

Special Experimental Project No. 14 – FHWA/HUD Livability Initiative

FINAL Work Plan – Buena Vista, Township, Saginaw County, MI

AUGUST 2015

Michigan Department of Transportation
Work Plan Special Experimental Project No. 14 (SEP-14)
HUD/FHWA Jointly Funded Project

A. Introduction

The Michigan Department of Transportation (MDOT) submits this work plan for review and approval by the Federal Highway Administration (FHWA) for a multi-agency funded project under the provisions of Special Experimental Project No. 14 (SEP 14) for the use of innovative contracting practices. MDOT seeks to request obligation of federal funding to the Saginaw County Road Commission (SCRC) under the FHWA “Transportation, Community, and System Preservation” (TCSP) program. This work plan proposes to utilize \$500,000 in TCSP funding awarded to Buena Vista Charter Township (Buena Vista) for its “Buena Vista Town Center Transportation Improvement Project”, and \$389,000 from a U.S. Department of Housing and Urban Development (HUD) Economic Development Initiative (EDI) grant, which is part of the HUD Community Development Block Grant (CDBG) program.

SCRC seeks to have a single, integrated project which is procured and bid under a single construction contract. To accomplish this involves addressing a HUD local hiring preference requirement in contract procurement, pursuant to 24 CFR 135, Section 3 of the Housing and Urban Development Act of 1968 (Section 3), which is incompatible with FHWA’s prohibition on hiring preferences under 23 CFR’s federal-aid highway requirements, by waiving the FHWA prohibition to accommodate only HUD Section 3 requirements.

The Buena Vista Town Center Transportation Upgrade is a project located along a principle roadway arterial, Outer Drive, which is a main corridor through downtown Buena Vista and the border of a 36-acre brownfield revitalization of the blighted and vacant Fort Saginaw Mall site. The TCSP funding will help provide new pedestrian and bicycling facilities, streetscaping and landscaping, and transportation corridor fringe parking on a parcel of land owned Buena Vista Charter Township just outside the right-of-way of Outer Drive. These transportation and community upgrades will support the redevelopment of one of America’s first malls, now failed and gone, into a mixed-use shopping, employment, health care, and educational development for local residents and the broader region. The TCSP funding will be used for construction, and will build upon HUD CDBG grant funding, local funding, and economic development funding provided by the State of Michigan Economic Development Corporation that have supported cleanup of the blighted conditions, and design and engineering of the transportation upgrades.

Note that the entity that will administer the project for the Buena Vista Town Center Transportation Improvement Project will be the Saginaw County Road Commission (SCRC) an entity with the project experience to successfully manage this project for the small community of Buena Vista, and also an entity with significant experience working with MDOT. The

engineering firm Wade Trim will assist SCRC during the construction phase of the project by providing construction engineering services including inspection, materials testing and certification, and project file documentation.

B. Purpose

The purpose of this request is to permit SCRC and Buena Vista to utilize two (2) sources of federal funding in the same transportation project – \$500,000 in Transportation, Community & System Preservation funding from FHWA, and \$389,000 in Community Development Block Grant funding from the U.S. Department of Housing and Urban Development, through the CDBG Economic Development Initiative grant program (along with \$9,000 in local match funding from Buena Vista Charter Township). This request is in accordance with the instructions in the Federal Register/Vol.75, No. 122/Friday, June 25, 2010/Notices 36471.

Approval of this procedure would avoid splitting the project into two separate advertisements, procurements, and construction contracts. HUD's Section 3 requires that preferential hiring be afforded to those individuals living in the project area. That preferential hiring is in direct conflict with FHWA requirements. Approval of this SEP-14 request will allow more of the available funding to be utilized for revitalization of the area through this transportation project while complying with training, employment, and contracting requirements of HUD's Section 3, to the greatest extent feasible. A cost savings is recognized by avoiding duplication of payment for Maintenance and Protection of Traffic, Mobilization, and Inspection, as well as avoiding any potential economic impacts to the area because of the construction duration of one project versus two. For example, two projects would require two different inspection contracts and would impact the traveling public for two separate contract durations. Further, Buena Vista intends to use the HUD CDBG/EDI funding to meet required matching requirements under the TCSP funding source.

