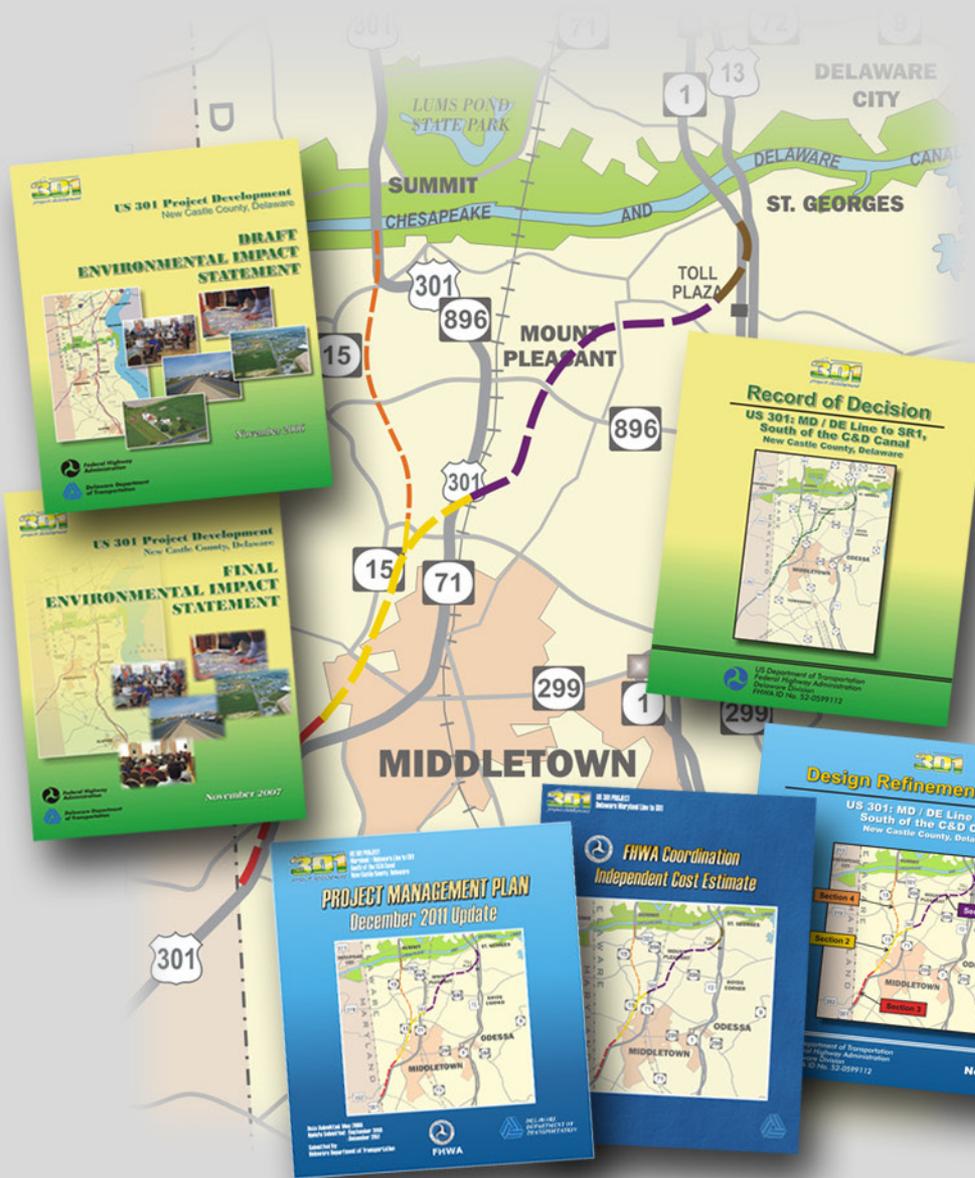


US 301 PROJECT DEVELOPMENT

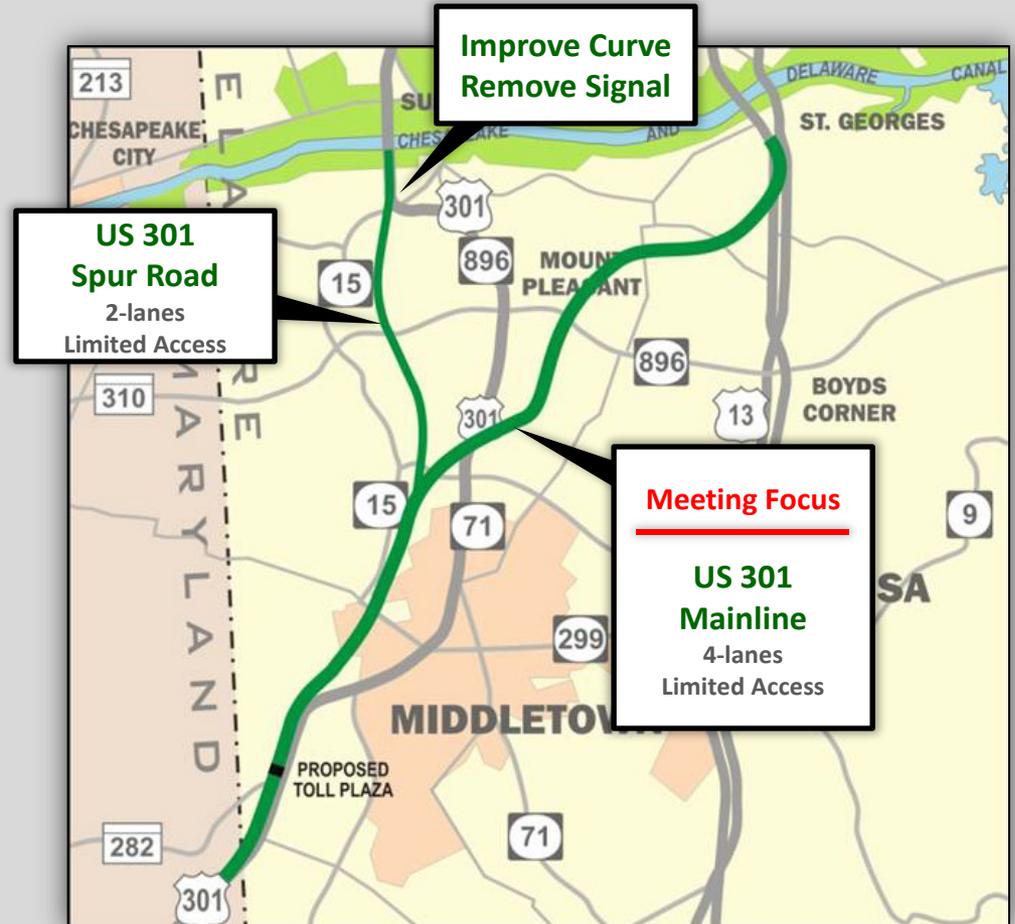


Delaware Department
of Transportation

WINTER WORKSHOP UPDATE

FEBRUARY 20, 2012

- ❖ Project Need
- ❖ Public Outreach
- ❖ Final Design, R/W, and Construction Financing Update
- ❖ Advanced Utility Work
- ❖ Path Forward



- ⇒ US 301 Mainline (1st priority – DE General Assembly Direction)
- ⇒ SR 896 / Bethel Church Road Interchange (Improve Curve)
- ⇒ US 301 Spur Road



❖ Improve Safety

- Existing US 301 (2000-2010)
 - » 1,150 total crashes - 395 resulted in injuries
 - » Total crashes continue to increase
 - » 18 fatalities : 16 crashes (5 involved trucks)
 - » 1 additional fatality in 2011: Pedestrian struck at Diamond State Blvd. traffic signal
- Fatality rate (2000-2009):
 - » 54% higher than state-wide average / 56% higher than national average



Sharp Curve South of Summit Bridge



Westbound Boyds Corner Road at US 301



US 301 Northbound at SR 299 (Middletown)

