I-74 Iowa-Illinois Corridor Reconstruction Project in the Quad Cities of Iowa and Illinois

2015 Financial Plan Update

Project Sponsors

IOWA DOT
SMARTER | SIMPLER | CUSTOMER DRIVEN

Illinois Department of Transportation

Project Limits:

I-74 in Moline, Illinois from Avenue of the Cities over the Mississippi River to 53rd Street in Davenport, Iowa

April 1, 2016

Letter of Certification

The Iowa Department of Transportation, in concert with the Illinois Department of Transportation, has developed a comprehensive Financial Plan for the I-74 Corridor Reconstruction Project in the Quad Cities of Iowa and Illinois in accordance with the requirements of Section 106, Title 23, United States Code, and the Financial Plan guidance issued by the Federal Highway Administration. The plan provides detailed cost estimates to complete the project and the estimates of financial resources to be utilized to fully finance the project.

The cost data in the Financial Plan provide an accurate accounting of costs incurred to date and include a realistic estimate of future costs based on engineering estimates and expected construction cost escalation factors. While the estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables, they represent realistic estimates of resources available to fund the project as described.

The Iowa and Illinois Departments of Transportation believe the Financial Plan provides an accurate basis upon which to schedule and fund the I-74 Corridor Reconstruction Project and commits to provide Annual Updates according to the schedule in the Initial Financial Plan.

To the best of our knowledge and belief, the Financial Plan as submitted herewith, fairly and accurately presents the financial position of the I-74 Corridor Reconstruction Project, cash flows, and expected conditions for the project's life cycle. The financial forecasts in the Financial Plan are based on our judgment of the expected project conditions and our expected course of action. We believe that the assumptions underlying the Financial Plan are reasonable and appropriate. Further, we have made available all significant information that we believe is relevant to the Financial Plan and, to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

_____Date:	_____Date:
Paul Trombino III	Ann Schneider
Director	Secretary
Iowa Department of Transportation	Illinois Department of Transportation

Executive Summary

The initial financial plan for the I-74 Corridor Reconstruction Project in the Quad Cities of Iowa and Illinois provides information on expended and expected program costs (including engineering, Right of Way, utilities, construction and agency costs) as well as funding information, project risks and scheduling information. This information is presented for the entire project, with particular focus and detail provided for Phases 1 and 2, which are currently shown in the Highway Program for each state Department of Transportation (DOT).

Phase 1 construction consists of the reconstruction of River Drive (3rd Avenue) in Moline, Illinois and the reconstruction of local roads in downtown Bettendorf, Iowa. The total expected cost of the Phase 1 project is $32.9 million in Year of Expenditure (YOE) dollars. The total amount of funding programmed and expended by the Illinois DOT is $9.2 million while the total amount programmed and expended by the Iowa DOTs is $23.7 million in YOE dollars. Therefore, Phase 1 is fully funded. Phase 1 is expected to complete in November 2015.

Phase 2 construction consists of the reconstruction of the I-74 corridor from slightly south of Avenue of the Cities in Illinois to slightly south of Middle Road in Iowa. The total expected cost of Phase 2 is $1002.7 million in YOE dollars. The total amount expended on Phase 2 Right of Way and engineering fees is $94.1 million. The total amount of funding currently programmed by the Illinois DOT for Phase 2 is $460.0 while the total amount currently programmed by the Iowa DOT is $279.9 million in YOE dollars. Therefore, there is currently $168.7 million required in additional funds for Phase 2. Phase 2 is expected to be fully funded with the release of the updated DOT programs as the remaining construction is currently scheduled for fiscal years that lie beyond those currently being programmed. Phase 2 is expected to complete in May 2021.

The costs for the I-74 Corridor Project will be financed through a combination of federal, state and local funds on a pay-as-you-go basis. There are no financing or debt related costs associated with this project.

This 2015 update to the financial plan is current as of July 13, 2015 for all information provided. The next annual update to this financial plan will be submitted to the FHWA following the release of the updated DOT programs for Fiscal Year 2017. Updated DOT programs are expected by June 30, therefore the next annual update will be submitted by September 30, 2016 and will be current as of June 30, 2016.

1.0 Introduction

1.1 Project Description

The Iowa and Illinois Departments of Transportation (Iowa DOT and Illinois DOT) and the Federal Highway Administration (FHWA) are proposing improvements to the Interstate 74 (I-74) corridor in the Quad Cities from 0.9 miles south of Avenue of the Cities (23rd Avenue) in Moline, Illinois to one mile north of 53rd Street in Davenport, Iowa (refer to Figure 1.1: I-74 Corridor over the Mississippi River Location Map). The I-74 Corridor Reconstruction Project will increase capacity throughout the corridor by upgrading approximately seven miles of the existing 4-lane interstate which includes a new Mississippi River crossing, improvements to six existing service interchanges, enhancements to the connecting arterial roadway system, and improved opportunities for transit, bicycle/pedestrian, and intermodal connections.

The project termini, 0.9 miles south of Avenue of the Cities in Illinois and one mile north of 53rd Street in Iowa, represent the general area of influence of the Mississippi River Crossing. I-74 is the only interstate facility that crosses the Mississippi River through the central Quad Cities area. As such, the I-74 corridor is the major transportation facility used to move people and goods through the area and across the Mississippi River. Commuters and other Quad City area residents rely on the I-74 bridges to reach destinations across the Mississippi River. The majority of traffic on I-74 has a destination or an origin in the Quad Cities, emphasizing the importance of this facility for local travel. The project is divided into three sections: the South, Central and North Sections. These sections are described in detail in Section 1.5. The 2040 Quad Cities Area Long Range Transportation Plan (LRP) predicts an increase in traffic on the I-74 bridges from 70,800 vehicles per day (vpd) in 2008 to 94,800 vpd in 2040. These traffic volumes amount to 45% of the total traffic crossing the Mississippi River in the Quad Cities area. The current traffic volumes already result in significant traffic delays, whereas the projected traffic volumes under the current roadway configuration will result in a detriment to the efficient movement of people and goods throughout the region.

The I-74 corridor provides a vital link between Iowa and Illinois, and an important gateway to the Quad Cities region. Growing population and employment during the past several decades has led to increasing traffic volumes. The current configuration of roadways and bridges along I-74 does not provide consistent travel times along this major transportation corridor. Traffic incidents and maintenance activities on the narrow Mississippi River bridges impede traffic flow. Therefore, improvements to the I-74 corridor are needed to enhance the movement of persons and goods between Iowa and Illinois, and serve the transportation needs for continued economic development in the Quad Cities region. In order to address these growing needs, the Iowa and Illinois Departments of Transportation joined forces with other agencies and local officials to complete the I-74 Iowa-Illinois Corridor Study.

The I-74 Iowa-Illinois Corridor Study evaluated transportation problems and recommended solutions to improve traffic flow, respect the environment, and complement community goals and plans. A solution for the I-74 corridor was achieved by working collectively and communicating with all concerned parties. The Iowa and Illinois Departments of Transportation are working closely with a committee composed of transportation and community officials. Communication with all interested parties has been maintained through a series of public hearings to present the findings in the Draft Environmental Impact Statement (DEIS), Final Environmental Impact Statement (FEIS), public information meetings, small group meetings, and a speaker's bureau. In addition, up-to-date project information has continued to be available in regular newsletters and on the project web site.

