

# US 301 toll road project gets financial green light

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## STORY HIGHLIGHTS

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- It would be the first new toll road opened in Delaware since 1993.
  - About 6,300 vehicles daily are expected to use the new road initially, rising to 15,900 in three years.
  - Toll revenues are project to grow to \$22.74 million by 2022.
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- Plans are in place for a \$643 million U.S. 301 toll road.

After decades of study, public uproars and financial breakdowns, the U.S. 301 toll road relief route now appears on track for a January construction start and opening as early as December 2018 – provided bids and borrowing costs meet forecasts.

The breakthrough, confirmed Monday by The News Journal, came with the approval of a key, [\\$211.3 million loan](#) from a federal program that assists regionally important transportation projects, enough to cover about a third of the overall \$643 million plan. Construction costs alone are expected to total \$471 million.

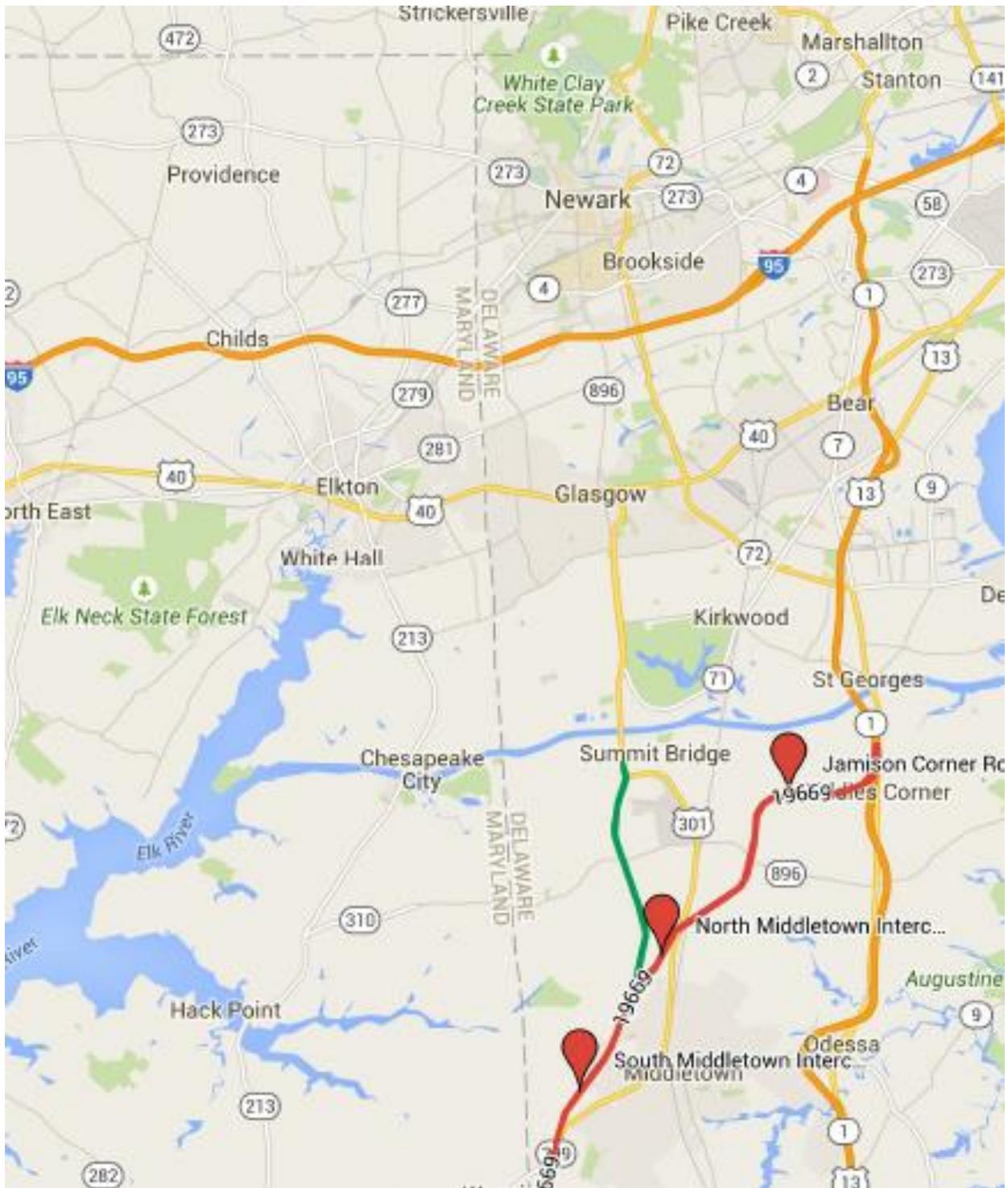
It would be the first new toll road opened in Delaware since the first leg of Del. 1 in 1993, with designs calling for four lanes and three interchanges along a 14-mile route between U.S. 301 at the Maryland line southwest of Middletown and the Del. 1 Roth Bridge.

