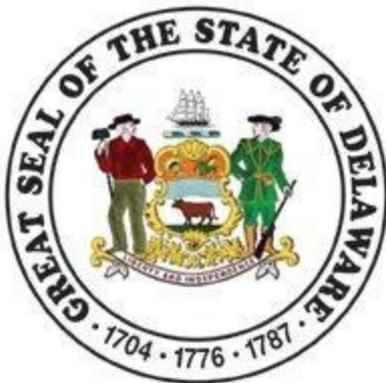


Governor Markell's Transportation Investments for Delaware's Future



Delaware's Transportation Goals

- Public Safety
 - Accelerates Infrastructure Improvements Needed to Maintain a Safe Transportation Network
 - Congestion Alleviation
- Economic Development
 - Jobs Created with Each Project
 - Upgraded Infrastructure will Attract Businesses
- Fiscal Responsibility
 - Maintain Long Term Financial Viability
 - Financial Certainty



Transportation Trust Fund

- 2011 Transportation Trust Fund Task Force Report

“The essential goal in correcting the structural problem of funding the TTF is to create a **sustainable stream of revenue** which supports an appropriately sized capital program to meet the State’s infrastructure needs.”

- ✓ Realign the Capital Transportation Program Based on Need vs. Want
- ✓ Control Borrowing and Reduce Department’s Overall Debt
- ✓ Right Size Transit (In progress)
- Increase Existing Revenue

Resources Have Not Kept Up with Demand

- Population continues to grow
- Lane miles have increased 10% since 2000
- From 1995 through 2013 Motor Fuel Tax revenues have grown by 25%, while the Consumer Price Index (CPI) has increased by 51%
- \$1 of Transportation Trust Fund purchasing power in 1995 is worth \$0.65 in today's dollars
- Over the next 7 years (FY 2014 –FY 2020) Motor Fuel Tax revenues are forecasted to decrease by 0.8% annually while CPI has been increasing at an annual average rate of 2.4%
- Last Delaware Motor Fuel Tax increase was in January 1995

Opportunity

Transportation Investments for Delaware's Future

\$500 Million Increase over 5 Years

- Maintain a safe and reliable transportation system
- Put thousands of people back to work
- Fix shortfall in revenues in Transportation Trust Fund
- Create a sustainable stream of revenue
- Maintain long term financial viability

Balanced Approach

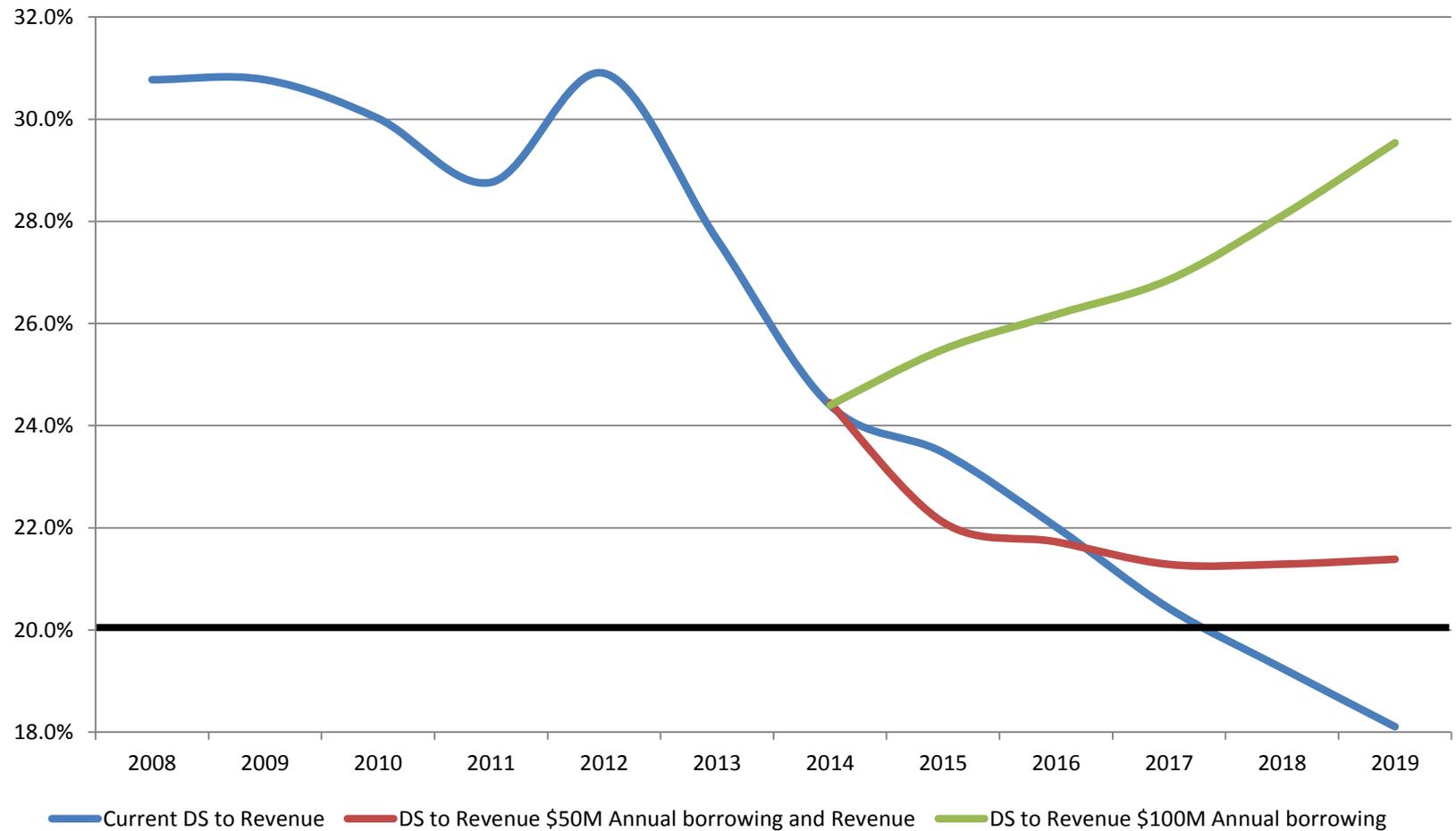
- Combination of Increased Revenue and Borrowing
 - Increase Revenue by \$50 Million
 - \$.10 Motor Fuel Tax Increase
 - Borrow \$50 Million Annually