C. Scope

The Buena Vista Town Center Transportation Upgrade will construct the critical transportation corridor and streetscape upgrades that are necessary for the revitalization of a vacant and blighted brownfield property in the heart of the community, the Fort Saginaw Mall area. The project will consist of complete street, pedestrian accessibility, and streetscape improvements on land owned by Buena Vista just outside the right-of-way and alongside the main roadway that borders the Fort Saginaw site, Outer Drive. The overall Town Center redevelopment project is planned to include the establishment of a public greenspace, 240,000 square feet of new retail & commercial businesses, a new Town Hall, and new community facilities & public spaces.

This walkable Town Center will provide increased transportation mode choice including walking, bicycling, live-near-work mixed-used development, and other transportation improvements to reduce impacts to the environment and provide efficient access to jobs, services, and centers of trade. By re-using a vacant brownfield property in the center of an established but economically struggling community, this project will reduce the need for future costly investment in transportation and other infrastructure when compared to a greenfield development.

The Buena Vista Transportation Upgrade will fulfill TCSP goals, priority consideration factors,

and project selection criteria. The funding provided by this TCSP grant application and local match funding will allow Buena Vista to commence the project immediately upon TCSP award, and utilize designs and engineering already completed, for expeditious construction that will be launched during the 2015 construction season. The project will consist of the following:

- Install and improve sidewalks and pedestrian walkways along Outer Drive;
- Provide streetscape and landscaping enhancements to enhance pedestrian safety and livability along Outer Drive; and
- Provide transportation corridor fringe parking designed to provide access to the public plaza, green space and pedestrian facilities created along Outer Drive by this project.

1. Competition

- a. MDOT intends to advertise the construction contract for the Buena Vista project for competitive bidding and procurement, in December 2015, in accordance with its standard procedure.
- b. To the extent practicable without interfering with the ability to conduct the project in a timely and cost-effective manner, MDOT will instruct all bidders, contractors, and subcontractors on this project to endeavor to fulfill HUD local hiring preferences in the implementation of the contract, such instruction to be accomplished by including certain documents to that effect in the bid proposal package. SCRC will forward such documents to MDOT.
- c. For purposes of compliance with HUD Section 3 requirements, “Section 3 residents and business concerns” is defined as follows:
 - i. “Residents” are residents of public housing, or individuals that reside in Saginaw County and whose income does not exceed the local income criteria of low or very low income.
 - ii. “Business Concerns” are either a business that is 51 percent or more owned by Section 3 Residents; or businesses whose permanent, full time employees include persons, at least 30 percent of whom are currently Section 3 Residents, or within three years of the first date of employment with the firm were Section 3 Residents; or Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described here.
- d. The approval of this SEP-14 procedure would avoid splitting the project into two separate construction contracts, allow more of the available funding to be utilized for revitalization of the project area, and provide a single larger contract which gives the contractor more options to fulfill the hiring requirements. For example, a total cost savings is recognized by avoiding duplication of payment for Maintenance and Protection of Traffic, Mobilization, and Inspection as well as avoiding any potential economic impacts to the area from of the project construction duration spanning from one (1) project season versus two (2). The combining of these two projects may make this project more attractive to bidders.

2. Livability

- a. The deployment of these TCSP/CDBG-funded improvements will foster the redevelopment of the blighted, vacant downtown at the former Fort Saginaw Mall

area with new mixed-use, jobs-center development that will utilize the regional bus transit system, reduce vehicular-pedestrian conflicts within Buena Vista, and thereby promote greater transportation efficiency.