Delaware Transportation Secretary Jennifer Cohan said the federal loan commitment represented a major milestone for the project and reflected federal confidence in DelDOT's financial projections. The low-interest federal offer includes a five-year delay on interest payments and 10-year delay on the start of principal repayments, allowing time for the toll road to build traffic and cash reserves.

"We still have a few more hurdles. This one was probably the biggest," Cohan said. "What makes me happy about this is, it validates our traffic counts; it validates all the work that we've done to date in that this is going to be a self-sustaining road, which is hugely important to us."

DelDOT managers expect to begin seeking bids for the two longest sections of new road by early September, with the results to be used in final financial plans and bond rating reviews. A final construction go-ahead decision on a \$241 million bond sale would follow in October, after bids are opened.

"We've been trying to lay the groundwork," Cohan said. "We've got to have reasonable bids. Financing on this is so tight. Delaware contractors are aware of that. Once these bids come back, that will be the litmus test on whether or not the project goes forward."



Supporters have said the relocated road will become a safer, less congested and smoother alternative for long-distance drivers and trucks in particular, which make up about 23 percent of vehicles on U.S. 301 at the Delaware-Maryland line.

"There are jobs and there are safety impacts associated with this road," Cohan said. "It's going to be a tremendous relief, not only as a truck route, but it's going to mean congestion relief for folks in Middletown."

Plans include the possibility of a future, smaller, limited-access "spur" road that would connect the midpoint of the new toll road to Summit Bridge.

The spur would ease congestion for those who want to use the new toll road but are traveling to Glasgow and I-95 at Newark via Summit Bridge. Lawmakers ordered DeIDOT to monitor traffic and need before moving ahead with those new lanes.

Mount Pleasant resident Dorothy A. Griffith, 81, whose Boyds Corner Road home rattles constantly as trucks rumble past, is grateful the highway is closer to becoming a reality.

"We have truck traffic day and night," said Griffith, who has lived along the roadway for 35 years. "I don't have a picture in my house that doesn't swing."

Griffith was caught in the draft of a passing truck more than a decade ago while fetching her mail from a roadside box, before DeIDOT added shoulders on the portion of roadway.

The windy blast caught and lofted her into a ditch, horrifying a neighbor across the street who saw her disappear as the truck passed. The neighbor helped her out of the ditch and later described the incident at a DeIDOT workshop. A different neighbor, Griffith said, suffered the same sort of indignity in a separate incident.

"I was lucky it didn't pull me under the truck," Griffith said. [Plans call for use of all-electronic tolls](#) in a system that will rely on both E-ZPass transponders as well as a "pay-by-plate" system that captures images of auto tags and bills drivers. Initially, cars would pay \$4 and trucks \$11 for a full-distance trip, with truck tolls accounting for an estimated 56 percent of revenues.

Gov. Jack Markell's administration has emphasized the project's potential to boost the region's economy through short-term construction job creation and longer-term economic development support.

Engineers broke the mainline project into seven separate contracts, a move officials said will speed construction and improve local business opportunities to land a share of the work. Past estimates have said the overall project would create about 5,200 construction-oriented jobs, 2,400 jobs in supporting industries and another 7,700 spinoff jobs, according to state officials.

State Rep. Kevin S. Hensley, R-Townsend, whose district takes in about half the construction corridor, said U.S. 301 and traffic are regular concerns for his constituents.

