

Diminished projections raise doubts for U.S. 301 plan

Written by Melissa Nann Burke The News Journal

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DOVER — In another setback for the extension of U.S. 301, deep cuts in the projections for traffic and toll receipts are raising questions about how Delaware will finance the project without the state kicking in \$50 million to \$100 million more than expected.

The new projections could also delay construction by six months and scuttle Delaware's bid for a \$193 million low-cost federal loan

 — expected to cover a third of the cost of the 14.5-mile mainline, state officials said Friday.


"It's now very clear that this road won't pay for itself," Transportation Secretary Shailen Bhatt said. "I still believe the road will get built. The question is when and how."

In the works for decades, the project would create a new four-lane toll road from the Maryland line west of Middletown to the Del. 1 Roth Bridge at the Chesapeake & Delaware Canal. During a future phase, a two-lane, limited-access "spur" road would connect the mainline to Summit Bridge.


DeIDOT says the highway would provide a safer route for truck traffic jamming the corridor and would serve future travel

 needs south of the canal, where much of New Castle County's growth is expected to take place.

The agency already borrowed \$125 million in bonds

 in 2009 to pay for roughly \$79 million in right-of-way purchases, preliminary engineering and utility work, under a program that allows the debt to be repaid with federal highway money. Construction is estimated at \$400 million.

Critics have warned that there isn't enough traffic to support construction and maintenance costs, and that the Transportation Trust Fund

 isn't healthy enough to cover potential shortfalls.

Charles Mulholland, past president of the Civic League for New Castle County, was pleased to see DeIDOT "facing reality."

"Local folks around here are not going to pay a toll if they can get around it," Mulholland said. "You already see tractor trailers getting off Route 1 south of the Roth Bridge to go around the toll. The same thing is going to happen on the 301 upgrade. It's going to be a debacle for years to come."


Larry Tarabicos, a land-use attorney who represents the Whitehall development partly in the path of 301, said the reduced traffic projections "make no sense" considering the growth planned for

southern New Castle County.

“This is the most disappointing news that I’ve heard in a long time,” he said. “It’s not about moving existing traffic. It’s about spurring economic development. That’s certainly something we need now. There’s a need to develop jobs – one way to do that is to build 301.”

In recent years, DeIDOT consultant Stantec had cut projected activity along the proposed highway from earlier estimates, due in part to the economic downturn and the trend of people generally driving less nationwide.

This summer, Bhatt sought a second opinion. Traffic and economic models employed by the New York-based firm Jacobs forecast that only 5,233 vehicles

 a day would use the toll road when it opens – a steep departure from Stantec’s 2009 estimate of 14,800 vehicles a day and 2011 projection of nearly 9,000 vehicles a day.

Jacobs also projected that, after 40 years, traffic on the toll road will have grown by only 1,200 vehicles a day to 6,400.

Bhatt admits the Jacobs figures are conservative, considering many motorists would likely use U.S. 301 as an alternative to busy I-95. He called the projections a “worst-case scenario,” but noted that investors will consider the figures when judging whether tolls generated by traffic would be sufficient backing for bond sales at favorable interest rates

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With the lower traffic estimates, DeIDOT could borrow significantly less through the toll-backed revenue bonds, meaning the state would have to chip in potentially more than \$72 million for construction, Bhatt said.

“This is a road that has a purpose and need. The question is how do we fund it?” Bhatt said. “Maybe we don’t fund it now. Maybe it’s a future secretary of transportation who makes this decision to move ahead. But there’s a lot of economic development that has been talked about in this area, and if you talk to some of those folks, they say, you know, we’re counting on this.”

Other options include reducing the scope of the project to perhaps a two-lane truck route or a shorter mainline, Bhatt said. He’ll consult with the General Assembly, as well as with stakeholders, developers and the construction community.

The new developments will delay the timeline for construction bid requests by at least six months to late 2014 or early 2015.

Sen. Robert L. Venables, D-Laurel, who co-chairs the Legislature’s capital budget committee, noted that, despite all the talk of U.S. 301 being “self-sufficient,” few highways are self-sufficient.

“I don’t think it’s so much a question of whether the road is needed, but what’s the scale of the road, what’s the cost of the project, and what the federal participation would be,” Venables said.

“Once the secretary has all the numbers and statistics, we should know very early on the in the [Legislative] session what all our options are.”

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