



**ECONOMIC  
DEVELOPMENT  
CORPORATION**

**MEMORANDUM**

**To:** Mayor Don Keil  
Seguin City Council

**CC:** Steve Parker, City Manager  
Andy Quittner, City Attorney

**From:** Josh Schneuker, SEDC Executive Director/Director of Economic Development

**Date:** June 16, 2020

**Subject:** EDA CARES Act Recovery Assistance Grant

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The U.S. Department of Commerce Economic Development Administration (EDA) plays a critical role in facilitating regional economic development efforts in communities across the nation. Recently the federal government passed the EDA CARES Act, including funding to provide a wide range of financial assistance to communities to aid in the economic recovery from the impacts of COVID19.

CARES Act funds were appropriated under the Economic Adjustment Assistance (EAA) Program, which is EDA's most flexible program. EDA will accept applications for grants to support a wide variety of assistance including:

- Planning and Technical Assistance
- Capitalization and Recapitalization of Revolving Loan Funds (RLFs), which provide access to capital for businesses
- Construction of infrastructure and other economic development projects

In recent months, the SEDC has looked for ways to fund the extension of 8<sup>th</sup> Street. After a discussion with our area EDA Representative, it was determined that an EDA grant would be an ideal funding mechanism for this roadway extension project. The extension of 8<sup>th</sup> Street will meet key criteria requirements that the EDA looks for in projects, including improvement to vehicular safety, and enabling future economic growth in the area.

Currently, the SEDC and the City are working with Langford Community Management Services for assistance in the application process for the EDA grant. Langford will assist the SEDC and the City in preparing the application and coordinating necessary required documents. The estimated cost of the extension of 8<sup>th</sup> Street from TRC Engineers is approximately \$1,079,511. If awarded, the EDA Grant could

potentially cover approximately 80% of the project cost for this street extension. The SEDC and the City of Seguin would partner to cover the remaining 20% of the project funding. Combine, the City and SEDC would be responsible for approximately \$215,902.20, or \$107,951.10 per entity.

The table below list the probable costs for the Project:

<b>Estimate of Probable Costs – Extension of 8<sup>th</sup> Street</b>		
	<b>Cost Classification</b>	<b>Cost</b>
1	Administrative and legal expenses	\$36,505
2	Land, structures, rights-of-way, appraisals, etc.	N/A
4	Architectural and engineering fees	\$149,001
9	Construction	\$745,004
14	SUBTOTAL	\$930,510
13	Contingencies	\$149,001
16	TOTAL PROJECT COSTS	\$1,079,511

In order to clearly detail the responsibilities of each of the parties as they relate to the matching funds contribution, the construction of the Infrastructure Improvements, and to accomplish any and all things as may be necessary in order to secure approval for the EDA Grant, the SEDC and City of Seguin will need to enter into a Memorandum of Understanding (MOU). The matching funds conveyed by the SEDC to the City will be applied by the City toward the construction of the Infrastructure Improvements and for other public purposes related to the development of the 8<sup>th</sup> Street Extension Project.

On June 4, 2020, the SEDC Board approved SEDC Resolution 2020-08, authorizing approval for a Memorandum of Understanding with the City of Seguin, that details responsibilities of both parties as it relates to support for the City's request for federal assistance from the Economic Development Administration, for EDA's Coronavirus Aid, Relief, and Economic Security Act (CARES act) Recovery Assistance Program.

SEDC Staff and Board recommend approval of the resolution authorizing approval for a MOU with the SEDC.