

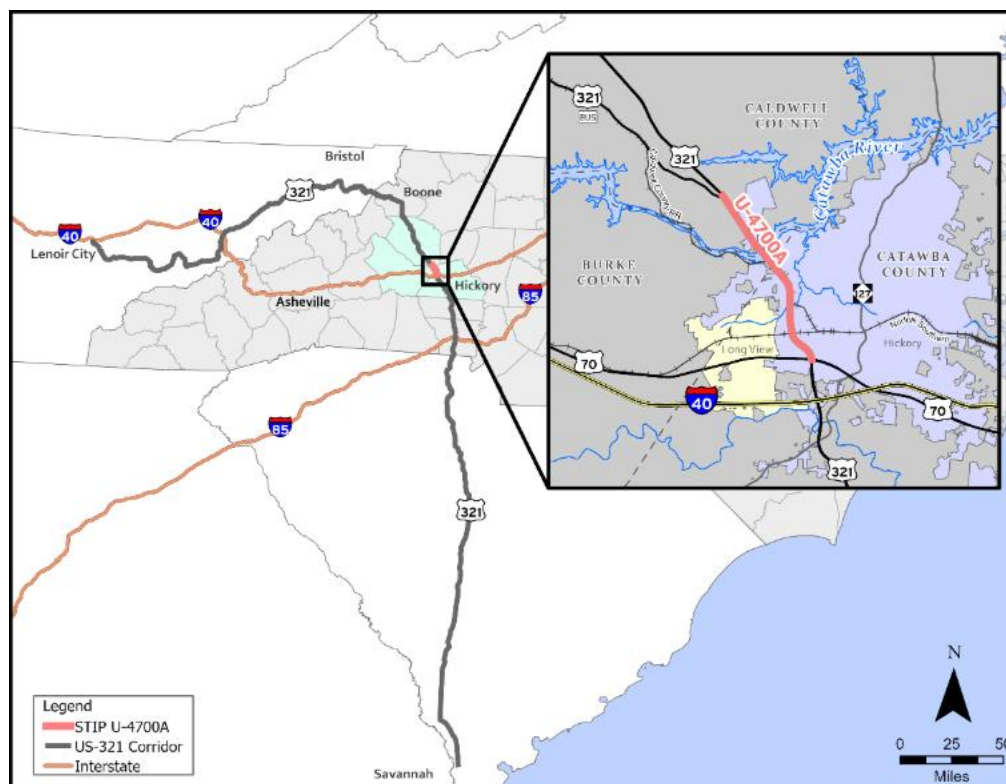
US 321 Calibrating Our National Network to Encourage Commerce and Tourism – 321 CONNECT

PROJECT READINESS

The North Carolina Department of Transportation (NCDOT) urgently seeks \$30,945,000 in Nationally Significant Multimodal Freight and Highways Projects (INFRA) funds to maintain the project schedule for the shovel-ready 321 CONNECT (Calibrating Our National Network to Encourage Commerce and Tourism) project. 321 CONNECT is a major project with an estimated future eligible cost of over \$282 million.

The funding will allow NCDOT to move forward with 2026-2035 State Transportation Improvement Program (STIP) project U-4700. Due to limited funding, the project has been split into multiple construction phases. U-4700A will improve US 321 from US 70 to US 321 Business in Hickory. The schedule for this portion of the project has already been delayed due to escalating materials costs. 321 CONNECT funding will allow NCDOT to construct critically needed improvements to US 321 in this western Piedmont area, including the replacement of two bridges over the Catawba River.

Figure 1: 321 CONNECT U-4700A Improvements



Project Risk Review

The 321 CONNECT project can begin construction within the designated timelines for the INFRA program. The Environmental Assessment for U-4700 was finalized in February 2016 and

the Finding of no Significant Impact (FONSI) was signed in April 2018. Final Designs are complete and include hydraulic analysis, traffic work, hazardous material site assessments and geotechnical investigations. Right of way (ROW) acquisition for U-4700A is complete. Construction costs for the project were updated in February 2026. The current schedule for construction of U-4700A is 2029.

As shown in Table 1, the state share of the construction of U-4700A is 51%, with the federal share of the construction component is 49%, of which 11.0% will be INFRA funds. Cost estimates include a 5% contingency for structures and utilities and a 10% contingency for U-4700A roadway construction.

