

# COT Meeting

## December 15, 2015

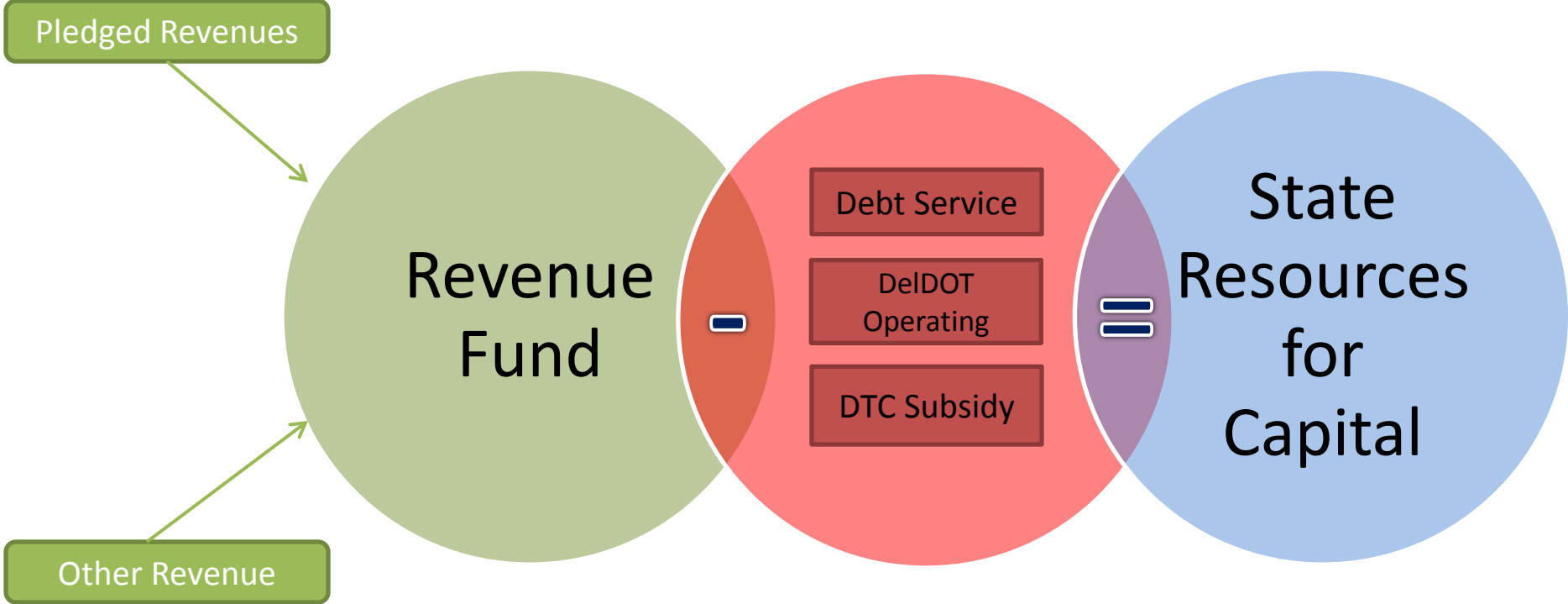
# Agenda

- Approval of the Agenda
- Approval of the Minutes
- Secretary's Briefing
- CTP Hearing Summary
- CTP Path Forward