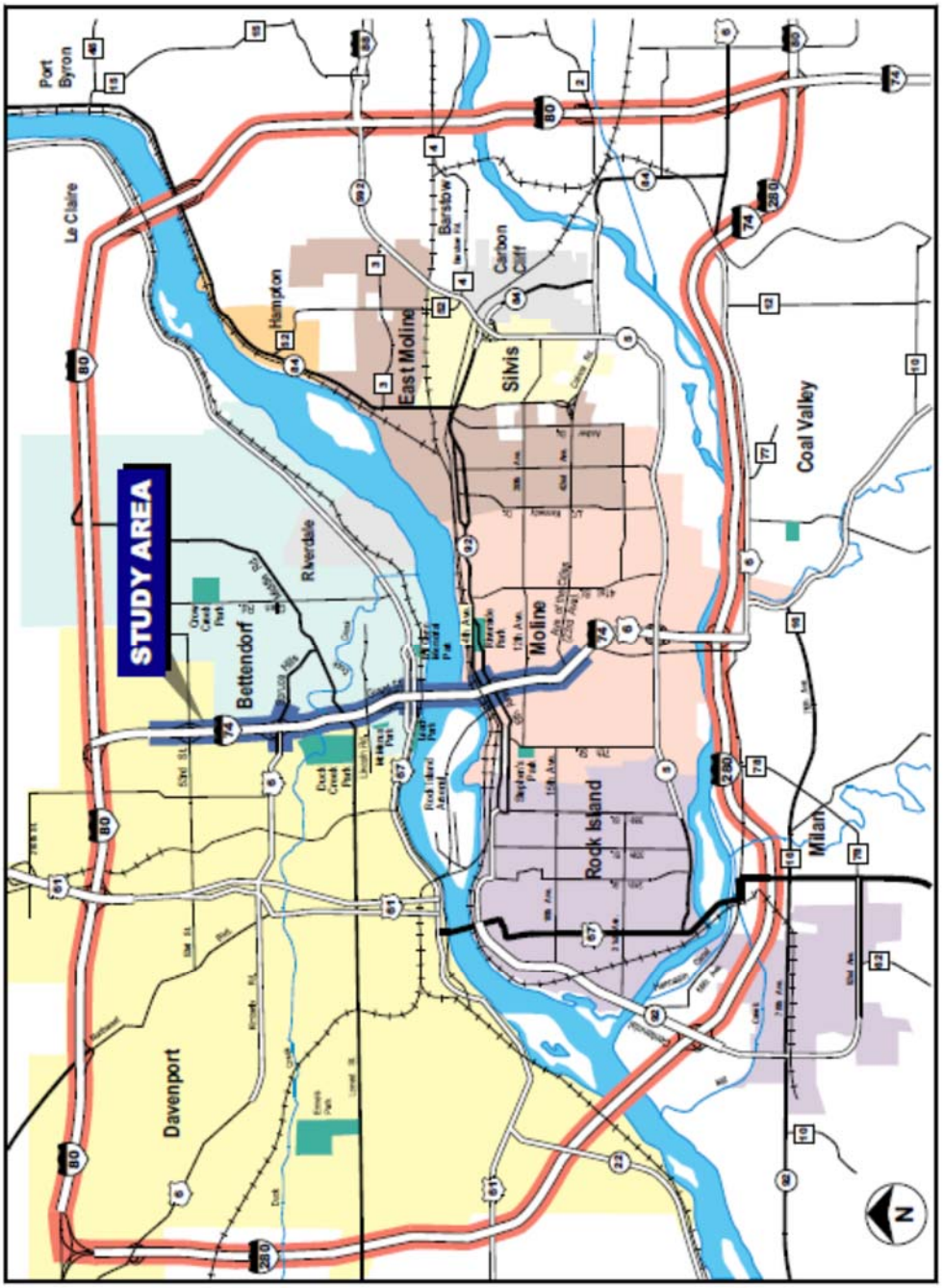

Figure 1.1: I-74 Corridor over the Mississippi River Location Map

1.2 Project Sponsors

The project is a joint initiative of the Iowa DOT and Illinois DOT in conjunction with the FHWA. The Iowa DOT is the lead state for the planning and development phases of the project as well as the construction of the I-74 Corridor Reconstruction Project. Other project sponsors include the City of Bettendorf, Iowa, the City of Davenport, Iowa and the City of Moline, Illinois.

1.3 Project History

Although often discussed generically as "the Mississippi River bridge," there are, in fact, two bridges: The northbound (Illinois to Iowa) bridge was opened in 1935, and the southbound (Iowa to Illinois) structure was completed in 1960. Both were constructed before the interstate system was instituted and well before I-74 became a route in the 1970s.

This project is the outgrowth of the earlier Quad Cities Mississippi River Crossing Major Investment Study (December 1998), conducted by the Iowa and Illinois DOTs, which identified strategies to improve travel across the Mississippi River. This study identified a three-pronged solution with widening and improving the I-74 bridges as one important element in increasing capacity of area river crossings. The other two elements were removing tolls on the Centennial Bridge and constructing a new bridge between the cities of East Moline and Bettendorf. Although each solution is being advanced separately, together they represent part of a coordinated Quad Cities strategy for addressing current and future traffic needs across the Mississippi River.

Schedule of Issuance of NEPA documents:

October 30, 2002 – Draft Environmental Impact Statement & Draft Section 4(f) Statement
January 8, 2009 - Final Environmental Impact Statement & Final Section 4(f) Statement
April 29, 2009 – Record of Decision

The I-74 Iowa-Illinois Corridor Study was completed in two parts. Part I included the preparation of a Draft Environmental Impact Statement (EIS) and selection of a preferred alternative for the I-74 corridor. Part II refined the recommended solution and concluded with the preparation of a Final EIS and the Record of Decision from the Federal Highway Administration. A timeline of the major events through the completion of the Record of Decision is given below.

- 1998: Mississippi River Crossing Major Investment Study (MIS)
- 2000: I-74 Iowa-Illinois Corridor Study began
- 2002: Draft Environmental Impact Statement completed
- 2005: Preferred alternative identified
- 2006: Main span bridge type chosen
- 2007: Preliminary Engineering completed
- 2009: Final Environmental Impact Statement completed and Record of Decision received from the FHWA

1.4 Current Activities

Final design has been completed on all Phase 1 construction contracts and the majority of the Phase 2 construction contracts. Funding is in place for all Phase 1 contracts while the project sponsors are in the process of securing all required funding for the Phase 2 contracts. Before the Phase 1 contracts can be let, the Initial Financial Plan must be approved by the FHWA.

Prior to approval of the Initial Financial Plan a Cost Estimate Review (CER) must be performed by the FHWA to verify the accuracy and reasonableness of the cost estimate and project schedule. An initial CER was also performed in July of 2007 prior to NEPA approval. The final CER was performed in March 2014 by the FHWA with assistance from the Iowa and Illinois DOTs. As a result of the CER, several modifications to the cost estimate were identified and incorporated into the project estimate and project risk analysis, leading to a recommended 70% minimum funding amount of $1,069 million in Year-of-Expenditure (YOE) dollars for the entire corridor and a funding amount of $25.4 million in YOE for the Phase 1 portion of the corridor.

Phase 3 final design work has not yet begun, nor have any Right of Way acquisitions been made. It is expected that construction for Phase 3 will not begin until after the completion of Phase 2 in 2021.

In April 2014, public information meetings were held in the Cities of Bettendorf and Moline to provide an update on the project status and to provide details on the proposed phasing of the project.

1.5 Phasing Plan

The following three phases have been identified for the project (along with a pre-phase for already constructed entities). Each phase can be opened to the public and operated effectively without future phases being completed (see the Operational Independence Study – Appendix A). The work previously identified as Phase 4 (South Section construction in Illinois) has now been included with Phase 2.

- Phase 0 (pre-phase) – **Lincoln Road and 53rd Street Construction** – Consists of the Lincoln Road bridge replacement and the widening of the 53rd Street bridge over I-74 along with local road improvements and the construction of I-74 loop ramps.
- Phase 1 –**Local Roads in Iowa and Illinois** – Consists of local road improvements in downtown Bettendorf and Moline. This work will be let as two separate construction contracts, one for work in Moline (June 13, 2014) and one in Bettendorf (September 16, 2014).
- Phase 2 – **Operationally Independent Central and South Section** – Consists of the I-74 mainline and ramp work from 27th Street in Moline to the south end of the Middle Road interchange in Bettendorf. It also includes the remainder of the local road work in downtown Moline and Bettendorf.
- Phase 3 – **North Section** – Consists of the I-74 mainline and ramp work from the south end of the Middle Road interchange to the north project limit.

Scheduling for each phase is discussed in section 2.0, while the cost breakdown for each phase is discussed in section 3.8. An aerial exhibit highlighting the various phases of the project is given on the following page.

Existing Mississippi River Bridge Crossing
Phase 0
Phase 1
Phase 2
Phase 3
Phase 4
END OF PROJECT LIMITS
53RD ST
9
MEGLE RD
LINCOLN RD
CENTRAL SECTION
NORTH SECTION
MISSISSIPPI BLVD
67
MISSISSIPPI RIVER
3RD AVE (RIVER DR)
6TH AVE
7TH AVE
12TH AVE
AVE OF THE CITIES
SOUTH SECTION
CENTRAL SECTION
END OF PROJECT LIMITS

2.0 Project Schedule

For a graphical depiction of the general project schedule for each construction phase see Figure 2.1: I-74 Corridor Project Schedule (by State Fiscal Year) at the end of this section.

2.1 Phase 1 Milestones

- June 2014 – Letting of the Illinois Advanced Local Road contract
- September 2014 – Letting of the Iowa Advanced Local Road project
- August 2015 – Completion of the Illinois Advanced Local Road construction
- November 2015 – Completion of the Iowa Advanced Local Road construction

2.2 Phase 2 Milestones

- May 2017 – Letting of the first Iowa Central Section projects
- June 2017 – Letting of the first Illinois Central Section contracts
- April 2018 – Pre-Stage work to be completed
    - Plug fill embankment and settlement
    - WB Arch and approach steel fabrication in progress
    - Arch and approach foundations in progress
- July 2018 – Stage 1A work to be completed
    - WB Arch and approach steel fabrication
    - WB Arch and approach substructure
    - Embankment for lower Ramp 6th-C in progress
    - Embankment for lower US 67 Ramp D in progress
    - US 67 Ramp D bridge substructure in progress
    - WB Iowa Viaduct substructure in progress
    - Illinois detour route upgrades – not required to be complete until November 2018
    - Iowa detour route upgrades – not required to be complete until November 2018
- April 2019 – Stage 1B work to be completed
    - Paving in plug fill area in progress
    - Modified existing WB entrance ramp from River Drive
    - WB Arch and approach superstructures in progress
    - Iowa trunk line storm sewer
    - Southern portion of Ramp 6th-C, including retaining wall
- May 2019 – Stage 2A work to be completed
    - EB Arch and approach steel fabrication
    - EB Arch and approach substructures
    - WB Arch and approach superstructures in progress
    - WB IL Viaduct Pier 3 and superstructure in progress
    - WB I-74 pavement in Iowa from approximately Station 6819+00 to Middle Road
    - Embankment adjacent to existing WB entrance ramp
    - Median crossover on I-74 Mainline in Iowa
- November 2019 – Stage 2B work to be completed
    - WB Arch and approach spans completed
    - EB Arch and approach superstructures in progress

    - Ramp 6th-C Pier 3
    - EB IL Viaduct off-line work in progress
    - Illinois WB I-74 Mainline and Ramps, all structures and pavement completed
    - Iowa WB I-74 Mainline and Ramps, all structures and pavement completed
    - Temporary Middle Road Ramp C
- April 2020 – Stage 2 winter work to be completed
    - Illinois EB plug fill mainline pavement and Ramp 6th-C pavement and bridge superstructure
- July 2020 – Stage 3A work to be completed
    - Iowa EB I-74 pavement
    - Middle Road Ramp C
    - US 67 Ramp A, including bridge and retaining wall
    - EB IA Viaduct and US 67 Ramp C in progress
    - EB Arch and approach superstructures in progress
- November 2020 – Stage 3B work to be completed
    - EB Arch and approach spans completed
    - Illinois EB I-74 Mainline and Ramps, all structures and pavement completed
    - Iowa EB I-74 Mainline and Ramps, all structures and pavement completed
    - Remaining Iowa local roads
    - Iowa detention pond
- May 2021 – Completion of various corridor-wide items
    - Landscaping
    - Demolition of the existing river crossing
    - Demolition of the existing viaduct structures in Bettendorf and Moline

2.3 Phase 3 Milestones

Currently the final design for Phase 3 is expected to be completed by the end of fiscal year 2020. Construction for this phase is estimated to begin in fiscal year 2021, however, the timing is still fairly uncertain and is subject to funding availability. Phase 3 construction is tentatively estimated to complete in June 2023.