- b. By supporting additional mixed use development, reduced vehicle trips out of Buena Vista (which is drastically underserved by commercial and retail businesses), and walking, the Buena Vista project will reduce VMT and build walkability connections and efficient access among the central business district, local schools, community institutions including local government facilities, nearby residential neighborhoods, and other planned development. Other positive impacts on the environment will include support for the redevelopment of a contaminated brownfield site.
 - c. The project reinvests in an existing, main street corridor to maintain a state of good repair and produces major safety benefits, particularly for pedestrians.
 - d. This complete street approach will help induce additional business investment in this struggling downtown business district by enhancing the attractiveness and safety of the transportation system, and helping attract commercial and retail partners to the Fort Saginaw Mall site.
 - e. This project is the culmination of community visioning, land use planning, rezoning, and economic development planning that commenced in 2003 when the last store in the Fort Saginaw Mall closed. Buena Vista has conducted substantial market feasibility and land use analysis for redevelopment of the site, and has identified how main street infrastructure improvements will foster community livability and redevelopment. This reinvestment in established, dense, mixed-use urban areas favors the improvement of existing communities over sprawling development. The Buena Vista project is built on a foundation of community visioning, land use charrettes, and engagement with public and community groups. As an economically-distressed, minority community, Buena Vista remains committed to involving all segments of the population in this redevelopment and infrastructure upgrade effort.
3. Sustainability: Due to the nature of this project in that it is a true combination of transportation, livability, and streetscape improvements it would be difficult to provide any quantitative data or information about the reduction of emissions or fuel consumption as a result of the project. The project is expected to reduce impacts to the environment through VMT reductions through mixed-use and walkability improvements, and through support for brownfields cleanup and green building development. The project will provide, without any quantitative numbers, for increased access and use of pedestrian and bicycle not only for recreational purposes but also as people come into the project area for the access to jobs and services, which eliminates and cuts the usage of fossil fuels and the emissions associated with.

D. Schedule

The final PS&E package will be delivered to the Michigan Department of Transportation. Upon approval of the SEP-14 by FHWA, MDOT, working with SCRC and Wade Trim, will include the necessary HUD Section 3 requirement in the contract documents and advertise the project as Federal No. TCSP1573 (019), Job No. 125551A. The anticipated dates are as follows:

SCRC submits final PS&E to MDOT:	completed August 2015
Bid Letting:	December 2015
Commencement of Construction:	Spring 2016
Construction Completion:	August 2016

E. Measures

1. SCRC will prepare such necessary instruction documents regarding the local hiring preferences, and forward those documents to MDOT Local Agency Program staff. MDOT will include these documents along with the HUD Section 3 Clause regarding local hiring preference in the bidding documents and the applicable construction documents.
2. To the extent that bid information is available, SCRC, Wade Trim, and Buena Vista will evaluate the differences in bid prices or total bids with similar projects that do not have the local hiring preferences and explain any potential differences.
3. SCRC, Wade Trim, and Buena Vista will analyze the anticipated cost savings by avoiding the duplication of payment for Inspection as well as avoiding any potential economic impacts to the area because of the construction duration of one project versus two.
4. SCRC, Wade Trim, and Buena Vista will monitor the employment, training and contracting preference where feasible in accordance with HUD's Section 3 requirements.
5. SCRC, Wade Trim, and Buena Vista will provide an opinion from both the prime contractor and the contracting agency's representative on whether the hiring preference requirement resulted in any additional costs or delays at the end of the project.

F. Reporting

During the construction phase of this project, SCRC, Wade Trim, and Buena Vista will prepare and submit initial and final reports on this project to MDOT Local Agency Program staff, since this is a small project. The initial report will be prepared at the approximate time of award of the contract. The initial report will include an analysis of the information obtained in Section "E. Measures" above, as well as industry reaction to the mix of funding sources, any identifiable effects on the bid prices received, and a copy of the bid tabs. SCRC will forward a copy of the report to MDOT who will in turn provide review comments and subsequently forward the final report to FHWA.

SCRC, Wade Trim, and Buena Vista will prepare a final report, after completion of the contract and final Michigan Department of Transportation acceptance. The final report will contain an overall evaluation of the project including the economic benefits of one project versus two, an evaluation of the impacts of HUD's Section 3 requirements, an opinion of both the prime contractor and the contracting agency's representative believed that the hiring preference requirement resulted in any additional costs or delays, and any suggestions and recommendations for improving the process. SCRC will forward a copy of the final report to MDOT who will in turn provide any review comments and subsequently forward the report to FHWA.