC) lines and Amtrak's Northeast Corridor line. The line will serve riders that travel between suburbs. Rather than traveling through multiple


Purple Line Alignment



Map source: <https://www.purplelinemd.com/about-the-project/project-maps>

MDOT
MARYLAND DEPARTMENT
OF TRANSPORTATION

Purple Line
MARYLAND TRANSIT
ADMINISTRATION



lines of the subway system or using a car or bus system to reach their destination, the Purple Line will create a direct east-west travel route.

Beyond access to transportation and commuter benefits, transit-oriented development at the stations along the Purple Line Corridor is expected to spur economic development across the entire region. Local planners see opportunities to create higher-density, mixed-use areas with easily accessible amenities and services. This kind of development can lead to walkable, healthier, more vibrant and livable communities. It can result in the creation of jobs, building attractive stations that deliver or strengthen a sense of place, creating and, ideally, preserving, small businesses and affordable housing.

The Purple Line presents many opportunities for existing small businesses along the transportation corridor. There is a potential for the introduction of new revenue resulting from the increased presence of higher income residents of new housing planned around the stations. Additionally, proximity to a transit station could give businesses access to a labor force

or customers from other regions. These potential opportunities are only possible through coordinated efforts of local governments, private corporations and civic and neighborhood advocacy organizations. LEDC's work is focused on facilitating access to the potential benefits of redevelopment while mitigating the immediate construction impacts and effects of neighborhood change and gentrification expected around the planned rail stations that can turn those opportunities into challenges for small businesses.

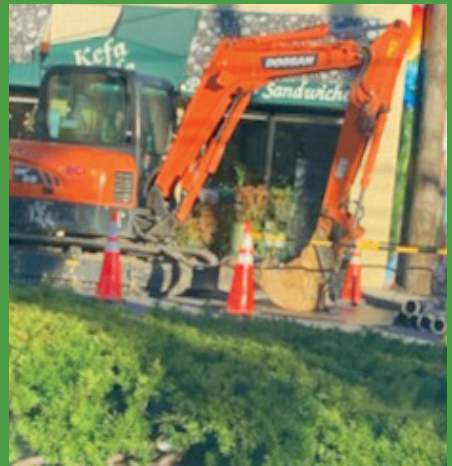
A changing customer demographic could mean a demand for new products or services not offered by existing small businesses. Redevelopment could spur displacement of the residents those businesses serve; many of the businesses along the Purple Line Corridor are highly dependent on the local lower- to moderate-income population, often serving a specific immigrant or ethnic group. If a business were to pivot its offerings to accommodate for new goods or services, this could lead to a loss of intangible assets like community, links to a country of origin, and an anchor for cultural identity.

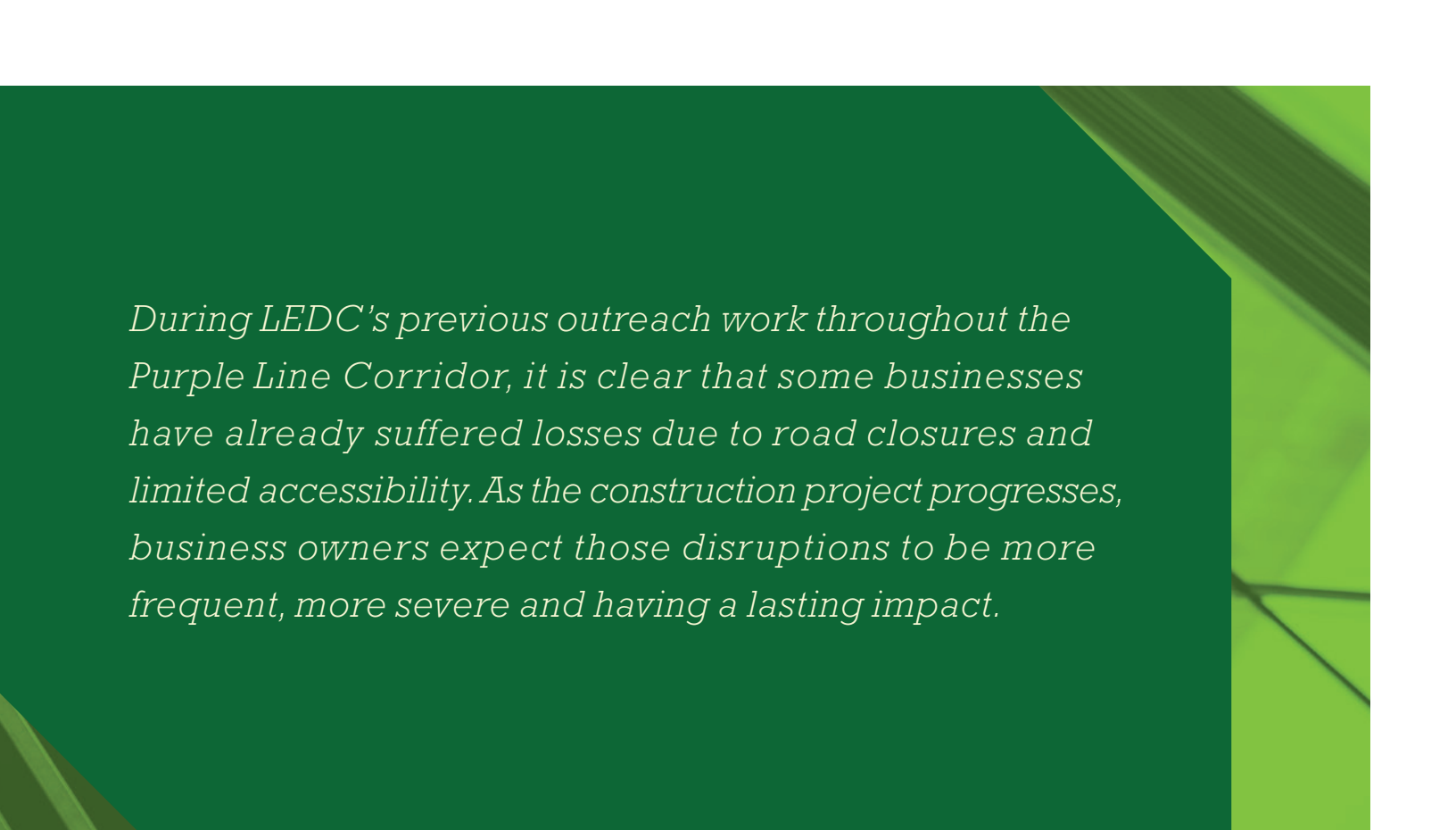
Another potential challenge is an increase in rental fees. A majority of small businesses in the area do not own their property, and, of those businesses that rent their space, many operate without a binding lease. Without the stability of a legal contract, small business owners are more susceptible to eviction or harassment from unethical property owners. Disenfranchised business owners are less likely to appeal any increase in rent and are highly vulnerable to displacement.

The lack of property ownership throughout the Purple Line Corridor presents a challenge for small business owners who might want to access capital to improve their physical space and poise themselves to benefit from redevelopment. Throughout past work in the Purple Line Corridor and other areas of

the Washington, DC metropolitan region, LEDC has witnessed predatory business dealings, small business loans subject to high transactions and even hidden costs that can only lead to more debt.

