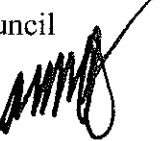




## MEMORANDUM

TO: Memphis City Council

From: A C Wharton, Jr. 

DATE: August 9, 2013

SUBJECT: Update on the Main Street to Main Street Multimodal Connector Project

Since announcing last year that the City had been selected for the federal TIGER IV grant, which includes the Harahan Bridge, multiple infrastructure repairs and improvements to Main Street, and the construction of a new bike and pedestrian trail in Arkansas, much has happened to keep this project moving forward, and I wanted to take this opportunity to update the Council on the progress of this marquee Memphis attraction. There is still much work to be done, but this memo will demonstrate how far we have come and how close we are to making this project a reality.

### **Obligation of Federal Funds**

The most critical component of this project was receiving the \$14,939,000 in federal dollars. We executed a grant agreement with the federal government on Friday, July 26. This required environmental and historic approvals, permits, operating agreements, and approved plans specs and estimates by both the Federal Highway Administration and the Union Pacific Railroad all within a very short timeframe. These funds are a reimbursable federal grant from the Federal Highway Administration (FHWA) and are slated to be spent early in the project. You accepted these funds on August 6, along with \$2M from the State of Tennessee, and \$1M from Shelby County.

### **Secretary Foxx's Visit**

President Obama recently appointed Anthony Foxx as our new United States Secretary of Transportation, and he assumed the office last month. On August 7, Secretary Foxx visited Memphis. It is a real tribute and honor to Memphis and to this project that Secretary Foxx chose to visit Memphis so early in his tenure. He toured the route of the Main-to-Main Project and took note of the project as a nationally significant model for how local governments can cooperate with state and county governments, the private sector, and the federal government to execute projects that stimulate the economy, promote alternative transportation, and enhance the livability and attractiveness of cities.

Secretary Foxx remarked that this Main-to-Main Project is an example of President Obama's commitment to Memphis and investing in a stronger America. With the historic Harahan Bridge in the background, Secretary Foxx indicated that the nation's eyes are on Memphis and this transformative project that will surely draw positive attention from around the world when people can cross the Mighty Mississippi by bike and foot while taking in Memphis' ever evolving skyline. Additionally, the project allows Memphis to leverage federal dollars to make some necessary repairs, including ADA and drainage, to our Main Street corridor from Uptown, the Main Street Mall, Civic Center Plaza, and South Main.

### **Project Manager Transition**

As most of you know Mike Carpenter has stepped down as project manager to accept a position with the Plough Foundation. Mike has continued to work with the project until today to ensure the federal funds were obligated and the project was positioned to go to bid. In his place, I have appointed Paul Morris with the Downtown Memphis Commission to lead the construction phase. The DMC and Center City Revenue Finance Corporation have been partners and funders of the project, and Paul has been at the table from the beginning. He is intimately familiar with the project, and the transition has been seamless.

### **Railroad Operating Agreement**

One of the most important components of this project was successfully negotiating an operating agreement with Union Pacific Railroad for the Harahan Bridge Boardwalk. Without the railroad's consent, the project could not have moved forward. As a part of that negotiation, we convinced the railroad to allow for night usage of the structure, to allow it to be lit and avoid responsibility for any maintenance of the railroad's structure. These were all concessions made by the railroad through negotiation. The railroad operating agreement was executed by the City and the Union Pacific on July 5.

### **Construction Schedule & Preliminary Cost Estimates**

Applying for the TIGER IV grant resulted in the Main Street, Harahan Bridge and Arkansas Trail being linked as one "multimodal" project, which was critical to our success in receiving the grant. However, these projects are really separate and distinct in the components and types of construction and of course have different timelines and budgets. All components are ready for construction and are being advertised in local publications this month and bids will be received in September with construction beginning in October. The extremely expedited schedule is required by the federal government.

*Harahan Bridge and Approaches*  
*Estimated Completion-- Spring 2015*  
*Cost Estimate -- \$21,616,651*

The Boardwalk is the most complex of the projects because of the railroad operations and requirements, the steel structure and the long span across the Mississippi River. It had been planned that the project would use the existing steel infrastructure on which to build the boardwalk. The primary structure of the existing roadway will be reused. However, during the design phase, we were advised by our consultants HDR that certain steel stringers upon which

the roadbed would sit had deteriorated with time and were unsafe for pedestrian traffic. Therefore, new steel stringers will have to be put into place, which has resulted in an increased cost estimate. In addition to HDR, our technical program management team, which includes engineers and contractors, concurred with this assessment, and numerous steps were taken to reduce the cost. Additionally, railroad requirements for a specialized, vandal-proof mesh to prevent access to the railroad track added to the overall cost of this segment.

#### *Main Street*

*Estimated Completion-- January 2015, March 2015 & October 2015*

*Cost Estimate -- \$11,737,081*

This portion can be divided into three segments – Uptown, Main Street Mall (including Civic Center Plaza) and South Main. Uptown is projected to be complete in January of 2015, Main Street Mall in March of 2015 and South Main in October of 2015. This work, depending on segment, includes sidewalk repair, drainage mitigation, ADA compliance, bike accommodations, paving and amenities, such as street furniture, new planters and lighting. ***The Main Street portion overall is nearly \$2 million less than originally estimated.*** The majority of the Main Street project is maintenance, ADA, and drainage work that the City was obligated to perform even without the TIGER grant, and performing this work as part of the overall TIGER project allows the City to leverage federal and other sources of funding to lessen the City's financial obligations.

