Department of Transportation

FY11 Bond Bill Committee Hearing

April 26, 2010
Our Mission

To provide a safe, efficient, and environmentally sensitive transportation network that offers a variety of convenient and cost effective choices for the movement of people and goods.
Agenda Items:

- Capital Transportation Program – Major Projects Review
- Challenges to the Transportation Trust Fund
- Next Steps
MAJOR CAPITAL PROJECTS
SR 141, Kirkwood Highway to Faulkland Road

Estimated completion date: December 2010
US 301, Maryland State Line to SR 1

US301 Mainline
Archeology Underway
Real Estate Acquisitions Underway
Semi–final Design Plans
– Summer 2010
GARVEE Bond Sale
– Late May 2010
Toll Plaza Rehabilitation

Work began
April 12, 2010

Construction:
Completion –
August 2011
Mid-County Transit Facility

Construction: Completion 2011

Expansion of existing facility for the maintenance of fixed route and paratransit buses.
Carter Road,
Sunnyside Road to Wheatley’s Pond Road

Current Schedule
Semi-final Construction Plans – Summer 2010
Right-of-Way process – Summer 2010
Construction is planned for Spring/Summer 2011
Estimated Completion – Fall 2012
South Governor’s Avenue

Construction Completion: December 31, 2010
Dover Transit Hub
at Water and Queen Streets

Bus loops for 14 buses (including interstate buses) and parking. Site design will accommodate future office space, transit ticket sales and restroom facilities.

Construction:
Completion 2011
SR 1 Corridor Improvements

SR1 / SR9 Grade Separated Intersection @ DAFB
- Completed October 23, 2009 (72 days ahead of schedule)

SR1 North Frederica Grade Separated Intersection
- Under Construction
- Completion December 2010
SR 1 Corridor Improvements cont...

SR 1 / SR 30 Grade Separated Intersection
- Completion of plans scheduled for Fall 2010
- Real Estate Acquisition 2011
- Construction FY2012 and FY2013

Before

After
Indian River Inlet Bridge Replacement

Design/Build Contract:

Design
95% Complete

Construction
50% Complete

Roadway Approaches – Summer 2010
Bridge Contract Complete – Summer 2011
Demolish Existing Bridge – Winter 2011/2012
Park Enhancements – Complete 2015
SUSSEX EAST/WEST ROUTES

SR 26, Detour Routes
– Construction to begin Summer 2010
Estimated completion – 2012
SR 26, Mainline
Real Estate Acquisition – 2010 – 2012

SUSSEX EAST/WEST ROUTES cont…

SR 54
- Advertise – May 2010
- Construction – Fall 2010
- Estimated Completion – 2012
Statewide Paving Program

Total Statewide Lane Miles: 13,000

<table>
<thead>
<tr>
<th>Year</th>
<th>Completed Lane Miles</th>
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<tbody>
<tr>
<td>2009</td>
<td>175.3</td>
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<tr>
<td>2010</td>
<td>127.5</td>
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<tr>
<td>2011</td>
<td>88.3</td>
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</table>

Continuing to complete the FY09/FY10 Paving List in FY11
Pipe Replacement Program

Old Furnace Road

Lion Hope Road

Gum Tree Road
Collaborated with Local Governments to develop an investment strategy in support of comprehensive plans

- Core Business needs continue to be a high priority
- Capital Plan maximizes federal fund utilization (FHWA, FTA, FRA, FAA)
- Projects ensure a safe, efficient, environmentally sensitive transportation system
- Program constrained to work plans that reflect prioritization by Metropolitan Planning Organizations (MPO’s), Sussex County and funding levels
FY11 Transportation Trust Fund
Major Revenue Categories

- Motor Vehicle Fees $123.5M
- Toll Road Revenue $166.8M
- Motor Fuel Tax $117.9M

Source: April 2010 DEFAC
Effects of Economy on Revenues

- Forecast Before Revenue Package - March 2007
- Forecast After Revenue Package - October 2007
- All Revenue Categories - April 2010

Assumes No Escheat FY11 – FY13
Received $24M in escheat in FY07
Revenue Challenges
Fiscal Year 2011