❖ Reduce Congestion

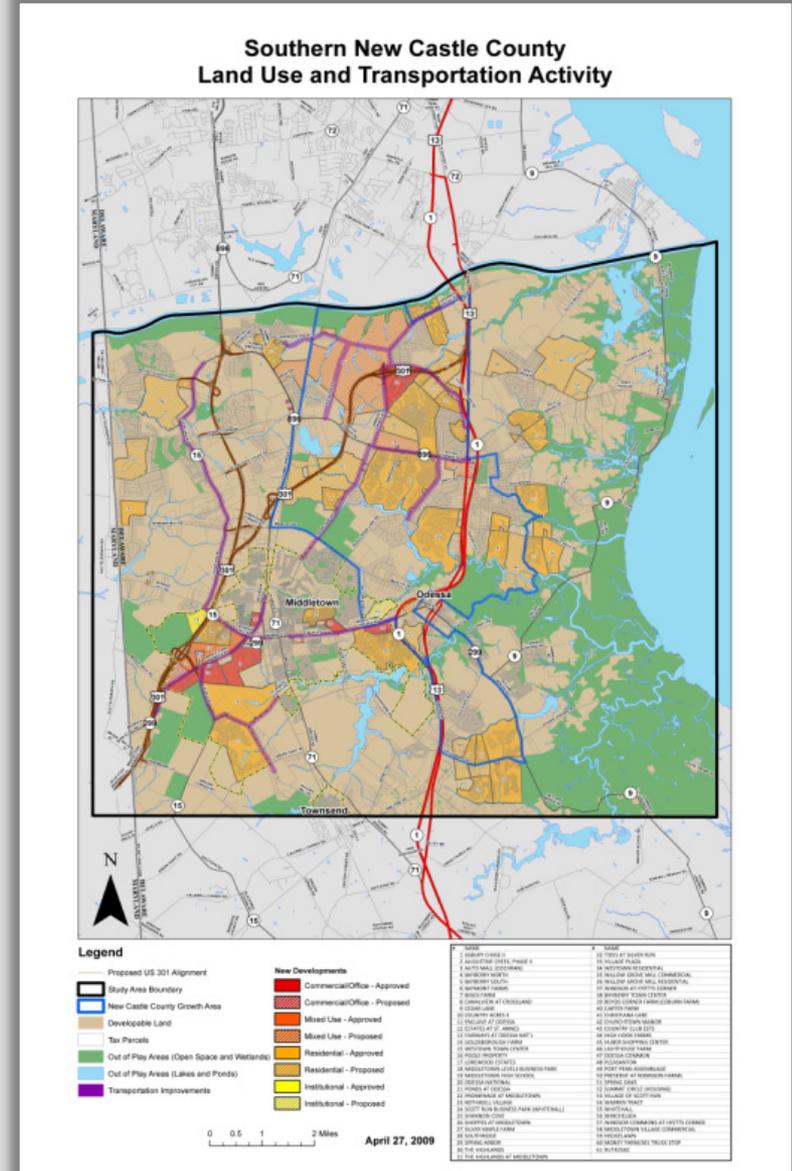
- Numerous intersections in the project area projected to operate at Level of Service F (failing)
- Reduces traffic by at least 20% on over 50% of the local roads

❖ Manage Truck Traffic

- Removes interstate trucks each day from existing US 301 (70% in 2030), Boyds Corner Road (45% in 2030) and other local roads.
 - » 70% of heavy trucks at MD/DE line are thru trips.



- ❖ New US 301 will address significant economic development, by freeing up local roadway capacity, by removing thru traffic.
- ❖ US 301 construction and economic development will create a significant number of needed jobs.
- ❖ US 301 will provide access for other development initiatives, including Amazon, the former Chrysler site, and the Base Realignment and Closure Commission (BRAC) near Aberdeen, MD.