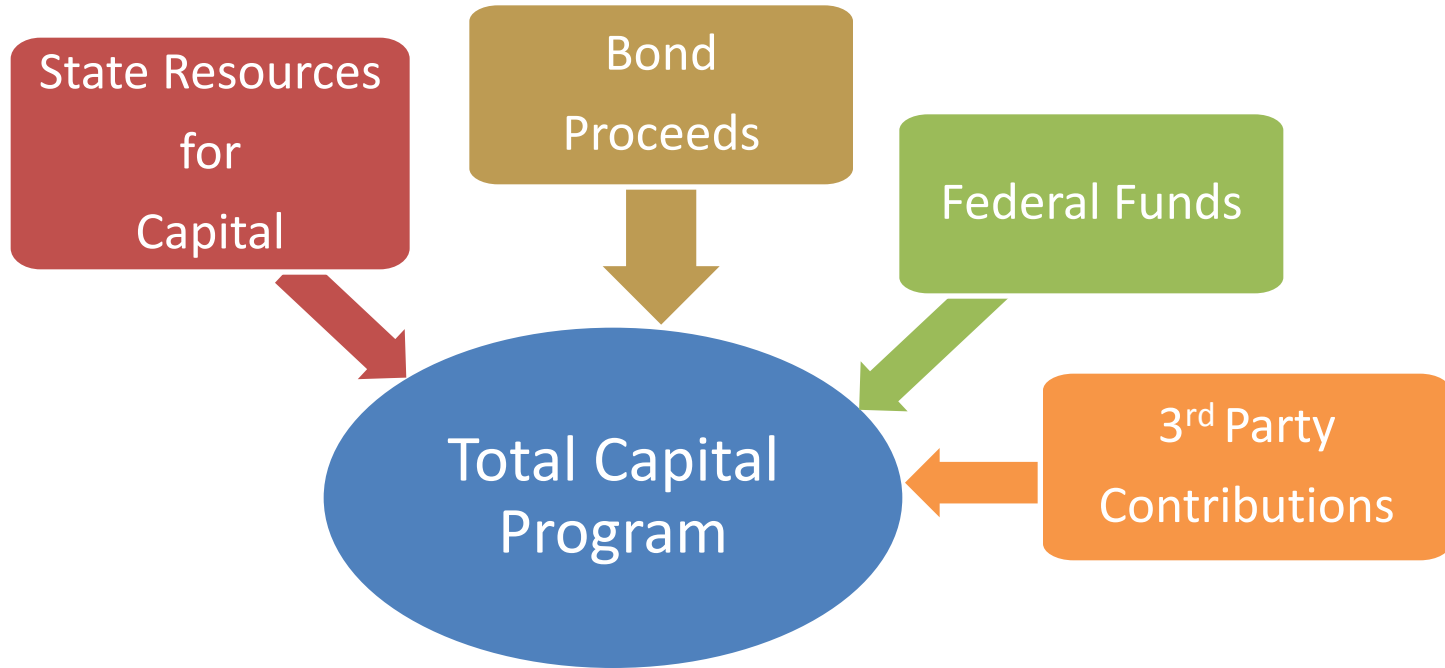
# *Financial Update*



# Flow of Funds

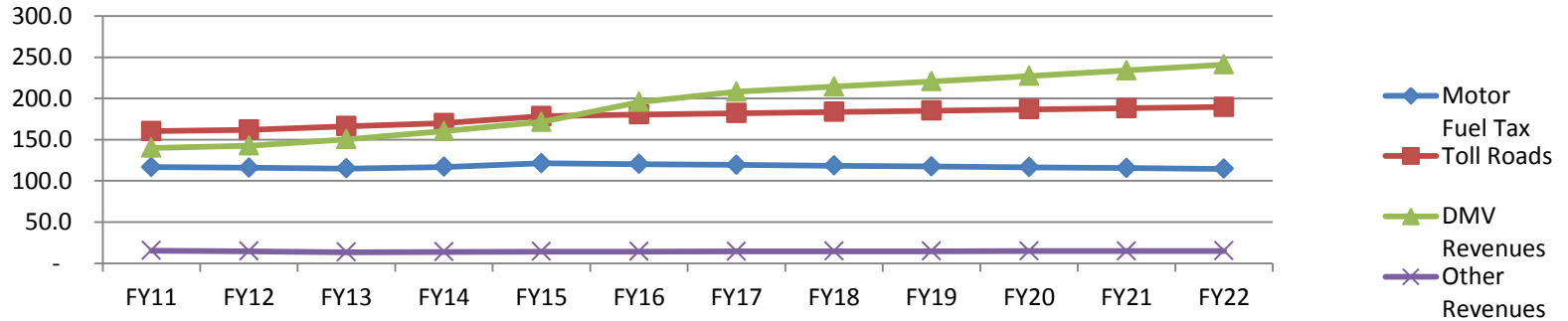


# Components of the Capital Program



# Trust Fund Revenues

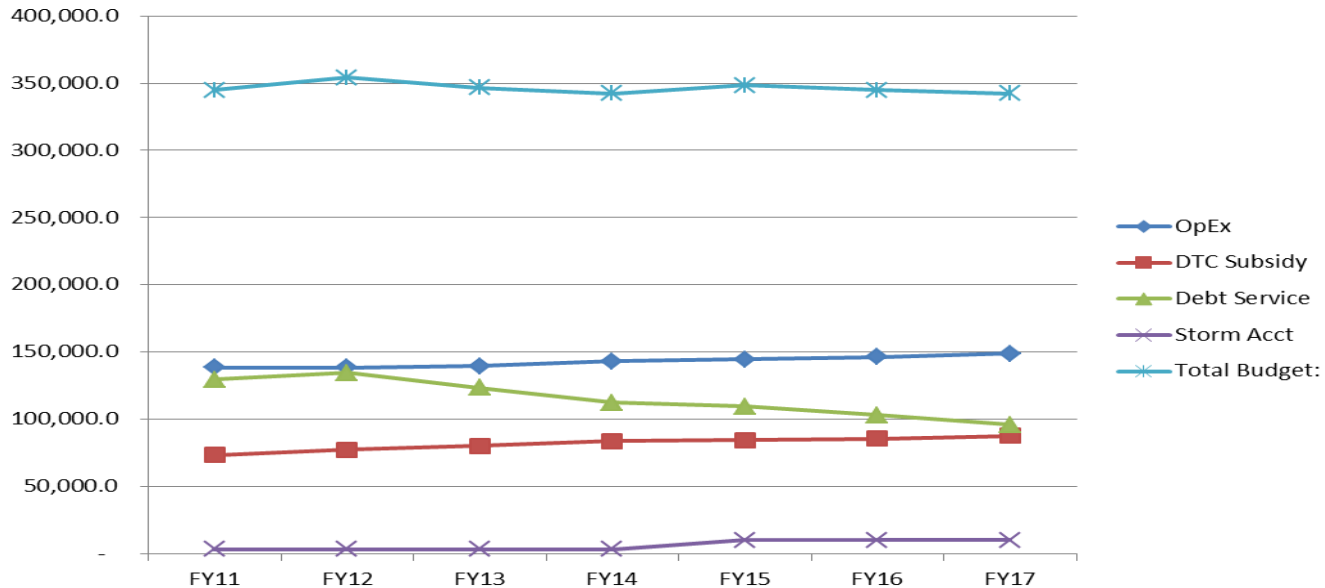
Revenues	FY11	FY12	FY13	FY14	FY15	Forecasted						
						FY16	FY17	FY18	FY19	FY20	FY21	FY22
Motor Fuel Tax	116.6	115.9	115.0	116.9	119.7	120.3	119.4	118.4	117.5	116.5	115.6	114.6
Toll Roads	160.3	162.0	166.3	170.0	176.2	180.6	182.1	183.7	185.2	186.7	188.1	189.7
DMV Revenues	140.1	142.7	150.5	160.3	171.0	195.6	208.1	214.3	220.7	227.3	234.1	241.1
Other Revenues	15.4	14.5	13.4	13.9	14.2	14.3	14.4	14.5	14.6	14.7	14.8	14.9
