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

Revenue Fund

- Debt Service
- DelDOT Operating
- DTC Subsidy

State Resources for Capital

Pledged Revenues

Other Revenue
Components of the Capital Program

- State Resources for Capital
- Bond Proceeds
- Federal Funds
- 3rd Party Contributions

Total Capital Program
Trust Fund Revenues

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

<table>
<thead>
<tr>
<th>Budgeted</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
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<tbody>
<tr>
<td>OpEx</td>
<td>138,540.6</td>
<td>139,514.5</td>
<td>143,005.4</td>
<td>144,605.5</td>
<td>146,369.6</td>
<td>148,749.0</td>
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<tr>
<td>DTC Subsidy</td>
<td>77,515.7</td>
<td>80,337.0</td>
<td>83,878.8</td>
<td>84,453.3</td>
<td>85,420.6</td>
<td>87,827.6</td>
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<td>Debt Service</td>
<td>134,647.0</td>
<td>123,476.4</td>
<td>112,297.9</td>
<td>109,433.1</td>
<td>103,111.6</td>
<td>95,918.0</td>
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<td>Storm Acct</td>
<td>3,277.4</td>
<td>3,277.4</td>
<td>3,277.4</td>
<td>10,000.0</td>
<td>10,000.0</td>
<td>10,000.0</td>
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<tr>
<td>Total Budget:</td>
<td>353,980.7</td>
<td>346,605.3</td>
<td>342,459.5</td>
<td>348,491.9</td>
<td>344,901.8</td>
<td>342,494.6</td>
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<tr>
<td>W/O Storm Acct</td>
<td>350,703.3</td>
<td>343,327.9</td>
<td>339,182.1</td>
<td>338,491.9</td>
<td>334,901.8</td>
<td>332,494.6</td>
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<table>
<thead>
<tr>
<th>% Change</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>OpEx</td>
<td>0.0%</td>
<td>0.7%</td>
<td>2.5%</td>
<td>1.1%</td>
<td>1.2%</td>
<td>1.6%</td>
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<tr>
<td>DTC Subsidy</td>
<td>5.4%</td>
<td>3.6%</td>
<td>4.4%</td>
<td>0.7%</td>
<td>1.1%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>3.9%</td>
<td>(8.3%)</td>
<td>(9.1%)</td>
<td>(2.6%)</td>
<td>(5.8%)</td>
<td>(7.0%)</td>
</tr>
<tr>
<td>Storm Acct</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>205.1%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Budget:</td>
<td>2.6%</td>
<td>(2.1%)</td>
<td>(1.2%)</td>
<td>1.8%</td>
<td>(1.0%)</td>
<td>(0.7%)</td>
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<tr>
<td>W/O Storm Acct</td>
<td>2.7%</td>
<td>(2.1%)</td>
<td>(1.2%)</td>
<td>(0.2%)</td>
<td>(1.1%)</td>
<td>(0.7%)</td>
</tr>
</tbody>
</table>

[Graph showing budget changes over years]
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% increased 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
New US 301 Mainline Toll Project
### Sources of Funds

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

US301 Toll Revenue Bonds $212.5M, Principal Payments Start FY21
TIFIA Loan Draws Start FY18, Principal Payments Start FY26
Debt-Service as a % of Revenues

Senior Revenue Bonds    Total with US301
Flow of Funds

Delaware TTF Flow of Funds

- Motor Fuel Taxes
- Gross Turnpike Revenue
- Route 1 Revenue
- Document Fees
- Motor Vehicle Registration Fees
- Miscellaneous Transportation Revenues
- Motor Carrier Fees
- Future Revenue

Trust Fund

- Motor Fuel Taxes
- Document Fees
- Turnpike Revenue
- Registration Fees
- Miscellaneous Fees
- Investment Earnings
- Future Revenues

- Route 1 Revenue
- Motor Carrier Decal Fees
- Excess Pledged Revenue
- Other Non-Pledged Revenue

Operations and Pay-As-You-Go Capital

- Trustee
- Senior Debt Service
- Senior Debt Service Reserve Fund
- Junior Debt Service
- Junior Debt Service Reserve Fund
- Turnpike Operations
- Surplus

US 301 Flow of Funds

- Gross Toll Revenue & Violations Revenue
- Senior 301 Revenue Bonds Debt Service
- Senior 301 Debt Service Reserve Fund
- Mandatory TIFIA Loan Debt Service
- Rebate Fund
- Operations & Maintenance Expenses
- Renewal & Replacement Fund
- Toll Stabilization Fund to $35M Upset
- Excess Revenue

Subordinate Claim on TTF Pledged Revenue

TIFA

- 50% Supplemental TIFIA Debt Service
- 50% DelDOT TTF

Future Revenue

- Gross Turnpike Revenue
- Violations Revenue
- Operations & Maintenance Expenses
- Renewal & Replacement Fund
- Toll Stabilization Fund to $35M Upset
- Excess Revenue
- 50% Supplemental TIFIA Debt Service
- 50% DelDOT TTF

Mandatory TIFIA Loan Debt Service

Rebate Fund

Operations & Maintenance Expenses

Renewal & Replacement Fund

Toll Stabilization Fund to $35M Upset

Excess Revenue

50% Supplemental TIFIA Debt Service

50% DelDOT TTF

20
## US301 Forecasted Performance

### REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Toll Revenue (FY2019 - FY2055)</td>
<td>$1,515,150,000</td>
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<tr>
<td>Violation revenue</td>
<td>$20,700,000</td>
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<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>$1,535,850,000</strong></td>
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### EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Toll Bond Debt-Service</td>
<td>$(495,660,125)</td>
</tr>
<tr>
<td>TIFIA Loan Debt-Service</td>
<td>$(412,071,643)</td>
</tr>
<tr>
<td>(NOTE: excess revenue paydowns will decrease this number)</td>
<td></td>
</tr>
<tr>
<td>US301 Operations &amp; Maintenance</td>
<td>$(204,680,000)</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$(1,112,411,768)</strong></td>
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</tbody>
</table>

### AVERAGE COVERAGE RATIO 1.46X

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>US301 Capital Expenditures</td>
<td>$(45,399,000)</td>
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### EXCESS REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>EXCESS REVENUE at 100% FORECAST</td>
<td>$(397,888,232)</td>
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<tr>
<td>(RESERVE) Toll Stabilization Fund</td>
<td>$(35,000,000)</td>
</tr>
<tr>
<td><strong>TOTAL EXCESS REVENUES</strong></td>
<td><strong>$268,532,140</strong></td>
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- **US301 will be self-supporting.**
- **Excess Revenue generated for the TTF = $268.5M**
- **High Confidence Level Rated at AA- and A1**
CTP Hearing Summary
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
• 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)
  – 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
• 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
CTP Path Forward

- 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!