



Economic Development History of Interstate 68 in Maryland [1]

1 Interstate 68: "The National Freeway"

1.1 Project Length/Location

Interstate 68 is an east-west freeway that links the western Maryland panhandle to northeast West Virginia. It is known as "The National Freeway" because its Maryland portion generally follows the Old National Road of the early nineteenth century. I-68 extends from the I-70 junction in Hancock, Md. to the I-79 junction near Morgantown, W.V. It generally ties the Mid-Atlantic region (Baltimore/Washington metropolitan area via I-70) to the Midwest (through western Pennsylvania via I-79). I-68 does not enter a major metropolitan statistical area; the largest city between the endpoints is Cumberland, Md. This study concentrates on the 82-mile segment in Maryland.



The map shows the location of I-68 in Maryland from Garrett county in the west through Allegany county to Washington county on the east. I-68 traverses two metropolitan areas in Maryland, Cumberland, MD-WV and Hagerstown-Martinsburg, MD-WV designated by the US Office of Management and Budget. Counties in metropolitan statistical areas (MetSAs) are lightly shaded on the map. Allegany County is in the Cumberland, MD-WV MetSA. The Hagerstown-Martinsburg, MD-WV MetSA includes Washington County. Garrett is a non-metropolitan county and is shaded in dark.

1.2 Details of Construction

The freeway that is now I-68 was originally designated U.S. 48. [2] It was constructed and opened in segments between the mid-1960s and 1991. By late 1966, the completed sections were a three-mile segment west of Hancock in Washington County and a one-mile segment of the Cumberland Thruway, east of Cumberland. From 1966 to 1976, the section from Cumberland to the West Virginia-Maryland border was built. It was completed on August 13, 1976 with the opening of the 13-mile segment from Finzel Road to the Keyser's Ridge interchange. West Virginia's sections of I-68 were constructed as U.S. 48 between 1970 and 1976.

The section of I-68 from Cumberland to Hancock was constructed from the late 1970s to 1991. The 4.5-mile Sideling Hill Cut segment opened on August 15, 1985; the entire 8.7-mile Sideling Hill section was finished in 1986. The final segment of I-68, a 19-mile gap east of Cumberland, was built between 1987 and 1991. Upon completion of this "missing link," the State of Maryland formally opened Interstate 68 on August 2, 1991.

1.3 Reasons for Project Development

The Appalachian Regional Development Act of 1965 designated the route that is now I-68 as Corridor E in the Appalachian Development Highway System, a road network intended to support economic development in Appalachia. The Appalachian Regional Commission partially funded the construction of I-68.

I-68 also serves as a toll- and tunnel-free crossing of the Appalachian Mountains between Baltimore/Washington and the Midwest. It facilitates access to the Port of Baltimore. The next east-west interstate highway to the north is the Pennsylvania Turnpike (I-70 and I-76). As of August 1, 2004, the passenger-car toll on the section of the turnpike that is the primary alternative to I-68 (the I-70 segment from Breezewood, Penn. to the Pennsylvania-Ohio boundary) was \$9.50.

1.4 Traffic Counts

Table 1 shows annual average daily traffic (AADT) on selected segments of I-68, the main east-west highway in western Maryland from 1980 to 2003. In 2003, traffic ranged from 11,000 vehicles per day at the Maryland-West Virginia boundary to 53,000 vehicles per day in Cumberland. Traffic counts roughly doubled between 1980 and 2003.

