

opinion of probable construction cost





7.0 Opinion of Probable Construction Cost

A cost analysis was performed for the recommended projects. The estimated yearly operating costs for the implementation of the projects total over \$40 million while the capital costs total over \$200 million. The consultant's opinion of cost of specific projects is provided in Table 23. The table represents an opinion prepared by Kimley-Horn and Associates about the probable cost to acquire right-of-way and build each project based on a set of assumptions. MARTA transit frequency increase costs were calculated based on the 2006 National Transit Database and estimates associated with GRTA Xpress bus service were provided by GRTA. As a consultant, Kimley-Horn does not control any of the factors that affect the cost of right-of-way or construction. In fact, over the past several years the cost of materials used in construction and the cost of gasoline have risen much faster than in recent history, by as much as 40 percent.

The table lists cost in constant year 2007 dollar figures. An escalation factor to account for inflation is advised but not included. Also, the table does not include other costs such as design fees or the cost to finance and provide administration of projects. Each opinion was increased by 5 to 10 percent to account for the additional cost required to maintain existing traffic during construction. Another 20 percent was added to each opinion to serve as a contingency. The cost to conduct utility relocations (but not burial) is included at an assumed cost of \$1 million per mile. The cost to build new two-lane "complete street" connections is assumed to be \$3 million per mile. Right-of-way costs are estimated with an assumed \$95-\$110 per square foot to acquire property and \$10- \$11 per square foot to obtain temporary construction easement. Easements are obtained for temporary purposes so that construction equipment and labor can efficiently build the project. Permanent easements are sought to allow public agencies to maintain sidewalks and other amenities adjacent to property so that owners can have the functional use of the facilities once construction is complete. This explains why the cost to obtain an easement is assumed to be only one-tenth the cost of right-of-way acquisition.

In comparison, the four-year statewide transportation improvement program estimate is \$9.46 billion for GDOT which equates to about \$2.36 billion each year. The total 25-year estimate for ARC's Regional Transportation Plan ("the Blueprint") is \$67 billion. The estimate for improvements along Piedmont Road is about eight percent of the annual GDOT budget, or two percent of the Department's four year statewide improvement plan. In the context of the Atlanta region's 25 year plan, the Piedmont Road estimate is less than one percent of the entire ARC plan estimate.