

PROJECT BUDGET

BUDGET SUMMARY

The Clifton Hills Alton Park Thread Trail (CHATT) project is estimated to cost \$19,695,708. This proposal requests \$15,756,566.40 in RAISE grant funding to implement project improvements that would increase equity, safety, sustainability, quality of life, and health in South Chattanooga, specifically the Alton Park and Clifton Hills neighborhoods separated by the contaminated Chattanooga Creek. Projected construction costs were calculated based on 2027 dollars in line with the anticipated bid/construction timeline. Table 1 shows the project's overall cost and funding breakdown by component. Total local match funding is 20% of the total cost and does not include other federal funds.

As the entire project area lies within an Area of Persistent Poverty and a Historical Disadvantaged Community, the project has been a top priority for the City of Chattanooga. The 20% local match demonstrates the City's commitment to this project.

COST BY CENSUS TRACT

The project is in three census tracts (See Table 2): 19, 23, and 25. Future project funds from the RAISE grant will be expended in these census tracts. Detailed budget cost estimates can be provided as a supplement to this narrative, but some cost highlights are as follows: CT 19 includes all of the at-grade Alton Park Connector, and 1/2 of the bridge and 3/4 of the boardwalk crossing Chattanooga Creek in the Clifton Hills Connector. CT 23 includes 1/2 of the bridge, 1/4 of the boardwalk, the the bicycle boulevard improvements for the Clifton Hills Connector west of Rossville Blvd. CT 25 contains the small segment of bike boulevard east of Rossville Blvd to Clifton Hills Elementary.

TABLE 1: Overall Funding Sources

FUNDING SOURCE	COMPONENT 1	COMPONENT 2	TOTAL FUNDING
RAISE Funds	\$6,663,766.40	\$9,092,800.00	\$15,756,566.40
Other Federal Funds			
Non-Federal Funds (Local Match)			
City of Chattanooga	\$1,665,941.60	\$2,273,200.00	\$3,939,141.60
Total Non-Federal Funds	\$1,665,941.60	\$2,273,200.00	\$3,939,141.60
TOTAL	\$8,329,708.00	\$11,366,000.00	\$19,695,708.00

TABLE 2a: Project Cost per Census Tract

2020 CENSUS TRACT	PROJECT COSTS PER CENSUS TRACT
19	\$14,581,008
23	\$4,889,653
25	\$225,047
TOTAL	\$19,695,708

TABLE 2b: Project Cost per Census Tract

2010 CENSUS TRACT	PROJECT COSTS PER CENSUS TRACT
19	\$14,581,008
23	\$4,889,653
25	\$225,047
TOTAL	\$19,695,708

TABLE 2c: Project Cost Urban/Rural

Urban/Rural	PROJECT COSTS
Urban (2020-census designated urban areas with a population greater than 200,000)	\$19,695,708
Rural (Located outside of 2020-census designated urban areas with a population greater than 200,000)	\$0
TOTAL	\$19,695,708

STATUS OF DESIGN & FUNDING

30% design has been completed for Component 1. The RAISE grant request would fund 100% of permitting and construction costs. 10% schematic design and cost estimates have been completed for Component 2, but initial pre-engineering and assessment have occurred to develop the trail alignment. The RAISE grant would fund design permitting and construction costs of Component 2.

LOCAL MATCH FUNDS

The following is a description of local matches, how they will be used, and if there are any stipulations for these funds. All local match funds are shown in Tables 3 and 4.

City of Chattanooga Funds

The City of Chattanooga has committed \$3,939,142 million for the CHATT project. There are no restrictions or stipulations to the use of these funds.

STATUS OF PROJECT AND COST ESTIMATES

Detailed planning-level budget cost estimates have been prepared by professional and experienced engineers and can be provided as a supplement to this narrative. Costs for each component were verified and updated (including updates on unit cost and inflation costs) in preparation for this application. Both components' estimates include a higher contingency to account for estimates at the planning level. The following is the project status and activities that took place to ensure the funding request is adequate.

Component 1 Status and Cost Estimates:

Costs for this section were analyzed at the planning level but with early ground truthing performed. The engineering consultant performed 30% of the design, and the complete design, which is 100%, will be funded outside of this proposal budget.

Component 2 Status and Cost Estimates:

10% schematic design and engineering have been completed for this section, and the full 100% design is included as part of the cost estimates. Engineers assisted with the revised costs for this component.