Table 1: Average Daily Traffic on I-68 (formerly U.S. 48) in Maryland: 1980-2003

County	Location	1980	1985	1992	2003	Compounded Average Annual Growth Rate		
						1980-85	1985-92	1992-2003
Garrett	E of West Virginia State Line	5,500	5,325	8,500	10,675	-0.6%	6.9%	2.1%
Allegany	Cumberland: btwn. MD-51 & US-220	24,600	28,000	34,450	52,575	2.6%	3.0%	3.9%
Allegany	W of Sideling Hill	NA	8,200	14,975	14,375	NA	9.0%	-0.4%
Washington	Hancock: W of Jct. I-70	7,300	9,600	15,500	19,675	5.6%	7.1%	2.2%

Source: Maryland State Highway Administration

2 The I-68 Corridor/Western Maryland

2.1 Physical Features of I-68 Corridor

I-68 cuts through the Appalachian Mountains in the western panhandle of Maryland. Heading westward from its eastern terminus at I-70 in Hancock, I-68 passes over Sideling Hill, Town Hill, Big Savage Mountain, Negro Mountain, and crosses the Youghiogheny River before entering West Virginia.

The Sideling Hill Cut is a landmark on I-68 and a part of the region's economic development effort. The 340-foot deep cut exposes the cross-section of a syncline. A visitor center permits motorists to view the engineering feat and to learn about tourist attractions in Maryland.

The Cumberland Narrows is a geologic feature that has affected transportation in western Maryland for centuries. U.S. 40 (the Old National Road) and railroad lines crowd together through the narrow valley of Wills Creek

northwest of downtown Cumberland. I-68 bypasses the Narrows on a more direct east-west orientation.

2.2 Transportation History of I-68 Corridor

What later became the I-68 corridor played a vital role in United States economic development and westward expansion in the nineteenth century. Nationally significant road, canal, and railroad projects were constructed through the region in the early and mid-1800s.

I-68's name, "The National Freeway," is inspired by the National Road, the first and only interstate highway built by the federal government (modern interstates are constructed by the states). The National Road started at Cumberland and extended westward across the Appalachian Mountains, the Ohio River, and the Midwest to a point near St. Louis. Most of the traffic east of Cumberland headed to the markets and port at Baltimore. The road was opened from Cumberland to Wheeling by 1818, and reached Columbus, Ohio in 1833. U.S. 40 traces portions of the route of the National Road in Maryland. Surviving artifacts include the Casselman River Bridge near Grantsville in Garrett County (a stone arch bridge built in 1813) and cast iron road markers. The LaVale Tollgate House dates from 1836.

Construction of the Chesapeake and Ohio (C&O) Canal began in 1828. The goal was to link the Potomac River in Washington with the Ohio River. The canal was completed to Cumberland in 1850; it never reached the Ohio. The primary commodity hauled was western Maryland coal. The C&O Canal's peak traffic year was 1871, when 850,000 tons of coals were transported. Competition from railroads siphoned off the canal's traffic and floods repeatedly damaged it. The canal closed in 1924. Most of it survives today as the Chesapeake & Ohio Canal National Historical Park. Cumberland utilizes its canal heritage as an economic development tool in its Canal Place Preservation District.

The Baltimore & Ohio Railroad was the first rail link between the East Coast and the Ohio River Valley. Construction began in 1828. It reached Cumberland in 1842, eight years ahead of the C&O Canal. The B&O Railroad accomplished its goal of linking Baltimore to the Ohio River in 1852 when the tracks entered Wheeling, Virginia (now West Virginia). Most of the B&O Railroad's lines in the I-68 corridor remain active today as part of the CSX railroad network; the B&O merged into CSX in 1987.

A westward extension of I-68 in West Virginia is planned. The new section of I-68 would extend approximately 73 miles from its current terminus at the I-79/I-68 junction near Morgantown to Moundsville, a West Virginia community on the Ohio River. [3]

An effort is underway to create a north-south interstate highway corridor in Pennsylvania, Maryland, and West Virginia between I-79 and I-81 that would intersect and partially overlap with I-68 in western Maryland. It is conceived, by some, as a southward extension of I-99 from central Pennsylvania. Among the goals is to relieve traffic on I-81. Separately, engineering and environmental studies supported by the states of Pennsylvania and Maryland and the Federal Highway Administration are being prepared for the section of U.S. 219 from I-68 in Garrett County, Maryland to Meyersdale, Somerset County, Pennsylvania. [4] The goal is to identify improvements to U.S. 219 that will enhance safety and facilitate economic development of the region. This segment of U.S. 219 is part of Appalachian Development Highway System Corridor N. The corridor would continue on I-68 from the U.S. 219 junction eastward to MD-53 west of Cumberland. The improved highway would follow MD-53 southward to U.S. 220, which it would follow through West Virginia to Appalachian Development Highway System Corridor H, a major east-west highway that is now under construction. [5]