Not only are businesses faced with the upcoming challenges of operating in gentrifying neighborhoods, businesses along the Purple Line Corridor most critically face immediate potential displacement and disruptions associated with the realities of a large-scale construction project. These are concerns that offer tangible, visible, and physical challenges that have an immediate impact. Businesses face road closures limiting access for not only customers but also vendors and employees, loss of critical parking spaces, limited visibility due to construction structures, and noise and dust created by machinery and heavy vehicles.





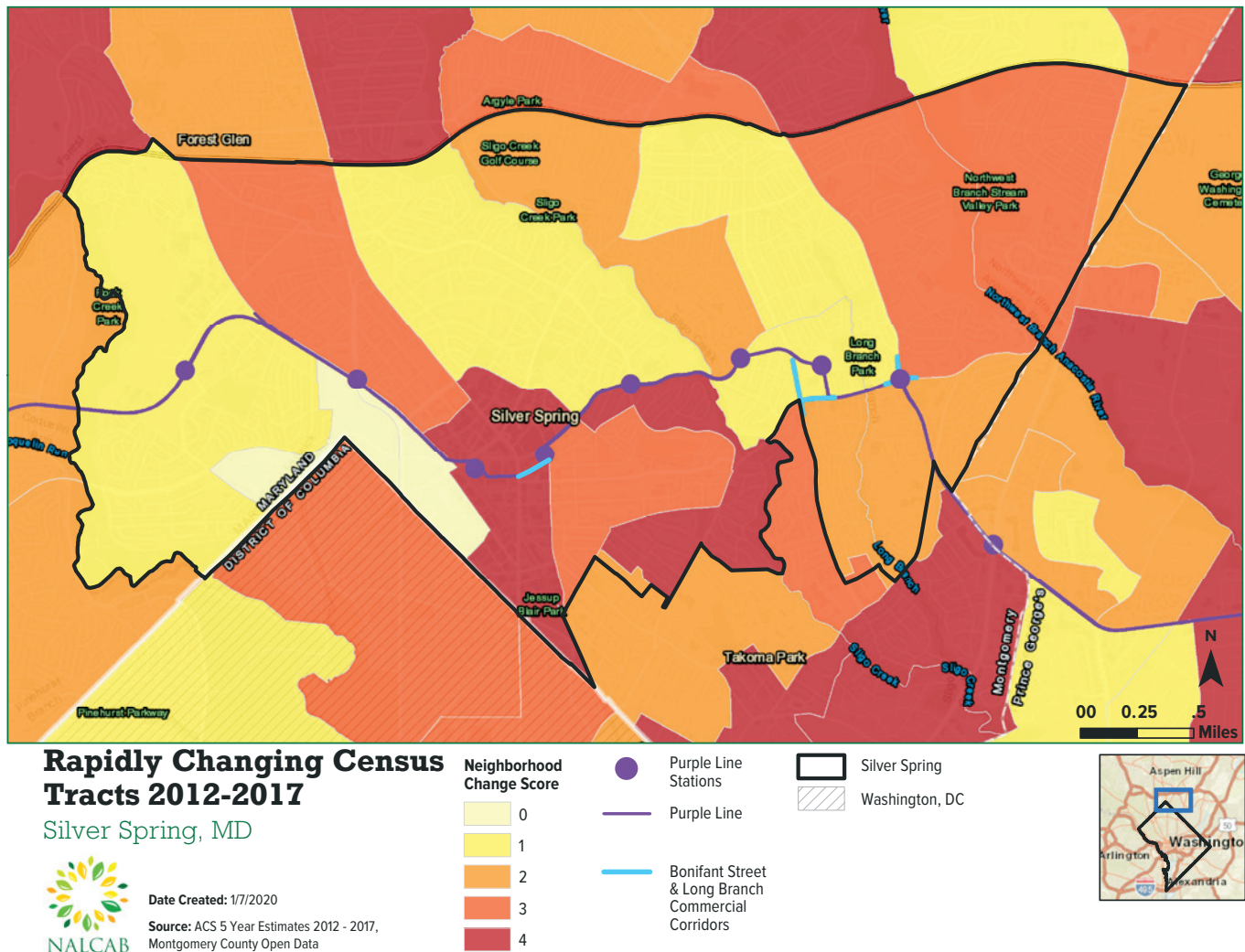
During LEDC's previous outreach work throughout the Purple Line Corridor, it is clear that some businesses have already suffered losses due to road closures and limited accessibility. As the construction project progresses, business owners expect those disruptions to be more frequent, more severe and having a lasting impact.

Some of these disruptions are compounded by the fact that many of these urban areas are in a continuous state of redevelopment and construction by private companies and public projects, such as utility relocation and infrastructure works. During LEDC's previous outreach work throughout the Purple Line Corridor, it is clear that some businesses have already suffered losses due to road closures and limited accessibility. As the construction project progresses, business owners expect those disruptions to be more frequent, more severe and having a lasting impact.

Even though the Purple Line light rail project encompasses two counties in Maryland, the area of focus of this Action Plan for supporting businesses affected by the Purple Line is Montgomery County,

Maryland, specifically Bonifant Street in Silver Spring and the Long Branch Business District in Takoma Park/Silver Spring. Focusing the work on two neighborhoods is a function of LEDC's limitations due to initially receiving funding from Montgomery County, organizational capacity and the intensive nature of the work. LEDC's work with the businesses requires a major initial time investment to build trust, ensure business participation, and conduct and in-depth business assessment. Building on the work performed in Long Branch and Bonifant Street, LEDC can then replicate the work performed in other vulnerable neighborhoods along the Purple Line Construction, including Prince George's County. LEDC foresees similar conditions and challenges in those areas.

Silver Spring Rapidly Changing Census Tracts



NALCAB's Neighborhood Change methodology identifies census tracts vulnerable to neighborhood change. Tracts that score higher (up to a 4, indicated with the darker red color) are changing faster than the urban area as a whole. Those higher scoring tracts are typically already experiencing or are at significant risk for neighborhood change/gentrification. These maps demonstrate that change has been occurring at a faster rate in Silver Spring in the last several years, with a concentration of faster change around the downtown Silver Spring area but also along much of the anticipated Purple Line route. The results of this data are confirmed by what LEDC has seen and experienced as the organization works with small businesses and the broader communities in the region.

03 | About the Neighborhoods

The following is a summary of two neighborhoods in which LEDC is working and the impact that has been observed as a result of the Purple Line thus far:

Long Branch

Long Branch has become an attractive gateway into Montgomery County, as it borders Northwest Washington, DC to the southwest and Prince George's County to the east. In the 1980s, like other urban and suburban areas in the region, it received an influx of immigrants from Central America. Currently, Long Branch houses a distinct, multi-ethnic community.

