



## City of Chattanooga

### CONSTRUCTION MITIGATION PROGRAM

#### Introduction

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

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

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

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

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

- The City works with local businesses to phase projects as much as possible. For example, if a street is being repaired, the City will repair it a portion at a time so that businesses may still be accessed during construction.
- When appropriate, the City works to phase projects to maintain connectivity. This is not always possible, but it is favored by the City for minimal interruption of traffic flow.

- The City also keeps a flexible work schedule whenever possible. For example, if the majority of businesses surrounding construction sites are hotels, the City would work during the day to prevent noise disturbing guests at night. However, a retail/restaurant corridor may prefer the City to work during the day and the City would work to accommodate as many needs of local business as possible when scheduling work.

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

## **Construction Mitigation Program Components**

### *Increased Outreach Efforts*

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

### *Signage*

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

### *Website/Hotline*

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

In addition to a hotline, the City has launched a separate website to promote patronage of businesses in the area and offer updates about construction including parking information,

alternative routes, and project updates. This is developed, hosted, and maintained at the expense of the City.

#### *Project Liaison*

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

#### *Parking Assistance*

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

#### *Paid Advertisement*

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

#### *Business Promotions*

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

## *Business Development*

The City is currently in the process of developing information that can be distributed to businesses to help them maintain profit levels during construction projects. These business education guides exist in other cities and are often targeted toward small, local businesses that have less experience with large-scale traffic shifts that result in short-term revenue loss. Topics covered in this guide include potential low-cost marketing strategies, communication tips for keeping regular customers, and other suggestions to improve business practices and efficiency. This guide will also include a list of resources like City Departments, local universities, and business/community organizations dedicated to assisting businesses.

## *Small Business Construction Mitigation Grant*

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

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

## *Eligibility for Small Business Construction Mitigation Grant*

Small businesses with less than 50 employees who have been adversely affected by construction projects lasting more than 90 days may apply to receive the Small Business Construction Mitigation Grant.

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

## WILCOX TUNNEL FAQ

**1. Who is the City's project liaison for the Wilcox Tunnel improvement project?**

Blythe Bailey, Administrator, Chattanooga Department of Transportation (CDOT)  
[bbailey@chattanooga.gov](mailto:bbailey@chattanooga.gov) or phone: (423) 643-5950.

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

James McKissic, Director, Chattanooga Office of Multicultural Affairs (OMA)  
[jmckissic@chattanooga.gov](mailto:jmckissic@chattanooga.gov) or phone: (423) 643-6701.

**3. When will the advertising start and which stations will be included?**

The City is designing a variety of advertising and marketing activities to assist small businesses affected by the renovation of the Wilcox Tunnel. Specific details of the advertising outlets and schedules will be available in the coming weeks. The Advertising plan/schedule will be coordinated with area merchants to maximize value to the community.

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

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

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

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