2.3 Interstate 68 Communities

The following are synopses of the three counties in Maryland's I-68 corridor:

Washington County: The eastern terminus of I-68 at I-70 is located in the narrowest part of the western Maryland panhandle (two miles wide). I-68 traverses a sparsely populated area that includes the Sideling Hill Cut. Most of the county's residents live far from I-68 in and around Hagerstown, which is located at the junction of I-70 and I-81. Hagerstown is developing into a major node for distribution centers. Residential growth in the Hagerstown area is fueled by commuters to the Washington/Baltimore metropolitan area.

Allegany County: Cumberland, the largest city on I-68 in Maryland, is the seat of Allegany County. It was once a

major manufacturing center; in the past twenty-five years, large synthetic fiber, windshield glass, and tire plants have closed; some were replaced by factories overseas. Mead Westvaco operates a paper mill in Luke in the southwestern corner of Allegany County, about 15 miles south of I-68.

Located one mile from I-68, Frostburg State University is a growing campus in the University System of Maryland. Some of the school's growth is fueled by the presence of I-68, as a majority of the student body originates from the Baltimore-Washington area. The Allegany Business Center, a technology-based business park, is located near the university.

In recent years, prisons have become a part of the region's economic development strategy. In 1996, the state opened the Western Correctional Institution, a medium security prison, in Cumberland. Most of the prisoners are transported to and from the Baltimore/Washington area via I-68. A medium security federal prison is also located in Cumberland.

Coal mining has been an important industry in the I-68 corridor since the early 1800s. Now around 5 million tons of coals are mined in western Maryland every year. [6] More than 90 percent is consumed domestically; the remainder is exported. Ninety percent is used to generate electricity; the other ten percent is burned at industrial plants. In 2002, nearly 97 percent of domestic distribution of western Maryland coal was by truck; the remaining 3 percent was by rail. [7] Domestic distribution was to West Virginia (61 percent), Maryland (29 percent), and Virginia (9 percent). In 2002, the twelve coalmines in Allegany County produced 1.6 million tons. Almost all was from surface mines.

Allegany County and Mineral County, W.Va. form the Cumberland, MD-WV Metropolitan Statistical Area. Ridgeley, W.Va. in Mineral County is directly across the Potomac River from Cumberland and is within one mile of I-68.

Garrett County: I-68 traverses the northern portion of Garrett County; this section was completed in the mid-1970s. In 2002, Garrett County's five coalmines produced a total of 3.5 million tons. More than 90 percent of the tonnage was from underground mines. Along with coal mining and timber harvest, tourism is a major industry in Garrett County. Maryland's only downhill ski resort (Wisp) is 15 miles south of I-68. Deep Creek Lake offers water recreational opportunities. Construction of I-68 facilitated access to these recreational sites and allows residents of the Baltimore/Washington area to maintain vacation homes there.

3. Socioeconomic Trends in the I-68 Corridor

3.1 Population

Table 2 shows that the population of the I-68 corridor increased at a lesser rate than the state and nation both before and after the freeway was completed in 1991. Allegany County continued to lose population after I-68's completion, but the rate slowed from a compounded average annual loss of 0.6 percent from 1976 to 1991 to a loss of 0.2 percent per year from 1991 to 2002. Garrett County population grew faster in the years before completion of I-68. This may be because I-68 (then signed as U.S. 48) opened through Garrett County in 1976, inducing growth at an earlier date. Garrett's population increases on weekends and holidays when vacation homes are occupied.

