

DRAFT

TO: Anthony Marchetta, LCOR

FROM: David Charette
Richard Burrow

INFO:

DATE: 14 October 2008 DRAFT

RE: **Preliminary Cost Estimate
Anticipated Community Improvements of the
Hoboken Terminal and Yard Redevelopment Plan
Langan Project No.: 100036401**

This preliminary cost estimate was prepared for discussion purposes to summarize the various community improvements of the Hoboken Terminal and Yard Redevelopment Plan (Plan). The process will require more detailed plans in most cases to refine these estimates. Provided below are the nine main public benefits and preliminary estimates of community improvements as outline in the community improvements section of the Draft Redevelopment Plan .

1. Rehabilitate Rail and Ferry Terminal Plazas

The Plan will lead to the rehabilitation of the rail and ferry terminal plaza areas on the project site. It is anticipated that NJ Transit/LCOR will arrange for the financing of the continuing rehabilitation of the rail and ferry terminal plaza and YMCA building. NJ Transit/LCOR has preliminarily estimated the cost to be approximately \$25,000,000 - \$35,000,000 based on the actual costs to restore the ferry terminal.

2. Complete Rehabilitation and Reuse of Ferry Terminal Complex

The Plan will lead to the completion of the ferry terminal complex on the project site. It is anticipated that NJ Transit has arranged for the financing of the rehabilitation of the ferry terminal complex. NJ Transit has estimated the cost to date have been in excess of \$80,000,000 for phases I & II. Phase III which is currently out to bid is projected to be in excess of \$35,000,000- \$50,000,000. This will only make the facility functional for ferry passenger service not fully historically rehabilitate it nor make it available for other uses. To provide the underpinning to the balance of he terminal, complete the historic rehabilitation of the building and retrofit the terminal for other uses including retail, restaurants, community uses such as ferry museums the ball park estimate is in the range of \$100 -150, 000,000

3. Reconstruct Piers as Publicly Accessible Open Space

Part of the Plan calls for the rehabilitation of the dilapidated piers in the southeast section of the project site. The Plan calls for the development of new open space called the Mail Pier Park. The Mail Pier Park has been estimated to encompass approximately 1.5 acres (65,340 square feet).

The piers underlying infrastructure (pier columns and pier horizontal planks) will be restored. Landscaping of the pier deck (paved walkways, lawn areas, benches, planters, etc...) will be necessary to develop the open space program. A projected cost estimate was developed assuming a cost of \$250 to \$350 per square foot of pier area for pier restoration, and a cost of \$40 to \$70 per square foot for landscaping.

Pier restoration – \$250-350 per square foot x 65,430	=	\$16,400,000 to \$22,900,000
Landscaping - \$40 to \$70 per square foot x 65,430	=	<u>\$2,600,000 to \$4,600,000</u>
Say =		\$19,000,000 to \$27,000,000

4. Construct New Public Space at Records Building

A new public space will be created around the Records Building. The Records Building will be preserved and restored. The new public space will link Observer Highway to the Washington Steps and Freedom Park areas. Environmental analysis and cleanup costs of the cleared track area as well as protection of the subterranean PATH must be included. This estimate is not based on detailed plans which have not been undertaken as of yet but based on preliminary discussions with NJ Transit/LCOR which has estimated the costs to be in the \$35 - 45, 000,000.

5. Reconstruct Combined Storm and Sanitary Sewer in Observer Highway

The NJ Transit has fully designed the replacement of a combined storm and sanitary sewer along Observer Highway. The project will contribute to improvements in drainage for the project area and evacuation of flood waters. The 90% construction design cost estimate prepared by Langan Engineering in July 2006 was \$ 14,630,784.00 and did not include any architectural and engineering design fees or contaminated soil removal and disposal. (See attached estimate)

North Hudson Sewerage Authority has recently publically estimated the cost to be approximately \$20,000,000.00 which may be a more accurate estimate today.

6. Upgrade Henderson Street / Off-site Traffic Improvements

The Plan contains several roadway and public transit improvements that will benefit the community. These improvements are intended to improve traffic flow in and around southern Hoboken, with a focus along Observer Highway and adjoining streets. In addition, the Hoboken Bus Terminal Area would be reconfigured.

