

Cape Bridge Replacement Costs May Soar To \$4 Billion

By Chris Lisinski

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The public sector is feeling the strain of soaring inflation, too: officials now expect that a once-in-a-generation infrastructure overhaul in Allston will cost \$300 million more than estimated, and the price of replacing the Cape Cod bridges could more than double.

Outlining a series of projects that will feature in an upcoming application for competitive federal grants, Transportation Secretary Jamey Tesler presented the Department of Transportation's board with a \$2 billion price for highway, rail and pedestrian work in Allston, up from the \$1.7 billion estimate offered in the fall.

Similarly, a 2019 projection that it would cost \$1.4 billion to \$1.65 billion to demolish and replace the Bourne and Sagamore bridges – which the Baker administration expects will be fully paid by the federal government – has been driven up by inflation and a changing construction outlook.

Tesler told the board that the Baker administration and U.S. Army Corps of Engineers, which today owns and manages the bridges, expect the price will “likely be in the range or possibilities from close to \$3 billion to close to \$4 billion.”

“When you include additional time for construction and the start of construction and the rate of inflation that we have to project, as we are seeing inflation on a lot of our work and a lot of our bids and in the overall economy, there is going to be a significant increase in what we collectively thought the cost estimates would be for this project,” Tesler

said.

The 85-year-old Bourne and Sagamore bridges play a critical role connecting the Cape's nearly 230,000 residents to the rest of Massachusetts and bringing millions of visitors to the region annually, but they have been functionally obsolete and eyed for replacement for years.

In July 2020, MassDOT and the Army Corps signed a memorandum of understanding calling for the Army Corps to retain ownership and management of the bridges while they are removed and while successor spans are built, then transfer control of and responsibility for the new bridges to MassDOT once complete.

The Baker administration publicly said the federal government will cover the costs of demolition and construction while also disclosing at the time that the memorandum did not officially bind Washington to foot the bill.

A MassDOT spokesperson said Wednesday that the department committed funds to cover work on the bridge approaches and connecting highways, which the state owns, while the federal government remains expected to pay for replacing the bridges.

Tesler said Wednesday that the projected bottom line referenced in grant applications will vary based on whether it accounts for additional inflation that will take place between now and the midpoint of the project, whose ultimate timeframe is unclear but expected to last several years.

"The range of possible cost is growing," he said. "In the long run, this will be determined when it is funded, when it is in construction and what the actual rate of inflation will be."

Tesler said Massachusetts is eligible to compete for a share of roughly \$110 billion in grants available under the new bipartisan infrastructure law.

Gov. Charlie Baker has been pressing lawmakers to approve a roughly \$9.7 billion bond bill that he says would position Massachusetts to take advantage of additional federal dollars on the table. The Transportation Committee advanced a \$9.75 billion version late last week. Additional committee review is expected and legislative leaders have not said when the measure will emerge for a vote in either chamber.

Applications are due Monday, May 23 for the competitive Multimodal Project Discretionary Grant Opportunity, which will make \$2.85 billion available in its first round of funding for states and transportation entities.

MPDG is one of the first grant options available under the new infrastructure law, and it allows applicants to throw their hats in the ring for three different programs with a single application.

The Army Corps will be the lead agency on the grant application for funding to go toward the Cape Cod Bridge Program, according to Tesler, while MassDOT will file applications for four projects, including a massive overhaul of highway, train and pedestrian routes in Allston.

That project could be the most impactful – and most challenging – in a generation, calling for replacing the aging, highly traveled Massachusetts Turnpike viaduct near Boston University and a commuter rail line.

Last fall, the department embraced a design for the project that would place side-by-side at roughly the same grade: four rail tracks, eight lanes of the Massachusetts Turnpike, four lanes of Soldiers Field Road, and a pedestrian boardwalk over the Charles River.

At the time, the department said preliminary estimates pegged the likely cost at \$1.7 billion over the eight to 10 years of work required.

“MassDOT refined and updated the project cost estimate as part of the grant application process,” spokesperson Kristen Pennucci said in a statement Wednesday. “The increase in the estimate is due to inflation applied to the midpoint of construction.”

Administration officials have targeted a combination of federal funding, turnpike toll revenue and payments from other entities such as the city of Boston and Harvard University, which owns land near the project site, to cover the costs.

“We see federal funding and competing (for grants) as a critical component of funding this project long-term,” Tesler said Wednesday. “The Metropolitan Highway System is limited in the resources it can contribute to this project, so seeking federal funding and working closely to share responsibility with the city, with the universities, is a critical part to make sure that this full program achieves its goals and is able to be funded.”