

Local Regulation and Resulting Impact on Quarry Operations & Project Cost

- Local ordinances have discouraged the opening and operation of quarries by imposing new operational restrictions and increasing compliance costs.
- For DOT road construction projects, vast amounts of aggregate are needed – often several hundred thousand tons.
- The further a supplier is from a project, the more expensive it is to transport material to job sites due to the increase in travel time.
- Careful selection of well-located suppliers can save taxpayers millions of dollars in hauling costs.

Case Studies:

DOT Project: Highway 73 Interchange (Intersection of Highways 12/18 & 73 in Deerfield, WI)

- The job called for 250,000 tons of aggregate, requiring around 12,200 truckloads.
- Jon Halverson’s Oak Park Quarry in Deerfield was chosen as the supplier for this project, being only 2 minutes away.
- The nearest competitor was 15 minutes further away. Had Oak Park Quarry not supplied this job, **up to an additional \$610,000 in costs would be incurred** due to the increase in drive distance.

Supplier	Average Drive Time to Site	Hauling Cost
Oak Park Quarry	2 minutes	\$81,333
Competitor	17 minutes	\$691,333

Difference: **\$610,000**

DOT Project: I90/39 Current Phase (Southern Dane County)

- The bid called for approximately 400,000 tons of aggregate, requiring around 19,500 truckloads.
- Oak Park Quarry in Deerfield, owned by Jon Halverson, was the closest material source to the job site at 12 minutes away. However, he was prohibited from making a bid due to blasting ordinances imposed by the town.
- Stanley Lien Quarry ended up being chosen as one supplier for the project, with an average drive time of 19 minutes from the quarry to the work site.
 - Sourcing from Stanley Lien Quarry rather than Oak Park Quarry, with a difference in drive time of only 7 minutes, **increased projected project costs by up to \$455,467.**

Supplier	Average Drive Time to Sites	Hauling Cost
Oak Park Quarry	12 minutes	\$780,800
Stanley Lien Quarry	19 minutes	\$1,236,267

Difference: **\$455,467**

Compliance Cost: Trenton Township – Population 1,737 (Pierce County)

- Trenton Township passed ordinances regulating quarries, drastically increasing the cost of compliance.
- Trenton Township requires a quarry to obtain a license to operate.
- The cost just to prepare and submit an application for a license **exceeds \$200,000** with no guarantee of approval.
- Over 10 years of operation, it would cost a quarry **nearly \$2.5 million** just to comply with Trenton’s requirements.

Description	Amount
Initial Application Cost	\$201,837.50
1st Year Operational Requirements	\$353,750
Initial Escrow Requirement	\$75,000
Initial Application & 1st Year Cost	\$630,588
Long Term Escrow Requirement	\$870,000
Biennial License Renewal Costs	\$231,688
Long Term & Post Mining Costs	\$753,000
10 YEAR COMPLIANCE COST	\$2,485,276