Reconfigure Henderson Street/Marin Boulevard	\$8,000,000 to \$10,000,000
Reconstruct Henderson Street/Observer Highway Intersection	\$3,000,000 to \$4,000,000
Reconfigure One-Way Streets (Grove, Henderson, Newark)	\$2,000,000 to \$3,000,000
Reconfigure Hoboken Bus Terminal Area	<u>\$2,000,000 to \$3,000,000</u>
	Say = \$15,000,000 to \$20,000,000

7. Utilize Sustainable Development Strategies and Clean Up Brownfield

The Plan includes two major features that relate to existing and future environmental conditions at the project site. The existing environmental conditions of the rail yard will be addressed as part of the remediation of this brownfield site prior to and during construction. The future environmental condition will be addressed through the design and implementation of sustainable development strategies. Both of these Plan features will benefit the community.

The remediation of the brownfield site will include pre-construction investigations, removal of "hot spots," and placement of engineering and institutional controls in accordance with NJDEP regulations and oversight. The estimated cost for the environmental remediation work is \$6,000,000 to \$11,000,000.

The major sustainable development strategies of the project are as follows and will benefit the community through reuse of wastewater, control energy utilization and support infrastructure for low-energy transportation modes:

Blackwater Systems	\$7,000,000 to \$8,000,000
Green Roofs	\$5,000,000 to \$7,000,000
Rain Water Reuse Systems	\$5,000,000 to \$6,000,000
Lighting and Air Conditioning Advanced Controls	\$2,000,000 to \$3,000,000
Bicycle Support Facilities for Terminal	<u>\$ 250,000 to \$500,000</u>
	Say = \$20,000,000 to \$24,000,000

The total for sustainable development strategies and clean up brownfield is \$26,000,000 to \$35,000,000.

8. Reconstruct Observer Highway as Pedestrian Friendly "Ferry Boulevard"

The Plan provides for the reconstruction of Observer Highway from Henderson Street to the Bus Terminal area to create a pedestrian friendly roadway with wide sidewalks, landscaped medians, streetscape improvements and demarcated/controlled crosswalks. The square foot of this section of Observer Highway is approximately 376,000. Assume a cost of \$40 to \$60 per square feet, the preliminary cost would be \$15,000,000 to \$22,600,000. Improvements to adjacent roads connecting to Observer Highway would require an additional \$2,000,000 to \$4,000,000. Traffic management and signage during construction would add an additional \$2,000,000 to \$3,000,000.

Reconstruct Observer Highway	\$15,000,000 to \$22,600,000
Adjacent Road Improvements	\$2,000,000 to \$ 4,000,000
Construction Phase Management	<u>\$2,000,000 to \$ 3,000,000</u>
	Say = \$19,000,000 to \$30,000,000

9. Affordable Housing Subsidy Estimate

The redevelopment project is anticipated to provide 20% of the residential units as "affordable" in accordance he New Jersey's Council on Affordable Housing (COAH) regulations. Considering the long-term development plans, it is unclear how each phase will address affordable housing requirements.

For the purposes of the preliminary cost estimate, twenty percent of the residential units are assumed to be affordable. It was assumed that a subsidized cost of \$100,000 per unit would be necessary hence for 640 units, the potential public benefit would be \$64,000,000.

Preliminary Cost Estimate Summary

A conservative preliminary cost estimate, using the upper range of the cost estimates presented above, for community improvements can be summarized as follows:

1. Rehabilitate Rail and Ferry Terminal Plazas	\$35 million
2. Complete Rehabilitation and Reuse of Ferry Terminal Complex	\$280 million
3. Reconstruct Piers as Publicly Accessible Open Space	\$25 million
4. Construct New Public Space at Records Building	\$40 million
5. Reconstruct Combined Storm and Sanitary Sewer in Observer Highway	\$20 million
6. Upgrade Henderson Street / Off-site Traffic Improvements	\$20 million
7. Utilize Sustainable Development Strategies and Clean Up Brownfield	\$35 million
8. Reconstruct Observer Highway as Pedestrian Friendly "Friendly Boulevard"	\$30 million
9. Affordable Housing Subsidy Estimate	<u>\$64 million</u>
Total estimated cost of public benefit	Say \$550 million