There are two distinct commercial areas in Long Branch, located at either end of Piney Branch Road. Aging single story shopping centers and, in some cases, converted residences provide commercial spaces. Many stores and businesses serve surrounding neighborhoods and are locally-owned. Businesses in Long

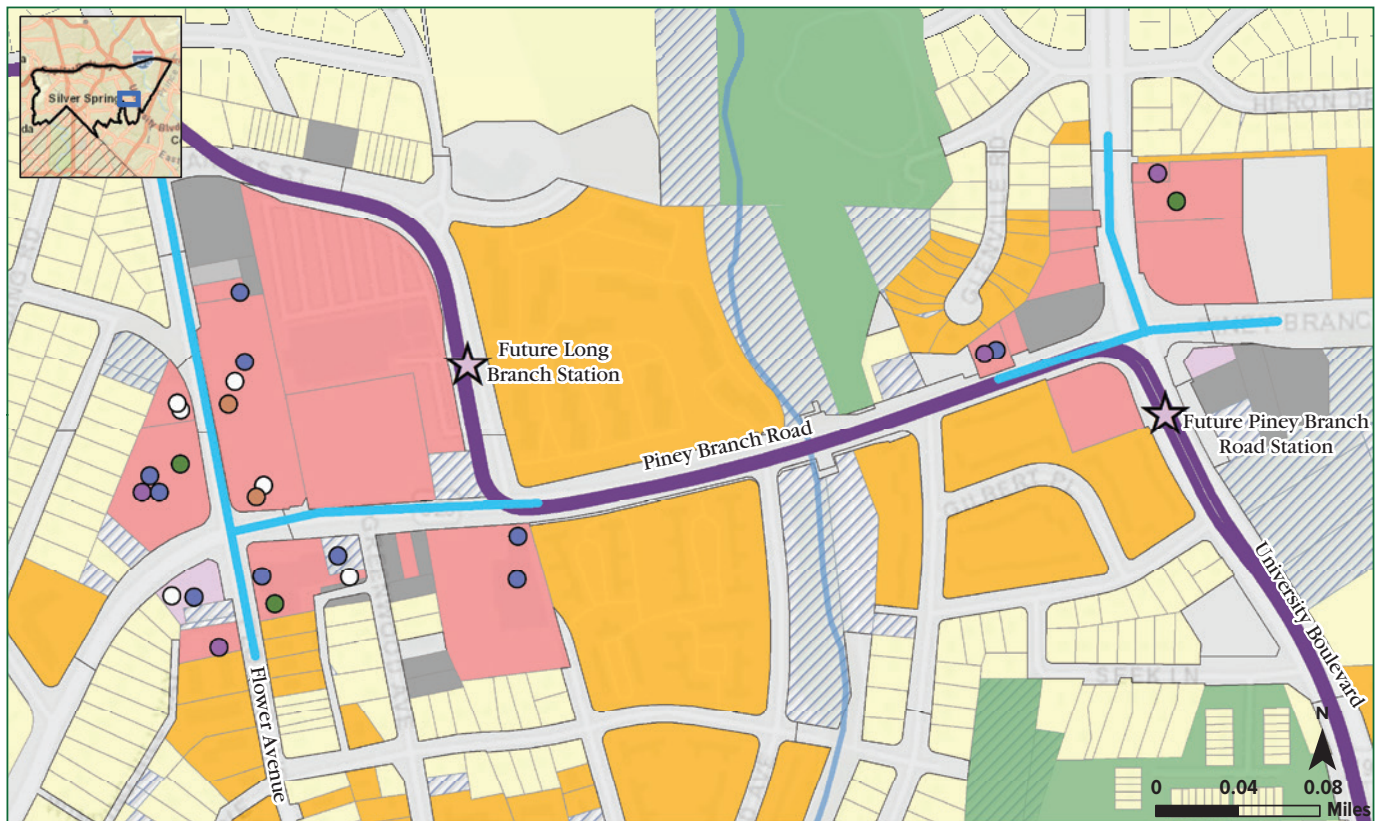
Branch are a regional draw specializing in food, apparel, and various services, and, reflecting the community's ethnic diversity.

Businesses in Long Branch face challenges due to neighborhood change accelerated by the coming of the Purple Line. Many depend on the local community and the immigrant population they serve for their survival and are especially vulnerable to rent increases that often accompany redevelopment. There is a low real property ownership rate, informal contracts and handshake agreements are common, and many businesses with leases have contracts set to expire during the construction of the Purple Line. As a result, many businesses fear displacement. In contrast to Bonifant Street, the construction project generally circumvents the central business core of Long Branch.



Source: <https://www.purplelinemd.com/about-the-project/project-maps>

Long Branch Commercial Corridor



Long Branch Commercial Corridor Businesses Engaged by LEDC



Silver Spring, MD

Date Created: 1/7/2020

Source: Latino Economic Development Center, Montgomery County GIS Open Data

Type of Business

- Convenience store/grocery
- Beauty salon & spa
- Restaurant
- Retailer
- Other

Land Use

- Retail
- Single Family
- Multi-Family
- Office

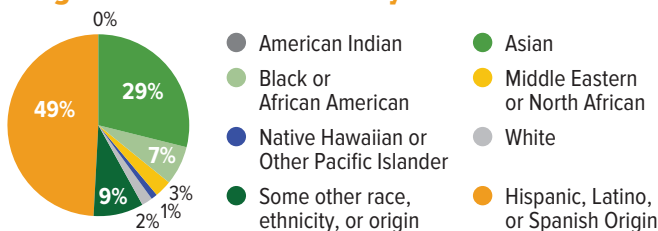
- Industrial
- Recreation
- Parking & Transportation
- Vacant
- Other

- ★ Future Purple Line Stations
- Long Branch Commercial Corridors
- Purple Line Route

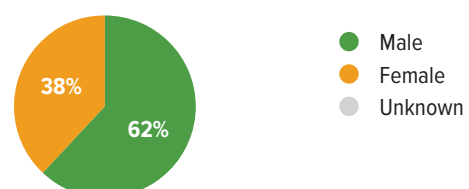
However, businesses can expect major traffic disruptions as both major intersections in the area serve as access points to Washington, DC, Prince George's County, and Interstate-495. PLTP has repurposed a significant portion of the parking lot of a large chain retail grocery

store as equipment staging ground. This major acquisition of real estate in Long Branch was required since the only portion of the rail line that will operate underground is located in a residential neighborhood directly adjacent to the business district.