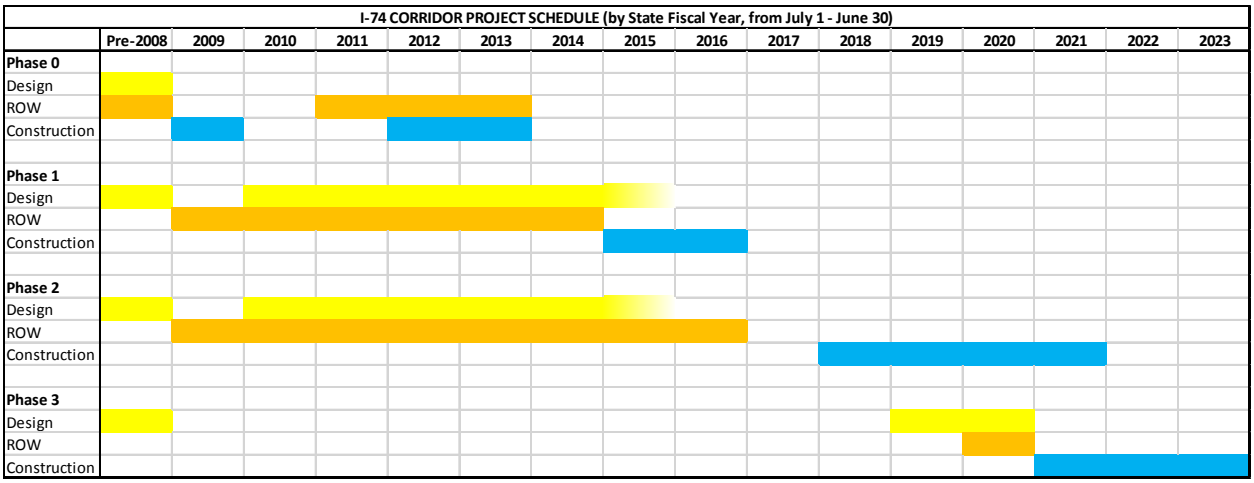

Figure 2.1: I-74 Corridor Project Schedule

3.0 Project Cost Estimate

3.1 Structure of the Cost Estimate

Unless noted otherwise, all costs given within this financial plan are in Year-of-Expenditure (YOE) dollars. The rate of inflation used for determining YOE costs is 3% per year for all types of expenditure except Right of Way, which used a rate of inflation of 5% per year. The selection of a 3% per year rate of inflation was determined through a review of historical cost indices tracked by the Engineering News Record (ENR) that showed a 2-3% rate of inflation over the past several years. It is the opinion of ENR and other industry experts that the current rate of inflation will continue into the near future.

3.2 Project Cost Categories

The costs for each project have been broken down into 10 major cost categories as follows:

1. **Preliminary Engineering** – Preliminary engineering consultant fees through D5 plans (Iowa DOT terminology for final right of way plans).
2. **Final Engineering** – Final engineering consultant fees through construction/bid documents.
3. **Program Management** – In-house Iowa and Illinois DOT administration for the project. Set as a fixed percentage of construction dollars.
4. **Construction Engineering** – Construction management, inspection and review services to be provided throughout the build phase of the project.
5. **Construction** – Expected bid cost of construction contracts. Includes storm sewer, sanitary sewer, water lines and an allowance for expected contract modifications.
6. **Utilities** – State or local cost of utility relocations and/or new utility construction. Does not include storm sewer items or ITS infrastructure.
7. **Information Technology Systems** – Includes security, surveillance, lane utilization, work zone management, structural health monitoring systems and fiber optic installation.
8. **Right of Way** – Appraisals, acquisitions, relocations, demolition and other costs incidental to the Right of Way acquisition process.
9. **Project Risk Analysis** – A probabilistic method for quantifying the impact of unknown or unplanned events on the project cost. Replaces the traditional contingency.
10. **Project Reserve** – A sum of money set aside for future program changes made at the owner's discretion. This money is not programmed and as such is not included in the cost totals nor in the cash flow tables.

3.3 Supporting Methodology for Cost Estimates

The methodology for developing the estimate of cost is described below for each project cost category:

1. Preliminary Engineering – This value has already been expended and is provided directly by the Iowa and Illinois DOTs.

2. Final Engineering – This number is the total authorized amount taken from the consultant agreement for final engineering services. For future final engineering services this amount is estimated as 5% of the construction cost.

3. Program Management – This number is estimated to be 2% of the total construction cost. This percentage is based on historically available data that has been carried forward from the initial CER conducted in 2007.

4. Construction Engineering – This number is estimated to be 7.5% of the total construction cost for Phases 1 and 2. It is estimated to be 2.5% of the total construction cost for Phases 3 and 4. These percentages are based on historically available data provided by the Iowa and Illinois DOTs during the Cost Estimate Review process.

5. Construction – Construction unit prices are determined by using an average of recent bid tabulations from Illinois and Iowa DOT projects for each pay item and making adjustments for quantity and difficulty of work. Pay item quantities are determined from the completed construction documents. For work that has not reached sufficient completion for the development of pay item quantities, reasonable estimates of the major construction elements are made based on previous experience, with 10-30% allowances (depending on the type of work and level of detail available) included to account for associated minor construction elements. Expected contract modifications are estimated to be 3% of the construction cost.

6. Utilities – An estimate of the utility costs for this project was provided by the Iowa and Illinois DOTs as part of the Cost Estimate Review process.

7. Information Technology Systems – Construction unit prices are determined by using an average of recent bid tabulations. Due to the limited availability of bid tabulations for specialized ITS equipment, supplemental information is gathered from suppliers and from similar projects in other states.

8. Right of Way – This value is provided directly by the Iowa and Illinois DOTs for their expended and projected costs of land acquisition.

9. Project Risk Analysis – This number is determined by evaluating the project and quantifying the likelihood and cost impact of unknown and/or unforeseen events that could significantly affect the project cost and/or schedule. These various risk events are then simulated via a computer algorithm and the amount of dollars necessary to insure against 80% of the potential cost outcomes is provided for budgeting purposes.

10. Project Reserve – This number is set at regular project intervals via input from the Illinois and Iowa DOTs. It represents the total sum of potential changes to the project scope that are owner driven decisions as well as an additional sum of non-specific funds that are held in reserve whenever cost savings are identified throughout the project. When the non-specific portion of the Project Reserve becomes too large, it can be reduced at the direction of the Illinois and Iowa DOT, resulting in a decrease in necessary programming funds.

The Inflation rate is assumed to be a constant 3% per year. This number is in keeping with historical averages in the construction industry as well as current near-term projections by industry analysts.

3.4 City/State Agreements

A Memorandum of Understanding (MOU) was developed and agreed upon between the State of Illinois, State of Iowa, City of Moline, City of Bettendorf and City of Davenport for the cost sharing of various aesthetic and utility improvements. This MOU was last updated and agreed upon in December 2011.

Multi-use Trail

The State of Illinois, State of Iowa, City of Moline and City of Bettendorf will share the cost of the construction, maintenance and operation of the multi-use trail that will be part of the new Mississippi River crossing. In the 2011 MOU it was determined that the Cities of Moline and Bettendorf would bear 100% of the cost of off-bridge trail construction on either side of the river. The portions of the trail carried on the Iowa viaduct would be paid for 100% by the Iowa DOT while the cost of the multi-use trail on the river approach and arch bridges would be split 50 / 50 between the Illinois and Iowa DOTs. The estimated cost identified for the City of Bettendorf is $78,000 while the estimated cost identified for the City of Moline is $176,000.

Storm Sewers in Bettendorf and Moline

As part of the I-74 Corridor Reconstruction project, the downtown areas of Bettendorf and Moline will have many local roads reconstructed and existing storm sewer lines replaced. The portions of new storm sewer construction that will service the local roadway systems will have their cost borne by the cities of Bettendorf and Moline. These costs are $850,000 for the City of Bettendorf and $350,000 for the City of Moline per the 2011 MOU. They are tabulated as construction costs in Section 3.5.

Sanitary Sewers in Bettendorf and Moline and Water mains in Moline

The cities of Bettendorf and Moline will take advantage of the major reconstruction of streets within their municipalities and use that opportunity to replace aging and outdated sanitary and water lines. 100% of the cost of the design and construction of this work will be borne by the cities. These costs are $1,172,199 for the City of Bettendorf and $63,000 for the City of Moline per the 2011 MOU. They are tabulated as construction costs in Section 3.5.

Aesthetics

A corridor wide aesthetics program was developed for the I-74 reconstruction project. The two DOTs will bear the majority of the cost of the aesthetics program, but the 2011 MOU with the cities of Bettendorf, Moline and Davenport includes cost sharing of specific elements of the program such as lighting, the Bettendorf Let-down structure, water features, etc. These costs are $5,792,898 for the City of Bettendorf, $431,969 for the City of Davenport and $1,830,688 for the City of Moline and are tabulated as construction costs in Section 3.5.

For Phases 2, 3, and 4; no City participation has been identified for preliminary engineering, final engineering (other than the funds shown above for the final design of the let-down structure in Bettendorf), program management, or construction engineering costs. Any future shift in funding responsibilities for these items will be reflected in updates to this financial plan.