	<b>432.4</b>	<b>435.1</b>	<b>445.2</b>	<b>461.1</b>	<b>481.1</b>	<b>510.8</b>	<b>524.0</b>	<b>530.9</b>	<b>538.0</b>	<b>545.2</b>	<b>552.6</b>	<b>560.3</b>



# Operating Budget History

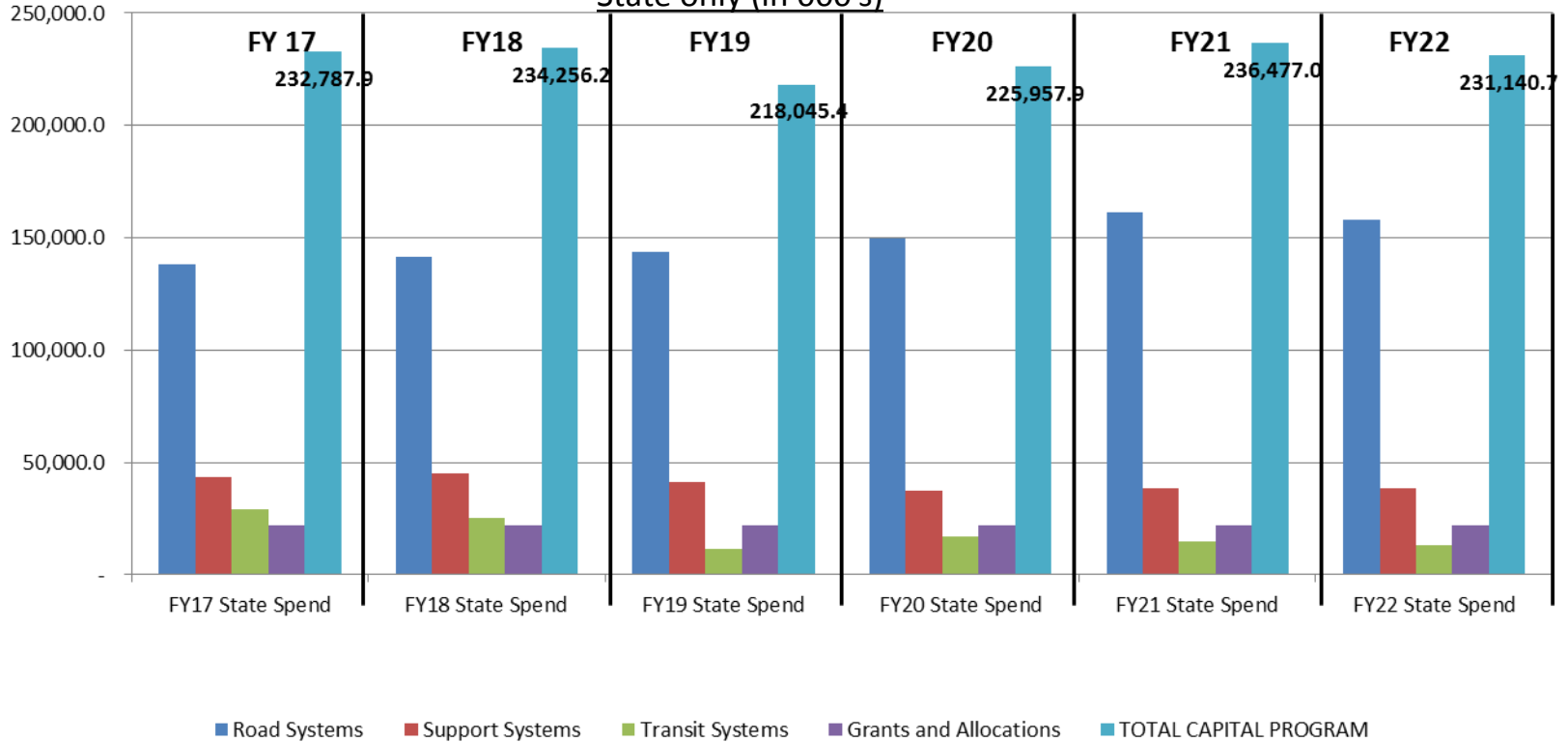
Budgeted	Requested					
	FY12	FY13	FY14	FY15	FY16	FY17
OpEx	138,540.6	139,514.5	143,005.4	144,605.5	146,369.6	148,749.0
DTC Subsidy	77,515.7	80,337.0	83,878.8	84,453.3	85,420.6	87,827.6
Debt Service	134,647.0	123,476.4	112,297.9	109,433.1	103,111.6	95,918.0
Storm Acct	3,277.4	3,277.4	3,277.4	10,000.0	10,000.0	10,000.0
<b>Total Budget:</b>	<b>353,980.7</b>	<b>346,605.3</b>	<b>342,459.5</b>	<b>348,491.9</b>	<b>344,901.8</b>	<b>342,494.6</b>
W/O Storm Acct:	350,703.3	343,327.9	339,182.1	338,491.9	334,901.8	332,494.6