Long Branch Businesses by Race



Long Branch Businesses by Gender



Bonifant Street

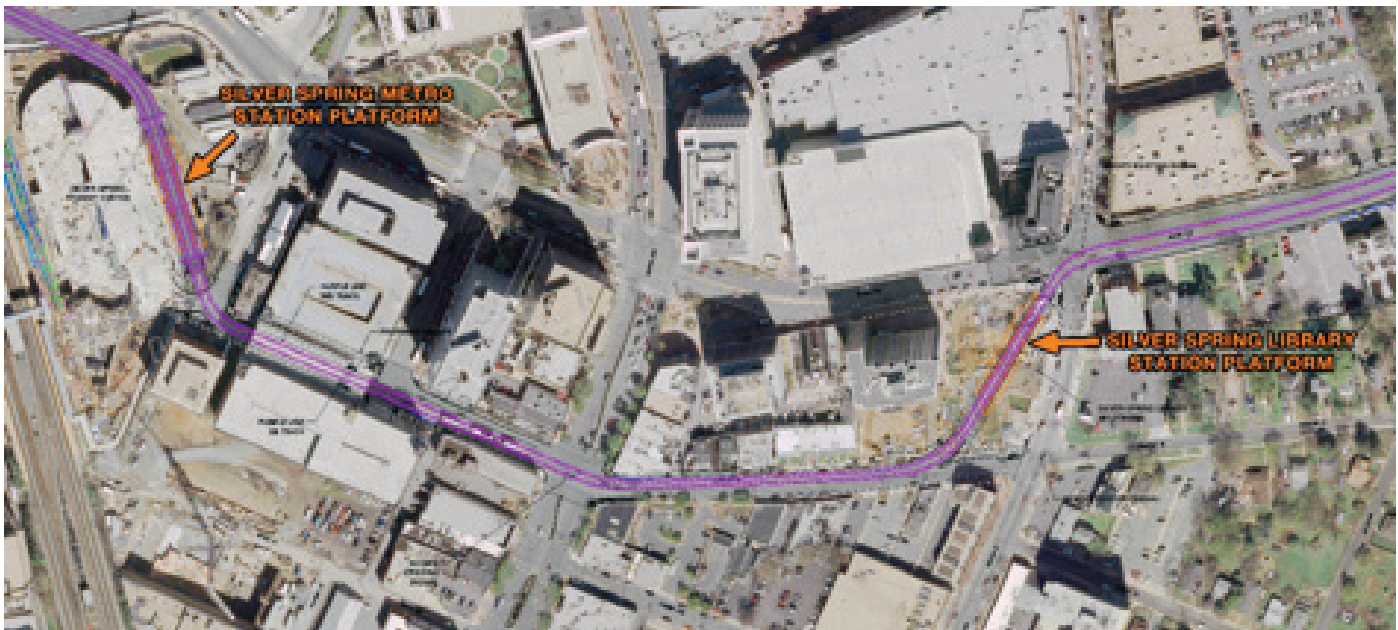
Bonifant Street is located near the Silver Spring Central Business District/Downtown. A major business hub, Silver Spring is an urbanized area that lies at the north apex of Washington, DC. The community has recently undergone a significant renaissance, with the addition of major retail, residential, and office developments.

Montgomery County has the largest cluster of Ethiopian immigrants outside of Washington, DC, and Bonifant Street serves as the heart of “Little Ethiopia”, an economic hub that attracts a wider African diaspora living in the DC area. LEDC’s work is focused on an 800 foot section located between Georgia Avenue and Fenton Street with twenty-five businesses. A range of tenured businesses, from one- to fifty-years-old, are located on this narrow side street.

Since the Purple Line will travel at street grade, Bonifant Street will be, essentially, taken over by the light rail construction project, turning it into

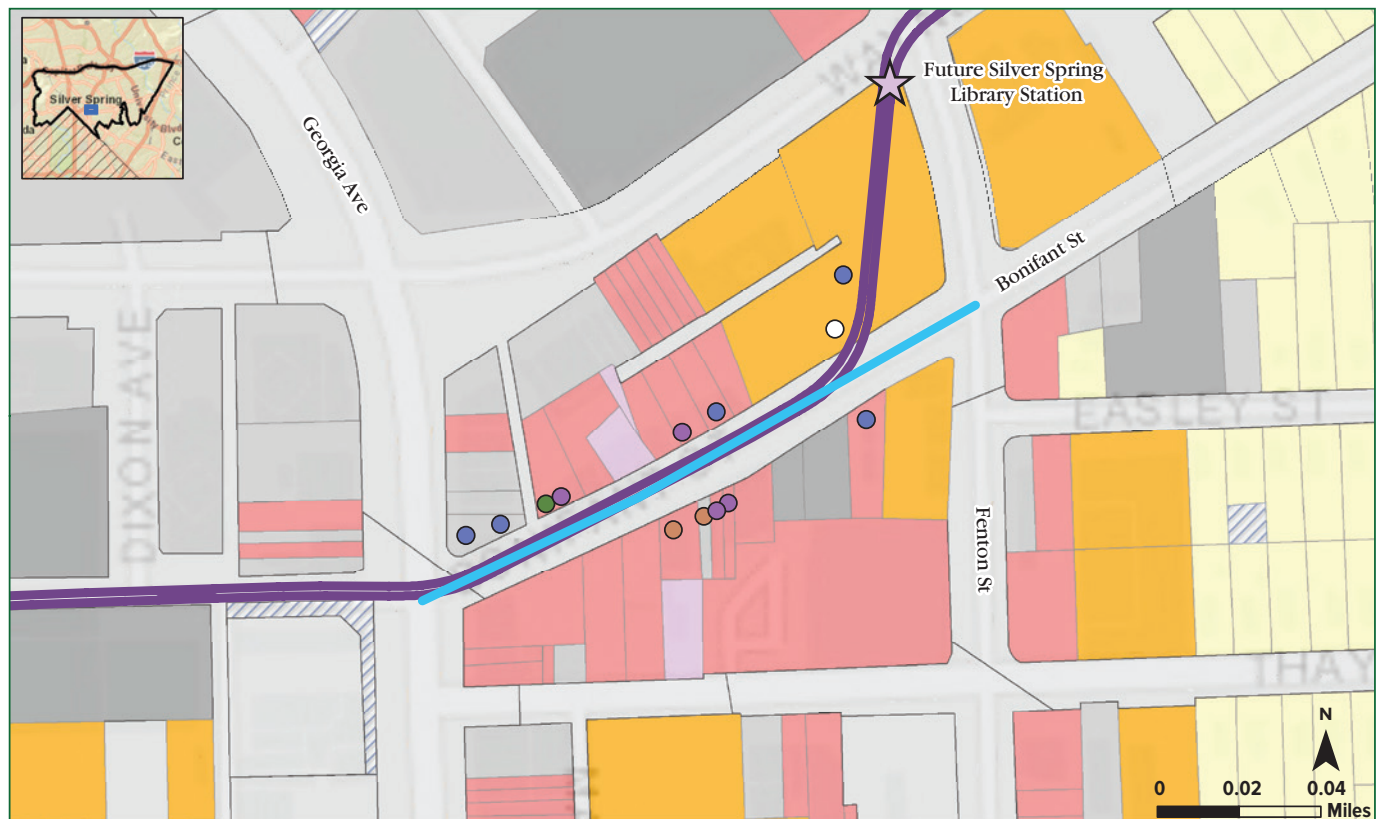
an active construction site. Many business owners fear a significant loss in revenue due to the construction limiting visibility and customer and vendor access to their stores during the construction period. Key features of the construction project include a station located within the footprint of the Silver Spring Branch of the Montgomery County Library. Traffic on Bonifant Street will be limited to an eastbound direction (formerly a two-way street), eliminating all street parking for the entirety of the construction project.

Businesses on Bonifant Street have faced continuous construction-related disruptions for over a decade including a new branch of the Silver Spring Library (and future site of a Purple Line station), an eleven-story affordable housing senior living facility adjacent to the library, and the redevelopment of a County-owned parking lot that eliminated 143 parking spots on an adjacent street. Many business owners show signs of fatigue and resignation that the Purple Line will be the one project that forces them to close.