DMV – $5.6 M
   Auto sales volume ↓ 5.2%
   Title transactions ↓ 2.1%

Motor Fuel Tax – $7.6 M
   Fuel consumption ↓ 0.9%

Toll roads – $6.7 M
   I-95 traffic ↓ 0.5% (Commercial Traffic ↓ 8.7%)
   SR-1 traffic ↑ 1.6% (Commercial Traffic ↓ 2.2%)

Other Transportation Revenue – $0.2 M

Source: April 2010 DEFAC
### Available Capital Resources vs. Expenditures

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
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<tr>
<td><strong>State Resources</strong></td>
<td>$171.5</td>
<td>$168.4</td>
<td>$163.3</td>
<td>$158.2</td>
<td>$153.3</td>
<td>$148.4</td>
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<td><strong>6-Year Capital Plan</strong></td>
<td>$260.7</td>
<td>$235.6</td>
<td>$246.1</td>
<td>$246.2</td>
<td>$253.2</td>
<td>$220.6</td>
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<td><strong>DEFICIT:</strong></td>
<td><strong>$89.2</strong></td>
<td><strong>$67.2</strong></td>
<td><strong>$82.8</strong></td>
<td><strong>$88.0</strong></td>
<td><strong>$99.9</strong></td>
<td><strong>$72.2</strong></td>
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6-year total deficit – $499.3M
Assumes no escheat
Overall FY11 CTP Budget Shortfall

Revenue Available

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Cash</td>
<td>$122.6M</td>
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<tr>
<td>Bond Proceeds</td>
<td>$48.9M</td>
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<tr>
<td>April 2010 CTP</td>
<td>$(260.7)M</td>
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<tr>
<td>Shortfall</td>
<td>$(89.2)M</td>
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</table>

Needed Program/Project Reduction $89.2M
Available State Projects/Programs to Cover Shortfall:

- NCC Under Contract: $15,667
- NCC Starting in FY11: $5,175
- KC Under Contract: $772
- KC Starting in FY11: $2,100
- SC Under Contract: $16,500
- SC Starting in FY11: $1,500
- Community Transportation Fund: $8,375
- CTF Encumbrance Balance: $22,800
- Municipal Street Aid: $4,000
- Paving & Rehabilitation: $55,943

**Total:** $132,832

*Does not include state share of federally funded projects that would lose federal match or Core Business Costs*
## Federal Funding Challenges

### Obligation Authority:

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<tr>
<th>Year</th>
<th>Amount</th>
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<td>$123,763,497.00</td>
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<td>2010</td>
<td>$126,648,000.00</td>
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<td>2011</td>
<td>$129,780,000.00*</td>
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<td>2012</td>
<td>$133,900,000.00*</td>
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<td>2013</td>
<td>$137,647,000.00*</td>
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### Rescissions:

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<td>2005</td>
<td>$14,064,166.78</td>
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<td>2006</td>
<td>$7,584,841.91</td>
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<td>2007</td>
<td>$10,730,541.17</td>
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<td>2008</td>
<td>$17,882,474.00</td>
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<td>2009</td>
<td>$12,303,346.00</td>
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<td>2010</td>
<td>$47,002,767.00</td>
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* Estimated authority
Next Steps:

Back in June to Review:

✓ May DEFAC Revenues
✓ FY11 Paving Program
✓ FY11 Transportation Enhancement Program
✓ FY11 Capital Authorization Request and 6-Year CTP
✓ FY11 Epilogue
Supplemental Slides
Financial Plan –Total Sources of Funds:

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<td><strong>Existing Pledged Revenue</strong></td>
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<tr>
<td>I-95 Tolls &amp; Concessions</td>
<td>119,100</td>
<td>121,300</td>
<td>123,300</td>
<td>125,200</td>
<td>127,200</td>
<td>129,200</td>
<td>131,200</td>
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<td>Motor Fuel Tax Admin.</td>
<td>115,600</td>
<td>117,900</td>
<td>120,300</td>
<td>122,700</td>
<td>125,200</td>
<td>127,700</td>
<td>130,300</td>
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<td>DMV Fees</td>
<td>119,900</td>
<td>123,500</td>
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<td>131,100</td>
<td>135,000</td>
<td>139,100</td>
<td>143,200</td>
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<td>Interest Income</td>
<td>3,400</td>
<td>5,000</td>
<td>7,000</td>
<td>8,000</td>
<td>8,000</td>
<td>8,000</td>
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<td><strong>Total Pledged Revenue</strong></td>
<td>358,000</td>
<td>367,700</td>
<td>377,900</td>
<td>387,000</td>
<td>395,400</td>
<td>404,000</td>
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<td><strong>Non-Pledged Revenues</strong></td>
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<td>SR 1 Tolls</td>
<td>44,400</td>
<td>45,500</td>
<td>47,1000</td>
<td>48,700</td>
<td>50,400</td>
<td>52,100</td>
<td>53,900</td>
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<td>Escheat</td>
<td>0</td>
<td>0</td>
<td>24,000</td>
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<td>DE Transit (Farebox, FTA, &amp; Other)</td>
<td>16,543</td>
<td>16,874</td>
<td>17,687</td>
<td>18,040</td>
<td>18,401</td>
<td>18,769</td>
<td>19,145</td>
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<td>Port of Wilmington - Refinancing</td>
<td>0</td>
<td>0</td>
<td>1,628</td>
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<td>Other Transportation Revenue</td>
<td>11,900</td>
<td>12,000</td>
<td>12,100</td>
<td>12,200</td>
<td>12,300</td>
<td>12,400</td>
<td>12,500</td>
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<td><strong>Total Non-Pledged Revenue</strong></td>
<td>72,843</td>
<td>74,374</td>
<td>102,515</td>
<td>104,568</td>
<td>106,729</td>
<td>108,897</td>
<td>111,173</td>
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<td><strong>Total Sources of Funds</strong></td>
<td>430,843</td>
<td>442,074</td>
<td>480,415</td>
<td>491,568</td>
<td>502,129</td>
<td>512,897</td>
<td>523,873</td>
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## Financial Plan – Total Uses of Funds:

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<tbody>
<tr>
<td><strong>Debt Service</strong></td>
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<tr>
<td>DTA Bonds &amp; Notes</td>
<td>120,713</td>
<td>119,331</td>
<td>117,528</td>
<td>113,185</td>
<td>108,045</td>
<td>102,791</td>
<td>97,598</td>
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<td>New Debt Service</td>
<td>0</td>
<td>4,199</td>
<td>13,487</td>
<td>22,557</td>
<td>31,405</td>
<td>40,044</td>
<td>48,474</td>
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<td>State G.O. Bonds</td>
<td>742</td>
<td>720</td>
<td>377</td>
<td>213</td>
<td>153</td>
<td>108</td>
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<td><strong>Total Debt Service</strong></td>
<td>121,455</td>
<td>124,250</td>
<td>131,391</td>
<td>135,955</td>
<td>139,603</td>
<td>142,943</td>
<td>146,071</td>
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<td><strong>Operations</strong></td>
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<td>Department Operations</td>
<td>145,055</td>
<td>141,650</td>
<td>145,900</td>
<td>150,276</td>
<td>154,785</td>
<td>159,428</td>
<td>164,211</td>
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<td>Delaware Transit Corp. Operations</td>
<td>90,069</td>
<td>90,400</td>
<td>94,920</td>
<td>99,666</td>
<td>104,649</td>
<td>109,882</td>
<td>115,376</td>
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<td><strong>Total Operations</strong></td>
<td>235,124</td>
<td>232,050</td>
<td>240,819</td>
<td>249,942</td>
<td>259,434</td>
<td>269,310</td>
<td>279,587</td>
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<tr>
<td><strong>Total Uses of Funds Before Capital</strong></td>
<td>356,579</td>
<td>356,300</td>
<td>372,211</td>
<td>385,897</td>
<td>399,037</td>
<td>412,253</td>
<td>425,658</td>
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<tr>
<td><strong>State Resources Available for Capital</strong></td>
<td>74,264</td>
<td>85,774</td>
<td>108,204</td>
<td>105,671</td>
<td>103,092</td>
<td>100,644</td>
<td>98,215</td>
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<tr>
<td>Beginning Capital Cash Balance</td>
<td>142,587</td>
<td>56,851</td>
<td>20,000</td>
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<td>20,000</td>
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<tr>
<td>Federal Funds</td>
<td>343,570</td>
<td>375,951</td>
<td>259,825</td>
<td>198,108</td>
<td>185,711</td>
<td>155,426</td>
<td>155,388</td>
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<tr>
<td><strong>Bond Proceeds</strong></td>
<td>0</td>
<td>48,923</td>
<td>108,204</td>
<td>105,671</td>
<td>103,092</td>
<td>100,644</td>
<td>98,215</td>
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<tr>
<td><strong>Total Funds Available for Capital Expenditures</strong></td>
<td>560,421</td>
<td>567,499</td>
<td>496,234</td>
<td>429,450</td>
<td>411,895</td>
<td>376,715</td>
<td>371,818</td>
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Financial Plan Continued:

