



EXPLANATORY STATEMENT

ACCOMPANYING THE

DRAFT TOLL SCHEME

FOR THE

M3 CLONEE TO KELLS MOTORWAY

NATIONAL ROADS AUTHORITY

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1 Introduction

1.1 **Description of The M3 Clonee to Kells Motorway**

The M3 Clonee to Kells Motorway, referred to in the Draft Toll Scheme as the “Proposed National Road”, will run from a location north of Clonee in County Meath to the proposed N3 national road (Kells to Carnaross section) south of Kells in County Meath, commencing at the start of the motorway at the proposed Pace interchange and terminating at the northern end of the motorway. The Proposed National Road is part of a larger road building development, called the M3 Clonee to North of Kells Scheme, and is to be linked by ancillary roads with the existing road network through grade separated junctions at Pace, Dunshaughlin, Blundelstown, Kilcarn, Athboy Road and Kells. The total length of the Proposed National Road, which is intended to be designated as a motorway forming part of the M3/N3 National Primary Route, is 47km approximately.

A map showing the location of the Proposed National Road, the toll collection locations and ancillary roads is provided as Schedule A of the Draft Toll Scheme.

1.2 **Benefits of Proposed Road**

The implementation of the M3 Clonee to Kells Motorway will result in many benefits for the national network and, also, locally in the region. These include:

- The extension of motorway standard road from Clonee to Kells, a distance of 47 kilometres approximately, significantly improving road transport connections between the west/north west and the east of the country;
- Major investment in the physical infrastructure of the region as part of the overall M3 Clonee – North of Kells Scheme;
- Bypasses of Dunboyne, Dunshaughlin, Navan, Kells and smaller communities;
- Aid to competitiveness and efficiencies in the economy of County Meath and other counties served by the N3/M3 route, particularly through reduced transport costs and reduced journey time variance;
- Significant reductions in travel times along the route;
- Enhancement of economic opportunities in the region;
- Improvement of the environment along the existing N3 as it passes through the towns and villages;
- Facilitating access to the many tourist and heritage attractions in the region;

- Removal of through traffic from the local road network, thereby improving environmental standards and safety.

1.3

Public Private Partnership Process

In the National Development Plan 2000-2006 (NDP), the Government has set a target of securing €2.35 billion (at 1999 prices) of private finance for Public Private Partnership (PPP) projects generally, including at least €1.27 billion for national roads. The €1.27b target for private finance in national roads capital projects represents 23% of the total road investment programme. This reflects the importance for Ireland of securing the injection of private finance in order to accelerate the delivery of the public capital programme designed to remedy Ireland's infrastructural deficit. Without the €1.27b of private funding the 2000-2006 roads programme would be left substantially incomplete and current deficiencies, which threaten regional development and continued economic growth, would not be effectively addressed.

The NDP identifies PPPs as an important and integral element of the overall planned investment in economic infrastructure projects. The M3 Clonee to Kells Motorway together with ancillary roads has been designated as a PPP project by the National Roads Authority (the "Authority"). Substantial funding for the scheme is anticipated to be provided by the private sector under this approach and, accordingly, the project has not been included in that element of the national roads programme that is funded in a conventional manner, namely, exclusively from Exchequer resources and, where appropriate, EU aid.

It is proposed to procure the construction and operation of the M3 Clonee to Kells Motorway together with ancillary roads through a Design/Build/Finance/Operate arrangement. This will encompass a long term concession period, in the order of thirty years, during which the Concessionaire will recoup some or all of the up-front construction costs and on-going operation/maintenance costs through the collection of tolls.

These types of schemes are used successfully throughout the world as a means of providing vital public infrastructure and of ensuring operation and maintenance to a high standard over the long term for the benefit of the user. At the heart of the PPP approach is the concept that better value for money can be achieved for suitable projects through the utilisation of private sector enterprise, enhanced scope for innovation and the allocation of risk to the party best able to manage it. Also, importantly in a national context, the injection of private finance will accelerate the delivery of the public capital programme designed to remedy Ireland's infrastructural deficit.

In the case of the M3 Clonee to Kells Motorway, the PPP approach and the provision of private sector funding will enable the earlier delivery of this project, plus its ancillary roads, than might otherwise be possible under the conventional roads programme. It also makes it possible to simultaneously progress construction of other important

projects which are included in the overall roads programme and which do not have the capacity to attract significant private sector funding.

1.4

Statutory Procedures

The Draft Toll Scheme for the M3 Clonee to Kells Motorway and its accompanying Explanatory Statement have been prepared in accordance with the statutory provisions of the Roads Act, 1993, as amended by the Planning and Development Act, 2000.