Table 2: Population: 1969-2002

County	1969	1976	1991	2002	Compounded Average Annual Growth Rate		
					1969-76	1976-91	1991-2002
Washington	103,073	110,774	124,097	134,672	1.0%	0.8%	0.7%
Allegany	84,207	81,938	75,305	74,041	-0.4%	-0.6%	-0.2%
Garrett*	21,440	24,749	28,747	29,934	2.1%	1.0%	0.4%
MD I-68 Corridor	208,720	217,461	228,149	238,647	0.6%	0.3%	0.4%

Maryland	3,868,000	4,172,132	4,867,641	5,450,525	1.1%	1.0%	1.0%
United States	201,298,000	217,553,859	252,980,941	287,973,924	1.1%	1.0%	1.2%
Non-Metro MD							
	181,680	202,706	250,281	283,685	1.6%	1.4%	1.1%
Non-Metro U.S.							
	38,926,788	42,215,543	45,264,908	49,182,854	1.2%	0.5%	0.8%

* Indicates county that is classified as non-metropolitan by the U.S. Office of Management and Budget in 2004.

Source: Bureau of Economic Analysis

3.2 Employment

As seen in Table 3, total full-time and part-time employment has grown slower in the I-68 corridor than in Maryland and the U.S. both before and after the freeway was completed. However, employment in Allegany County has grown faster since I-68 was finished, 0.5 percent per year from 1976 to 1991 versus 0.7 percent per year from 1991 to 2000. Like population, Garrett County employment growth has decelerated since the freeway was completed in 1991. The growth rates for Garrett County employment exceeded the non-metro state and national rates from 1969 to 1976 and from 1976 to 1991.

Table 3: Full-Time and Part-Time Employment: 1969-2002

County	1969	1976	1991	2000	Compounded Average Annual Growth		
					1969-76	1976-91	1991-2000
Washington	45,669	48,551	66,685	75,559	0.9%	2.1%	1.4%
Allegany	36,153	33,227	35,831	38,120	-1.2%	0.5%	0.7%
Garrett*	6,558	8,868	15,334	17,619	4.4%	3.7%	1.6%
MD I-68 Corridor	88,380	90,646	117,850	131,298	0.4%	1.8%	1.2%
Maryland	1,679,355	1,865,565	2,682,831	3,091,547	1.5%	2.5%	1.6%
U.S.	91,057,200	101,597,200	138,605,800	166,758,800	1.6%	2.1%	2.1%
Non-Metro MD							
	80,591	89,312	138,213	165,113	1.5%	3.0%	2.0%
Non-Metro U.S.							
	15,994,931	17,964,714	21,723,021	25,495,489	1.7%	1.3%	1.8%

* Indicates county that is classified as non-metropolitan by the U.S. Office of Management and Budget in 2004.

Source: Bureau of Economic Analysis

3.3 Personal Income

Real per capita personal income in all of the I-68 counties is lower than in Maryland as a whole and the U.S. [8] Income growth has slowed since the freeway's completion in 1991 in all counties except Washington, where the economy is much more dependent on I-70 and I-81 than on I-68. Garrett County experienced faster income growth than the state and nation in both the 1969-1991 and 1991-2002 time periods.

Table 4: Real Per Capita Personal Income: 1969-2002

County	1969	1976	1991	2002	Compounded Average Annual Growth Rate		
					1969-76	1976-91	1991-2002
Washington	\$13,657	\$16,225	\$19,971	\$26,155	2.5%	1.4%	2.5%
Allegany	\$12,338	\$14,660	\$18,774	\$21,950	2.5%	1.7%	1.4%
Garrett*	\$9,139	\$12,177	\$16,894	\$22,901	4.2%	2.2%	2.8%
MD I-68 Corridor	\$12,661	\$15,174	\$19,188	\$24,442	2.6%	1.6%	2.2%
Maryland	\$16,615	\$19,861	\$27,936	\$35,099	2.6%	2.3%	2.1%
United States	\$15,189	\$17,798	\$23,846	\$29,881	2.3%	2.0%	2.1%
Non-Metro MD	\$13,015	\$15,408	\$22,139	\$28,823	2.4%	2.4%	2.4%
Non-Metro U.S.	\$11,566	\$14,312	\$18,144	\$22,587	3.1%	1.6%	2.0%

* Indicates county that is classified as non-metropolitan by the U.S. Office of Management and Budget in 2004.