% Change	Requested					
	FY12	FY13	FY14	FY15	FY16	FY17
OpEx	0.0%	0.7%	2.5%	1.1%	1.2%	1.6%
DTC Subsidy	5.4%	3.6%	4.4%	0.7%	1.1%	2.8%
Debt Service	3.9%	(8.3%)	(9.1%)	(2.6%)	(5.8%)	(7.0%)
Storm Acct	0.0%	0.0%	0.0%	205.1%	0.0%	0.0%
<b>Total Budget:</b>	<b>2.6%</b>	<b>(2.1%)</b>	<b>(1.2%)</b>	<b>1.8%</b>	<b>(1.0%)</b>	<b>(0.7%)</b>
W/O Storm Acct	<b>2.7%</b>	<b>(2.1%)</b>	<b>(1.2%)</b>	<b>(0.2%)</b>	<b>(1.1%)</b>	<b>(0.7%)</b>



# FY 17-22 by Appropriation/Program

State only (in 000's)







# Fixing America's Surface Transportation (FAST) Act

# Key Provisions

- Fast Act provides five year transportation legislation, includes provisions to ensure bill is fully paid for
- Increased investment, 15.1% annual growth from current \$40.3 to \$46.4 billion by FY 2020
- Longest duration of a surface transportation bill in over a decade will provide increased stability to our federally funded program

# Financial Impact to Delaware

- FAST Act provides every state a 5.1% increase in formula funding in FY 2016
  - Increase of 5.1% from our FY 2016 Annual apportionment increases on average \$15 million per year (\$163M FY16 to \$187M FY20)
  - \$75M over 5 year bill

# Project Impact

- FAST Act continues the following programs:
  - National Highway Performance Program (NHPP)
    - Use of funding on non-NHS bridges
  - Surface Transportation
  - Congestion Mitigation & Air Quality (CMAQ)
  - Highway Safety Improvement Program (HSIP)
- FAST Act **new** initiatives:
  - National Freight Program
  - Nationally Significant Freight and Highway Projects Program

# Additional Impacts

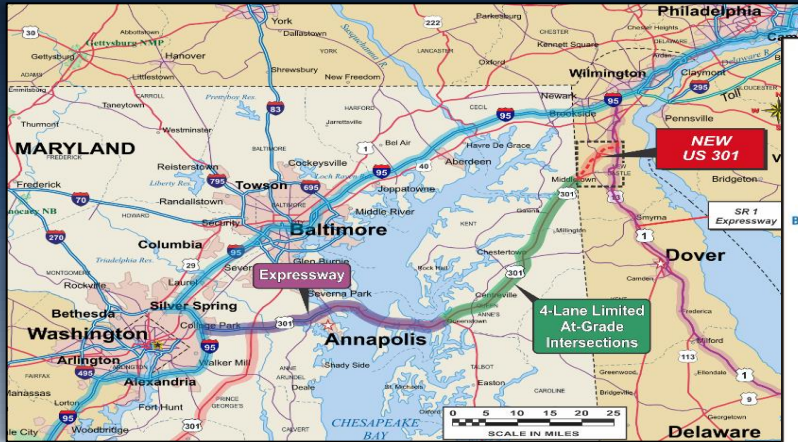
- Focus on Accelerated Project Delivery
  - Builds upon MAP-21's improvements to project delivery process
    - Impacts to the environmental review process
    - Provisions to help eliminate duplication of effort
- Increased Transparency
- FTA 5340 Funding Retained