3.5 Cost Estimate by Cost Category, Project Phase and Locality

The cost participation of the local municipalities and the cost to be covered by State/Federal funds are outlined by cost category in the tables below. A separate table has been prepared for each project phase (see Section 1.5 for a description of the 4 project phases).

Phase 0 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	322,123	0	0	322,123
2. Final Engineering	0	0	351,449	0	0	351,449
3. Program Management	0	0	352,195	0	0	352,195
4. Construction Engineering	0	0	0	0	0	0
5. Construction	0	0	16,269,796	0	0	16,269,796
6. Utilities	0	0	0	0	0	0
7. Information Technology System	0	0	0	0	0	0
8. Right of Way	0	0	1,066,992	0	0	1,066,992
9. Project Risk Analysis	0	0	0	0	0	0
Total	**0**	**0**	**18,362,555**	**0**	**0**	**18,362,555**
10. Project Reserve	0	0	0	0	0	**0**

*NOTE: For Phase 0 only, Construction Engineering costs are included with the Program Management line item.

Phase 1 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	263,774	0	133,103	**396,878**
2. Final Engineering	100,000	0	622,102	0	364,381	**1,086,483**
3. Program Management	0	0	221,537	0	111,790	**333,327**
4. Construction Engineering	0	0	1,411,123	0	517,725	**1,928,848**
5. Construction	5,139,595	0	13,523,380	1,236,000	5,559,000	**25,457,975**
6. Utilities	0	0	0	0	0	**0**
7. Information Technology System	0	0	152,000	0	108,000	**260,000**
8. Right of Way	0	0	764,180	0	385,614	**1,149,794**
9. Project Risk Analysis	0	0	1,499,447	0	756,637	**2,256,084**
Total	**5,239,595**	0	**18,457,544**	**1,236,000**	**7,936,250**	**32,869,388**
10. Project Reserve	0	0	3,849,109	0	1,942,302	**5,791,412**

Phase 2 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	6,115,756	0	9,873,897	**15,989,652**
2. Final Engineering	0	0	24,518,269	0	24,875,991	**49,394,260**
3. Program Management	0	0	6,753,570	0	8,563,871	**15,317,441**
4. Construction Engineering	0	0	21,694,226	0	30,511,875	**52,206,101**
5. Construction	9,381,490	0	294,173,473	5,759,137	411,962,863	**721,276,964**
6. Utilities	0	0	1,092,727	0	1,092,727	**2,185,454**
7. Information Technology System	0	0	6,109,676	0	6,536,455	**12,646,131**
8. Right of Way	0	0	19,055,066	0	14,114,386	**33,169,452**
9. Project Risk Analysis	0	0	43,214,806	0	57,290,185	**100,504,991**
Total	**9,381,490**	**0**	**422,727,569**	**5,759,137**	**564,822,250**	**1,002,690,447**
10. Project Reserve	0	0	71,419,763	0	90,950,413	**162,370,176**

Phase 3 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	2,600,716	0	0	**2,600,716**
2. Final Engineering	0	0	5,847,649	0	0	**5,847,649**
3. Program Management	0	0	2,843,512	0	0	**2,843,512**
4. Construction Engineering	0	0	3,267,962	0	0	**3,267,962**
5. Construction	0	431,969	130,925,244	0	0	**131,357,213**
6. Utilities	0	0	0	0	0	**0**
7. Information Technology System	0	0	2,004,038	0	0	**2,004,038**
8. Right of Way	0	0	638,141	0	0	**638,141**
9. Project Risk Analysis	0	0	19,534,237	0	0	**19,534,237**
Total	**0**	**431,969**	**168,093,468**	**0**	**0**	**168,093,468**
10. Project Reserve	0	0	30,684,540	0	0	**30,684,540**

3.6 Cost Incurred to Date

A summary of the total costs incurred by each DOT (current as of July 13, 2015) is presented in the table below:

Element	Iowa ($YOE)	Illinois ($YOE)	Total ($YOE)
1. Preliminary Engineering	9,302,369	10,007,000	**19,309,369**
2. Final Engineering	25,591,821	25,240,372	**50,832,192**
3. Program Management	3,547,334	1,125,000	**4,672,334**
4. Construction Engineering	479,717	200,000	**679,717**
5. Construction	35,084,771	6,903,000	**41,987,771**
6. Utilities	0	0	**0**
7. Information Technology Systems	0	0	**0**
8. Right of Way	19,986,238	8,500,000	**28,486,238**
9. Project Risk Analysis	0	0	**0**
Total	**93,992,249**	**51,975,372**	**145,967,620**
10. Project Reserve	0	0	**0**

3.7 Cost to Complete

The total expected cost to each DOT to complete all four phases of the project is presented in the table below:

Element	Iowa ($YOE)	Illinois ($YOE)	Total ($YOE)
1. Preliminary Engineering	0	0	**0**
2. Final Engineering	5,847,649	0	**5,847,649**
3. Program Management	6,623,479	7,550,661	**14,174,141**
4. Construction Engineering	25,893,595	30,829,600	**56,723,195**
5. Construction	434,760,177	417,614,001	**852,374,177**
6. Utilities	1,092,727	1,092,727	**2,185,454**
7. Information Technology Systems	8,265,714	6,644,455	**14,910,169**
8. Right of Way	1,538,141	6,000,000	**7,538,141**
9. Project Risk Analysis	64,248,489	58,046,822	**122,295,311**
Total	**548,269,971**	**527,778,266**	**1,076,048,237**
10. Project Reserve	105,953,413	92,892,715	**198,846,128**

4.0 Project Funds

4.1 Revenue Overview

The I-74 Corridor Reconstruction Project will be financed through a combination of federal, state and local funding.

The Iowa DOT has fully funded Phase 1 and construction is currently ongoing. The Iowa DOT has committed funds to partially fund Phase 2 of the project. The current Iowa Transportation Improvement Program (2016-2020) has identified revenue sources for Phase 2 ROW and construction equaling $277.5 million. Iowa DOT projects are funded by the State Primary Road Fund in addition to federal and local funding contributions. Revenue sources include fuel taxes, sales taxes on new and used motor vehicles and motor vehicle registration fees.

The Illinois DOT has also fully funded Phase 1 and construction is currently ongoing. The Illinois DOT has committed funds to partially fund Phase 2 of the project. The current Illinois Transportation Improvement Program (2016-2021) has identified revenue sources for Phase 2 construction engineering, ROW and construction equaling $428.2 million. Illinois DOT projects are funded by the state Highway Improvement Program. Revenue sources include the state motor fuel tax, motor vehicle registration fees and other user fees.

Currently neither state plans to utilize debt financing for the projects but rather to meet annual cash flow needs on a pay-as-you-go basis.

4.2 State Funding Sources

As of April 24, 2014, the Iowa DOT and Illinois DOT have revenue sources as identified in the following table:

	Expended or Obligated Funds	Committed Funds	Future Funds**	Total
Iowa				
Phase 0				
Federal Apportionments	2,127,426	0	0	2,127,426
State Funds	3,994,767	0	0	3,994,767
Local Funds	0	0	0	0
Federal Discretionary Funds	12,254,804	0	0	12,254,804
Total Phase 0	**18,376,997**	**0**	**0**	**18,376,997**
Phase 1				
Federal Apportionments	14,827,864	0	0	14,827,864
State Funds	3,706,966	0	0	3,706,966
Local Funds	5,163,640	0	0	5,163,640
Federal Discretionary Funds	0	0	0	0
Total Phase 1	**23,698,470**	**0**	**0**	**23,698,470**

Phase 2				
Federal Apportionments	3,969,142	216,450,513	81,728,484	302,148,139
State Funds	20,062,573	54,112,628	20,432,121	94,607,322
Local Funds	0	9,381,490	0	9,381,490
Federal Discretionary Funds	25,972,107	0	0	25,972,107
Total Phase 2	**50,003,823**	**279,944,631**	**102,160,605**	**432,109,059**
Phase 3				
Federal Apportionments	2,081	0	134,316,522	134,318,603
State Funds	520	0	33,579,131	33,579,651
Local Funds	0	0	431,969	431,969
Federal Discretionary Funds	0	0	0	0
Total Phase 3	**2,601**	**0**	**168,327,622**	**168,330,222**
Iowa Total	**92,081,890**	**279,944,631**	**270,488,226**	**642,514,748**
Illinois				
Phase 0				
Federal Apportionments	0	0	0	0
State Funds	0	0	0	0
Local Funds	0	0	0	0
Federal Discretionary Funds	0	0	0	0
Total Phase 0	**0**	**0**	**0**	**0**
Phase 1				
Federal Apportionments	6,349,000	0	0	6,349,000
State Funds	1,587,250	0	0	1,587,250
Local Funds	1,236,000	0	0	1,236,000
Federal Discretionary Funds	0	0	0	0
Total Phase 1	**9,172,250**	**0**	**0**	**9,172,250**
Phase 2				
Federal Apportionments	7,232,488	363,929,685	54,817,257	425,979,430
State Funds	1,808,122	90,982,421	13,704,314	106,494,858
Local Funds	0	5,043,500	0	5,043,500
Federal Discretionary Funds	33,063,600	0	0	33,063,600
Total Phase 2	**42,104,210**	**459,955,606**	**68,521,572**	**570,581,388**
Phase 3				
Federal Apportionments	0	0	0	0
State Funds	0	0	0	0
Local Funds	0	0	0	0
Federal Discretionary Funds	0	0	0	0
Total Phase 3	**0**	**0**	**0**	**0**
Illinois Total	**51,276,460**	**459,955,606**	**68,521,572**	**579,753,638**
Project Total	**143,202,473**	**739,900,238**	**339,165,675**	**1,222,268,386**

**Future funds are defined in the final paragraph on Page 22 (Section 4.3).

Iowa's revenue reflects the current 2016-2020 Transportation Improvement Program:
http://www.iowadot.gov/program_management/five_year/Final_2014-2018_5YrProg.pdf

The revenues identified for Iowa in this Financial Plan equal the programmed amounts in the 2016-2020 Iowa Transportation Improvement Program with the following exceptions:

- As projects are designed, let and constructed, contract modifications will be necessary and may change the final project costs. The revenue required for the contract modifications which result in cost increases is available and included in the 2016-2020 Iowa Transportation Improvement Program. This line item is located in the (00) STATEWIDE section of the program, Post Letting Project Costs for Miscellaneous type of work.
- Revenue required for consultant engineering costs is included in the 2016-2020 Iowa Transportation Improvement Program. This line item is located in the (00) STATEWIDE section of the program, Statewide Consultant Services.
- Revenue identified for Iowa DOT design and construction engineering is included in the DOT operations budget (see page iii of the Iowa DOT program).