Source: Bureau of Economic Analysis (adjusted with National Implicit Price Deflators for Personal Consumption Expenditures)

3.4 Industry Mix

Table 5 shows the non-farm employment by industry in the I-68 corridor (sum of the three I-68 counties) in selected years from 1969 to 2000. The growth rate for total non-farm employment has essentially remained unchanged since completion of I-68. The fastest-growing sector before 1991 was Services; the fastest-growing sector after completion of I-68 was Finance/Insurance/ Real Estate.

The corridor lost manufacturing positions at a compounded average annual rate of 1.7 percent from 1976 to 1991 but gained jobs in that sector at 0.1 percent per year from 1991 to 2000. However, most of the turnaround in manufacturing employment was in Washington County, far from I-68. Allegany County lost manufacturing jobs at 3.3 percent per year from 1976 to 1991 and at 1.4 percent per year from 1991 to 2000.

Table 5: Non-Farm Employment by Industry in the I-68 Corridor: 1969-2002

Industry Sector	1969	1976	1991	2000	Compounded Average Annual Growth		
					1969-76	1976-91	1991-2000
Ag. Services/Forestry/Fishing	332	357	NA	NA	1.0%	NA	NA
Mining	496	828	NA	NA	7.6%	NA	NA
Construction	4,583	5,246	7,028	7,898	1.9%	2.0%	1.3%
Manufacturing	26,751	21,424	16,467	16,599	-3.1%	-1.7%	0.1%
Transportation/Public Utilities	7,641	6,256	NA	6,813	-2.8%	NA	NA
Wholesale Trade	2,636	2,833	NA	5,079	1.0%	NA	NA
Retail Trade	13,592	15,549	25,040	25,674	1.9%	3.2%	0.3%
Finance/Insurance/Real Estate	3,328	3,763	5,936	8,996	1.8%	3.1%	4.7%
Services	13,412	16,939	30,344	39,355	3.4%	4.0%	2.9%
Government/Gov't Enterprises	12,800	14,413	17,154	16,823	1.7%	1.2%	-0.2%
Total Nonfarm Employment	85,571	87,608	115,277	129,053	0.3%	1.8%	1.3%

Source: Bureau of Economic Analysis

Table 6 compares the corridor, state, and national industry mix derived from total nonfarm employment. Manufacturing is more important to the I-68 corridor than to Maryland and the U.S. In all years, the corridor's manufacturing share exceeded that of Maryland and the U.S. In the I-68 corridor as in the U.S. as a whole, manufacturing employment has declined as a percentage of all jobs since 1969. Whereas one-in-three (31.3 percent) I-68 corridor workers were employed in manufacturing in 1969, only one-in-eight (12.8 percent) worked in that sector in 2000.

The share of total employment due to retail trade has increased more rapidly at the corridor level than in the state and nation [9].