**Delaware Department  
of Transportation**



# New US 301 Mainline Toll Project



December 2015

# US301 Sources and Uses of Funds

Sources of Funds	
Debt Financing	
<b>U.S. 301 Project Revenue Bond Proceeds</b>	<b>234,314,846</b>
CIB Par Amount	212,535,000
Net Premium	21,779,846
<b>TIFIA Loan Proceeds</b>	<b>211,235,000</b>
Total Proceeds from Toll Revenue Bonds & TIFIA Loan	
	445,549,846
<b>2010 GARVEE Bond Proceeds</b>	<b>125,000,000</b>
Preliminary Engineering	33,373,000
Right of Way	73,692,000
Construction - Advance Utilities Relocations (FY 2012 - 2016)	3,500,000
Construction - Utilities Contingency	1,435,000
Construction - Advance CE (PS&E to NTP)(FY 2016 Spend) / Contingency	4,000,000
Construction - Roadway	9,000,000
<b>TTF</b>	<b>11,816,000</b>
Project Planning	8,666,000
Preliminary Engineering	2,847,000
Right of Way	87,000
Construction - Advance Utility Relocation (FY 2011)	216,000
<b>FHWA</b>	<b>53,528,000</b>
Preliminary Engineering	32,348,000
Right of Way	21,180,000
<b>Total</b>	<b>635,893,846</b>

# TIFIA LOAN

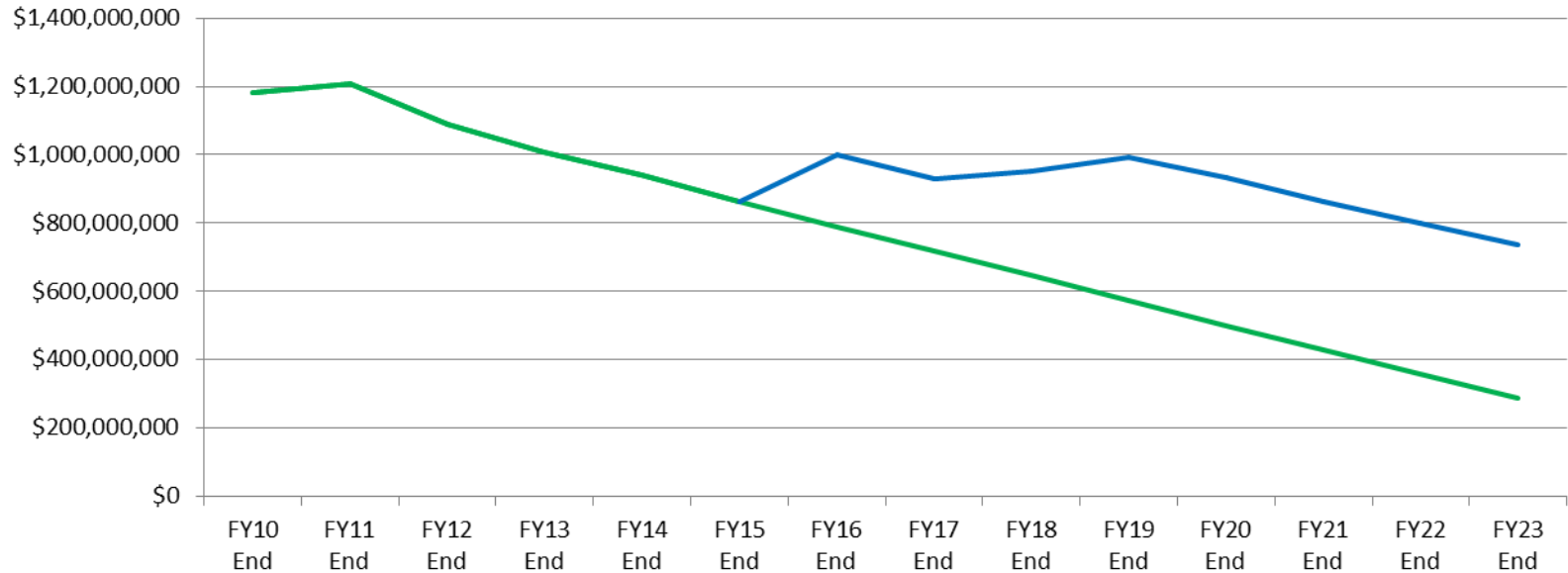
- Loan Closed 12/03/2015, Interest accrues as funds are drawn
- Matures 35 years from construction completion (12/1/53)
- Interest rate is 30 Year US Treasury at closing (2.94%)
- Interest capitalized through 6/1/23
- Current interest paid from net revenues beginning 12/1/23
- Principal amortization begins 6/1/28
- Maximum Loan Amount \$211,350,000



