

OPINION OF PROBABLE COST

The purpose of this Chapter is to summarize the range of costs attributable to the potential development of the Warwick-to-Ephrata Rail-Trail. Accordingly, the costs relate to **acquisition** of an interest in the corridor (either by fee-simple right-of-way or easement), **development**, and **maintenance/upkeep**; noting the following assumptions:

- All estimated costs are based on present-dollar value and are not adjusted for increases that might occur between the date of this Feasibility Study and the time of potential implementation of the Rail-Trail.
 - For purposes of determining the cost of acquiring an interest in the rail corridor, we have based the value of the land area on the assessed value of same as maintained by the Lancaster County Tax Assessment Office plus the “soft costs” related to attorney, title search, and legal fees. To wit, the total current assessed value of the 31.3-acre land area currently owned by Pagnotti/Reading Company equals \$382,100 (or an average of \$12,207.67/acre). The Rail-Trail corridor that could extend from the Warwick Township Campus to the Ephrata Borough line includes some 31.86 acres, valued at approximately \$388,900 (based on the average valuation of \$12,207.67/acre). No acquisition costs are estimated for Ephrata Borough since they have already acquired interests in virtually the entire portion of the rail corridor located in the Borough. As noted above, to this land valuation, we have added 25% as an allowance to address attorney, title search, and legal fees. Refer to **Appendix G-1**.
 - Two “Options” are provided for the development of the Rail-Trail. “**Option A**” represents the cost to construct the complete Rail-Trail without utilizing grade-separated crossings at the four busiest roadway crossings. “**Option B**” represents the cost to construct the complete Rail-Trail utilizing grade-separated crossings at the four busiest roadway crossings. Further, we have estimated the value of the construction in two other ways. First, we have assumed that all construction will be completed on the basis of “**Prevailing Wages**,” in other words, this option assumes that all construction will be competitively bid exclusively utilizing public and grant funding sources. In the second “**Municipal Construction**” approach, we have assumed that with the exception of the above-identified grade-separated crossings all other construction can be completed by municipal workforces. In addition to “hard costs,” we have made allowance for the “soft costs” of engineering, design, and permitting of proposed improvements.
- Both “Options A and B” and “Prevailing Wage/Municipal Construction” estimates can be found in **Appendix G-2**.
- Also, in **Appendix G-3** can be found the estimated cost of yearly maintenance and upkeep for the entire potential Rail-Trail. These costs are based on data provided by Warwick Township based on their experience with existing, developed trails/rail-trails and anticipate “rural” (unpaved trail) and “suburban” (paved trail) conditions.

Bearing the above in mind, our opinion of probable costs breaks down as follows:

Acquisition

Assuming that the average cost for acquiring an interest in the rail corridor (either by fee-simple or easement means) equals \$12,207.67/acre and an allowance must be made for the above-identified “soft costs” (see **Appendix G-1**), the cost on a per-municipality basis is projected as follows:

- Warwick Township \$311,077
- Ephrata Township \$ 92,482
- Akron Borough \$ 82,604
- Ephrata Borough \$ 0

Development

Including all estimated “hard” and “soft” costs, the summary of values presented in **Appendix G-2** includes the following development costs:

	Option A		Option B	
	Municipal Construction	Prevailing Wage	Municipal Construction	Prevailing Wage
• Warwick Township	\$278,241	\$470,705	\$898,501	\$1,049,406
• Ephrata Township	\$186,123	\$314,965	\$382,001	\$431,261
• Akron Borough	\$163,736	\$276,973	\$346,362	\$412,543
• Ephrata Borough	\$ 51,875	\$ 87,649	\$ 53,607	\$ 83,770

Maintenance/Upkeep

As outlined in **Appendix G-3**, the estimated yearly cost of maintenance and upkeep includes the following:

- Warwick Township \$6,958
- Ephrata Township \$2,217
- Akron Borough \$3,143
- Ephrata Borough \$1,540