

Stimulus projects don't benefit area workers, officials say

Outside firms getting contracts

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September 8, 2009

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Local contractors and residents who need work aren't getting any from the millions in stimulus-funded construction projects at the North Chicago Veterans Affairs Medical Center, Naval Station Great Lakes or on county roadways.

Lake County Board District 12 Rep. Angelo Kyle of Waukegan said construction work is being performed by firms and workers who are coming from outside the county and in some instances, outside the state.

"The workforce in North Chicago and Waukegan is not benefiting economically from these huge, mammoth projects -- a billion (dollars) in new construction at Great Lakes alone," Kyle said. "And North Chicago has the highest unemployment rate -- the highest poverty level -- in Lake County."

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A beam was signed and put into place at the construction site of the Capt. James A. Lovell Federal Health Care Center.

(Special to The News-Sun)

Kyle and a committee invited members of the VA and Navy, including new Naval Station Great Lakes Commanding Officer Capt. John Malfitano, to hear their concerns last week. The exploratory committee also includes North Chicago Mayor Leon Rockingham, Waukegan Township Supervisor Patricia Jones, state Rep. Eddie Washington, D-Waukegan, College of Lake County Trustee Phil Carrigan and Dave Henderson of J.J. Henderson Construction, Gurnee.

The committee is arguing that current contracting procedures by the Navy base and Veteran's Affairs do not align with the federal HubZone Empowerment Contracting program -- part of the Small Business Administration Act of 1997. Under HubZones, qualifying small businesses in economically distressed areas, or that employ people who live in those areas, may be eligible for set aside awards, sole source awards, and other preferential award practices.

Kyle said that neither of the county's two HubZone-certified businesses received business from local stimulus construction projects.

"We've got companies from Kansas City getting work in hub zones," Kyle said.

Kyle also takes issue with the hiring record of Chicago-based Walsh Construction, general contractor for the new \$70 million Captain James A. Lovell Federal Health Care Center, which is scheduled to be completed October 2010.

According to a June story in the Chicago Sun-Times, the city of Chicago has withheld nearly \$900,000 in payments to the company over the course of five contracts because the firm failed to hire enough minorities, women or Chicagoans.

"We're looking for a good faith effort to hire from the local community," said union laborer Terry Harris.

The committee wants to identify construction projects underway in hub zones in North Chicago and Waukegan, including the VA and Great Lakes, and compel those projects to come under federal HubZone regulations.

Rockingham is exploring ways to revitalize the HubZone concept here, perhaps through a satellite office.

"We need to help businesses get certified," he said. "Three percent of contracts are supposed to go to HubZone-certified people. We're trying to reach out to the Navy base and VA and businesses to build awareness of that."

Maltifano could not be reached for comment Friday.