# US301 TOLL REVENUE BOND

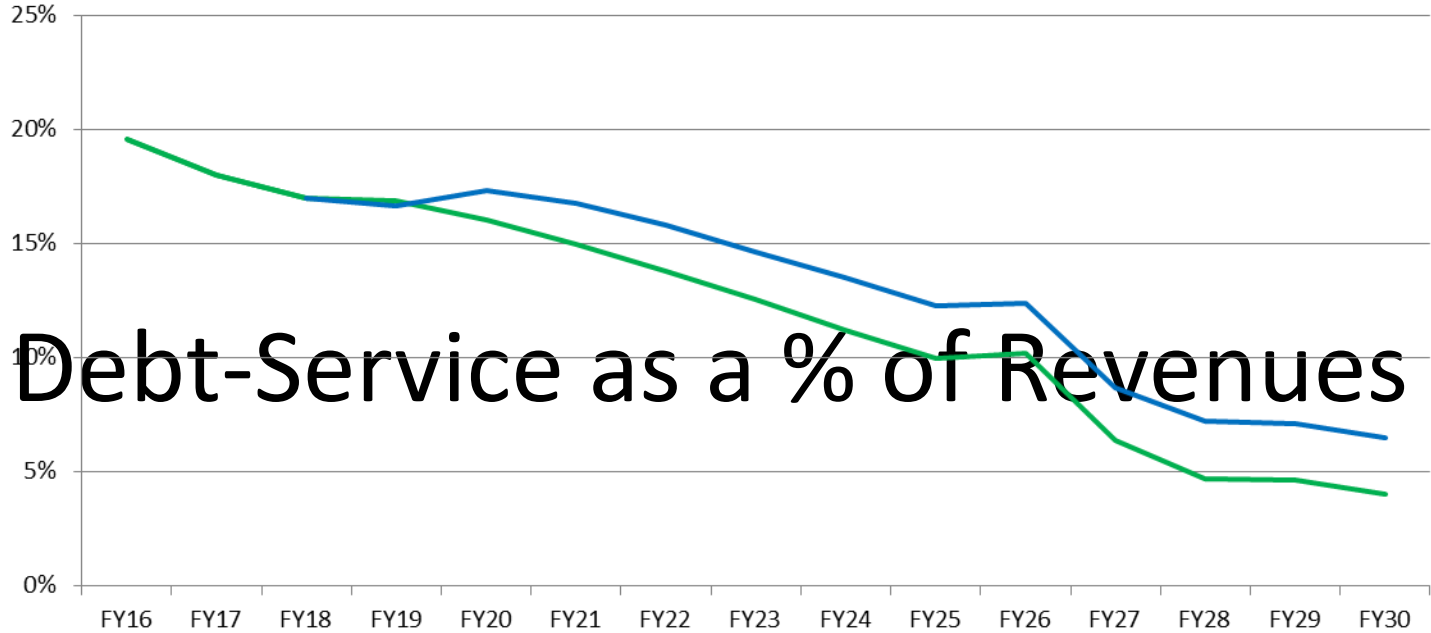
- 40 Year Term Revenue Bonds
- Rated AA- and A1 by Standard & Poor's and Moody's
- Total Proceeds \$234,314,846 (PAR Amount \$212,535,000)
- True Interest Cost (TIC) 4.266%
- Bond interest capitalized through 6/1/2019
- First Interest Payment is 12/1/2019 from revenues
- First principal Payment is 06/1/2021 from revenues

# Outstanding Debt



Senior Revenue Bonds      Total with US301

US301 Toll Revenue Bonds \$212.5M, Principal Payments Start FY21  
TIFIA Loan Draws Start FY18, Principal Payments Start FY26