#### *Arkansas Trail*

*Estimated Completion—October 1, 2015*

*Cost Estimate -- \$3,996,069*

The Arkansas portion of the project is a bike and pedestrian path that will weave through the flood plain and into downtown West Memphis connecting our two cities in a very unique way. This project is primarily the creation and paving of the path. It was earlier estimated to cost \$2.8 million, but the most recent estimate is just under \$4 million. The increase in this segment is attributed to a ruling by the Arkansas Highway Department that the interstate frontage roads could not be used for pedestrian traffic. This was despite earlier indications that a design using the frontage roads would be permissible. This resulted in a complex redesign of the trail.

Officials in Arkansas are very excited about this project and are working in good faith with us to identify additional funds from Arkansas to make up this difference. We could not have pursued this project or won the highly competitive federal TIGER grant without the support and help from our good friends in Arkansas who are still at the table and continuing to help us execute this project that will better connect our communities for the benefit of both sides of the river. During his recent visit, Secretary Foxx noted how well our two states, two counties, and two cities have been working together on this project and held us up as a national model for regional cooperation, the kind of cooperation the feds look for when deciding which projects to fund.

In addition to this project, officials in Arkansas are working on plans for developing the area near their entrance to the Harahan Bridge into a park and additional trails that will further enhance the Main-to-Main Project.

## Overall Cost Estimate

The original cost estimate for this total project, based on very preliminary studies but before any design work was complete, was \$29,789,000. And we secured eight different funding sources to meet this amount including federal, state, county, city storm water, and private funds. The current estimate is \$37,349,801 based upon full construction plans and specifications and rigorous cost estimating but before bids are in. The increased cost estimate is primarily the result of having to replace the steel stringers on the Harahan Bridge, as well as the specialized mesh fence required by the railroad and the required redesign of the Arkansas trail. This is a difference of \$7,560,801. Let me stress that this is a cost estimate only. Bids on the project and value engineering by our team could reduce this estimate.

As an effort to mitigate these costs, the City was able to negotiate with the University of Memphis to receive an unused \$2.1 million grant from the Federal Transportation Administration. In exchange for use of those funds, I have committed to request funding from the Council in FY 15 to realign Patterson Avenue. This realignment is needed, has been on Engineering's list for some time and is expected to cost less than the amount of the grant, meaning the City will achieve a substantial net gain. I am grateful to the University for their willingness to work with us on this project.

***That brings the projected gap to approximately \$5.5 million.*** To date, the City has storm water funds committed for necessary drainage work along Main Street and has committed only \$422,720 from FY 13 CIP on this project. Other than this \$422,720 from FY 13 CIP, the City has not committed any other discretionary capital dollars to this project. There are eight other funding sources including \$18 million from the federal government, \$2 million from the State of Tennessee, \$1 million from Shelby County, \$2 million from CCRFC, \$2 million from CRA, and \$1 million plus from private donors. I will be asking all funding partners to consider what more they can give to close this gap. Additionally, the project team will reach out to other private sources in the community who have yet to contribute to this project. ***I believe we can close most, if not all, of the funding gap. However, if a gap remains,*** I may request that the Council consider CIP funds or other sources to complete this project. If that were to occur, I would expect the request to be made in late FY 14 or as a part of the FY 15 budget process. Again, we will be striving not to make this request, but I wanted to be completely transparent with the Council on this matter.

## DBE Participation

First, I am pleased to state that during the design phase of this project, **we achieved 46% MWBE participation.** As the project moves forward, we will maintain a similar commitment. In segment 1 of Main Street (Uptown), we will use the City's MWBE program and the **Office of Contract Compliance has set a goal of 45% participation.** We are able to use the City program because no federal or state funds are being used in this portion of the project. In the remaining segments, the City must comply with the federal DBE program requirements, so a goal of 7.6% DBE participation has been established, which is the statewide goal. To be clear, a firm can be an MBE or WBE, but not a DBE and still work on the remaining segments.

However, the federal government will only be tracking whether or not we met the DBE goal of 7.6%. *Our team knows that it is my priority to ensure that MBE, WBE and local business participation far exceeds the DBE goal.* Already our design participation has demonstrated that commitment.

### **Expedited Process**

Because of the extremely aggressive, strict deadlines mandated by the federal government to complete this project, we must execute construction contracts quickly. The Council adopted a process last year similar to the Tiger Lane process that will allow contracts for this project to be approved timely. The first step will be Council approval of the overall budget for this project, which will be coming to you in resolution form in the very near future. Approval of this project budget does not require amending the City CIP budget because the project is funded by a variety of non-city sources and I will be looking to cost savings and other funding sources to close the remaining gap. In the event a gap remains I will return to Council to consider CIP or other city funding for this important project at a later date.

### **Conclusion**

I know this is a long memo, but I wanted to be completely transparent with you about the project. Our team has worked extremely hard to meet the expectations of the Council and community, and the completion of this work will highlight our great city internationally. We can also be proud of the fact that only 5% of TIGER grants are approved and even less receive the level of funding we have received. From a timing standpoint, we are on schedule and because of this effort many of our citizens will have good jobs over the next three years.

As we move forward, if you have any questions about this project, please do not hesitate to ask. I appreciate your thoughtful consideration of all that I have communicated here.