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<td>State Capital Expenditures</td>
<td>160,000</td>
<td>171,548</td>
<td>216,409</td>
<td>211,342</td>
<td>206,184</td>
<td>201,289</td>
<td>196,430</td>
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<tr>
<td>Federal Capital Expenditures</td>
<td>343,570</td>
<td>375,951</td>
<td>259,825</td>
<td>198,108</td>
<td>185,711</td>
<td>155,426</td>
<td>155,388</td>
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<tr>
<td>Total Capital Spending</td>
<td>503,570</td>
<td>547,499</td>
<td>476,234</td>
<td>409,450</td>
<td>391,895</td>
<td>356,715</td>
<td>351,818</td>
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American Recovery and Reinvestment Act (ARRA)

- Act focuses on:
  - Job preservation and creation
  - Federal share is 100% – no state match requirement
  - Restoration, repair, construction and other activities eligible for Federal Highway funds
  - Expedited project award and construction
American Recovery and Reinvestment Act (ARRA)

$26.6 Billion total apportionment to States

Delaware Received:

- $122M – Highways & Bridges
- $ 18M – Transit
American Recovery and Reinvestment (ARRA) Update

Federal Highway Funds
Number of Projects Certified by Governor or Secretary: 33
Number of Projects Either Awarded or Under Construction: 31
(12 under construction, 14 complete, 5 awarded not yet started)
Number of Projects Out for Bid/ In Award Process: 1
(Br. 1-325)
Number of Projects Remaining to Be Advertised: 1
(Market St.)

FTA Funds
Number of Projects Certified by Governor or Secretary: 4
Number of Projects Either Awarded or Under Construction: 4

Awards to Delaware Contractors: 25 of 30 (or 83%)
Economy Impacted Revenues

Toll Transactions (millions)

MF Consumption (gals.) (thousands)

Vehicles Titled (thousands)

FY10 & FY11 are estimates
Revenue Challenges
Fiscal Year 2010

DMV – $5.3 M
- Auto sales volume ↓ 5.2%
- Title transactions ↓ 2.1%

Motor Fuel Tax – $7.4 M
- Fuel consumption ↓ 0.9%

Toll Roads – $6.9 M
- I-95 traffic ↓ 0.5% (Commercial Traffic ↓ 8.7%)
- SR-1 traffic ↑ 1.6% (Commercial Traffic ↓ 2.2%)

Investment income – $2.6 M
- Weighted interest earnings
  - 1.18% compared to 1.78% last year, 4.64% 2 years ago

Total Revenue Shortfall
$19.3M
Statewide Paving Program
## Paving Lane Miles

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Miles</th>
<th>Lane Miles FY09</th>
<th>Lane Miles FY10</th>
<th>Lane Miles FY11</th>
<th>Lane Miles FY12</th>
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<td>2008</td>
<td>139.1</td>
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<tr>
<td>2009</td>
<td>175.3</td>
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<td>0</td>
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<tr>
<td>2010</td>
<td>46.7</td>
<td>18.5</td>
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<td>ARRRA</td>
<td>80.82</td>
<td>27.37</td>
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<td>2011</td>
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<td>2012</td>
<td>88.3</td>
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<td>60</td>
<td>20.3</td>
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