❖ Public Involvement Overview

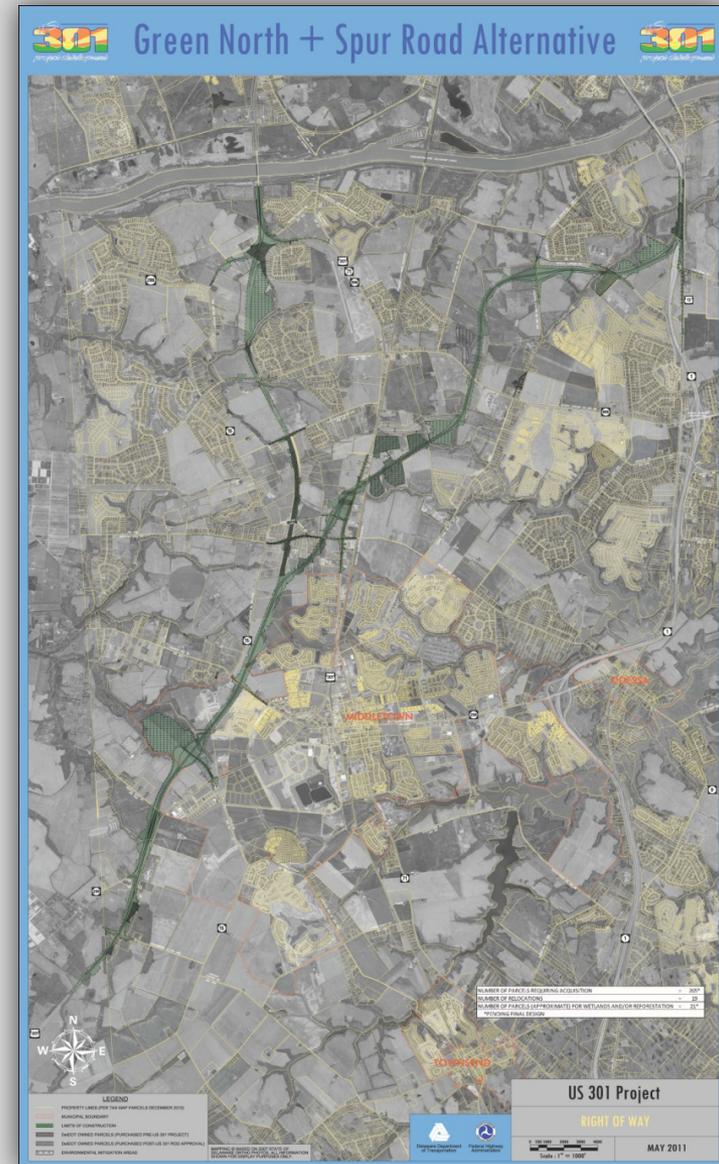
- Over 4,200 people attended 7 sets of public workshops and a public hearing
- September 2011 – recent workshop (200 attended and 23 comments received)
- Over 80 community meetings
- Over 2,600 people provided written comments



- The majority of the comments supported the US 301 project.
- There was significant support for project need.
- Virtually no support for the “No-Build” alternative.

❖ From September 2011 Workshop Materials

- Complete US 301 Mainline design: 2011
- Purchase remaining US 301 Mainline right-of-way: 2011/2012
- Purchase US 301 Spur Road right-of-way: 2012/2013
- It continues to be important to preserve the US 301 corridor to meet the current and future transportation needs of this important growth area.
- The goal is to be in a position to move forward with construction when key factors (traffic, revenues, costs and market conditions) result in an acceptable US 301 Mainline Construction Financial Plan to sell Toll Revenue Bonds that minimize risk to the State and the Transportation Trust Fund. DeIDOT believes the key factors are moving in the right direction.





❖ Status: Final Design

- US 301 Mainline
 - » Final Design/Construction Documents: Nearing 100% complete
- SR 896/Bethel Church Road Interchange (Improve Sharp Curve/Remove Signal)
 - » Final Design/Construction Documents: Semi-final – 85% complete
- US 301 Spur Road
 - » Preliminary Plans – 50% complete

❖ Total Project Final Design Costs

- Generally on budget
- May need small increase; depends on final archaeology costs
- \$ 52 Million Spent to Date





RIGHT-OF-WAY

STATUS & COST ESTIMATE



❖ Status: Right-of-Way

- US 301 Mainline Only
 - » Appraisals and offers made by Spring 2012
 - » Goal: Acquisitions completed by Summer 2012

❖ Total Project Right-of-Way Costs

- Anticipate decrease in right-of-way costs – due in part to current real estate market
- \$20.7 Million Spent to Date

US 301 Mainline R/W Acquisition Status As of January 9, 2012		
Activity	Delaware	Maryland
Total Number of Parcels	120	6
- Already Acquired Parcels	20	0
Remaining to Be Acquired	100	6
- Signed Agreements Only (Not Gone to Settlement)	6	0
- Offers Made Only	23	2
Parcels Still in Appraisal Process	71	4

❖ Construction Cost Estimate (US 301 Mainline Only)

- Anticipate significant decrease (about \$ 60 Million) in construction costs – estimates based on final design documents and conservative assumptions during project planning for US 301 Mainline
- “Due Diligence” approach would be to have actual bid prices for the majority of construction prior to the actual sale of bonds

Mainline Construction Contract #	Description
1A	US 301 SR 896 to SR 1
1B	US 301 & SR 1 Interchange
1C	US 301, Norfolk Southern RR to SR 896
1D	US 13 and Port Penn Rd Intersection
2A	US 301, Levels Road to Summit Bridge Rd
2B	US 301, Bridge over Norfolk Southern RR (Bridge over NSRR)
2C	Business US 301, Armstrong Corner Rd to US 301 Overpass
3	US 301, Maryland State Line to Levels Rd
2D	Maintenance Facility & Equipment
	Utilities
	Toll Integrator, Equipment, etc.
	Claims/Adjustment Factors



