

15



FUNDING



15

301

US 301 Project Development



DeIDOT Funding

Current Status

- ▶ DeIDOT has suspended work on a number of projects due to a lack of adequate revenues to fund needed transportation projects.

Why has this happened?

- ▶ Delaware is growing at an unprecedented rate, faster than anytime in our state's history
 - New housing, commercial and industrial projects are replacing farm fields.
- ▶ Construction costs (concrete, steel, fuel) and real estate for rights-of-way have been escalating at a record pace.
- ▶ DeIDOT's traditional revenue sources (gas tax, tolls & motor vehicle fees) have grown at much slower rates
 - Transportation Trust Fund (TTF) revenues increased by 29% over the past 10 years while General Fund revenues increased at 74%, during the same period.
- ▶ The TTF was created 20 years ago for the sole purpose of funding transportation construction projects. However, over the years, the responsibility for DeIDOT's operating costs, now about \$200 million per year, has been transferred from the General Fund to the TTF.
 - This \$200 million approximates DeIDOT's funding short fall for a reasonable level of annual capital spending.

What is the solution?

- ▶ The Governor and General Assembly recognize this critical problem.
- ▶ A Task Force, including top Administration fiscal managers and fiscal leaders from the General Assembly, has been hard at work developing and evaluating potential solutions.
- ▶ Some actions have already taken place:
 - Tolls were raised on I-95 in October.
 - DeIDOT will receive additional funds from the federal government as a result of recent congressional action.
- ▶ These actions are only part of the solution.
- ▶ DeIDOT is optimistic that the administration and legislature will address the transportation funding needs, that are so important to our State's economic and transportation success.

US 301 Funding

- ▶ The Task Force has submitted its report that includes a number of potential options to increase funding in the Transportation Trust Fund to support an adequate annual level of investment in transportation improvements. Among the potential Revenue options presented in the report are:

- I-95 Tolls
- SR 1 Tolls
- Motor Fuel Tax
- Document Fees
- Registration Fees
- Developer Fees / Impact Fees
- Transfer DeIDOT Operations to General Fund
- Long-Term Concession Lease
- Public / Private Partnerships

The Department looks forward to working with the Governor and Legislature in addressing this problem during the 2006 session.

Does the Funding Issue affect US 301?

- ▶ No, not at this time.
- ▶ The project development effort leading to a Selected Alternative has been fully funded.
- ▶ Timely completion of the effort is critical.
 - The Administration has determined that the decision on a US 301 improvement corridor cannot be delayed.
 - Alternative corridors that are available today to address project needs will become more costly, with significantly greater impacts, if the decision on this project is delayed.
 - The congestion and safety problems that exist today along US 301 will continue to worsen with the mixture of truck traffic and continued planned growth.
- ▶ Be assured that with the resolution of the transportation funding issue, providing the necessary funding to protect the selected US 301 improvement corridor from development will be a priority of the Department.

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Federal Highway Administration



Delaware Department of Transportation



New Castle County