

# APPENDIX C BUDGET NARRATIVE

## Cost Estimate and Project Budget

Cost estimates were generated for the Stitch as a part of previous technical feasibility work (2019). Since this time, construction costs locally and nationally have escalated dramatically due to inflation; cost estimates were reprojected to reflect this reality. Using construction cost escalations from recent history, cost estimates for the Stitch were escalated to a total cost of \$713,100,000 for all phases of the project (including previous work conducted to date). A summary of the total remaining project cost estimate is provided in the attached table.

Given that these cost estimates are based on the schematic design of the Stitch—and that the infrastructure construction cost environment is rapidly changing—this cost estimate is considered a best estimate given the information available at this time. This estimate is subject to change.

**TABLE C-1. Total Project Budget for the Stitch**

<b>HARD COSTS (CONSTRUCTION)</b>	<b>\$540,461,695</b>
Cap Infrastructure	\$334,748,450
Cap Infrastructure Contingency	\$66,949,690
Park Improvements	\$71,413,045
Park Improvements Contingency	\$7,141,306
Building Structures	\$54,735,640
Building Structures Contingency	\$5,473,564
<b>SOFT COSTS (PREDEVELOPMENT)</b>	<b>\$106,459,046</b>
Architects and Engineers (see page 2)	\$65,550,000
Owner Direct Consultants	\$10,809,233
Municipal Fees	\$5,404,617
Other Soft Costs/Administrative	\$10,809,233
Rights-of-Way (donations anticipated)	\$1,487,185
Soft Cost Contingency	\$13,885,962
<b>Subtotal</b>	<b>\$646,920,741</b>
<b>Project Contingency (10%)</b>	<b>\$64,692,074</b>
<b>Full Project Grand Total</b>	<b>\$713,100,000</b>

**TABLE C-2. Architecture and Engineering Budget**

<b>PLANNING/NEPA</b>	<b>\$2,800,000</b>
Outreach and Engagement	\$250,000
Multimodal Transportation Analysis and Plan	\$450,000
Site and Proposed Development Summary	\$150,000
Parks and Open Space Master Plan Updates	\$250,000
MARTA Bus Terminal/TOD Schematic Design	\$350,000
Project Sustainability Framework	\$150,000
Economic Impact and Governance Structure	\$450,000
NEPA Phase I and II Studies	\$750,000
<b>DESIGN SUPPORT SERVICES</b>	<b>\$10,250,000</b>
Flown Topographical Survey	\$750,000
Stormwater System Survey	\$250,000
ROW Boundary Survey	\$500,000
Parcel Boundary Survey	\$1,000,000
SUE Level-C Data Collection and Mapping	\$100,000
SUE Level-B Survey (overhead and underground)	\$650,000
SUE Level-A Survey	\$2,000,000
Geotechnical and Bridge Foundation Surveys	\$2,000,000
Pavement Condition Survey	\$1,000,000
Utility Coordination	\$1,000,000
Concept of Operations Support	\$1,000,000
Conceptual/Schematic Engineering (10%)	\$2,450,000
<b>CONCEPTUAL DESIGN PLANS</b>	<b>\$1,200,000</b>
Concept-level Traffic Analysis	\$750,000
Project Implementation Analysis	\$250,000
Concept Report	\$250,000
<b>SHOVEL READY ENGINEERING (30%)*</b>	<b>\$6,000,000</b>
<b>PRELIMINARY ENGINEERING DESIGN (70%)*</b>	<b>\$18,000,000</b>
<b>FINAL ENGINEERING DESIGN (100%)*</b>	<b>\$8,000,000</b>
<b>CONSTRUCTION PHASE SUPPORT</b>	<b>\$7,125,000</b>
<b>Subtotal</b>	<b>\$54,625,000</b>
<b>20% Contingency</b>	<b>\$10,925,000</b>
<b>GRAND TOTAL</b>	<b>\$65,550,000</b>

\*Shovel ready, preliminary, and final engineering to include, but not limited to, the following:

1. Bridge plans
2. Park building/structure architectural plans (including waterproofing membrane)
3. Park plans (including waterproofing membrane)
4. Pavement design
5. ROW plans
6. Roadway plans and profiles
7. Roadway cross-sections
8. Roadway lighting plans
9. Driveway plans
10. Grading plans
11. Signal plans
12. ITS plans
13. Retaining wall plans, and profiles
14. Cap support system plans (electrical, water/sewer/plumbing, fire life safety, ventilation, etc.)
15. Erosion, sedimentation, and pollution control plans (ESPCP)
16. Utility plans
17. Drainage design including cisterns and MS4, if applicable
18. Detour plans
19. Project standards and details package (for all design disciplines)
20. Project construction specifications package (for all design disciplines)
21. Field plan review (FFPR) participation, report, and responses
22. Corrected FFPR plans
23. Plans, specifications, and estimates (PS&E) package
24. Amendments and revisions

## Funding Sources

The Stitch has a variety of local and federal funding sources that have been secured to date on the project. This includes \$3.22 million of federal funding and \$11.43 million of local funding. If awarded, Reconnecting Communities funding would provide an additional \$10.5 million in federal funding to fund shovel-ready engineering for the Stitch, totaling \$25.35 million of combined funding secured for the project to-date. Documentation of local match funding commitment for the RCP grant is provided is attached in the Funding Commitment Documentation and Letters of Support Attachment.