Source: <https://www.purplelinemd.com/about-the-project/project-maps>

Bonifant Commercial Corridor



Bonifant Commercial Corridor Businesses Engaged by LEDC

Silver Spring, MD



Date Created: 1/7/2020

Source: Latino Economic Development Center,
Montgomery County GIS Open Data

Type of Business

- Convenience store/grocery
- Beauty salon & spa
- Restaurant
- Retailer
- Other

Land Use

- Retail
- Single Family Attached; Single Family Detached
- Multi-Family

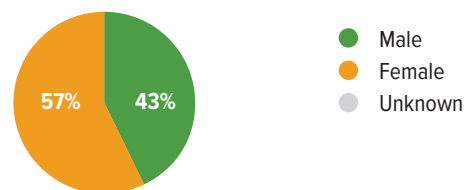
- Office
- Industrial
- Parking & Transportation
- Vacant
- Other

- ★ Future Silver Spring Library Station
- Bonifant Street Commercial Corridor
- Purple Line Route

Bonifant Businesses by Race



Bonifant Businesses by Gender



Long Branch and Bonifant Street are predominantly food-oriented business corridors. LEDC's survey of small businesses revealed businesses in the Long Branch area are predominantly Latino-owned and businesses in Bonifant Street are predominantly Ethiopian-owned.


Businesses in the Long Branch are focused mainly on internal issues such as lack of a business plan, financial management, marketing, and branding. Businesses along Bonifant Street face a mix of external and internal issues such as employee retention, financial management, parking issues, prior government-funded

constructions, and communication with utility companies. Businesses in Long Branch believe they can cater to construction project workers and obtain government support. Businesses on Bonifant Street are bracing for chronic parking and access issues that could put them out of business.

	Long Branch	Bonifant Street
Neighborhood Summary:	The Long Branch corridor lies between Silver Spring and Takoma Park and is predominantly food and retail-oriented businesses with some specialized services. The majority of businesses are Latino-owned, close to residential neighborhoods, and a main artery into several urban centers.	The Bonifant Street area is located near downtown Silver Spring. The businesses are predominantly food and service industries. The majority of businesses are Ethiopian-owned and close to residential neighborhoods.
Pre-Construction Business Concerns and Needs	<ul style="list-style-type: none"> Saturated business types — several replicated businesses Financial management Rebranding issues Business visibility Marketing and brand development 	<ul style="list-style-type: none"> Parking issues Employee retention Marketing and brand development Financial management Processes for growth Ongoing construction projects Communication from utility companies
Purple Line Construction Impact	<ul style="list-style-type: none"> Several businesses were displaced by right-of-way land purchase by PLTP Concern over potential constructions effects Loss of parking Significant vehicular traffic disruption 	<ul style="list-style-type: none"> Potential for high construction impact Concern for increased business rents Loss of parking Loss of retail foot traffic Increased rents despite business loss during construction
Local Resources	<ul style="list-style-type: none"> Silver Spring Regional Services Office Long Branch Business League Long Brach Vision Committee Montgomery Housing Partnership Community Health and Empowerment through Education and Research (CHEER) Montgomery County Business Solutions Group Montgomery County Councilmembers State Delegates 	<ul style="list-style-type: none"> Silver Spring Regional Services Office Discover Bonifant Neighborhood Group Fenton Village, Inc. Montgomery County Business Solutions Group Montgomery Housing Partnership University of Maryland SBDC Montgomery County Councilmembers State Delegates

04 | Recent Successes and Challenges

- ➔ LEDC has been positioned as the lead organization on small business issues in Long Branch and on Bonifant Street as a result of the work already completed.
- ➔ LEDC has been recognized by council members as the go-to organization to reach out to the business community.
- ➔ LEDC has been awarded a grant from JPMorgan Chase to provide accessible loans and business TA to businesses along the Purple Line Corridor, including Prince George's County.
- ➔ LEDC expects to encounter a certain amount of fatigue from business owners who have experienced continuous disruption from other public or private construction projects. This fatigue can lead to a reluctance from business owners to participate or share information. There is no tool available to fight the cynicism or feelings of disenfranchisement or disempowerment unless businesses see action from local government and its partners that address their everyday concerns.



➔ LEDC also expects to face some difficulty in finding a common ground within communities that are not united by cultural heritage. In some of these neighborhoods, animosities and resentment already exist, creating a culture of competition and isolation.

➔ LEDC needs to take steps in creating a robust organizing strategy or create coalitions with organizations that are active in the corridors. Staff capacity building and collaboration are key to overcome the challenges.

➔ Since the Purple Line is a State project encompassing two counties, passing an impact mitigation grant at the Montgomery County level will be challenging. LEDC will follow legislation on the State level and work with State lawmakers to demonstrate the negative impacts of the construction project on small businesses.

LEDC has highlighted five goals as part of its Equitable Neighborhood Action Plan.

05 | Goals, Strategies, and Actions — Summary

Goal #1: Strengthen individual business operations and the business community before, during, and after construction.

Strategy: Provide Specialized Technical Assistance at the location of the businesses.

- **Action:** Partner with organizations and individuals who are involved in advocacy and providing services to businesses in the corridor.
- **Action:** Use business connections from other corridors to connect with new businesses.
- **Action:** Perform outreach to develop a scope of work for each business.
- **Action:** Assess the businesses with a business assessment tool.
- **Action:** Provide tangible deliverables for businesses.

Strategy: Increase awareness of the impact of construction on business corridors.

- **Action:** Work with businesses to develop advocacy skills.
- **Action:** Strengthen and reactivate existing business associations.
- **Action:** Revitalize the business corridor and surrounding community.

Goal #2: Create an inclusive construction project that allows the business community to have a voice in the planning process.

Strategy: Formalize communication between small businesses and construction contractors.

- **Action:** Connect businesses to construction contractors.
- **Action:** LEDC will facilitate meetings with contractors and other parties to mitigate the effects of construction.
- **Action:** Support the creation of an enforceable agreement that will hold contractors accountable to the community.


Strategy: Advocate for a County policy that ensures businesses receive alerts during construction.

- **Action:** Identify shareable examples of businesses disrupted by public construction projects.

Goal #3: Obtain funding to support local small businesses financially affected by the construction.

Strategy: Provide access to capital.

- **Action:** Provide accessible loans to small business owners affected by the Purple Line Construction.



Strategy: Engage in the process of developing a small business protection grant program at the County level.

- **Action:** LEDC will partner with businesses and other community advocates to advocate for a fund to support local small business owners.
- **Action:** Document the displacement of small businesses to demonstrate the need for financial support.
- **Action:** Establish a baseline for business revenue.
- **Action:** Provide guidance to elected officials in the development of program guidelines for a grant fund

Goal #4: Work toward the development of commercial rent control in Montgomery County, Maryland.

Strategy: Engage business lawyers as consultants.

- **Action:** Contract with lawyers to review leases with small businesses.

Strategy: Research into policy against predatory leasing.

- **Action:** Educate business owners on their rights.
- **Action:** Conduct research on policy solutions that mitigate displacement and gentrification.

Goal #5: Continue to engage and shape public discussion around protections for small businesses in neighborhoods affected by displacement.

Strategy: Develop sources of data that can be used to inform engagement with small businesses across the region.

- **Action:** Contract with the Urban Institute to obtain data regarding small businesses in the region, including but not limited to data points regarding types of business, lease lengths, etc.
- **Action:** Document the displacement of small businesses in the area.

Strategy: Engage in public forums, such as the Purple Line Coalition, and connect with public officials to advocate for small business protections during major construction projects.

- **Action:** Lead the Coalition's Small Business Steering Committee
- **Action:** Present LEDC's business assessment methods to the Coalition in an effort to develop a policy that protects small businesses.