Table 6: Industry Sectors As Percent of Total Nonfarm Employment: 1969-2002

Industry Sector	1969			1991			2000		
	Corridor	Maryland	U.S.	Corridor	Maryland	U.S.	Corridor	Maryland	U.S.
Ag. Services/Forestry/Fishing	0.4%	0.6%	0.6%	NA	1.0%	1.1%	NA	1.1%	1.1%
Mining	0.6%	0.2%	0.8%	NA	0.1%	0.8%	NA	0.1%	0.1%
Construction	5.4%	6.1%	5.1%	6.1%	6.4%	5.0%	6.1%	6.6%	5.5%
Manufacturing	31.3%	17.3%	23.6%	14.3%	7.5%	14.0%	12.9%	6.1%	12.8%
Transportation/Public Utilities	8.9%	5.4%	5.5%	NA	4.5%	4.8%	5.3%	4.4%	5.5%
Wholesale Trade	3.1%	3.8%	4.7%	NA	4.3%	4.9%	3.9%	4.0%	4.4%
Retail Trade	15.9%	16.4%	15.4%	21.7%	17.4%	16.8%	19.9%	16.6%	16.6%
Finance/Insurance/Real Estate	3.9%	6.4%	6.8%	5.1%	8.4%	7.8%	7.0%	8.1%	8.1%
Services	15.7%	19.2%	19.2%	26.3%	31.7%	29.1%	30.5%	36.1%	33.1%
Government/Gov't Enterprises	15.0%	24.8%	18.2%	14.9%	18.7%	15.7%	13.0%	16.8%	14.9%
Total Nonfarm Employment	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Bureau of Economic Analysis

3.5 Business Establishments

The numbers of business establishments in each I-68 corridor county, Maryland, and the U.S. in selected years from 1964 to 2001 are presented in Table 7. The Census Bureau defines an "establishment" as "a single physical location at which business is conducted or services or industrial operations are performed." It is not necessarily identical to a company or enterprise, which may consist of one or more establishments. Before 1974, the Census Bureau used "reporting units" as the unit of measurement. The definition of "establishment" has changed since it was first adopted in 1974, most significantly in 1983.

The year 1991 is used as the base for the index because I-68 was completed in Maryland that year. Growth in the number of business establishments outpaced the national and state growth rates in Washington and Garrett counties both before (1976 to 1991) and after (1991 to 2001) the freeway's completion. Allegany County lost business establishments after 1991, but the absolute decline was modest.

Table 7: Business Establishments: 1964-2001

County	Reporting Units*	Establishments*			Index (1991=100.0)			
	1964	1976	1991	2001	1964	1976	1991	2001
Washington	1,719	2,000	2,937	3,362	58.5	68.1	100.0	114.5
Allegany	1,556	1,541	1,868	1,821	83.3	82.5	100.0	97.5
Garrett**	319	446	750	892	42.5	59.5	100.0	118.9
MD I-68 Corridor	3,594	3,987	5,555	6,075	64.7	71.8	100.0	109.4
Maryland	50,022	68,011	114,999	129,301	43.5	59.1	100.0	112.4
United States	3,457,722	4,409,223	6,200,650	7,095,302	55.8	71.1	100.0	114.4

*Data are not comparable across all years because of definitional changes. In 1974, the Census Bureau changed from a "reporting unit" concept to establishment-based data. The definition of "active" establishments changed in 1983.

** Indicates county that is classified as non-metropolitan by the U.S. Office of Management and Budget in 2004.

Source: Bureau of the Census, *County Business Patterns*.

3.6 Property Value Changes

Median home values are a measure of property values in a particular region. Table 8 compares median values of owner-occupied no condominium housing units in the I-68 counties, Maryland, and the U.S. from 1980 to 2000. Home values in all I-68 counties were below the state and national median values in 1980 and 2000. Home values in all I-68 counties grew slower than Maryland from 1980-90 and faster than Maryland from 1990-2000. The growth rate for home values slowed in the 1990s in Washington and Garrett counties and in Maryland and the U.S. The growth rate increased in Allegany County in the 1990s, possibly due to the completion of I-68.

Table 8: Median Value of Specified Owner-Occupied No condominium Housing Units: 1980-2000

Location	1980	1990	2000	Compounded Average Annual Growth Rate	
				1980-90	1990-2000
Washington Co.	\$45,300	\$83,000	\$115,000	6.2%	3.3%
Allegany Co.	\$31,100	\$46,700	\$71,100	4.1%	4.3%
Garrett Co.*	\$35,700	\$60,200	\$86,400	5.4%	3.7%
Maryland	\$59,200	\$116,500	\$146,000	7.0%	2.3%
United States	\$47,300	\$79,100	\$119,600	5.3%	4.2%

*Indicates county that is classified as non-metropolitan by the U.S. Office of Management and Budget in 2004.

