



119th Street Construction Bulletin

March 24, 2020

Whiting Merchants and Residents:

With the world now dealing with the wrath of the Coronavirus Pandemic, I have received several requests for the City to cancel or postpone the 119th Street Construction Project. While my staff and I have been reviewing all options and are keeping all doors open, I feel that postponing or cancelling the project is not in the best interest of the community, the business district or the City.

Let me start by analyzing the unknowns. First, we have no idea how long the business closure order will last. The longer it is in place the more sense it makes for us to continue with the project now. Pandemic aside, there is also no way to know if the construction project will actually hurt the City's businesses. With up to 100 contractors on the streets for the project each day, it is possible that during the "Shelter in Place" order, this would actually benefit at least the eateries trying to help themselves by providing carryout. Cancelling the project is not feasible (read below for details), so postponing the project would be our only option. If someone could prove to me that delaying the project to next year would cause less harm to the business district than getting it out of the way now, I'd take that action immediately. Unfortunately, no one, including me is smart enough to know the correct answer. I do know that the impact on our local economy is likely going to last for months. So, if people think that the construction project is going to hurt their businesses now, then delaying to next year can cause even more harm. Wouldn't it make sense to get it out of the way now versus taking another hit again next year? Fragile businesses would certainly not survive after taking a second hit.

Now let me cover the facts. The City received a \$1 million dollar grant for the project. While I truly believe that the state would allow me to delay the grant requirements until next year, it doesn't get us out of our contractual obligations with the contractor. To meet the grant guidelines, we were required to have a signed contract in place in late February. We have had discussions with the contractor, and they have no desire to delay the project. So, we are bound legally to continue. If the contractor would have agreed to release us from our contractual obligations, cancelling the project would require that we return the \$1 million grant to the State. We would then need to compete for the grant again with every city, town and county in the state. The bad news is that the economic crisis will without doubt spell the end to every state grant program for years to come. So, the bottom-line is we lose the \$1 million, but we still need to pave the street. To boot, the City has already have spent over \$300,000 on engineering fees and preliminary work for this project. This too would be at risk of being lost if the project was cancelled.

City of Whiting

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Another fact that we need to consider. The road project needs to happen very soon regardless of the virus crisis. If not 2020, then 2021 for sure, so it's going to happen. The last paving job on the street was done in 2009, so if we pave in 2021, we can expect 10 to 11 years before we need to pave it again. If we were able to reduce the scope of the project and eliminate the sidewalk work, the next opportunity to repair or fix the sidewalks properly would be 10 years from now or 2031 or so. The condition of the sidewalks are bad today, if we waited 10 more years, they would be deplorable if not outright dangerous.

What are we doing to lessen the impact? I'm not going to rehash the dozens of things that we are doing to help the businesses during construction. I held a Public Forum to discuss these plans and allowed everyone an opportunity to provide input and suggestions. While I was disappointed with the representation of the business community at the Forum, the virus has vaulted us into territory that wasn't even thought possible at the time of the Forum. At the end of the day, we are spending thousands of dollars promoting our local businesses and we will continue to do so throughout the crisis. We are moving up all City purchases that would normally occur later in the year to help improve cash flow for the businesses. We are also discussing options with the contractor to speed up the project. This includes the option to offer incentives to assign additional manpower and overtime to expedite the project completion. We also gave the authority for the contractor to work in multiple locations at the same time which deviates from our original plan. This will cut down construction time considerably.

Lastly, I am exploring several programs to get needed funding into the hands of our business owners as soon as possible. These are City programs where we plan on reallocating existing program and project funding. Because these programs are complicated and need board approval, I can't discuss the details until the approvals are final. The goal is to try and assist business owners in paying their fixed costs for at least the next few months, beginning in April. We are also working with local bankers to identify a person that will act as a business grant/loan coordinator. Congress is preparing a business stimulus plan that will inject capital into the business communities. While this is generally good news, the red tape can be mindboggling. The hope is that this coordinator will work on our behalf to ensure that all eligible funding is received by our local businesses.

With every crisis I have faced during my tenure as Mayor, and there have been many, I've tried to keep my personal feelings and emotions out of the decision-making process. With this project, I've looked at the evidence and the facts in making my decision. As I stated above, I think moving forward with the project and getting it done as quickly as possible is in the best interest of everyone involved.

Sincerely,
Mayor Joe