In accordance with these legislative enactments the following provisions apply as part of the statutory procedures:

- A Notice will be published informing that a Draft Toll Scheme has been prepared and indicating the place and times where the Draft Toll Scheme and accompanying Explanatory Statement can be inspected, and including a statement of the time limits within which members of the public can make objections in writing to the Authority.
- Copies of the Draft Toll Scheme and Explanatory Statement will be available for inspection by the public for a minimum period of one month from 6^h March, 2002 to 17th, April 2002.
- Objections to the Draft Toll Scheme may be made in writing to the Authority before 5.00 pm on 3rd, May 2002.
- A Notice will be served on Meath County Council informing them that a Draft Toll Scheme has been prepared for the M3 Clonee to Kells Motorway and stating that representations may be made in writing to the Authority within a specified period.
- If objections to the Draft Toll Scheme are received and not withdrawn, the Authority will cause an oral hearing to be held into the matters to which the objections relate. The report and recommendations of the person appointed to hold the hearing will be considered by the Authority prior to determining whether or not to adopt the Draft Toll Scheme.
- The Authority may adopt the Draft Toll Scheme with or without modifications or may refuse to adopt it.

2 Provisions of the Toll Scheme

2.1 ***Proposed Road to be Tolled***

The Draft Toll Scheme describes the location of the Proposed National Road which is proposed to be tolled. The description is also set out in paragraph 1.1 of this Explanatory Statement, with details of the toll collection locations stated in paragraph 3.1.

2.2 ***Purpose and Effect***

The purpose of the Draft Toll Scheme is to establish a system of tolls in respect of the use of the M3 Clonee to Kells Motorway.

The effect of the Draft Toll Scheme, if adopted, is to facilitate the provision of the M3 Clonee to Kells Motorway together with ancillary roads through a PPP mechanism as detailed in section 1.3 of this Explanatory Statement. A Design/Build/Finance/Operate contract will be used to procure the construction and operation of the scheme. As part of this arrangement it is proposed that the contract would include a long term concession period during which the concessionaire would recoup (in part or in full) the up-front construction costs and on-going operation/road maintenance costs through the collection of tolls.

The benefits of this approach are to utilise, in conjunction with the public sector, the efficiencies and expertise of the private sector, along with private sector finance, in developing, constructing and operating the M3 Clonee to Kells Motorway.

2.3 ***Classes of Vehicles and Road Users***

The M3 Clonee to Kells Motorway is intended for use by any vehicles and road users permitted to use a motorway under Part 4 of the Roads Regulations, 1994 (S.I. No. 119 of 1994) or any subsequent amendment thereof.

2.4 ***Toll Charges***

There are two toll collection locations on the Proposed National Road. The estimated amounts of the tolls that it is proposed to charge at each of the two toll collection locations are given in Table I below.

For information, Table II is included below showing the cumulative charges where a user passes through both toll collection locations in the same direction of travel.

TABLE I: Estimated amounts of the tolls proposed to be charged at each of the two toll collection locations

CLASS OF TRAFFIC	ESTIMATED TOLL CHARGES*	
	€(excl. VAT)	€(incl. VAT @21%)**
Motor Cycles (exceeding 50cc)	0.45	0.54
Motor Cars	0.875	1.06
Buses or Coaches	1.325	1.60
Goods Vehicles with a design gross vehicle weight not exceeding 3,500 kilograms	1.325	1.60
Goods Vehicles with a design gross vehicle weight exceeding 3,500 kilograms and having two or three axles	1.75	2.12
Goods Vehicles with a design gross vehicle weight exceeding 3,500 kilograms and having four or more axles	2.15	2.60

TABLE II: FOR INFORMATION
Estimated amounts of the cumulative toll charges proposed where a user passes through both of the toll collection locations in the same direction of travel

CLASS OF TRAFFIC	CUMULATIVE TOLL CHARGES*	
	€(excl. VAT)	€(incl. VAT @21%)**
Motor Cycles (exceeding 50cc)	0.90	1.08
Motor Cars	1.75	2.12
Buses or Coaches	2.65	3.20
Goods Vehicles with a design gross vehicle weight not exceeding 3,500 kilograms	2.65	3.20
Goods Vehicles with a design gross vehicle weight exceeding 3,500 kilograms and having two or three axles	3.50	4.24
Goods Vehicles with a design gross vehicle weight exceeding 3,500 kilograms and having four or more axles	4.30	5.20

Notes:

* The toll (inclusive of VAT) that would actually be charged would be rounded in accordance with bye-laws.

** From 1st March 2002 the applicable VAT rate will be 21%.

The term “goods vehicle” shall be taken to mean a mechanically propelled vehicle which is substantially constructed or adapted for the conveyance of goods or burden of any description whether in the course of trade or otherwise.

The charges specified above are an estimate at 1st August 2000 prices and may be updated periodically in line with increases in the Consumer Price Index or increases in Gross National Disposable Income. The tolls actually to be charged will fall to be specified in bye-laws to be made by the National Roads Authority under section 61 of the Roads Act, 1993, as amended by section 274 of the Planning and Development Act, 2000.

