

## **COST ESTIMATE NARRATIVE**

The Illinois Department of Transportation (IDOT), serving as the lead agency and a partner in the Chicago Region Environmental and Transportation Efficiency (CREATE) Program, has worked in coordination with CREATE partner railroads—Northeast Illinois Regional Commuter Rail Corporation (d.b.a. Metra), Norfolk Southern (NS), and Belt Railway Company of Chicago (BRC)—to establish a total construction cost of \$479,971,223 for Rock Island Connection Project (P2). Through this NRP-FSP grant application, the CREATE public and private partners are requesting 80% federal funding (\$383,976,978) and have committed to a 20% non-federal match (cash \$95,994,245) of the total construction cost. With the project in final design, this cost estimate is well-supported and reliable.

The estimated budget was developed in April 2023 using the USDOT’s Cost and Schedule Risk Assessment (CSRA) process. To validate the accuracy and reasonableness of the estimate, IDOT, in coordination with the Federal Highway Administration (FHWA), completed a CSRA for 75<sup>th</sup> Street Corridor Improvement Project (75<sup>th</sup> St CIP) ([Exhibit 2C: 75<sup>th</sup> St CIP Cost and Schedule Risk Assessment](#)). CREATE partners updated the estimate from the CSRA for the P2 budget in October 2025, incorporating revised cost information and contingencies to reflect progress made with P2 final design.

The project cost estimate includes costs for Project Planning and Development Stages, Implementation Stage for Final Design, and an Implementation Stage for Construction resulting in total capital cost of \$518,784,515. The cost of the approved Phase I Preliminary Engineering and Environmental Studies for 75<sup>th</sup> St CIP which encompasses CREATE projects P3, GS19, P2, and EW2, was \$10,477,142. The 75<sup>th</sup> CIP Studies incorporate all aspects of FRA’s Development Stages for Project Planning and Development. Implementation Stage for Final Design is fully funded and includes final design, right-of-way services, and evaluating environmental documents for P2, totaling \$28,336,150.

This grant application includes a total construction cost of \$479,971,223 displayed under the Implementation Stage for Construction. The railroads leading the design for P2 have collaborated with IDOT to update the itemized construction list derived from the CSRA and [Exhibit 2B. 75<sup>th</sup> St CIP Annual Financial Plan](#) for the project cost estimate. The construction is itemized into ten categories: Removals and Demolition, Civil Earthwork, Trackwork, Signals and Systems, Structures, Viaducts, Environmental Mitigation, Miscellaneous and Temporary Facilities, Utility, and Professional Services, resulting in a subtotal construction cost of \$326,575,003. The itemized list and quantities are based on the current final design plans. The unit costs represent historical railroad material and labor cost data as well as recent CREATE project construction costs and consultant contracts, and State and local bid prices for civil work.

Based on prior CREATE program experience, the cost estimate includes professional services calculated from the construction subtotal and covering the full construction period from bid procurement in Q3 2027 through construction close out in Q4 2033. The construction cost estimate also assumes a potential mitigation for regulated substance (see Hazard Material Mitigation item) as identified in the 75<sup>th</sup> St CIP Final Environmental Impact Study (EIS) and Record of Decision (ROD) in 2014 and 2017 EIS Reevaluation. The environmental documents

for special waste will be updated as part of the final design process to determine if mitigation is required.

IDOT applied inflation using Ohio Department of Transportation’s (DOT) most likely five-year construction cost inflation forecast from its Second Quarter 2025 Construction Cost Outlook. Construction costs are based on 2026 estimates, escalated for inflation through 2030, the project’s mid-point construction year with inflation amounting to \$49,639,400. See **Table 1** for the applicable inflation rates from Ohio DOT’s Construction Cost Outlook.

**Table 1: July 2025 Construction Cost Inflation Forecast <sup>1</sup>**

	FY 2027	FY 2028	FY 2029	FY 2030
Estimated Inflation Percentage	4.7%	4.1%	3.3%	3.1%

Reflecting the project’s level of development and CREATE program experience ([Exhibit 2A. Estimates and Contingency Plan](#)), the Unallocated Contingency includes an overall 10% contingency and 5% Project Management Reserve (PMR), both applied to the inflated construction subtotal. An additional 10% contingency was applied to professional services during construction. Together, these contingencies add \$60,734,402 to the total construction costs to help mitigate risks associated with unforeseen expenses.

The CREATE Partners have developed a well-supported cost estimate totaling \$479,971,223 in construction costs. In summary, the risk mitigations outlined below have been incorporated into the P2 cost estimate to ensure its accuracy and reliability.

- IDOT and FHWA conducted CSRA for 75<sup>th</sup> St CIP validating accuracy and reasonableness of the project estimate.
- Final design progressed resulting in refined quantities.
- Unit costs updated in Q4 2025 using historical costs of materials from railroads, railroad labor costs, current CREATE project construction costs and consultant contracts, and State and local bid prices for civil work and State’s bid prices.
- CREATE Program’s Estimate Contingency Plan is being implemented.
- Inflation rates through the project’s mid-point construction year are applied from Ohio DOT’s construction cost inflation forecast.
- Potential mitigation for regulated substances is assumed.

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<sup>1</sup> Ohio Department of Transportation [Second Quarter 2025 Construction Cost Outlook](#), July 2025