"Frankly, there are folks on both sides," Hensley said. "Some are hopeful that it will ultimately result in relieving some of the traffic flow. Others are concerned about the impact it will have on the district from the standpoint of noise and pollution and things of that nature."

DeIDOT already has sold \$125 million in federally backed bonds to cover all of the costs of land purchases, and some of the design expenses already incurred, along with some early utility relocations.



An announcement is expected any day on plans for the proposed \$634 million U.S. 301 four-lane toll road. Video courtesy of the Delaware Department of Transportation

Highway officials have been working to improve traffic on the corridor since the 1960s and actively studying a relocation onto a new four-lane corridor since the late 1980s. Millions have gone into studies and rights-of-way for shelved options, and debates have raged over location choices and land deals. At one point in the early 1990s, highway officials pressed for a shorter, non-tolled \$94 million plan that would have remained west of existing U.S. 301, linking the road west of Middletown to Summit Bridge. The most recent plan stalled in 2013 with the release of revised traffic and revenue forecasts showing that the economic downturn had drastically changed travel patterns and financing assumptions. Those changes led to months of review to verify the project's continued viability and eligibility for expanded Federal Highway Administration loan support.

Safety concerns and crashes continued along the existing corridor, which includes some of the only two-lane segments of U.S. 301 between Richmond, Virginia, and Wilmington.

One man died and two others were injured in a head-on crash last month near Summit Bridge and Marl Pit roads, roughly in the center of the corridor that would be bypassed by the new U.S. 301. It was the latest in a long string of incidents on the roadway.

Fatal crash rates along the road were 67 percent higher than the national average between 2000 and 2012, DelDOT reported, and 64 percent higher than the state average.

"It will certainly cut down on all the trucks," said Stacey L. Fox-Grayerbiehl, who lives in the Post and Rail Farms neighborhood just north of the possible split between the planned U.S. 301 mainline and spur road, and near the most-recent crash site.

"It can be really bad coming out of Old Schoolhouse Road," said Fox-Grayerbiehl, who has lived in the community since 2006, when studies and planning for the current U.S. 301 design began. "You just wait there at the stop sign" for a break in traffic."

Others have questioned DelDOT's traffic forecasts and financial strategies, citing a risk that the agency would have to tap Transportation Trust Fund revenues if toll receipts fall short.

"This is a fiscal liability for the state, if they go ahead," said Andye Daley, who lives north of Middletown and has long opposed the plan. While DelDOT expects trucks to pay the majority of costs, she said, "I don't see that working the way they want."

Cohan said the toll road financing plan has evolved and strengthened over time, particularly under terms approved by the Federal Highway Administration.

"The way the financing is now, there's no risk to the trust fund," Cohan said. "I think a couple of versions at some point had a surety coming from the trust fund, but the way we have it now, due to the great work by our finance folks, there's no risk."

About 14,200 vehicles daily are expected to use the new road in 2020, its first full fiscal year, with traffic rising to 15,900 vehicles daily three years later. Full-year revenues would begin at \$17.2 million in 2020 year but rise to \$22.74 million by 2022. Toll rates would increase by about 3.5 percent every five years, according to a traffic and revenue forecast issued in May.

DelDOT estimated in a federal aid document last year that truck totals could decline by 70 percent along Summit Bridge Road, and by 45 percent along Boyds Corner Road if the road is completed.

Gov. Markell said the federal aid pledge would mean "significant benefits" for Delaware.

"There are still more steps to move forward," Markell said in a written statement, "but we are hopeful construction of the U.S. 301 road will serve as a starting point for more great projects that will support the ongoing growth and prosperity of southern New Castle County."

Areas south of the Chesapeake & Delaware Canal are expected to account for 83.5 percent of county population growth, 53.2 percent of new occupied homes and 27.2 percent of employment growth in coming years, DelDOT noted.

Sen. Tom Carper, D-Del, whose terms as governor in the 1990s included earlier U.S. 301 studies, called the project "an innovative approach to more safely and efficiently move goods and accommodate growth in this ever-evolving part of our state."

"As our state transforms, so should its infrastructure to keep up with it," Carper said. Contact Jeff Montgomery at (302) 463-3344 or [jmontgomery@delawareonline.com](mailto:jmontgomery@delawareonline.com).