Future unsecured funding for the Stitch is anticipated to come from a variety of local and federal sources. An estimated \$687,750,000 in additional funding will be needed to complete all phases of the Stitch. Availability of future funds may affect the phasing and schedule of the project. However, design and engineering of all phases of the Stitch is needed regardless of future phasing plans.

## Additional Information on Committed Funding Sources:

The following details the awarded and committed funding sources for the Stitch as of October 13, 2022.

### Reconnecting Communities

#### **Federal Funding Request:**

- ▶ \$10.5M - Reconnecting Communities Capital Construction Grant Funding Request (FY 2022)
  - **Funding Request Amount:** \$10.5M
  - **Anticipated Authorization:** 2024 (if awarded)
  - **Expiration Date:** Funds to be obligated prior to September 30, 2025
  - **Funding Use and Restrictions:** To be used for preliminary engineering and design support services of the Stitch. Funding requires a 50% local match
  - **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District on behalf of City of Atlanta under a project management agreement

#### **Local Matching Funds:**

- ▶ Invest Atlanta Eastside Tax Allocation District Funds
  - **Funding Amount:** \$10M
  - **Anticipated Authorization:** Funding authorized (see attached commitment documentation)
  - **Expiration Date:** None
  - **Funding Use and Restrictions:** To be used for preliminary engineering and design support services of the Stitch
  - **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District on behalf of City of Atlanta under a project management agreement
  
- ▶ Atlanta Downtown Improvement District
  - **Funding Amount:** \$500,000
  - **Anticipated Authorization:** Funding authorized (see attached commitment documentation)
  - **Expiration Date:** None
  - **Funding Use and Restrictions:** Funding to be used for preliminary engineering and design support services of the Stitch

**TABLE C-3. Stitch Funding Status  
And Plan October 2022**

**SOURCES**

Phase/Scope	Funding Program	ADID	City of Atlanta	Other Local/State	Reconnecting Communities	Other Federal Funding	Total	Status
<b>COMMITTED</b>								
Concept Engineering & NEPA	RAISE (Federal Discretionary Grant)	\$350,000				\$900,000	\$1,250,000	Finalizing grant agreements. Work expected to begin by Q1 2023
	ARC TIP	\$290,000				\$1,160,000	\$1,450,000	Preliminary Award Notice. Final adoption expected December 2022
	Community-Designated Project Grant (HUD)	\$290,000				\$1,160,000	\$1,450,000	Finalizing Grant Agreements.
<b>PENDING</b>								
Shovel-Ready Preliminary Engineering	Reconnecting Communities Pilot Program Grant - Capital Construction	\$500,000	\$10,000,000		\$10,500,000		\$21,000,000	Pending grant award
<b>FUTURE (Unsecured)</b>								
Final Engineering and/or Construction	Misc. State & Federal Funding** (Example - future TIP funding cycles)	\$2,110,000		\$1,000,000		\$4,840,000	\$7,950,000	Expected 2024 or later
	Local Philanthropy			\$112,500,000				Expected 2025 or later
	Value Capture Mechanism			\$112,500,000				Establishment of SSD and/or TAD, expected 2025 or later
Construction [Major Federal funding source(s) such as MEGA w/ local match]	City of Atlanta Bond		\$40,000,000			\$340,000,000	\$680,000,000	City of Atlanta Bond (2025 or later)
	MARTA/The ATL Authority		\$30,000,000	\$45,000,000				2025 or later. Potential combo. of More MARTA, station rehab, & ARTP
<b>TOTALS</b>		<b>\$3,540,000</b>	<b>\$80,000,000</b>	<b>\$271,000,000</b>	<b>\$10,500,000</b>	<b>\$348,060,000</b>	<b>\$713,100,000</b>	

- **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District on behalf of City of Atlanta under a project management agreement