06 | Goals, Strategies, and Actions

Goal #1


Strengthen individual business operations and the business community before, during, and after construction. Ensure the businesses affected by construction have the tools necessary to face the issues that will arise with construction.

LEDC will provide both technical and social tools to ensure business retention throughout the Purple Line's construction period and participation in the benefits of redevelopment. LEDC will participate in extensive organizing and community engagement in collaboration with other organizations. LEDC's staff serve as both coaches and liaisons to public and private partners that will be identified through outreach in the

business corridors. Through outreach and technical assistance, LEDC will gather data to tell the story of the impact of construction on small businesses in these neighborhoods to share the information with other key players and stakeholders.

Strategy: Provide Specialized Technical Assistance at the location of the businesses.

On-site Specialized Technical Assistance (TA) is a proven concept that LEDC has implemented in several corridors of Washington, DC and Maryland undergoing redevelopment or gentrification. This method will ensure business owners have strong systems and strategies to run their businesses and continue generating revenue throughout the construction period. Resources that will be offered include financial literacy, marketing, human resources, legal, and access to financing in addition to other specialized services. LEDC brings the services to the business owner and does not require their attendance at workshops outside of their business location.



Action: *Partner with organizations and individuals who are involved in advocacy and providing services to businesses in the corridor.*

LEDC needs to be conscious of its limitations and capacity. By building on the work other partner organizations have already done in the corridors, LEDC can most effectively introduce new services and the TA program. In addition, growing partnerships with local advocacy organizations allows LEDC to build a case history of the business community in each particular corridor. Creating this story is key in attracting resources and funding to continue the work.


Action: *Use business connections from other corridors to connect with new businesses.*

LEDC has reached out to the former and existing business advice clients from outside of the area of work who might have relationships to businesses in the corridor to facilitate formal introductions. It can be very reassuring to business owners hearing from another business owner how LEDC might be able

to help them. Through this process, we are able to build trust so that LEDC is better able to assess their needs providing better advice and more directed technical assistance. Furthermore, it will allow LEDC to prepare, budget, and build a roster of expert consultants assigned to address specific business challenges. This emphasized the importance of creating and fostering relationships with individuals and organizations already working within the area. Understanding the issues will also allow LEDC to study trends and to create and implement feasible solutions. Since the area of work is extensive, it is critical to form the right connections and relationships in those areas. After rapport building and assessments, LEDC would create individualized work plans, creating a timeline and measurable goals for the businesses.

Action: *Perform outreach to develop a scope of work for each business.*

A multifaceted outreach strategy will also allow LEDC to build trust and rapport with the targeted business community. LEDC invests time in visiting



every business along the corridors on a daily basis. Through these visits LEDC gathers information on who business leaders are, learns about the corridor's history, and identifies who has helped businesses in the past. In addition to business owners, LEDC also makes an effort to connect with community advocates. This assessment helps LEDC avoid replicating efforts and strategies other organizations have implemented, especially if those strategies have not been as successful as LEDC's.

Action: *Assess the businesses with a business assessment tool.*

Armed with information, LEDC will work with each business owner to create individualized work plans designed to identify areas of deficiencies in their business model to build their capacity before construction. The assessment tool is an in-depth analysis on business concepts ranging from marketing to operations. It has numerous questions on each subject, which require follow-up conversations between the business owner and the coach to see how well the subject is being managed. An example of how effective a question on the assessment can be: "Do you know how you have to sell in order to break even?" In asking the question, one might find out a huge subset of information — for example, that the

business has no set prices for services, no inventory control, or simply don't know all their overheads. The assessment tool not only allows LEDC to gather data to best shape the TA program but helps craft a narrative of the overall work.

Action: *Provide tangible deliverables for businesses.*

A key element to gaining the trust of a business owner is creating something tangible that they can access and utilize for a short-term project, specifically marketing or social media. Even through this does not address the long-term health of the business or confront any immediate threat, it communicates an investment on the part of LEDC. Tangible deliverables can be used to share success stories with other business owners who might be reticent to participate in the TA program or provide the coach with sensitive information.

Strategy: *Increase awareness of the impact of construction on business corridors.*

The other set of tools LEDC provides is awareness of how the construction will affect their business as construction starts. One of LEDC's key core values

is providing the tools people need to advocate for themselves. With this end in mind, LEDC will provide the knowledge business owners need to identify the issues and threats that are and will affect them, so these issues do not escalate once the construction begins.

Action: *Work with businesses to develop advocacy skills.*

LEDC will work with businesses to build their awareness about the key questions they should be asking to the involved parties. This way businesses can identify specifically who they need to talk to in order to get their needs met. LEDC will make sure that they are connected to elected officials, community advocates but most importantly to all other business members. While communication with the construction company may not lead to a timely and clear answer, through advocacy and access businesses can connect to the constructor. LEDC is also preparing businesses to advocate for themselves in the upcoming meetings with key players as the project continues. LEDC is continuing to prepare the business owners to participate in meetings, write to their representatives about holding meetings, include other business owners in their efforts, and advocate for their needs.

Action: *Strengthen and reactivate existing business associations.*

Through work with existing business associations, LEDC can help support leadership training and stay informed of the needs of the local business community. In some cases, it will be necessary to reactivate dormant business associations. LEDC can do this by providing logistical support via email campaigns, organizing and mediating meetings, and distributing printed material. The challenge with maintaining a business association is finding incentives for business owners to attend a meeting during business hours. The threat of disruption helps unite the business community and serves as an incentive to be active. LEDC needs to employ strategies to reinvigorate business groups that have become fatigued through facing continues external challenges.

Action: *Revitalize the business corridor and surrounding community.*

Since the Purple Line construction also affects residents and homeowners, it is key to reach stakeholders outside of the business community that will ally with businesses. The onus of activating a business corridor can be shared with residents who are also facing disruptions due to construction. LEDC will reach and collaborate with a homeowner population who are already participating in community meetings.



Nurturing the Natural You From the Roots & Beyond

**Bonifant Street:
Business Profile**

JAHA Hair Studio

“When LEDC first met JAHA Hair Studio owner Susan, she was skeptical because other organizations had previously promised assistance but never followed through. After conducting the assessment, LEDC saw that although Susan had been in business for many years, she was not clear on what her yearly profits were. She also had issues with employee retention because they would use her reputation to come and steal clientele. LEDC worked with Susan on a work plan to first straighten her finances and get her in good standing with the State of Maryland, followed up by changing her operating model. She switched from paying her stylists a salary to renting booths and setting up a non-compete agreement with all her employees. This change increased productivity and prevented employees from leaving with her clients.”

— **Richard Cisneros**, LEDC Resilient Corridors Program Manager (2019)

Goal #2

Create an inclusive construction project that allows the business community to have a voice in the planning process.

LEDC aims to equip businesses with the language to identify and address major issues. Bolstered by outreach strategies and actions of Goal #1, LEDC aims to facilitate the participation of small businesses in the construction project, minimizing disruptions and creating an environment of collaboration.

LEDC has observed through previous work that without a clear channel of communication business owners have no way to prepare and avoid financial losses due to decisions taken at the construction level. Often when the construction company needs to close a road or shut off a utility, the only resource a business owner has is to file a complaint through their local representative after the fact. As disruptions compound, trust erodes between the business communities and the construction manager, even extending to local advocacy groups and other stakeholders.