For Fiscal Year 2014, the total amount of dollars in Iowa's Primary Road Fund was $546.1 million.

Illinois' revenue reflects the current 2016-2021 Transportation Improvement Program: https://www.dot.il.gov/mmtip1520/mmtimprov.htm

Illinois' Surface Transportation Program for 2016-2021 includes separate contracts for construction engineering. No additional funds are set aside for contract modifications in any individual project. Consultant contracts for final design have been obligated in previous year's programs. Internal Illinois DOT costs are covered by operating expenses, which are not assigned to specific projects. Contract overruns are typically balanced with cost savings in other contracts. If a contract has overruns that are not balanced with other contracts that have cost savings the district will need to modify the remaining items scheduled for letting that fiscal year.

For Fiscal Year 2016, the total amount of dollars in Illinois' Highway Program was $1,850 million.

4.3 Anticipated State and Federal Funding Sources

Revenues for Iowa's Highway Improvement Program come from 3 basic sources:

- State Primary Road Fund
- Formula Federal – Aid
- Congressionally Designated Federal – Aid

Future funding for Phases 2, 3 and 4 of the I-74 Project will come from these categories of revenue. At the time of programming, a further evaluation of revenue eligibility versus project need will be completed by the Office of Program Management, the Engineering Bureau Director, and the District Engineer. Results and specifics from this evaluation will be included in Iowa DOT's 5-Year Transportation Improvement Program and in future updates to the project's Financial Plan.

Revenues for the Illinois DOT multi-modal Transportation Improvement Program come from federal, state and local sources. The primary source of state funds come from the motor fuel tax (MFT), motor vehicle registration (MVR) fees, other user fees, and bonds authorized through capital programs such as Governor Quinn's Illinois Jobs Now! (IJN!) infrastructure investment program. Federal sources for highways are allocated to the department through federal transportation legislation titled Moving Ahead for Progress in the 21st Century (MAP-21), signed into law in July 2012 and expiring at the end of September 2014. Local sources for the highway program portion are normally planned reimbursements to the Illinois DOT for projects underway with local participation.

Approximately $85.3 million of Congressionally-designated, federal funds have been identified for the I-74 project (this includes funds directed to Iowa and Illinois) which are broken down as follows: In the 2001 Appropriations Act, this project received NCPD funds of $5,600,000. In the 2002 Appropriations Act, this project received TCSP funding of $2,000,000 and Section 330 funds of $2,000,000. In the 2003 Appropriations Act, this project received IMD funds of $943,825, NCPD funds of $3,000,000, and Bridge Discretionary funds of $993,500. The 2004 Omnibus Appropriations Act also included $1,250,000 in Bridge Discretionary funds for the project. The 2005 Omnibus Appropriations Bill included $1,100,000 of Bridge Discretionary funds for the project. Most recently, the SAFETEA-LU Authorization included a total of $67.4 million for the I-74 project ($35 million in Sec. 1114, $15 million in National Corridor, $3.5 million in Transportation Improvement, and $13.9 million in High Priority Project funds). The Consolidated Appropriations Act of 2010 included $2,200,000 in Interstate Maintenance Discretionary funds. To date, the two states combined have obligated approximately $81.8 million of federal funds for the project and expended $67.3 million.

The Iowa DOT, in conjunction with the Illinois DOT, applied for $126 million in TIGER grant funds for the I-74 Project, but this application was not selected to receive funds. The Iowa DOT also submitted an application for a TIGER II grant, but the project was not selected. Neither Iowa nor Illinois used any Recovery Act funds on the I-74 project.

For purposes of this plan, any revenue needs beyond the current Iowa DOT 5-Year Transportation Improvement Program and the Illinois DOT 6-Year Transportation Improvement Program will be shown under a category of *Future Funds*. The revenue needs categorized under *Future Funds* are outlined in the 2040 MAPA Long Range Transportation Plan. The Iowa and Illinois DOT Commissions are committed to continue funding on large projects where construction will span many years beyond the current

program. The yearly updates for this plan will continue to be updated based on the new program cycle. *Future Funds* that are shown in the tables are consistent with current Iowa DOT and Illinois DOT project programming levels. The Iowa and Illinois DOTs' transportation programs have remained fairly constant over the past few years. These factors were considered in setting the future funding levels beyond the current program years. These estimates will be re-evaluated and updated with each of the annual updates of the plan. The current plan for resource allocation is shown in Table 4-2.

It is expected that the remainder of the project will be funded through NHPP and STP funds.

4.4 Local Funding Sources

For Phase 1 of the I-74 Corridor project, the City of Bettendorf will bear the cost of engineering and construction of sanitary sewer replacement in Bettendorf, Iowa along with several other roadway and lighting items. The City of Bettendorf will also bear the cost of engineering and construction for a let-down structure that will connect the existing multi-use trail with the one on the proposed I-74 eastbound viaduct structure. This work will be 100% locally funded (at this time no federal dollars are anticipated to be used), with the sanitary sewer work being paid for by sanitary and storm utility user fees while the other work will be paid for by essential corporate purpose bonds. The City of Moline will bear the cost of sanitary sewer and water main replacement in Moline, Illinois along with several other roadway and lighting items. This work will also be 100% locally funded, with the sanitary sewer and water main work being paid for by utility user charges while the other work will be paid for by the home rule sales tax.

Phases 2, 3 and 4 are expected to have additional local contributions as shown in Section 3.5.

5.0 Financing Issues

There are no financing costs currently associated with or planned for any phase of the project.

6.0 Cash Flow and Net Funding

All costs shown in the following tables are in thousands of dollars. Construction Revenue amounts shown for previous years reflect actual project expenditures, while amounts shown for future years reflect project-specific funds that have been programmed. The Engineering Subtotal for future years is fully funded by previous obligations, DOT operations budgets and "statewide" programmed items.

6.1 Phase 0

	Pre-2008	2008	2009	2010	2011	2012	2013	Total
Preliminary Engineering	332	0	0	0	0	0	0	**332**
Final Engineering	351	0	0	0	0	0	0	**351**
Program Management	32	0	0	0	0	195	130	**356**
Construction Engineering	0	0	0	0	0	0	0	**0**
Engineering Subtotal	**716**	**0**	**0**	**0**	**0**	**195**	**130**	**1,040**
Engineering Revenue	**716**	**0**	**0**	**0**	**0**	**195**	**130**	**1,040**
Construction	0	3,285	0	0	0	7,791	5,194	**16,270**
Utilities	0	0	0	0	0	0	0	**0**
ITS	0	0	0	0	0	0	0	**0**
Right of Way	31	0	0	0	996	35	4	**1,067**
Project Risk Analysis	0	0	0	0	0	0	0	**0**
Construction Subtotal	**31**	**3,285**	**0**	**0**	**996**	**7,826**	**5,198**	**17,337**
Construction Revenue	**31**	**3,285**	**0**	**0**	**996**	**7,826**	**5,198**	**17,337**
Net Funding	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

6.2 Phase 1 – Iowa

	Pre-2008	2008	2009	2010	2011	2012	2013	2014
Preliminary Engineering	264	0	0	0	0	0	0	0
Final Engineering	0	0	0	93	125	125	99	191
Program Management	0	0	0	1	1	1	1	2
Construction Engineering	0	0	0	0	0	0	0	0
Engineering Subtotal	**264**	**0**	**0**	**94**	**127**	**126**	**100**	**193**
Engineering Revenue	**264**	**0**	**0**	**94**	**127**	**126**	**100**	**193**
Construction	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0
ITS	0	0	0	0	0	0	0	0
Right of Way	0	0	15	31	145	58	150	227
Project Risk Analysis	0	0	0	0	0	0	0	0
Construction Subtotal	**0**	**0**	**15**	**31**	**145**	**58**	**150**	**227**
Construction Revenue	**0**	**0**	**15**	**31**	**145**	**58**	**150**	**227**
Net Funding	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

	2015	2016	Total
Preliminary Engineering	0	0	**264**
Final Engineering	89	0	**722**
Program Management	108	107	**222**
Construction Engineering	705	706	**1,411**
Engineering Subtotal	**902**	**813**	**2,619**
Engineering Revenue	**902**	**813**	**2,619**
Construction	9,327	9,336	**18,663**
Utilities	0	0	**0**
ITS	76	76	**152**
Right of Way	104	15	**764**
Project Risk Analysis	756	744	**1,501**
Construction Subtotal	**10,262**	**10,171**	**21,080**
Construction Revenue	**10,262**	**10,171**	**21,080**
Net Funding	***0***	***0***	***0***

