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Adding Up the Costs for the North Shore Connector

Costs for the Port Authority's North Shore Connector keep rising. Not only are the costs of the project itself increasing, but so are the costs being imposed on the public, transit riders, and businesses who are being inconvenienced, and in some cases harmed, by its construction. While the Authority has built in a contingency fund for inevitable project cost overruns, the ink on the proposal wasn't even dry yet when problems began to occur. The finished Connector will look very different from the one approved by Federal authorities a few years ago. Nor will the final price tag reflect the true total cost of its construction since the Port Authority's estimates do not take into account the costs imposed on the public caused by the construction.

When first conceived, the project was to cost \$362 million and include a spur to the convention center. But the project was quickly adjusted when it became apparent the extension to the convention center would have to be dropped so that costs would remain around the original estimate. But even with the cancelling of the convention center leg cost estimates continued to escalate to the current "operative" total of \$435 million. Besides the elimination of the convention center leg, the Port Authority has cancelled a public plaza to be built at the Gateway Station and cut back on planned architectural features.

While the Port Authority has set aside nearly \$22 million in a contingency fund, about 5 percent of the \$435 million project cost, will this be enough to cover cost overruns in light of PAT's inability to forecast accurately to date?

The Authority has already expended \$3 million of the contingency fund because of the need to reinforce faulty soil, an increase in the price of steel and cement, and the unexpected discovery of old construction materials while digging. And they have just started to tunnel under the new Equitable Building, for which they've agreed to be held responsible for any damage.

To begin digging, the Port Authority had to close off Stanwix Street between Penn Avenue and Fort Duquesne Boulevard. Soon they will commence a series of shut downs on part of Route 65 between the West End and Fort Duquesne bridges to begin subterranean work beneath the elevated ramps. These road closings have caused major problems and will cause more headaches for travelers who must find alternative routes adding extra minutes and aggravation to their trips. It is estimated that this section of Route 65 will affect nearly 50,000 motorists per day. Even if the closings add only 15 minutes per trip, the area's motorists will incur added travel times totaling thousands of hours each day the road is closed. Moreover, the detouring motorists will create congestion and delays on other roads for drivers not using Route 65.

Costs to current transit riders also have to be considered. When the Port Authority closes down the Gateway Station riders will have to exit at the Wood Street station and then either walk the

rest of the way or take a shuttle bus, adding to their trip time. Likewise, with the Downtown street closings, buses have been diverted from their normal routes resulting in inconvenience for those who work or have business in the affected areas. It is very unlikely the project managers at the Authority ever gave any thought to the loss in time and money they would cause with the street, station and road closings necessitated by this unnecessary project.

Crews digging Downtown at Stanwix Street have been blamed for polluting the area with dirt and grime along with making strong vibrations that are shaking nearby buildings. This has caused businesses in the area to face the loss of revenues and additional costs which are not being factored into the overall cost of the project. For example, business owners have had to change air filters more often, have workers come in to unclog cooling system pipes, and had to bring in cleaning crews to keep their stores free of dirt and grime. Some businesses claimed to have spent \$1,000 per quarter just in additional maintenance and cleaning fees.

While the total amount that has been or will be spent by businesses in the area to keep their stores clean may never be known, what is clear is they will not be reimbursed by the Port Authority for their inconvenience. Nor will they be compensated for the loss of business as a result of the digging as people and traffic has been diverted from the area. Firms near the digging site claim their business has been down by as much as 60 percent during construction which started in July 2007. Not only will they fail to be compensated for their troubles, they will not even be the beneficiaries of the completed Connector. Those benefits, if there are any, will go mostly to the sports teams and businesses across the river.

There was no doubt among critics that costs of this project would exceed benefits. In the private sector this would have disqualified the project. But in the world of politically driven spending and decision making, facts and reason do not matter. Clearly, politics drove the approval and funding of this gigantic waste of money and creator of costs for the traveling public and businesses. While people gasp at the \$435 million price tag for the short 1.2 mile LRT extension, that figure, which is almost certain to go much higher, does not come close to the total cost area residents and businesses will incur during construction.

The North Shore Connector is another in a long series of politically hatched money wasting projects that convince taxpayers their government cares more about powerful special interests than it does the wishes and well being of the people. Unfortunately, there is little evidence to indicate this sad state of affairs is about to change.

Frank Gamrat, Ph.D., Sr. Research Assoc.

Jake Haulk, Ph.D. President

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<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: aipp@alleghenyinstitute.org</p>