- Major Mainline Contract
- Other Mainline Contracts



- ❖ **US 301 planned to be a self-supporting toll facility.**
- ❖ **Self-supporting means toll revenues are sufficient to fund:**
 - Debt service for Toll Revenue Bonds;
 - Operating and Maintenance Costs for highway and toll facilities;
 - Major Capital expenditures during term of bonds; and
 - Rate Stabilization Fund.
- ❖ **Two Toll Revenue Bond Sales are Proposed**
 - US 301 Mainline (First Phase – per DE General Assembly direction)
 - US 301 Spur Road (Follow-on Phase – subject to Monitoring Program)
 - » SR896/Bethel Church Road Interchange (Fix the Curve – potentially separate project/funding)
- ❖ **The net 40-year Toll Revenue Bond proceeds and the interest on the bond proceeds would fund:**
 - US 301 Construction Costs;
 - Interest payments to bond holders during construction;
 - Debt service reserve account; and
 - Issuance costs.

Note: Net Toll Revenue = Gross Revenues less O&M less Capital Expenditures during term of the bond.

- ❖ **Level 3 “Investment Grade” Traffic and Revenue (T&R) Report**
 - Prepared by independent consultant (Stantec), experienced in preparing T&R Reports for toll facilities and presentations to Rating Agencies
 - T&R Report needs to be current, at time of Toll Revenue Bond sale. Additional updates are anticipated
 - Updated traffic and revenue projections, taking into consideration:
 - » The results of an August 2011 Origin and Destination (O&D) Traffic Survey, at Maryland/Delaware line
 - » An independent update of land use activity, in coordination with WILMAPCO
 - » The continuing effect of the national recession and local economy
 - » Recent toll increases in Maryland and DRBA
 - » Assumed toll rates and toll rate increases versus historical increases
 - Draft Report Prepared in November 2011 – Will be subject to review by outside experts – See Path Forward
- ❖ **A Level 3 “Investment Grade” T&R Report would be one component of a US 301 Mainline Construction Plan of Finance based upon Toll Revenue Bonds. Other components include:**
 - Updated Project Schedule
 - Updated Cost Estimates in Year of Expenditure (YOE) Dollars
 - » Preliminary Engineering
 - » Right-of-Way
 - » Construction Contracts
 - » Construction Engineering and Inspection
 - » Operation and Maintenance
 - Roadway & Toll Facilities
 - » Contingencies, including claims and adjustment factors
 - » Escalation to Year of Expenditure
 - Updated Sources of Funds
 - Bond Market Conditions
 - » Interest rates
 - » Term of bonds
 - » Issuance Costs
 - » Debt Service Reserve Account
 - » Rate Stabilization Account



- ❖ **Advanced Utility Work is part of clearing and preserving the US 301 Mainline Corridor, to support the goal to be in a position to move forward with construction when key factors (traffic, revenues, costs and market conditions) result in an acceptable US 301 Mainline Construction Financial Plan to sell Toll Revenue Bonds that minimize risk to the State and the Transportation Trust Fund.**

- ❖ **Utility Companies would relocate utilities that can be relocated in advance of any roadway construction activities**
 - **Extremely Long Lead for material ordering and construction (1.0 – 1.5 Years)**
 - **Any Delay in utility relocations could increase cost of construction because of Toll Revenue Bond Approach (Time = Money)**

- ❖ **Adequate GARVEE Bond proceeds (\$2.5 M) will be available for advanced utility work, since the cost estimate of right-of-way has decreased, due in part to the current real estate market.**



Timing	Activities
Dec 2011 – Jan 2012	Advise DE General Assembly of intent to use GARVEE proceeds to fund advanced utility work (\$2.5 million)
Dec 2011 – Jan 2012	Complete actions necessary to use GARVEE proceeds to fund advanced utility work (\$2.5 million)
Jan 2012 – Spring 2013	Continue to Acquire Right-of-way / Relocate Utilities
Jan 2012 – Apr 2012	Conduct Peer Review of Nov 2011 draft US 301 Mainline Traffic and Revenue Report and Financial Plan estimates
May 2012 - Jun 2012	Provide General Assembly with revised time table for project financing and construction

THANK YOU!!!!

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