

I-81 VIADUCT PROJECT
CHAPTER 10
FINANCING AND IMPLEMENTATION

This chapter describes project costs and next steps toward funding.

The two build alternatives analyzed within this Draft Design Report/Draft Environmental Impact Statement (DDR/DEIS) range in cost from \$1.9 billion to \$2.2 billion. Funding for the Project is anticipated to be secured from 80 percent Federal and 20 percent State sources. The Viaduct Alternative would be constructed in three phases with a total duration of six years. The cost of the Viaduct Alternative is \$2.2 billion (in 2018 dollars, escalated to the midpoint of construction). The Community Grid Alternative would be constructed in two phases with a total duration of five years. The Community Grid Alternative is estimated to cost \$1.9 billion (\$800 million for Phase 1 and \$1.1 billion for Phase 2, in 2018 dollars, escalated to the midpoint of construction). See **Appendix A-5** for further Alternative cost estimate information. The cost estimates will continue to be refined as design progresses.

The preliminary design and right-of-way (ROW) incidental phase of this project is on the approved Syracuse Metropolitan Transportation Council (SMTC) Transportation Improvement Program (TIP) as Project No. 350160. Final design, ROW acquisition, and construction phases are not currently on the TIP or on the fiscally-constrained Long Range Transportation Plan (LRTP). These phases will be added to both the TIP and LRTP prior to the Record of Decision. The current LRTP is the 2050 LRTP–2020 Update, which was adopted by SMTC’s Policy Committee in September 2020. This plan recognizes the I-81 Viaduct Project as being a major, regionally significant project but does not specify an outcome. Once a decision is made, SMTC will update the LRTP to reflect the selected alternative.

The New York State Department of Transportation (NYSDOT) intends to separate the Project into several individual contracts per phase that would be scheduled over multiple years. This approach would allow for costs to be funded over time as part of the State’s annual budget and within the NYSDOT overall long-term capital planning and program. NYSDOT would seek to schedule contracts to ensure optimal coordination and timing between each, thereby minimizing overall construction schedules and impacts and reducing costs that may result from multiple construction contracts. Additionally, contract awards and milestones would be scheduled to provide the maximum number of construction months in consideration of the appropriate seasonal temperatures for the proposed work. The flexibility gained by issuing multiple separate contracts under variable contract letting schedules is intended to maximize efficiencies, minimize potential delays, and keep additional costs to a minimum.

In accordance with 23 U.S.C. 106 (h), the Federal Highway Administration (FHWA) has categorized this Project as a “Major” project given the significant financial investment (\$500 million or greater) it requires. To ensure that the appropriate management procedures are in place and that funding sources are identified, and that the necessary funds are available, NYSDOT would develop annual project management and financial plans as required by 23 U.S.C. 106 (h)(2) and (h)(3), respectively. The project management plan and financial management plan will be completed and submitted for FHWA review and approval prior to completion of the Final Design Report/Final Environmental Impact Statement and Record of Decision.

The preparation of the project management plan shall:

1. Document the procedures and processes that are in place to provide timely information to project decision-makers to effectively manage the scope, cost, schedule, quality, and Federal requirements applicable to the Project; and
2. Document the role of NYSDOT and FHWA’s leadership and management teams in the delivery of the Project.

The financial plan is intended to provide an unbiased, risk-based review of the current cost to complete the Project. The preparation of the financial plan would be based on detailed estimates that incorporate potential cost escalation, project risks, schedules, and milestones. NYSDOT would use FHWA’s risk-based analysis to proactively identify threats as well as verify the reasonableness and accuracy of the cost estimate. The identification and evaluation of risk would result in a cost estimate that considers the fluctuations due to uncertainties associated with large complex projects during preliminary development. The financial plan would be prepared annually to monitor costs and the availability of funding throughout the life of the Project. The annual report would be submitted to the Secretary of Transportation and developed using “reasonable assumptions, as determined by the Secretary, of future increases in the cost to complete the Project.”¹

Construction phasing and scheduling are further discussed in **Chapter 4, Construction Means and Methods**.

¹ 23 U.S.C. 106 (h)(3) – Project approval and oversight.