

## FACT SHEET

### INDOT STUDY REVEALS HUGE COST INCREASES FOR I-69

March 2007

#### **NEW-TERRAIN I-69 COSTS PROJECTED TO SOAR BY 90%**

Indiana Department of Transportation's (INDOT) latest cost projections for the southernmost section of the Evansville to Indianapolis new-terrain I-69 highway reveal a nearly 90% increase in costs. Since INDOT acknowledges that the cost increases for the other sections will show the same rate of increase, the total cost for I-69 between Indianapolis and Evansville would reach \$3.35 billion. When the Evansville to Henderson, Kentucky segment is added, the total Indiana cost for I-69 is nearly \$4 billion.

The new cost projections are contained in INDOT's I-69 Section 1 Draft Environmental Impact Statement released in December 2006.

*"I-69 Evansville to Indianapolis Tier 2 Draft Environmental Impact Statement Section 1: Evansville to Oakland City, December 2006".*

[http://www.i69indyevn.org/Section\\_1/DEIS.html](http://www.i69indyevn.org/Section_1/DEIS.html)

This fact sheet prepared by the citizens' groups summarizes these new cost estimates. All of the other sections, as shown in the I-69 Tier 1 Final Environmental Impact Statement, would be much more expensive to build. Based on this information, our cost estimates here are conservative.

**Special Note:** *The projected cost of I-69 is now more than the total amount the state received for leasing the Indiana Toll Road to a private consortium for 75 years.*

#### **HIGHWAY CONSTRUCTION COSTS ARE SKYROCKETING**

Numerous sources around the country are documenting rapidly rising costs for highway construction. The rising costs of highway construction, combined with seriously underestimated costs in earlier studies, account for the massive increase in costs for I-69. Earlier INDOT cost estimates were based on data from the late 1990s and early 2000s. These estimates were out of date when used in earlier studies. Since then, costs have risen sharply.

*(See references at end of fact sheet)*

*Fact sheet prepared by Citizens for Appropriate Rural Roads, Hoosier Environmental Council, and Environmental Law and Policy Center*

## I-69 Projected Cost Increases

### A. I-69 Evansville to Indianapolis Construction Costs

<b>I-69 Sections</b>	<b>Miles</b>	<b>*FEIS Tier 1 Cost Estimates, 2003</b>	<b>**Updated Cost Estimates</b>
<b>Section 1</b>	<b>12.9</b>	<b>\$122 million</b>	<b>\$230 million (89% increase)</b>
Section 2	28.6	\$222 million	\$420 million
Section 3	25.3	\$200 million	\$378 million
Section 4	26.6	\$462 million	\$873 million
Section 5	22.3	\$276 million	\$522 million
Section 6	25.9	\$489 million	\$924 million
<b>Subtotal</b>	<b>141.6</b>	<b>\$1.77 billion</b>	<b>\$3.35 billion</b>

### B. Other Costs

I-69 from I-64 to Kentucky***	20 miles	\$326 million	\$489 million (50% increase****)
Mitigation	--	\$77 million	\$77 million
Rest Areas	--	\$28.6 million	\$28.6 million
<b>Subtotal</b>		<b>\$431.6 million</b>	<b>\$594.6 million</b>

### C. Indiana I-69 Total Costs

<b>Total Cost</b>	<b>\$2.2 billion</b>	<b>\$3.9 Billion</b>
Cost/Mile	\$13.5 million	\$24.3 million

\*I-69 Tier I Final Environmental Impact Statement, 2003, pp 6-53 to 6-66.  
 \*\* Tier 2 DEIS, Section 1, Appendix C. All Tier 2 studies will use 2010 cost estimates.  
 \*\*\* Tier 2 DEIS p S-26.  
 \*\*\*\* Since a 25% contingency cost was included in earlier cost estimate, only a 50% increase added here

*Comments: 1) Updated cost for sections 2-6 are 89% higher than tier 1 cost estimates, the same as INDOT shows for section 1; 2) Cost estimates for mitigation, rest areas and O&M are unchanged, since reliable updated costs are not available.*

## **REFERENCES FOR HIGHWAY CONSTRUCTION COST INCREASES:**

Lafayette-West Lafayette Indiana Journal and Courier, 1 Jan. 2007:

“State failed to anticipate bypass costs.”

Washington State Department of Transportation website, 2007

“Trends in highway materials costs”

Federal Highway Administration website

“Price trends for Federal-aid highway construction, 1987 base first quarter 2006”

Federal Highway Administration website, Construction, 2006:

“Highway construction cost increases and competition issues.”

American Road and Transportation Builders Association, Jan 31, 2006

“Highway construction materials costs skyrocket 22% in past 2 years.”

McGraw Hill Construction, Infrastructure News, Feb. 06

“Analyst—Construction costs ‘through the roof’.”

Skyscrapercity: Orlando, Florida, April 2006:

“Road construction costs rise due to materials and labour.”

Associated General Contractors, Construction Inflation Alert, Sept. 2006

“The continuing sticker shock of construction material costs.”

“Construction material cost increases outrun consumer and producer prices.”

North Bay, California Business Journal, Sept. 2006: Estimating future highway construction costs

“Construction-cost inflation here to stay” Experts predict increases will accelerate leading to toned-down projects.

Milwaukee Journal Sentinel, Feb. 2, 2005:

“Highway costs run rampant.”

Journal of Construction Engineering and Management, Vol. 129, Issue 3, pp 272-279 (May/June 2003)

“Estimating Future Highway Construction Costs”

Channel 6 news (theindychannel.com/news) March 26, 2007

"Value of Indiana Farmland Soars With Corn Prices."