6.3 Phase 1 – Illinois

	Pre-2008	2008	2009	2010	2011	2012	2013	2014
Preliminary Engineering	133	0	0	0	0	0	0	0
Final Engineering	0	0	0	47	63	63	50	96
Program Management	0	0	0	1	1	1	1	1
Construction Engineering	0	0	0	0	0	0	0	0
Engineering Subtotal	**133**	**0**	**0**	**48**	**64**	**64**	**51**	**98**
Engineering Revenue	**133**	**0**	**0**	**48**	**64**	**64**	**51**	**98**
Construction	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0
ITS	0	0	0	0	0	0	0	0
Right of Way	0	0	0	4	4	11	88	82
Project Risk Analysis	0	0	0	0	0	0	0	0
Construction Subtotal	**0**	**0**	**0**	**4**	**4**	**11**	**88**	**82**
Construction Revenue	**0**	**0**	**0**	**4**	**4**	**11**	**88**	**82**
Net Funding	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

	2015	2016	Total
Preliminary Engineering	45	0	**133**
Final Engineering	54	53	**364**
Program Management	259	259	**112**
Construction Engineering	**358**	**312**	**518**
Engineering Subtotal	**358**	**312**	**1,127**
Engineering Revenue	45	0	**1,127**
Construction	3,398	3,398	**6,795**
Utilities	0	0	**0**
ITS	54	54	**108**
Right of Way	37	96	**386**
Project Risk Analysis	375	376	**757**
Construction Subtotal	**3,863**	**3,923**	**8,045**
Construction Revenue	**3,863**	**3,923**	**8,045**
Net Funding	***0***	***0***	***0***

6.4 Phase 2 – Iowa

	Pre-2008	2008	2009	2010	2011	2012	2013	2014
Preliminary Engineering	6,116	0	0	0	0	0	0	0
Final Engineering	0	0	0	3,156	4,256	4,244	3,352	6,481
Program Management	0	0	0	60	81	80	63	123
Construction Engineering	0	0	0	0	0	0	0	0
Engineering Subtotal	**6,116**	**0**	**0**	**3,215**	**4,337**	**4,325**	**3,415**	**6,604**
Engineering Revenue	**6,116**	**0**	**0**	**3,215**	**4,337**	**4,325**	**3,415**	**6,604**
Construction	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0
ITS	0	0	0	0	0	0	0	0
Right of Way	0	0	385	774	3,610	1,452	3,733	5,649
Project Risk Analysis	0	0	0	0	0	0	0	0
Construction Subtotal	**0**	**0**	**385**	**774**	**3,610**	**1,452**	**3,733**	**5,649**
Construction Revenue	**0**	**0**	**385**	**774**	**3,610**	**1,452**	**3,733**	**5,649**
Net Funding	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

	2015	2016	2017	2018	2019	2020	2021	Total
Preliminary Engineering	0	0	0	0	0	0	0	**6,116**
Final Engineering	3,029	0	0	0	0	0	0	**24,518**
Program Management	57	0	0	1,014	1,528	2,150	1,598	**6,754**
Construction Eng.	0	0	0	3,437	5,405	7,648	5,205	**21,694**
Engineering Subtotal	**3,086**	**0**	**0**	**4,450**	**6,933**	**9,798**	**6,802**	**59,082**
Engineering Revenue	**3,086**	**0**	**0**	**4,450**	**6,933**	**9,798**	**6,802**	**59,082**
Construction	0	0	0	48,147	74,365	104,747	76,295	**303,555**
Utilities	0	0	0	1,093	0	0	0	**1,093**
ITS	0	0	0	895	1,018	1,252	2,945	**6,110**
Right of Way	2,588	385	0	481	0	0	0	**19,055**
Project Risk Analysis	716	49	0	6,892	10,301	14,490	10,767	**43,215**
Construction Subtotal	**3,304**	**434**	**0**	**57,507**	**85,684**	**120,489**	**90,007**	**373,027**
Construction Revenue	**3,304**	**400**	**0**	**55,457**	**84,788**	**118,118**	**87,800**	**365,469**
Net Funding	***0***	***-34***	***0***	***-2,050***	***-896***	***-2,371***	***-2,207***	***-7,558***

The $87.8 million in construction revenue for FY 2021 is not currently in the FY2016-2020 program but will be allocated in the following year.

6.5 Phase 2 – Illinois

	Pre-2008	2008	2009	2010	2011	2012	2013	2014
Preliminary Engineering	9,874	0	0	0	0	0	0	0
Final Engineering	0	0	0	3,202	4,318	4,306	3,400	6,576
Program Management	0	0	0	57	77	77	61	117
Construction Engineering	0	0	0	0	0	0	0	0
Engineering Subtotal	**9,874**	**0**	**0**	**3,259**	**4,395**	**4,383**	**3,461**	**6,693**
Engineering Revenue	**9,874**	**0**	**0**	**3,259**	**4,395**	**4,383**	**3,461**	**6,693**
Construction	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0
ITS	0	0	0	0	0	0	0	0
Right of Way	0	0	1	156	130	388	3,219	3,018
Project Risk Analysis	0	0	0	0	0	0	0	0
Construction Subtotal	**0**	**0**	**1**	**156**	**130**	**388**	**3,219**	**3,018**
Construction Revenue	**0**	**0**	**1**	**156**	**130**	**388**	**3,219**	**3,018**
Net Funding	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

	2015	2016	2017	2018	2019	2020	2021	Total
Preliminary Engineering	0	0	0	0	0	0	0	**9,874**
Final Engineering	3,073	0	0	0	0	0	0	**24,876**
Program Management	55	0	0	1,489	2,185	2,434	2,014	**8,564**
Construction Eng.	0	0	0	5,534	8,329	9,268	7,380	**30,512**
Engineering Subtotal	**3,128**	**0**	**0**	**7,023**	**10,514**	**11,702**	**9,394**	**73,826**
Engineering Revenue	**3,128**	**0**	**0**	**7,023**	**10,514**	**11,702**	**9,394**	**73,826**
Construction	0	0	0	75,957	113,137	125,966	102,662	**417,722**
Utilities	0	0	0	1,093	0	0	0	**1,093**
ITS	0	0	0	993	1,173	1,373	2,997	**6,536**
Right of Way	1,363	3,504	2,336	0	0	0	0	**14,114**
Project Risk Analysis	634	520	288	10,239	15,025	16,736	13,849	**57,290**
Construction Subtotal	**1,996**	**4,024**	**2,624**	**88,282**	**129,335**	**144,076**	**119,507**	**496,756**
Construction Revenue	**1,996**	**4,024**	**2,624**	**88,282**	**129,335**	**144,076**	**52,982**	**430,231**
Net Funding	***0***	***0***	***0***	***0***	***0***	***0***	***-66,525***	***-66,525***

6.6 Phase 3

	Pre-2008	2009 - 2018	2019	2020	2021	2022	2023	Total
Preliminary Engineering	2,601	0	0	0	0	0	0	**2,601**
Final Engineering	0	0	2,881	2,967	0	0	0	**5,848**
Program Management	0	0	61	61	706	1,324	693	**2,844**
Construction Engineering	0	0	0	0	1,057	1,089	1,122	**3,268**
Engineering Subtotal	**2,601**	**0**	**2,941**	**3,028**	**1,763**	**2,413**	**1,814**	**14,560**
Engineering Revenue	**2,601**	**0**	**2,941**	**3,028**	**1,763**	**2,413**	**1,814**	**14,560**
Construction	0	0	0	0	33,051	64,888	33,417	**131,357**
Utilities	0	0	0	0	0	0	0	**0**
ITS	0	0	163	85	1,308	452	233	**2,241**
Right of Way	0	0	0	638	0	0	0	**638**
Project Risk Analysis	0	0	415	503	4,826	9,052	4,738	**19,534**
Construction Subtotal	**0**	**0**	**578**	**1,226**	**39,185**	**74,392**	**38,389**	**153,770**
Construction Revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Funding	***0***	***0***	***-578***	***-1,226***	***-39,185***	***-74,392***	***-38,389***	***-153,770***

7.0 Public Private Partnership Assessment

The state of Iowa does not currently have legislation in place that allows for Public Private Partnerships. However, a study was conducted on June 2011 to investigate funding and financing options for the I-74 Corridor project. This study provided a thorough analysis on the expected revenues and traffic impacts due to tolling the river crossing on I-74. As a result of this study the Iowa DOT concluded that tolling would not be a reasonable funding option for this project.

The state of Illinois conducted a study in November 2012 to investigate financial strategies for the I-74 Corridor project. This study did not identify any recommended funding sources and concluded that the I-74 project was not a good candidate for alternative funding methodologies such as a Public Private Partnership funding mechanism or a TIFIA loan.

8.0 Risk and Response Strategies

8.1 Risk Identification

The following risks have been identified in the Project Risk Assessment and still require monitoring throughout the project delivery process.