### Other Federal Funds

#### *Federal Funding Awards:*

- ▶ RAISE Planning Grant (FY 2021)
  - **Funding Amount:** \$900,000
  - **Anticipated Authorization:** 2023
  - **Expiration Date:** Funds to be obligated by September 30, 2024
  - **Funding Use and Restrictions:** Funding to be used for advanced planning of the Stitch. Funding requires a 20% local match
  - **Funding Recipients:** Project and funding to be managed directly by Atlanta Downtown Improvement District
- ▶ HUD Community Designated Project Grant (FY 2022)
  - **Funding Amount:** \$1.16M
  - **Anticipated Authorization:** 2023
  - **Expiration Date:** Funds to be spent by September 30, 2030
  - **Funding Use and Restrictions:** Funding to be used for conceptual design/engineering and project support services. Funding may not be used to advance choice-limiting actions prior to NEPA approval. Funding requires a 20% local match
  - **Funding Recipients:** Project and funding to be managed directly by Atlanta Downtown Improvement District
- ▶ ARC TIP Surface Transportation Block Grant funding (FY 2023)
  - **Funding Amount:** \$1.16M
  - **Anticipated Authorization:** 2023
  - **Expiration Date:** Unknown

- **Funding Use and Restrictions:** Funding to be used for conceptual design/engineering and project support services. Funding requires a 20% local match
- **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District on behalf of City of Atlanta under a project management agreement

#### *Local Matching Funds:*

- ▶ Atlanta Downtown Improvement District
  - **Funding Amount:** \$930,000
  - **Anticipated Authorization:** Funding authorized
  - **Expiration Date:** None
  - **Funding Use and Restrictions:** Funding to be used for planning, conceptual engineering, and design support services of the Stitch.
  - **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District on behalf of City of Atlanta under a project management agreement

### Future Potential (Non-Committed) Funding Sources:

The following describes prospective future funding sources for the Stitch. This funding strategy has been discussed with implementation partners, but it is subject to change based on future local funding availability and project development.

#### Local

- ▶ ADID
  - **Estimated Funding Amount:** \$2,110,000
  - **Anticipated Authorization:** 2024 or later
  - **Expiration Date:** None
  - **Funding Use and Restrictions:** Funding to be used for project engineering, de-

sign support services, and/or construction of the Stitch

- **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District or Stitch-specific 501(c)(3) on behalf of City of Atlanta under a project management agreement

▶ Local Philanthropic Sources

- **Estimated Funding Amount:** \$112,500,000
- **Anticipated Authorization:** 2025 or later
- **Expiration Date:** None
- **Funding Use and Restrictions:** Funding to be used for project engineering, design support services, and/or construction of the Stitch
- **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District or Stitch-specific 501(c)(3) on behalf of City of Atlanta under a project management agreement
- **Notes:** The Stitch implementation team will engage in fundraising for the project upon funding obtaining funding for shovel-ready design

▶ Value Capture Mechanism

- **Estimated Funding Amount:** \$112,500,000
- **Anticipated Authorization:** 2025 or later
- **Expiration Date:** None
- **Funding Use and Restrictions:** Funding to be used for project engineering, design support services, construction of the Stitch, and/or operations/maintenance
- **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District or

Stitch-specific 501(c)(3) on behalf of City of Atlanta under a project management agreement

- **Notes:** The Stitch implementation team will establish a value capture mechanism, such as a Special Service District, to collect a portion of future tax revenues generated by the project upon obtaining funding for shovel-ready design. The Value Capture funding estimate is based on previous projections conducted by Ernest Young (see application attachments for more info)

▶ City of Atlanta

- **Estimated Funding Amount:** \$40,000,000
- **Anticipated Authorization:** 2025 or later
- **Expiration Date:** None
- **Funding Use and Restrictions:** Funding to be used for project engineering, design support services, and/or construction of the Stitch
- **Funding Recipients:** Project & funding to be managed by Atlanta Downtown Improvement District or Stitch-specific 501(c)(3) on behalf of City of Atlanta under a project management agreement
- **Notes:** This funding would likely be part of the City of Atlanta’s next voter-approved infrastructure bond in 2027

▶ MARTA/The Atlanta Transit Link Authority

- **Estimated Funding Amount:** \$75,000,000
- **Anticipated Authorization:** 2025 or later
- **Expiration Date:** None
- **Funding Use and Restrictions:** Funding to be used for project engineering, design support services, and/or construction of Civic Center MARTA Station Improvements