TABLE 3: Overall Funding

	CONTRIBUTION
RAISE (FEDERAL)	\$15,756,566 (80%)
LOCAL MATCH PROVIDED	\$3,939,141 (20%)
OVERALL PROJECT COST	\$ 19,695,708

TABLE 4: Local Match Funding Summary

JURISDICTION / AGENCY	CONTRIBUTION
CITY OF CHATTANOOGA	\$3,939,141 (20% of Total Project Cost)
TOTAL	\$3,939,141 (20% MATCH)

ADDRESSING COST OVERRUNS

The City of Chattanooga and its nonprofit partners are committed to addressing potential cost overruns. A 30% contingency has been incorporated as a measure in the Project Budget for the Alton Park Connector, and a 20% contingency for the Clifton Hills Connector in the event of overruns. An inflation factor for four years at 8% is also included to account for the current inflationary market conditions. In addition, while the City of Chattanooga has committed \$3.9 million (20% of total project costs) as part of this RAISE grant application, the City passed a resolution of funding to be at most \$3.94 million (see Funding Commitment).

BREAKDOWN OF COMPONENT FEATURES INCLUDED IN THE COST ESTIMATE

The following is a breakdown of Project Components:

COMPONENT 1: ALTON PARK CONNECTOR PHASE 3

- Full design and permitting
- 0.8 miles of a 12-foot-wide paved shared-use path
- Grading, barriers, fencing, screening, landscaping and other incidentals
- Brownfield cleanup, including relocating contaminated soil and capping on-site
- Mobilization, surveying, erosion control, and other miscellaneous items
- Signage
- Environmental work, if needed
- Higher contingency
- Escalation costs
- Construction and administration cost

COMPONENT 2: CLIFTON HILLS CONNECTOR

- Full design and permitting
- 0.8 miles of a 12-foot wide paved shared-use path
- 1,120ft-long boardwalk (elevated entirely above the floodplain of a contaminated creek)
- 80-foot clear span bridge over Chattanooga Creek
- 1.02 miles of a bicycle boulevard along E.32nd Street, including new sidewalks and high visibility crossings for the majority of it
- Improved bicycling and (and ADA compliant) pedestrian crossings at US-27
- Wayfinding signage
- Grading, barriers, fencing, screening and other incidentals
- Mobilization, surveying, erosion control, and other miscellaneous items
- Higher contingency
- Escalation costs
- Construction and administration cost

BENEFIT-COST ANALYSIS SUMMARY

The CHATT project will provide comprehensive **benefits for residents of South Chattanooga. Benefits from these projects will strengthen the local economy and provide real transportation choices for those who need them.** Benefits will also include a reduction in vehicle miles traveled for transportation and quality of life benefits and a crash reduction factor by improving unsafe walking and biking facilities within the project scope.

This benefit-cost analysis (BCA) weighs the costs (capital and maintenance) and benefits (environmental protection, quality of life, economic competitiveness, safety, and state of good repair) that would accrue during construction and over a 20-year evaluation period after completion of the CHATT project. See Tables 5 and 6 on the following page for a cumulative summary of project benefits. See the BCA summary memo uploaded with this application for the complete BCA methodology and results.

TABLE 5: BCA Summary

CATEGORY	DISCOUNTED 1 VALUE	(in 2022 dollars)
NET DISCOUNTED BENEFITS	\$35,880,000	
NET DISCOUNTED CAPITAL COSTS	\$16,030,000	
NET PRESENT VALUE	\$19,849,000	
BENEFIT-COST RATIO	2.24	

TABLE 6: Total Benefits over 20 years of Operation (Undiscounted)

CATEGORY	MONETARY VALUE	(in 2022 dollars)
Safety Benefits	\$39,880,000	
Environmental Sustainability	\$127,000	
Quality of Life	\$17,665,000	
Economic Competitiveness	\$451,000	
State of Good Repair	\$65,000	
Maintenance Costs	-\$840,000	
Residual Value	\$9,342,000	
TOTAL BENEFITS	\$66,690,000	

BACKGROUND

The benefit-cost analysis (BCA) for this project follows the principles documented in the USDOT Benefit-Cost Analysis Guidance for Discretionary Grant Programs (2023) and uses the recommended parameter values where applicable. The BCA includes the benefits and costs for the proposed alignment if construction were to proceed. The analysis period was 26 years (six years of construction and 20 years of operation) and assumes a useful service life of 30 years for the Alton Park Connector Phase 3 project and 60 years for the Clifton Hills Connector. All costs and benefits are presented in 2022 base year dollars. Benefits and cost streams were discounted using a 3.1% per year discount rate, except for carbon benefits, which were discounted at 2% per year. The attached memo contains a detailed explanation of the BCA methodology and the parameter values that were used.