1. **Lack of Competition in the Steel Fabrication Market when the River Bridge Contracts are Bid** – There are currently only three steel fabricators in the United States that can handle the types, sizes and magnitude of steel required for the River Bridge contracts.
2. **The Bids for the Arch Bridge Contract Exceed the Engineer's Estimate and Require a Rebid** – There is some possibility that the bids for the Arch Bridge Contract will exceed the Engineer's Estimate (due to a combination of price escalation and market conditions) by enough that the project is rebid
3. **Innovative Arch Bridge Construction Method** – There is an opportunity for cost savings if the Contractor's means and methods result in more efficient construction.
4. **Lack of Competition in the Steel Fabrication Market at the time the Other Bridges are Bid** – The overall magnitude of structural steel fabrication required is large enough that steel prices may be driven up as a result.
5. **Structural Steel Price Escalation** – The potential supply and demand of structural steel at the time of construction could result in price increases beyond what is estimated in the current cost estimate
6. **Portland Cement Price Escalation** – The potential supply and demand of Portland cement at the time of construction could result in price increases beyond what is estimated in the current cost estimate
7. **Rebar Price Escalation** – The potential supply and demand of rebar at the time of construction could result in price increases beyond what is estimated in the current cost estimate
8. **Change in Design Standards** – Changes in design standards may impact the project cost as there is a large gap between the completion of construction documents and the beginning of construction. Any change in design standards initiated by FHWA, AASHTO, Iowa DOT, Illinois DOT or other agencies could impact construction and design costs.
9. **Uncertainty in Pavement Structure in the North Section** – Additional pavement structure beyond that identified in preliminary engineering may be required
10. **Uncertainty in Timing and Availability of Funding** – If surface transportation is not enacted or transportation funding is not appropriated in time for the anticipated start of construction of Phases 3 the projects will be delayed until funding becomes available.
11. **Additional Right-of-Way Costs due to Condemnation and/or Appeal** – Property owners may dispute the offer made for their property during the acquisition process, resulting in increased costs. No impact to the schedule is expected due to the multi-year gap between Right-of-Way acquisition and the beginning of construction.
12. **Additional Local Improvements Required** – Local public agencies may desire additional improvements as the project progresses
13. **Encounter Unanticipated / Unknown Utilities or Damage to Utilities During Construction** – During construction the contractor may find and/or damage utility lines that are not shown on the plans, resulting in additional costs and project delays.
14. **Uncertainty in Quantity of Soil Treatment in Plug-Fill Area** – The plug-fill area in Illinois has a large quantity of unsuitable and/or special waste material that will need to be removed, treated

and disposed of. Additional quantity of material beyond what is currently identified in the plans may be required to be removed and treated.

15. **Uncertainty in Quantities in the North Section** – Additional quantities of items beyond those identified in preliminary engineering may be required for the North section.
16. **Premium Cost for Staged Construction** – The premium used for the staged construction of structures in the North section may increase beyond what is estimated in the current cost estimate.
17. **Central Section Schedule Overrun** – Several of the construction stages identified in the 3.5 year construction plan do not have a lot of room for unforeseen delays in construction.
18. **Cofferdam Construction Cost** – The construction of the spread footing foundation for the River Bridge will require the construction of six large cofferdams in a location of little to no overburden.
19. **Moline Water Intake** – The City of Moline's drinking water supply is located immediately downstream of the existing I-74 river bridge. Additional measures may be required to ensure that the City of Moline's water supply is protected during construction.
20. **Mississippi River Water Level During Construction** – Mississippi River flooding or low water issues could result in critical path work extending into the winter season, leading to increased cost of construction.
21. **Stainless Steel Anchor Rods** – Research is being performed on the potential for utilizing stainless steel anchor rods to connect the steel portion of the arch rib to the concrete portion.
22. **MOT Modifications During Construction** – Significant opposition to the revised I-74 MOT for the Central Section could lead to significant changes to the project's maintenance of traffic protocol, along the lines that were being pursued previously.
23. **River Bridge Foundation Risk** – Construction of foundation elements, in this case drilled shafts, in the Mississippi River presents significant risks that contractors are likely to include in their bids.
24. **Lane Utilization / DMS** – Corridor incident management needs could result in an increased demand for Lane Utilization / DMS structures.

8.2 Risk Evaluation

The 24 risks listed in section 8.1 have been evaluated for likelihood of occurrence and potential cost impact. The results of this evaluation are listed below for each risk.

1. **Lack of Competition in the Steel Fabrication Market when the River Bridge Contracts are Bid**
   Likelihood of Occurrence: 75%
   Minimum Cost Impact: $4.5 M
   Likely Cost Impact: $18.0 M
   Maximum Cost Impact: $26.9 M
2. **The Bids for the Arch Bridge Contract Exceed the Engineer's Estimate and Require a Rebid**
   Likelihood of Occurrence: 5%
   Minimum Cost Impact: $23.6 M
   Likely Cost Impact: $23.6 M
   Maximum Cost Impact: $23.6 M
   Likely Schedule Impact: 12 months
3. **Innovative Arch Bridge Construction Method**
   Likelihood of Occurrence: 25%
   Minimum Cost Impact: $1.3 M savings
   Likely Cost Impact: $5.3 M savings
   Maximum Cost Impact: $2.7 M savings
   Minimum Schedule Impact: 3 month savings
   Likely Schedule Impact: 4 month savings
   Maximum Schedule Impact: 6 month savings
4. **Lack of Competition in the Steel Fabrication Market at the time the Other Bridges are Bid**
   Likelihood of Occurrence: 50%
   Minimum Cost Impact: $3.1 M
   Likely Cost Impact: $6.2 M
   Maximum Cost Impact: $12.4 M
5. **Structural Steel Price Escalation**
   Likelihood of Occurrence: 50%
   Minimum Cost Impact: $5.1 M
   Likely Cost Impact: $20.3 M
   Maximum Cost Impact: $30.4 M
6. **Portland Cement Price Escalation**
   Likelihood of Occurrence: 50%
   Minimum Cost Impact: $4.6 M
   Likely Cost Impact: $9.2 M
   Maximum Cost Impact: $18.4 M

7. **Rebar Price Escalation**
   Likelihood of Occurrence: 50%
   Minimum Cost Impact: $1.4 M
   Likely Cost Impact: $2.8 M
   Maximum Cost Impact: $4.2 M
8. **Change in Design Standards**
   Likelihood of Occurrence: 25%
   Minimum Cost Impact: $3.6 M
   Likely Cost Impact: $7.1 M
   Maximum Cost Impact: $18.8 M
9. **Uncertainty in Pavement Structure in the North Section**
   Likelihood of Occurrence: 25%
   Minimum Cost Impact: $0.6 M
   Likely Cost Impact: $1.1 M
   Maximum Cost Impact: $2.8 M
10. **Uncertainty in Timing and Availability of Funding**
   Likelihood of Occurrence: 75%
   Minimum Schedule Impact: 6 months
   Likely Schedule Impact: 18 months
   Maximum Schedule Impact: 36 months
11. **Additional Right-of-Way Costs due to Condemnation and/or Appeal**
   Likelihood of Occurrence: 75%
   Minimum Cost Impact: $1.0 M
   Likely Cost Impact: $1.7 M
   Maximum Cost Impact: $1.4 M
12. **Additional Local Improvements Required**
   Likelihood of Occurrence: *75%*
   Minimum Cost Impact: $1.1 M
   Likely Cost Impact: $2.2 M
   Maximum Cost Impact: $5.4 M
13. **Encounter Unanticipated / Unknown Utilities or Damage to Utilities During Construction**
   Likelihood of Occurrence: 50%
   Minimum Cost Impact: $0.6 M
   Likely Cost Impact: $1.2 M
   Maximum Cost Impact: $1.8 M
   Minimum Schedule Impact: 3 months
   Likely Schedule Impact: 4.5 months
   Maximum Schedule Impact: 12 months
14. **Uncertainty in Quantity of Soil Treatment in Plug-Fill Area**
   Likelihood of Occurrence: 50%
   Minimum Cost Impact: $0.7 M
   Likely Cost Impact: $1.3 M
   Maximum Cost Impact: $2.6 M
15. **Uncertainty in Quantities in the North Section**
   Likelihood of Occurrence: 25%
   Minimum Cost Impact: $2.8 M
   Likely Cost Impact: $3.3 M
   Maximum Cost Impact: $5.6 M

16. **Premium Cost for Staged Construction – North Section**
    Likelihood of Occurrence: 25%
    Minimum Cost Impact: $0.1 M
    Likely Cost Impact: $1.2 M
    Maximum Cost Impact: $2.4 M
17. **Central Section Schedule Overrun**
    Likelihood of Occurrence: 50%
    Minimum Schedule Impact: 9 months
    Likely Schedule Impact: 12 months
    Maximum Schedule Impact: 24 months
18. **Cofferdam Construction Cost**
    Likelihood of Occurrence: *50%*
    Minimum Cost Impact: $1.0 M
    Likely Cost Impact: $3.3 M
    Maximum Cost Impact: $8.3 M
19. **Moline Water Intake**
    Likelihood of Occurrence: 95%
    Minimum Cost Impact: $0.5 M
    Likely Cost Impact: $1.0 M
    Maximum Cost Impact: $2.0 M
20. **Mississippi River Water Level During Construction**
    Likelihood of Occurrence: 95%
    Minimum Cost Impact: $0.5 M
    Likely Cost Impact: $1.0 M
    Maximum Cost Impact: $2.0 M
21. **Stainless Steel Anchor Rods**
    Likelihood of Occurrence: 95%
    Minimum Cost Impact: $0.5 M
    Likely Cost Impact: $1.0 M
    Maximum Cost Impact: $2.0 M
22. **MOT Modifications During Construction**
    Likelihood of Occurrence: 95%
    Minimum Cost Impact: $0.5 M
    Likely Cost Impact: $1.0 M
    Maximum Cost Impact: $2.0 M
23. **River Bridge Foundation Risk**
    Likelihood of Occurrence: 95%
    Minimum Cost Impact: $0.5 M
    Likely Cost Impact: $1.0 M
    Maximum Cost Impact: $2.0 M
24. **Lane Utilization / DMS**
    Likelihood of Occurrence: 50%
    Minimum Cost Impact: $4.5 M
    Likely Cost Impact: $9.0 M
    Maximum Cost Impact: $13.5 M

8.3 Risk Mitigation

The primary risk response and mitigation strategy for all the risks listed previously in Section 8.1 is acceptance. This requires setting an appropriate budget for responding to the listed risks in the event that they do occur. This budget number was determined by running a probabilistic analysis using Monte Carlo simulation to determine the potential range of cost impacts from the 20 risks evaluated in Section 8.2. A total amount of $122,295,311 was added to the project budget to cover 80% of the potential outcomes, which is above and beyond the 70% level of confidence recommended by the FHWA. As design development progresses on Phases 2 and 3, the current project risks (as well as any new risks) will continue to be re-evaluated on a biannual basis.