- **Funding Recipients:** Project & funding to be managed by Atlanta Downtown Improvement District or Stitch-specific 501(c)(3) on behalf of City of Atlanta under a project management agreement or directly by MARTA
  - **Notes:** This funding may come from a variety of sources including the City’s more MARTA voter-approved sales tax referendum, currently programmed MARTA station rehab funding for the Civic Center station, and Atlanta Transit Link Authority Regional Transit Plan funding for Civic Center regional bus transfer facility improvements
- ▶ State funding via GDOT
    - **Estimated Funding Amount:** \$1,000,000+
    - **Anticipated Authorization:** 2025 or later
    - **Expiration Date:** None
    - **Funding Use and Restrictions:** Funding to be used for operational and safety improvements to Interstate I-75/85 and state-owned roadways as part of the Stitch project
    - **Funding Recipients:** Project and funding to be managed by Atlanta Downtown Improvement District or Stitch-specific 501(c)(3) on behalf of City of Atlanta under a project management agreement
    - **Notes:** This funding is contingent ongoing discussions with GDOT on how the Stitch can help improve the safety and operations of Interstate I-75/85 through upgrades such as widened shoulders, access management improvements, improved roadway lighting, and intersection improvements
- Federal
    - ▶ ARC TIP or Other funding (Regionally Administered Federal Funding Programs)
      - **Estimated Funding Amount:** \$4.84M
      - **Anticipated Authorization:** 2024 or later
      - **Expiration Date:** Unknown
      - **Funding Use and Restrictions:** Funding to be used for project engineering, design support services, and/or construction of the Stitch
      - **Funding Recipients:** Project & funding to be managed by Atlanta Downtown Improvement District or Stitch-specific 501(c)(3) on behalf of City of Atlanta under a project management agreement
    - ▶ Major Federal Grant Program (e.g. MEGA Grants)
      - **Estimated Funding Amount:** \$340M
      - **Anticipated Authorization:** 2025 or later
      - **Expiration Date:** Construction to begin in 2028 at the latest
      - **Funding Use and Restrictions:** Funding to be used for project engineering, design support services, and/or construction of the Stitch
      - **Funding Recipients:** Project & funding to be managed by Atlanta Downtown Improvement District or Stitch-specific 501(c)(3) on behalf of City of Atlanta under a project management agreement

**Cost Overruns and Funding Risk Management**

The City of Atlanta and its implementation partners are taking the following active measures to account for potential risks associated with cost overruns and funding availability:

**Cost Estimate Contingencies & Escalation:** as noted previously, the current cost esti-

mate for the Stitch is based on schematic designs that were developed to evaluate the technical feasibility and impact of the project. This estimate considers cost implications of unknown design elements with appropriate contingencies for this level of design. Additionally, the cost estimate includes an escalation factor through the projected construction duration of the Stitch accounting for rising construction costs in light of the recent construction cost volatility.

**Cost Estimate Updates:** construction cost estimates will be updated throughout the design development of the project at major design milestones where applicable, including 10% (Conceptual) Engineering, 30% (Costing Plans) Engineering, 60%-90% (Preliminary) Engineering, and 100% (Final) Engineering.

**Project Risk Register:** The Stitch development team will maintain a project risk register throughout the design and construction phases of the project noting variables that may impact the project scope, schedule,

and budget and risk avoidance, reduction, and mitigation strategies to minimize project risk.

**Phased Implementation Strategy:** The entire extents of the Stitch are needed to fully realize the project benefits, and implementation of the project in one phase would minimize construction duration and impacts. However, the City of Atlanta and its partners recognize that available funding may limit the opportunity to implement the entire project at once. Because of this, the Stitch development team has analyzed the option of a phased implementation approach in the case that full funding of the Stitch is not initially available. While it would increase the duration and cost of the Stitch, the analysis findings determined that the Stitch could be implemented in three discreet phases, as shown in the following figure. If the phased implementation approach is pursued, the majority of design development and permitting/approvals for all phases will still need to be completed up-front to ensure design integration of the phases.

**FIGURE C-1. Phased Delivery Option**

- Phased delivery possible, such as the recommended phasing plan shown here, but will add significant time & cost to the Stitch.
- Phased delivery does not change the need to secure funding for all design phases up-front.
- The desire is to implement the entire Stitch at once and pursue phasing only if full funding is not initially attainable.

Phase	Extents	Phase Size	Construction Duration	Estimated Cost
1	Ted Turner Dr to Peachtree St	5 acres	4 years	\$413,395,000*
2	Peachtree St to Courtland St	3 acres	2 years	\$131,976,000
3	Courtland St to Piedmont Ave	6 acres	4 years	\$292,094,000
<b>Estimated Totals</b>				
Phased Delivery			10 Years	\$837,465,000
Combined (Single-Phase) Delivery			6 Years	\$713,100,000
<b>Phased Delivery Added Time &amp; Cost**</b>			<b>4 Years</b>	<b>\$124,365,000</b>

\* Phase 1 cost includes design & engineering for all phases.  
 \*\* Estimate assumes multiple federal funding sources & separate construction contracts for each phase.