Creating channels of communication will allow business owners to participate in the decision-making process throughout the construction. LEDC has facilitated meetings with elected officials and contractors and promised businesses inclusion in the planning process. Often planners, construction companies, or other entities involved in the project invite businesses to share a vision for a new area of redevelopment, but they do not get to lead that change. With information comes the ability to plan

and make informed decisions and, paired with the TA provided by LEDC staff, a business owner can make strategic decisions regarding investing, growing or pivoting their business.

Strategy: Formalize communication between small businesses and construction contractors.

Action: *Connect businesses to construction contractors.*

LEDC will ensure that the businesses have a clear communication channel to the construction contractors, so that they realize that there is interest on the businesses behalf to know what is going on. For example, if a business already has visibility issues, the owner should be asking how the construction will affect their business' visibility and how the constructor will help mitigate this issue. Businesses need to be engaged in the conversations that could affect their day-to-day operations. LEDC will encourage business owner participation in informational meetings led by PLTP.

Action: *LEDC will facilitate meetings with contractors and other parties to mitigate the effects of construction.*

LEDC will help build a system of accountability for all parties involved and affected by the construction. LEDC will continue to organize businesses and bring them to the table when there are meetings around fair development and the Purple Line. The businesses need to be present and unified in their requests from the constructor and lawmakers. LEDC plans to organize meetings focusing intently on the businesses concerns and creating a platform for conveying those issues to key players and stakeholders.

Action: Support the creation of an enforceable agreement that will hold contractors accountable to the community.

While LEDC might not be the author of the agreement, the team will support the businesses in shaping key points to include in the agreement and convincing all parties that having an enforceable agreement is beneficial to all stakeholders. From the small business perspective, a written agreement will keep the contractors from straying from the plans provided to the businesses. From the contractors and County's perspective, participation in the agreement will keep the businesses informed and a part of the project, thus keeping the peace. This will allow the project to protect itself from negative publicity since all parties can show an agreement as proof.

Strategy: Advocate for a County policy that ensures businesses receive alerts during construction.

Action: Identify shareable examples of businesses disrupted by public construction projects.

Small businesses LEDC has coached have met with local elected officials to advocate for more communication to the business community overall. LEDC is moving forward with a project to compile issues that have occurred in other projects to add to the list of concerns that contractors need to address pre-construction.

Construction Challenges at Bonifant Street

This picture was sent to LEDC by three businesses on Bonifant Street. The notice indicates the parking would be restricted for a year (8/12/18 – 8/20/20). It took several emails and calls throughout the day from the businesses and community advocates to get in contact with the constructor and receive clarification about the posting of signage with no warning. Eventually the signs were removed. LEDC participated in an emergency meeting called by the Director of the Silver Spring Civic Center, Reemberto Rodriguez.

The meeting produced no apology or presented a process by the constructor to prevent communication and logistical issues like this one from happening again.



Goal #3

Obtain funding to support local small businesses financially affected by the construction.

The construction of the Purple Line will have an immediate financial impact on businesses that depend on local customer spending. Although intensive one-on-one technical assistance helps decrease financial impact, local small businesses still suffer revenue loss due to construction disruption. The reality is that the disruptions associated with construction of such magnitude will deter clients from doing business in the area for several years. In order to support and retain the businesses along the Purple Line construction, LEDC aims to advocate for the creation of a grant fund for local small businesses in the affected area. It is important that financial support is directly provided to the local small business owner as mitigation for revenue loss.

LEDC will build on the experience of being the designated Montgomery County provider of Technical Assistance for businesses who apply for the Small Business Assistance Program. The success of the program is not only based on the financial mitigation of construction losses but the fact that the TA provided by LEDC created stability for businesses through the formalization of businesses, creation of accounting and bookkeeping systems, and engagement with the construction project key players and stakeholders.

As a certified Community Development Financial Institution (CDFI), LEDC provides alternative micro loan options to start-ups and existing businesses that have difficulty obtaining credit from mainstream financial institutions. Through outreach done by coaches and staff, LEDC will identify businesses along the Purple Line Corridor interested in accessing capital for making improvements to their location or grow their business.

Strategy: Provide access to capital.

Action: *Provide accessible loans to small business owners affected by the Purple Line Construction.*

LEDC will pair accessible loans with a robust TA program to ensure business participation in the potential benefits of redevelopment.

Strategy: Engage in the process of developing a small business protection grant program at the County level.

Action: *LEDC will partner with businesses and other community advocates to advocate for a fund to support local small business owners.*

Direct involvement from local small business owners will be key to pressure elected officials to allocate funding for small business financial support. Although the Purple Line is a Maryland Public Works project, the small businesses need to push their local elected County officials to advocate for them, citing the fact that grants available in other areas with business corridors have led to sustainability and retention.

Action: Document the displacement of small businesses to demonstrate the need for financial support.

Through outreach and partnership with other local organizations, LEDC will create a document showing the immediate impact of construction on small business corridors.

Action: Establish a baseline for business revenue.

Establishing a baseline will help LEDC create a recommendation for the grant amount and help determine how it could be implemented. Part of the reason there is no construction impact mitigation financial assistance available is due to lack of knowledge about how much funding would be needed to keep businesses afloat. Since the funds would come from taxpayers, elected officials are cau-

tious. If LEDC can produce a baseline that gives an average of what business are making and can cross reference that data with other businesses that have gone through similar situations in other areas, LEDC would be able to estimate a projected business impact and more effectively advocate for financial assistance.

Action: Provide guidance to elected officials in the development of program guidelines for a grant fund

LEDC will use two other models within the County that have proven to be effective which could be replicated, the Small Business Assistance Program in Wheaton and the Impact Assistance Fund. LEDC will present the data to elected officials to demonstrate need, a working model, and support them in finding source of funding might be available.

Program	Target	Grant Size	LEDC Support	Challenges	Quotes by Businesses
Wheaton Redevelopment Small Business Assistance Program (SBAP)	Wheaton, businesses affected by a multi-year, large-scale construction of a County building that reduced a 126-space parking lot to 15 heavily regulated parking spaces.	Up to \$125,000	The businesses lost 90% of their parking and have been able to survive thanks to this program. The program consists of LEDC providing onsite technical assistance to the businesses impacted and the County providing financial assistance of up to \$125,000 through the impact-based grant.	Loss of parking space for customers, lack of visibility, road closures, utility shut offs, heavily regulated parking spaces, and internal business issues such as lack of financial literacy and marketing strategies, and lack business management strategies responsive to external challenges.	<p>"I hope that this program will continue to work not only in Wheaton, but also in the whole metropolitan area. It would be very helpful for other small business owners."</p> <p>— owner of F&S Services, Inc.</p>
Impact Assistance Fund (IAF)	Silver Spring businesses affected by the Studio Plaza building construction. (overlaps with Bonifant Street businesses also affected by Purple Line)	Up to \$25,000	LEDC provides general TA services to businesses in Montgomery County – although it is not a requirement for businesses applying for the grant.	Loss of parking. Road closures, utility shut offs. Informal businesses, lack of strategic planning, marketing or financial literacy.	<p>"We're so happy to have you here! I wish you had been here before the construction, maybe we would have not lost so much money."</p> <p>— owner of Leesac Ethiopian Café</p>

The Wheaton Redevelopment Small Business Assistance Program (SBAP) is a program designed to retain businesses in an area being disrupted by the construction of a new County building. Financial assistance of up to \$125,000 is available through the impact-based grant. Participation in LEDC's TA program is a requirement for submitting an application. The grant has been very effective in helping retain businesses but there is a flaw in the calculation of impact, which is calculated through net profit vs net revenue. The issue with this method is that it punishes businesses for being proactive, such as if they had to let employees go in order to stay in business. Through drastic measures, a business can maintain the same level of profitability. Revenue is a better measure for impact. The financial support offered by the County allows businesses to have a short-term mitigation of issues which allows them to adapt and grow along the construction and redevelopment. This model works and has been an instrumental tool to maintain business retention during the construction period.