9.0 Annual Update Cycle

The Financial Plan will be updated on an annual basis. The next annual update will be submitted on September 30, 2016 and will be current as of June 30, 2016. June 30 corresponds with the end of the Fiscal Year for both the Iowa and Illinois DOTs. Future updates will be current as of June 30 of following years and will be submitted on September 30 of that year.

10.0 Summary of Cost Changes Since Last Year's Financial Plan

The difference in cost for each cost element, locality and project phase is summarized in the series of tables below. A positive value indicates a cost increase from last year's financial plan. A negative value indicates a cost decrease from last year's financial plan. A zero value indicates no cost change since last year's financial plan.

Phase 0 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	0	0	0	**0**
2. Final Engineering	0	0	0	0	0	**0**
3. Program Management	0	0	0	0	0	**0**
4. Construction Engineering	0	0	0	0	0	**0**
5. Construction	0	0	0	0	0	**0**
6. Utilities	0	0	0	0	0	**0**
7. Information Technology System	0	0	0	0	0	**0**
8. Right of Way	0	0	0	0	0	**0**
9. Project Risk Analysis	0	0	0	0	0	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**
10. Project Reserve	0	0	0	0	0	**0**

Phase 1 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	0	0	0	**0**
2. Final Engineering	0	0	0	0	0	**0**
3. Program Management	0	0	0	0	0	**0**
4. Construction Engineering	0	0	512,087	0	64,096	**576,183**
5. Construction	3,991,441	0	3,166,310	886,000	375,220	**8,418,971**
6. Utilities	0	0	0	0	0	**0**
7. Information Technology System	0	0	-329,926	0	-406,605	**-736,531**
8. Right of Way	0	0	0	0	0	**0**
9. Project Risk Analysis	0	0	0	0	0	**0**
Total	**3,991,441**	**0**	**3,348,471**	**886,000**	**32,711**	**8,258,623**
10. Project Reserve	0	0	0	0	0	**0**

Phase 2 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	118,168	0	411,156	**529,323**
2. Final Engineering	0	0	3,118,847	0	3,118,847	**6,237,694**
3. Program Management	0	0	262,342	0	1,083,288	**1,345,630**
4. Construction Engineering	0	0	431,178	0	3,962,359	**4,393,537**
5. Construction	1,274,962	0	7,312,060	2,623,812	51,272,857	**62,483,691**
6. Utilities	0	0	0	0	0	**0**
7. Information Technology System	0	0	-1,548,205	0	-571,301	**-2,119,505**
8. Right of Way	0	0	-3,223,595	0	-9,058,500	**-12,282,095**
9. Project Risk Analysis	0	0	4,630,322	0	9,583,736	**12,924,510**
Total	**1,274,962**	**0**	**11,101,118**	**2,623,812**	**59,802,442**	**73,512,786**
10. Project Reserve	0	0	-30,818,515	0	-30,012,034	**-60,804,158**

Phase 3 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	-107,892	0	0	**-107,892**
2. Final Engineering	0	0	-68,931	0	0	**-68,931**
3. Program Management	0	0	-60,369	0	0	**-60,369**
4. Construction Engineering	0	0	-73,715	0	0	**-73,715**
5. Construction	0	0	-1,220,282	0	0	**-1,220,282**
6. Utilities	0	0	0	0	0	**0**
7. Information Technology System	0	0	1,160,956	0	0	**1,160,956**
8. Right of Way	0	0	0	0	0	**0**
9. Project Risk Analysis	0	0	1,056,982	0	0	**1,056,982**
Total	**0**	**0**	**686,749**	**0**	**0**	**686,749**
10. Project Reserve	0	0	-15,207,896	0	0	**-15,207,896**

Phase 4 Estimate of Costs by Category and Locality						
Element	**Bettendorf**	**Davenport**	**Iowa**	**Moline**	**Illinois**	**Total**
1. Preliminary Engineering	0	0	0	0	-411,155	**-411,155**
2. Final Engineering	0	0	0	0	-1,964,142	**-1,964,142**
3. Program Management	0	0	0	0	-325,312	**-325,312**
4. Construction Engineering	0	0	0	0	-1,232,377	**-1,232,377**
5. Construction	0	0	0	0	-15,826,019	**-15,826,019**
6. Utilities	0	0	0	0	0	**0**
7. Information Technology System	0	0	0	0	-605,678	**-605,678**
8. Right of Way	0	0	0	0	0	**0**
9. Project Risk Analysis	0	0	0	0	-2,110,323	**-2,110,323**
Total	**0**	**0**	**0**	**0**	**-22,475,006**	**-22,475,006**
10. Project Reserve	0	0	0	0	-5,266,129	**-5,266,129**

The major cost changes to the project and their approximate cost impact are summarized below.

Stainless Steel Bridge Deck Reinforcement

The Iowa DOT has elected to move forward with utilizing stainless steel deck reinforcement on the arch and approach structures. This decision was made with the goal of both extending the life of the bridge deck and reducing the life cycle cost of the river bridges over the next 100 years. A reduction in the total weight of deck reinforcement is expected, as the bridge decks will be redesigned to take advantage of the higher 75 ksi yield strength of stainless steel reinforcement. The 2 inch initial wearing surface will also be removed. While the Illinois DOT has not officially accepted the proposed changes, the net estimated construction cost increase of $10.4 million in 2015 dollars has been incorporated into the report for Projects 197 and 198.

Quantified Contract Items (December 2014 thru June 2015)

In the time period between the December 2014 and June 2015 Cost Reports the Bettendorf Local Roads and Signing (226 & 227) and Moline Local Roads (IL E) projects have had accepted bids. In addition, the following contracts have either been updated or submitted to the Iowa or Illinois DOTs: IL Package AB, IL Package CD, Iowa Landscaping, Illinois Landscaping, ITS Deploy and Integrate (221), and ITS Fiber Optic (222). The final engineering costs were also updated per the most recent invoice period. The net result of refinements to the contract quantities, and pay items was an increase in the estimated construction cost by $36.0 million in 2015 dollars. The updates to the approved final engineering costs resulted in an additional increase of $1.3 million in 2015 dollars.

Roadway Unit Price Updates

Since the development of the December 2014 Cost Report the Bettendorf Local Roads and Signing (226 & 227) and Moline Local Roads (IL E) projects have had accepted bids. These bid prices were reviewed and applied to the remainder of the Iowa and Illinois roadway estimates where the bid unit price exceeded the originally estimated unit price. This should ensure that the remaining roadway costs are accurately yet conservatively estimated. The net result of these refinements to the unit prices for the roadway items resulted in an estimated construction cost increase of $2.3 million in 2015 dollars.

Iowa and Illinois Right-of-Way Adjustment

Previous iterations of the Cost and Risk Assessment appear to have overestimated the amount of money being spent on Right-of-Way in Iowa and Illinois. Updating to the most recent figures provided by the Iowa and Illinois DOTs resulted in a reduction of $12.1 million in 2015 dollars to the overall program cost.

Quantified Contract Items (June 2014 thru December 2014)

In the time period between the June 2014 and December 2014 Cost Reports the following contracts have been updated or submitted to the Iowa DOT or Illinois DOT: Let Down Structure, Bettendorf Local Roads (226), Moline Local Roads, Iowa Eastbound Viaduct (199 & 200), Iowa Roadway Projects (205 & 207). The final engineering costs were also updated per the most recent invoice period. The net result of refinements to the contract quantities and pay items was an increase in the estimated construction cost by $10 million in 2015 dollars plus associated percentage based items and inflation.

Inflation Update: 2013 to 2014 Unit Prices

As part of the December 2014 Cost Report, the unit prices for all the detailed cost estimates were inflated forward at 1.8% to capture price increases from 2013 dollars to 2014 dollars. All costs are then inflated to YOE dollars at a 3% inflation rate.

Quantified Contract Items (December 2013 thru June 2014)

In the time period between the December 2013 and June 2014 Cost Reports the following contracts have been submitted to the Iowa DOT or Illinois DOT: Both Mississippi River Contracts (197 & 198), Bettendorf Local Roads Contract, Moline Local Roads Contract. Additional updates were also made to the Iowa and Illinois Right-of-way costs. The net result of refinements to the contract quantities and pay items was a increase in the estimated construction cost by $11 million in 2015 dollars plus associated percentage based items and inflation.

FHWA Cost Estimate Review

Prior to authorization of federal funds for the construction of the I-74 Corridor, a Cost Estimate Review (CER) must be performed by the FHWA to verify the accuracy and reasonableness of the cost estimate and project schedule. An initial CER was also performed in July of 2007 prior to NEPA approval. The final CER was performed in March 2014 by the FHWA with assistance from the Iowa and Illinois DOTs. As a result of the CER, several modifications to the cost estimate were identified, such as a reduction to the expected cost of utility work, a 3% increase to the quantified construction costs for construction change orders, and an addition of $10 million for contract incentives and/or disincentives. The net result of these refinements increased the total project cost by approximately $18 million in 2015 dollars.

11.0 Cost and Funding Trends Since Initial Financial Plan

As the project cost has grown, the Iowa and Illinois DOTs have worked to secure additional funds as required. Phase 1 construction has been fully funded and Phase 2 is expected to be fully funded with the next update to the Iowa and Illinois Programs.

12.0 Summary of Schedule Changes Since Last Year's Financial Plan

There have been no changes to the proposed project schedule since last year's financial plan. The current phase 1 construction is proceeding on schedule and will complete in November 2015, as expected. Phase 4 is now included as part of Phase 2 and will be completely concurrently with the originally planned work with no deviations expected to the overall project schedule.

13.0 Schedule Trends Since Initial Financial Plan

Since the initial financial plan, the initially proposed schedule has been followed without revision. No trends or deviations have been identified at this time.