Source: Bureau of the Census

Sales of vacation homes in Garrett County have increased assessed valuation and generated more property tax revenue, according to the local economic development office. The county has benefited in that vacation home dwellers do not demand such expensive government services as public schooling. Most vacation homes are not included in the Table 8 figures.

4. I-68: Economic Development Trends

4.1 Allegany County: Now on the National Map

Casper R. Taylor, president of the Western Maryland Economic Development Task Force and former Speaker of the Maryland House of Delegates, says that I-68's existence makes "all the difference to a community that was caught in the Rust Belt." [10] He says that I-68 has helped to revitalize the region. Economic development initiatives commenced 15 years ago are now "coming into focus."

Before I-68 was completed in 1991, Cumberland was among the few metropolitan statistical areas in the country that was not on the Interstate Highway System. The deputy director of Allegany County Economic Development says that "the community suffered substantial economic hardship," especially because site location consultants in the 1970s and '80s refused to consider locations not served by interstate highways. [11] As rail diminished in importance in freight logistics (Cumberland has a major maintenance shop on the CSX Railroad system), trucking and interstate highway proximity became crucial to production and distribution. As a result, western Maryland was "not on the map" when new facility sites were selected, he said.

Freeway access has proven helpful to both manufacturing and service businesses. In early 2005, American Woodmark Corp. will open a cabinet assembly facility in the new Barton Business Park a few miles north of I-68 on U.S. 220. It plans to employ 300 workers by 2007. Telephone "call centers" have located facilities in western Maryland because I-68 allows personnel to travel quickly to and from Baltimore-Washington; managers are able to do business in both areas in a single day. Visiting a "back office" in western Maryland no longer requires an overnight stay.

Although tourism/recreation has long been a staple of the Garrett County economy, the industry did not emerge in Allegany County until completion of I-68. Allegany County is roughly equidistant (a 2½ hour drive via I-68) from the Baltimore, Washington, and Pittsburgh metropolitan areas. [12] One symbol of the new industry's success is the Rocky Gap Lodge and Golf Club, which is within sight of I-68 at Exit 50. The Canal Place Heritage Area and Western Maryland Scenic Railway are among the projects that utilize the county's transportation history to boost tourism.

A major employer in nearby Mineral County, W.Va. is ATK Tactical Systems Co., a defense contractor. Allegany County hopes to attract spin-off industries related to ATK.

Allegany and Garrett counties are among the eight economically distressed jurisdictions that are covered by the state's ONE MARYLAND tax credit program. Businesses that initiate major investment projects are eligible for a "project tax credit" for the cost of acquiring, constructing, rehabilitating, installing, and equipping an economic development project and a "start-up tax credit" for the expense of moving a business from outside Maryland and for the costs of furnishing and equipping a new location for ordinary business functions. [13]

4.2 Garrett County: Boost to Tourism

I-68 has made the recreational amenities of Garrett County more accessible (by at least an hour) to visitors from the Baltimore/Washington metropolitan area. [14] An increasing number of Baltimore/Washington residents maintain vacation cottages and condominiums in the Deep Creek Lake section of Garrett County. The local economic development agency discovered from records of real estate sales that the location of purchasers has shifted since I-68 was completed in 1991. In 1985, purchasers in southwestern Pennsylvania and local counties together accounted for half of Garrett County real estate acquisitions. [15] By 1994, these areas were responsible for just 30 percent of real estate purchases. Purchases increased the most in non-local Maryland (especially Baltimore and the Washington, D.C. suburbs), which accounted for 45 percent of Garrett County real estate purchases in 1994.