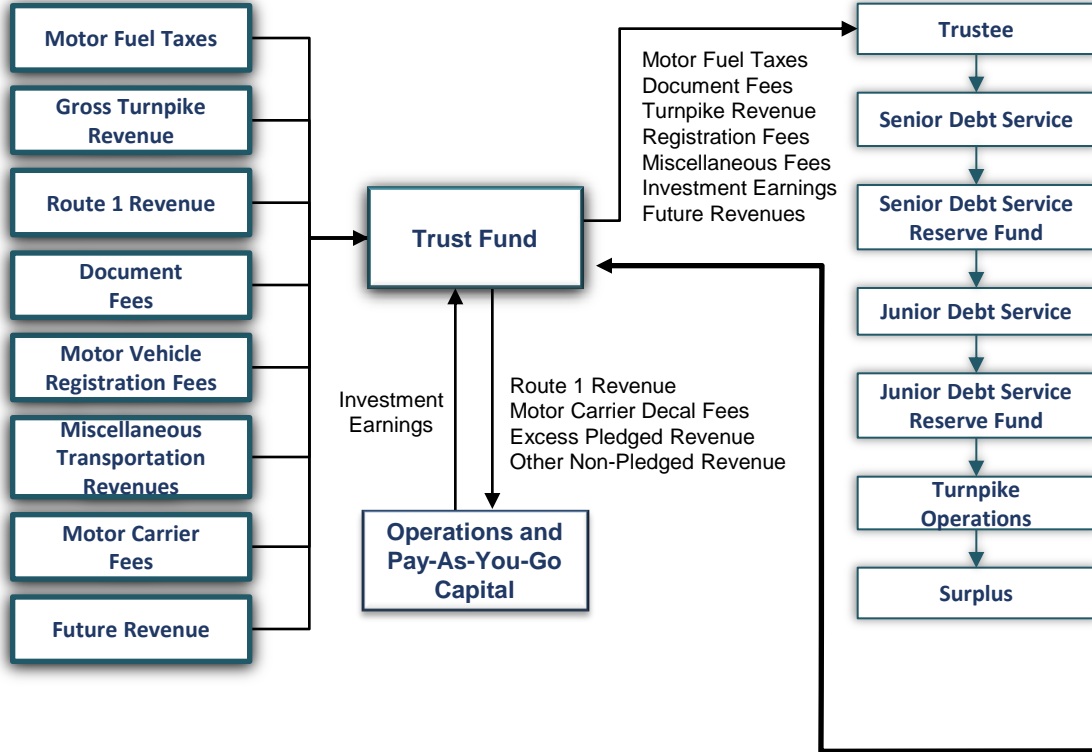


Senior Revenue Bonds

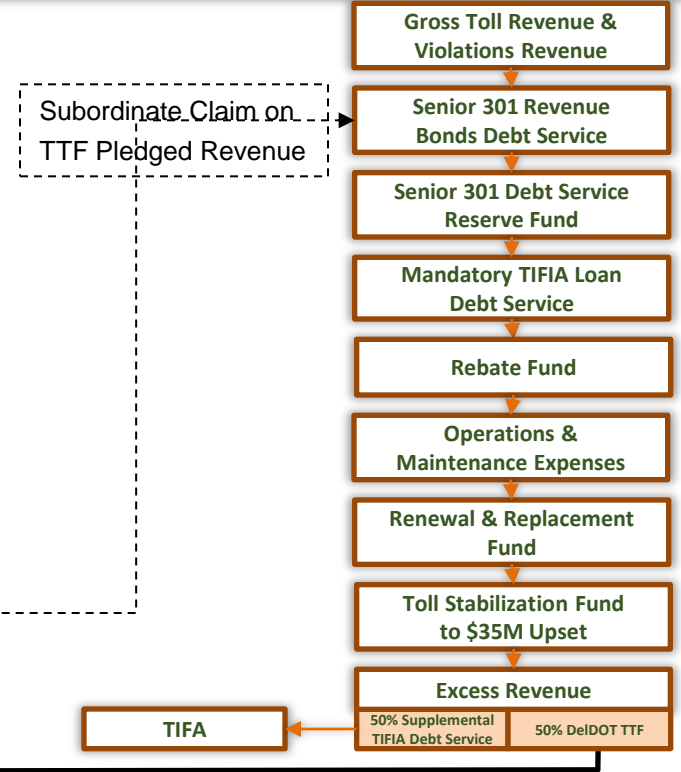
Total with US301

# Flow of Funds

## Delaware TTF Flow of Funds



## US 301 Flow of Funds



# US301 Forecasted Performance

REVENUES	
Toll Revenue (FY2019 - FY2055)	\$ 1,515,150,000
Violation revenue	\$ 20,700,000
<b>TOTAL REVENUE</b>	<b>\$ 1,535,850,000</b>

EXPENSES	
Toll Bond Debt-Service	\$ (495,660,125)
TIFIA Loan Debt-Service	\$ (412,071,643)
(NOTE: excess revenue paydowns will decrease this number)	
US301 Operations & Maintenance	\$ (204,680,000)
	\$ (1,112,411,768)
<b>AVERAGE COVERAGE RATIO 1.46X</b>	
US301 Capital Expenditures	\$ (45,399,000)

EXCESS REVENUES	
EXCESS REVENUE at 100% FORECAST	\$ 397,888,232
(RESERVE) Toll Stabilization Fund	\$ (35,000,000)
	\$ 362,888,232
50% Excess to TIFIA loan Paydown	\$ 94,356,092
TIFIA Loan paid off in 2046	
50% Excess to TTF	\$ 233,532,140
After 2046 TTF recieves 100% of excess revenues	
Refund Reserve to TTF	\$ 35,000,000
<b>TOTAL to TTF</b>	<b>\$ 268,532,140</b>

- US301 will be self-supporting.
- Excess Revenue generated for the TTF = \$268.5M
- High Confidence Level Rated at AA- and A1

# CTP Hearing Summary

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- Coordinated with the Wilmington Metropolitan Area Planning Council, Dover/ Kent Metropolitan Planning Organization and Sussex County
- Provided Information on HB140 – New DelDOT Funding
- New Projects Added to 6 year CTP
- Specific Project Information