TABLE 1. 321 CONNECT Future Eligible Costs

Item	State Funds	Other Federal Funds	INFRA Funds	Total Funds
Roadway	\$76,700,183	\$57,215,447	\$16,476,885	\$150,392,515
Structures/Utilities	\$58,841,505	\$43,893,545	\$12,640,449	\$115,375,499
Contingency (5.89%)	\$8,482,812	\$6,346,508	\$1,822,186	\$16,651,506
Total	\$144,024,500	\$107,455,500	\$30,920,000	\$282,400,000
Flood Gauge	\$25,000		\$25,000	\$50,000
Total	\$144,049,500	\$107,455,500	\$30,945,000	\$282,450,000

The complete 2026 construction cost estimate is included in the supplemental materials on the [321 CONNECT website](#).

The following information summarizes the budget for 321 CONNECT:

- Project U-4700A is included in the current NCDOT STIP. ROW purchased to date have utilized GARVEE bond funding. As noted in the Project Budget, contingencies are provided.
- The 321 CONNECT needs INFRA funding for construction of U-4700A to ensure the project can be constructed as currently scheduled. 321 CONNECT would significantly advance the construction timeline of U-4700A. Costs have continually risen for the project based on materials costs as well as site constraints for ROW in Hickory, replacement of a Norfolk Southern railroad bridge over US 321, the costs of the grade separation over the Caldwell County Railroad (CWCY) line just south of the Catawba River, and the need to replace both bridges over the Catawba River. Any advancement of the project will provide the benefits described more quickly and will reduce maintenance needs for the bridges and other parts of the corridor.
- Construction on 321 CONNECT can begin within 18 months of funding obligation. The 321 CONNECT project has completed ROW design and ROW acquisition. Permitting and construction will begin within the scheduled timeline.
- NCDOT has the legal, financial, and technical capability to carry out the project. NCDOT has a long history of successful project delivery. The ROW plans are included in the

application as supplemental materials. The financial plan, as discussed in Requirement V, is in place. NEPA documentation is complete and the risks of the project are clearly defined and have been mitigated. NCDOT has successfully delivered many USDOT grant projects and is in the process of finalizing contracts for the I-85 FUTURES and STERLING projects, which were awarded INFRA funds in 2023.

The proposed schedule for the project is shown below, assuming obligation of funds during calendar 2027.

TABLE 2. Project Schedule

MILESTONE	TIMELINE
INFRA Funding Obligated	Month 0
Permitting Complete	Month 6
Letting Complete	Month 12
Construction Initiation	Month 16
Construction Completion	Month 48

U-4700 participated in NCDOT's NEPA/Section 404 Merger Process. Under this process, NCDOT meets with resource agency representatives at key points during project development to reach concurrence on:

- Purpose and Need and Study Area Defined
- Detailed Study Alternatives Carried Forward
- Bridging Decisions and Alignment Review
- Least Environmentally Damaging Practicable Alternative
- Avoidance and Minimization Measures
- Hydraulic Design Review
- Permit Drawing Review

The Merger Process is designed to provide increased agency coordination. By going through each step of the Merger Process, potential impediments to obtaining the necessary environmental permits are minimized. No outstanding concerns have been identified on the overall U-4700 project that could delay project permitting. NCDOT has developed a project commitments dashboard which ensures that commitments made during project development are tracked and followed during and after construction. As discussed in the Requirements document, NCDOT has developed a comprehensive schedule for 321 CONNECT. The Department has the requisite experience and capacity to initiate construction activities within 18 months of funding obligation, but also to deliver this complex project as per the provided project schedule.

Applicant Capacity

NCDOT has a long history of successful project delivery. The final roadway designs are included in the application as supplemental materials. The financial plan, as discussed in Requirement V,

is in place. NCDOT has successfully delivered many USDOT grant projects and is in the process of finalizing contracts for the I-85 FUTURES and STERLING projects, which were awarded INFRA funds in 2023. The Department is in the process of completing multiple large-scale projects including the federal major project I-26 Widening (STIP Projects I-4400/I-4700). NCDOT has the project experience, delivery capacity and PEF and contracting staff to take on this important assignment.

- Construction on 321 CONNECT can begin within 18 months of funding obligation. The 321 CONNECT project has completed ROW design and ROW acquisition. Permitting and construction will begin within the scheduled timeline.
- NCDOT has the legal, financial, and technical capability to carry out the project. NCDOT has a long history of successful project delivery. The ROW plans are included in the application as supplemental materials. The financial plan, as discussed in Requirement V, is in place. NEPA documentation is complete and the risks of the project are clearly defined and have been mitigated. NCDOT has successfully delivered many USDOT grant projects and is in the process of finalizing contracts for the I-85 FUTURES and STERLING projects, which were awarded INFRA funds in 2023.