The toll charges shown anticipate that substantial public sector subsidies will be necessary for the project. The level of toll charges necessary to fully fund the project from toll revenues only would be considerably higher. The specified toll charges stated above have been developed by the Authority to ensure rates are set at an affordable level, and are consistent with balancing the objectives of producing satisfactory revenue and attracting substantial traffic onto the new road. Consortia tendering for the project will do so in the knowledge of the tolls that will apply.

3 Toll Facility

3.1 *Description*

Two toll plazas are proposed for the scheme. It is proposed to locate the southern mainline toll plaza on the motorway between Dunboyne and Dunshaughlin at Black Bull near Piercetown. In addition, a northern mainline toll plaza is proposed on the motorway between Navan and Kells near Grange. Both locations are indicated on the map attached as Schedule A to the Draft Toll Scheme

It is anticipated that the southern toll plaza will require five lanes in each direction with varying combinations of manual cash, automatic cash, and electronic tag (if used) lanes being possible under different traffic loading conditions. The northern toll plaza is anticipated to have three lanes in each direction. The overall toll system will be required to provide:

- a secure and reliable system for the collection of tolls due;
- users with a safe, speedy and efficient passage through the toll plaza;
- users with flexible and convenient methods of paying for tolls due, and
- toll collection staff with a safe and secure environment in which to carry out their duties.

3.2 *Future Improvements*

In relation to the toll plazas, future expansion may involve additional lanes at the toll plazas and changes to the toll plaza arrangements in the interests of traffic management efficiency and the safety of road users as traffic flows increase. In addition, electronic tolling systems may either be introduced or utilised more extensively to provide greater efficiencies and convenience to road users.

4 General Arrangements for the Toll Road

4.1 *Funding*

The M3 Clonee to Kells Motorway, together with the ancillary roads, has been designated as a PPP project. Accordingly, it is expected that the capital cost of the design and construction of the motorway, inclusive of the tolling system, together with the maintenance costs for the scheme and the tolling system will be partly met by private financing initiatives together with some public sector contribution. A tendering process specifically geared towards PPP will be undertaken. At the end of this process a consortium (termed the “Concessionaire”) will be selected and will be responsible for all aspects of the scheme, including financing. It is proposed that the Authority will award a long term contract to the Concessionaire to Design/Build/Finance/Operate the M3 Clonee to Kells Motorway plus ancillary roads. The awarding of this contract will be in accordance with EU procurement procedures.

4.2 *Construction*

It is proposed that the Concessionaire will be responsible for arranging the detailed design and construction of the M3 Clonee to Kells Motorway and all ancillary works. All detailed design and construction will be in accordance with the pertaining statutory approvals and will be to the requirements of the Authority.

4.3 *Maintenance and Operation*

The PPP contract will require the Concessionaire to be responsible for the operation and maintenance of the M3 Clonee to Kells Motorway, the bridges and ancillary elements. In addition, the Concessionaire will be responsible for the operation of the tolling facilities and the provision of all necessary management, administrative and other staff. The Authority may consider extending the maintenance functions of the Concessionaire to cover other elements of the adjoining national road network.

5 Traffic and Revenue

5.1 *Predicted Traffic Flows*

The estimated average daily traffic flow predicted on the Dunshaughlin to Dunboyne section of the M3 Clonee to Kells Motorway at the anticipated year of opening 2006 (and passing through the southern toll plaza location) is 22,800 vehicles with approximately 9% Heavy Commercial Vehicle content. The estimate of the average daily traffic for the southern plaza in the year 2024 is 54,700 vehicles of which approximately 11% will be Heavy Commercial Vehicles.

The estimated average daily traffic predicted to pass through the northern toll plaza between Navan and Kells on the M3 Clonee to Kells Motorway at the anticipated year of opening (2006) is 13,900 vehicles with approximately 12% Heavy Commercial Vehicles.

The estimated average daily traffic for the northern plaza for the year 2024 is 30,300 AADT with approximately 12% Heavy Commercial Vehicle content.

5.2 *Tolling Revenue*

Based on the daily estimates of the volumes of traffic, as set out above, using the M3 Clonee to Kells Motorway the gross amount of toll revenue in the year of opening, 2006, is estimated to be €13.2 million, excluding VAT, at year 2000 prices.

6

Scheme Costs

6.1

Scheme Cost and Cost of Tolling

The estimated capital cost (excluding the estimated capital cost of tolling the road) for the M3 Clonee to Kells Motorway (inclusive of design, land acquisition and other related costs) is approximately €300 million including VAT. However, the overall PPP scheme, has an estimated capital cost (inclusive of design, land acquisition and other related costs) of €577 million including VAT, but excluding the estimated capital cost of tolling the Proposed National Road.

The estimated capital cost of tolling the road is €12.7 million including VAT, and the annual operating cost is estimated as €3.46 million including VAT. These costs are based on year 2000 prices.