# CTP Hearing Summary

- New Castle County – August 24, 2015
  - 35 attendees
  - 3 written comments
  - 5 statements via the official transcript
- Kent County – September 1, 2015
  - 30 attendees
  - 1 written comments
  - 0 statements via the official transcript
- Sussex County – September 24, 2015
  - 110 attendees
  - 49 written comments
  - 16 written comments (via [www.sussexcountyde.gov](http://www.sussexcountyde.gov))
  - 8 statements via the official transcript



# CTP Hearing Comment Summary

- New Castle County
  - 1 request for the SR986 and US40 Interchange
  - 2 comments wanting improved transit service between Newark and Wilmington
  - 3 comments on improved bike facilities
  - 1 comment on a proposed land use

# CTP Hearing Comment Summary

- Kent County
  - New Projects were well Received
    - Camden Bypass North
    - Camden Bypass South
  - General interest in US13 Widening Project
  - Verbal comments were very positive concerning projects moving forward

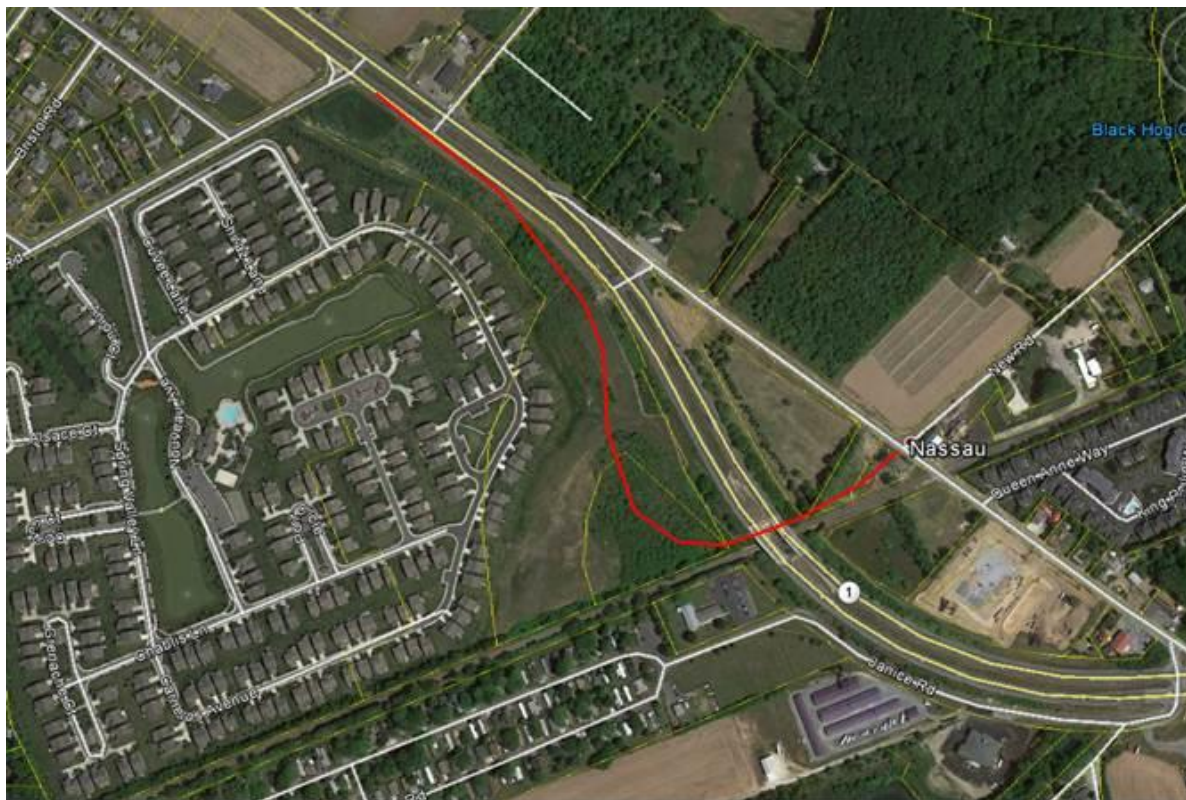
# CTP Hearing Comment Summary

- Sussex County
  - Received several comments through Sussex County on the proposed land use on Gills Neck Road
  - Received 33 written comments on the SR1 New Road Connector – mixed viewpoints
  - Received 13 comments on the proposed Overbrook Towne Center – This is a land use/zoning issue with the county

# CTP Hearing Comment Summary

- Sussex County (cont.)
  - Received several comments concerning the congestion on SR24
  - 1 comment on the need to widen US404
  - A few comments on the need for better planning/coordination between DelDOT and Sussex County.

# SR1 New Road Connector



# CTP Path Forward

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- Refinement of the Spend Plan – Based on Project Schedules
- DEFAC December Forecast
- Present any modifications or changes prior to the meeting in February
- Plan Adoption by COT by March 1, 2015

Thank You!