



CITY OF WASHINGTON, ILLINOIS

Public Works Committee Agenda Communication

Meeting Date: June 1, 2020

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Agenda Item: CARES Act Recovery Assistance Grant Consideration

Explanation: The US Economic Development Administration (EDA) recently released details about its Recovery Assistance Program (RAP). This program is an addendum to its Public Works and Economic Adjustment Assistance Programs. Those programs are typically only available for economically distressed communities that meet one of two criteria: 1) Have a 24-month unemployment rate that is at least 1% greater than the national average; or 2) Have a per capita income that is not more than 80% of the national average. If neither of these can be met, EDA also has a “Special Need” category that is handled on a case-by-case basis and is dependent on region-specific impacts such as the closure of a major employer, substantial out-migration or population loss, or projects that are located in a persistent poverty county.

Municipalities like Washington typically are not eligible for EDA programs. However, as a result of COVID-19, every city and county in the US has been made eligible for the RAP on the basis of it being a “Special Need.” The CARES Act provided EDA with \$1.5 billion to “prevent, prepare for, and respond to coronavirus...including for necessary expenses for responding to economic injury as a result of coronavirus.” Of those funds, \$225 million is available in the Chicago Region, which includes all of Illinois. Applications can be submitted anytime and EDA has indicated that it intends to review them within 60 days of receipt. Awards will be made on a case-by-case basis until the funds are expended. EDA ordinarily provides up to 50% of project funds. The RAP will provide for a minimum of 80% of the project cost and in some cases can cover the entire cost. Any federal share in excess of 80% would be dependent on the applicant having exhausted its effective taxing or borrowing capacity, the extent of the impact of the pandemic on the region, or whether the region meets other thresholds for elevated need. Washington would not figure to meet that criteria for funding above the 80% federal share.

Staff will be submitting an application by the June 30 deadline for the Rebuild Illinois Competitive Public Infrastructure program. As with that application, staff would recommend submitting for Freedom Parkway Stage 2. A link between the proposed project and its response to “economic injury” as a result of COVID will need to be shown to warrant strong consideration. The construction of Freedom would clearly assist with the ability to attract light industrial businesses along the corridor, which is a core priority of EDA.

Fiscal Impact: Staff has received a revised and more detailed cost estimate from Terra Engineering of \$2.016 million for the eastern +/- 1,000’ of Freedom Parkway including traffic signals at Freedom and N. Cummings Lane, a 20% contingency, and Phase II and construction engineering. Assuming a 20% local share, the City would be responsible for approximately \$403,200. Phase I engineering is in progress and Phase II would figure to begin around the beginning of 2021. The completion of the design engineering would tentatively allow for construction as soon as the second half of 2021.

Action Requested: General discussion is planned at the June 1 meeting. Staff requests direction on whether to proceed with an RAP application.