Retailers have taken notice of the vacationers' spending potential. A new Foodland Fresh grocery store opened in McHenry; communities near Deep Creek Lake schedule street fairs and other events to lure vacationers into their towns.

Garrett County maintains three industrial parks. Whereas the one in the central part of the county took nearly 25 years to fill, Northern Garrett Industrial Park on I-68 in Grantsville reached capacity within ten years of opening. Closet Maid will construct a manufacturing and distribution facility there in 2005 that will employ 700 to 800 workers. Existing businesses include a warehouse facility and a rafter/truss manufacturer. Based on the success of the other I-68 facility, the Keyser's Ridge Industrial Park will soon open on I-68 at the U.S. 219 junction [16].

5. I-68 Summary

The Interstate 68 corridor was the site of pioneering transportation improvement projects linking the Atlantic Seaboard and Middle West in the wagon road, canal, and railroad eras of the 19th century, but the region was left out of the 20th century's greatest transportation project - the Interstate Highway System - until recently. The completion of I-68 in 1991 has allowed western Maryland to reach its potential in the automobile age. The freeway has facilitated access to an economically depressed region that continues to reel from manufacturing plant closures. Western Maryland is re-orienting from a focus on Pittsburgh towards Baltimore and Washington. Residents of the Baltimore-Washington metropolitan area are increasingly visiting western Maryland for tourism and recreation. Freeway access and tax incentives have attracted manufacturers and other tenants to industrial parks along I-68.

[1] This report was prepared by Jack Faucett Associates, Inc. of Bethesda, Md. under contract with the Federal Highway Administration (Martin Weiss, principal official for the Economic Development Highway Initiative). Jason Bezis and Kristin Noyes were the primary authors, with assistance from Paul Nguyen, Justine Lam, and Jessica Bonardi. The consultant team of JFA acknowledges the active participation and assistance of local development districts and other local and regional agencies for completion of this case study. Specific individuals from these entities are footnoted throughout this document.

[2] For a summary of I-68's history, see "Building the National Freeway," *Maryland Roads*, Aug. 2, 1991 (special edition).

[3] Jim Cochran and Lori A. Smithberger, "I-68 Eligible For Federal Funding," *Wheeling (W. Va.) News-Register*, September 10, 2003.

[4] www.us219.com

[5] Mona Ridder, "Federal government, states find it hard to agree on new route," *Cumberland (Md.) Times-News*, May 10, 2004.

[6] Energy Information Administration, *Annual Coal Report 2002*. Table 2 (Coal Production and Number of Mines by State, County, and Mine Type, 2002).

[7] Energy Information Administration, "Domestic Distribution of U.S. Coal by Origin State, Consumer, Destination and Method of Transportation, 2002."

[8] Poverty is not a new problem in western Maryland. President Lyndon Johnson delivered a major address on his "War on Poverty" in Cumberland in 1964.

[9] Perhaps an increasing number of residents from outside of the corridor have been shopping within the I-68 corridor, causing a rise in retail employment.

[10] Telephone interview with Casper R. Taylor, June 29, 2004.

[11] Telephone interview with John R. Kirby, Jr., Allegany County Economic Development, June 25, 2004.

[12] Similarly, western Maryland residents enjoy improved access to the amenities of metropolitan areas, including cheaper airfares and "outlet" retailers.

[13] Maryland Department of Business and Economic Development, "ONE MARYLAND Tax Credit Program" (Marcy 2004).

[14] Telephone interview with Peggy Jamison, Economic Development Specialist, Garrett County Economic Development, June 24, 2004.

[15] Garrett County Economic Development Department, "Deep Creek Area Growth Analysis" (July 1988 & update-August 1995).

[16] I-68 has also made western Marylanders feel more connected to their state. Before completion of I-68, many viewed Pittsburgh as the nearest metropolitan area and rooted for the Steelers football and Pirates baseball teams. Now many are pressing their cable television service providers to include Baltimore and Washington television stations.

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