Impact Assistance Fund (IAF) is a program designed to retain businesses in Silver Spring affected by redevelopment of a County owned parking lot. Businesses can apply for up to \$25,000 based on financial impact of construction. This grant has similar net profit versus revenue issues as the Wheaton Redevelopment Grant and has a very low cap in comparison to some of the real financial losses the businesses had. In addition, this grant lacks the TA requirement that has helped many businesses deal with situations that they do not know how to mitigate. For this reason, the IAF is not considered to be as successful as SBAP. Montgomery County asked LEDC to help businesses apply for the fund as LEDC has a contract to provide TA to businesses countywide. LEDC was able to assist a few businesses to apply and the responses we received from businesses like Leesac Ethiopian Café in Silver Spring were positive.

LEDC has a growing roster of businesses participating in the organization's TA program. The following are some examples of LEDC's business support work:

Wheaton Redevelopment | Business Support by LEDC





Rebranding



Online Presence



Landlord Negotiations



\$75,000 Grant in 2 Years

Zodiac

LEDC helped them rebrand, get an online presence, negotiate with the landlord and lastly get access to the grant. They have received \$75,000 for the past two years of construction and they have on numerous occasions said how they would not have been able to survive without LEDC's help.

Wheaton Redevelopment | Business Support by LEDC



Rebranding



Pricing



Employee Training



Online Markets



\$89,000 Grant in 2 Years

Filippo's

LEDC helped rebrand, adjust prices, train employees and access a new market via Door Dash. We also facilitated access to the grant through which they have received \$89,000 over 2 years. Filippo's has been around for 60+ years and would not have survived without this program.

Wheaton Redevelopment | Business Support by LEDC



Rebranding



Online Presence



Licensing Support



Landlord & Legal Support



Online Markets



\$125,000 Grant in 2 Years

Umberto's

LEDC helped them rebrand, get an online presence, resolve licensing issues, resolve legal issues with their landlord and access new markets via Uber Eats and Door Dash. They have received \$125,000 over the 2 years of construction.

Goal #4

Work toward the development
of commercial rent control in
Montgomery County, Maryland.

Businesses in areas affected by construction and redevelopment share a common fear of rent increases. Commercial rents might increase as landlords see the opportunity to attract larger retailers or chains as a result of redevelopment. LEDC aims to explore the option of establishing commercial rent control to protect small businesses from rent escalation and predatory leasing practices. Although practices such as increasing Common Area Maintenance (CAM) charges are not illegal, they are unethical.

LEDC understands the challenge of creating a policy focused on businesses that in most cases is targeted at protecting residential tenants. Through conversations with County representatives, it is clear there is a lack of interest in government interfering in “market forces” — that business and property owners must perform their due diligence prior to engaging in a business contract and that there is no room for government in private business deals. This does not even begin to address the inequities that exist in many of the business corridors experiencing neighborhood change.

LEDC will gather evidence of developers and property owners making moves to displace businesses in the corridor. There are examples of these practices in both the Bonifant and Long Branch areas. Through outreach and with the help of partner organizations, LEDC can create a record of this impact on small businesses.

Strategy: Engage business lawyers as consultants.

Action: *Contract with lawyers to review leases with small businesses.*

Before the construction starts is when there is likely to be the most leverage for long-term impact, so LEDC must be strategic about its timing around this activity. This is part of an effort to gather concrete data on who the landlords are and identify trends by landlords to create a case on predatory leasing activities.

Strategy: Research into policy against predatory leasing.

Action: *Educate business owners on their rights.*

Action: *Conduct research on policy solutions that mitigate displacement and gentrification.*

There are potentially applicable models being used in Georgia and New York to keep landlords from displacing businesses. LEDC will investigate if these models are feasible for our area.

Goal #5

Continue to engage and shape public discussion around protections for small businesses in neighborhoods affected by displacement.

Strategy: Develop sources of data that can be used to inform engagement with small businesses across the region.

Action: *Contract with the Urban Institute to obtain data regarding small businesses in the region, including but not limited to data points regarding types of business, lease lengths, etc.*

Action: *Document the displacement of small businesses in the area.*

Through outreach, coalition building and business assessments LEDC will build a record of real impact on small businesses along the Purple Line Corridor.

Strategy: Engage in public forums, such as the Purple Line Coalition, and connect with public officials to advocate for small business protections during major construction projects.

Action: *Lead the Coalition's Small Business Steering Committee*

- LEDC's leadership and the development of this Action Plan will contribute to the development and implementation of the Coalition's Action Plan.
- PLCC will prepare an economic and small business development strategy for the corridor.
- PLCC will explore funding strategies for coalition work and small business assistance.
- PLCC will explore zoning policies and incentives that offer affordable space, through lease or ownership, to new and existing small businesses and startups.
- PLCC will minimize construction disruption through traffic management plans, technical support, and marketing and promotion strategies for the corridor.

Action: *Present LEDC's business assessment methods to the Coalition in an effort to develop a policy that protects small businesses.*

07 | Metrics to Measure Success

Goal
Goal #1: Strengthen business community before, during and after construction.
Goal #2: Create an inclusive construction project that allows the business community to have a voice in the planning process.
Goal #3: Obtain funding to support local small businesses financially affected by the construction.
Goal #4: Work toward the development of commercial rent control in Montgomery County, Maryland.
Goal #5: Continue to engage and shape public discussion around protections for small businesses in neighborhoods experiencing or expecting change



Metric (short term – 6 months)		Metric (long term)
	Bring in 10 businesses from both Bonifant Street and Long Branch into portfolio	Bring in at least 15 businesses from each corridor into portfolio # of businesses stabilized before and during construction # of engagements with businesses in both corridors Financial impact of work on engaged businesses (gross sales, net profits, etc.)
	Bring at least 10 business representatives from each corridor to scheduled meetings with the constructor and county officials	
	Leverage loan capital to support small businesses with limited access	Policy change in the form of a state or county grant program to protect small businesses impacted by construction projects
	Prepare 40 businesses from both corridors to share their concerns about financial impact and displacement	Pressure the landlords to commit to reasonable increments
	Contract with Urban Institute and obtain data regarding small businesses in the region.	Engage and lead public forums, such as the Purple Line Coalition and connect with public officials. Creation or expansion of local business coalitions and community groups who will add their perspectives and experience to discussions around small business protection

This Equitable Development Plan is supported by:



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