Responsible Borrowing

- \$50 Million in Borrowing Annually
 - A balanced approach allows us to borrow, while still reducing our debt/revenue ratio
- Responsible Debt Management
 - In FY 2011, the DelDOT's Debt Service/Revenue was 28%
 - The national average of Debt Service/Revenue is 20%
 - By putting a hold on borrowing, overall debt has been reduced by \$380 million
 - DelDOT's Debt Service/Revenue now at 24%
 - In FY 2011 debt was \$1.234 billion and in FY 2015 debt will be \$854 million

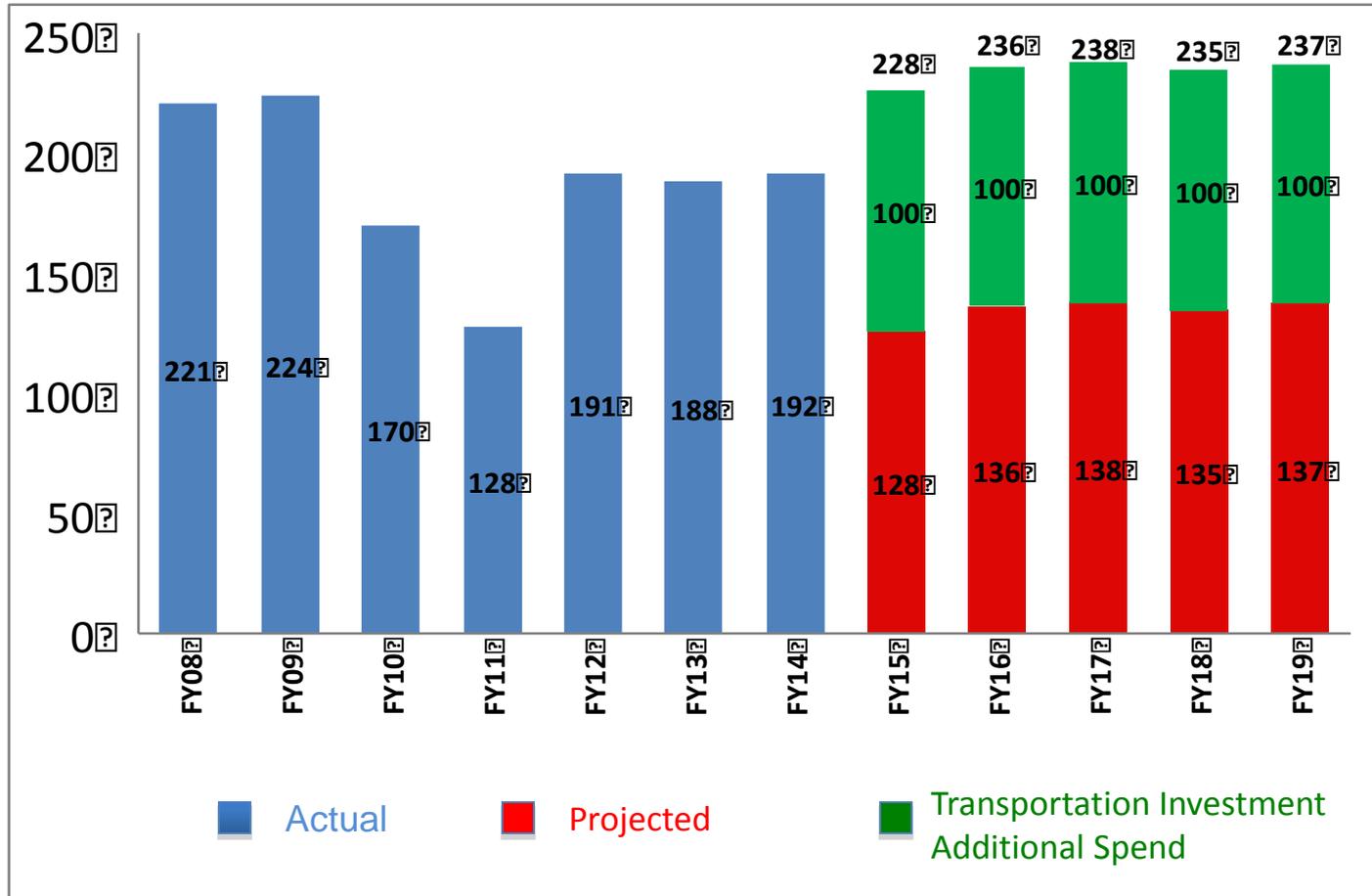
Borrowing Scenarios

Debt Service as a Percentage of Revenues



State Capital Spend Under Transportation Investment Plan

In millions



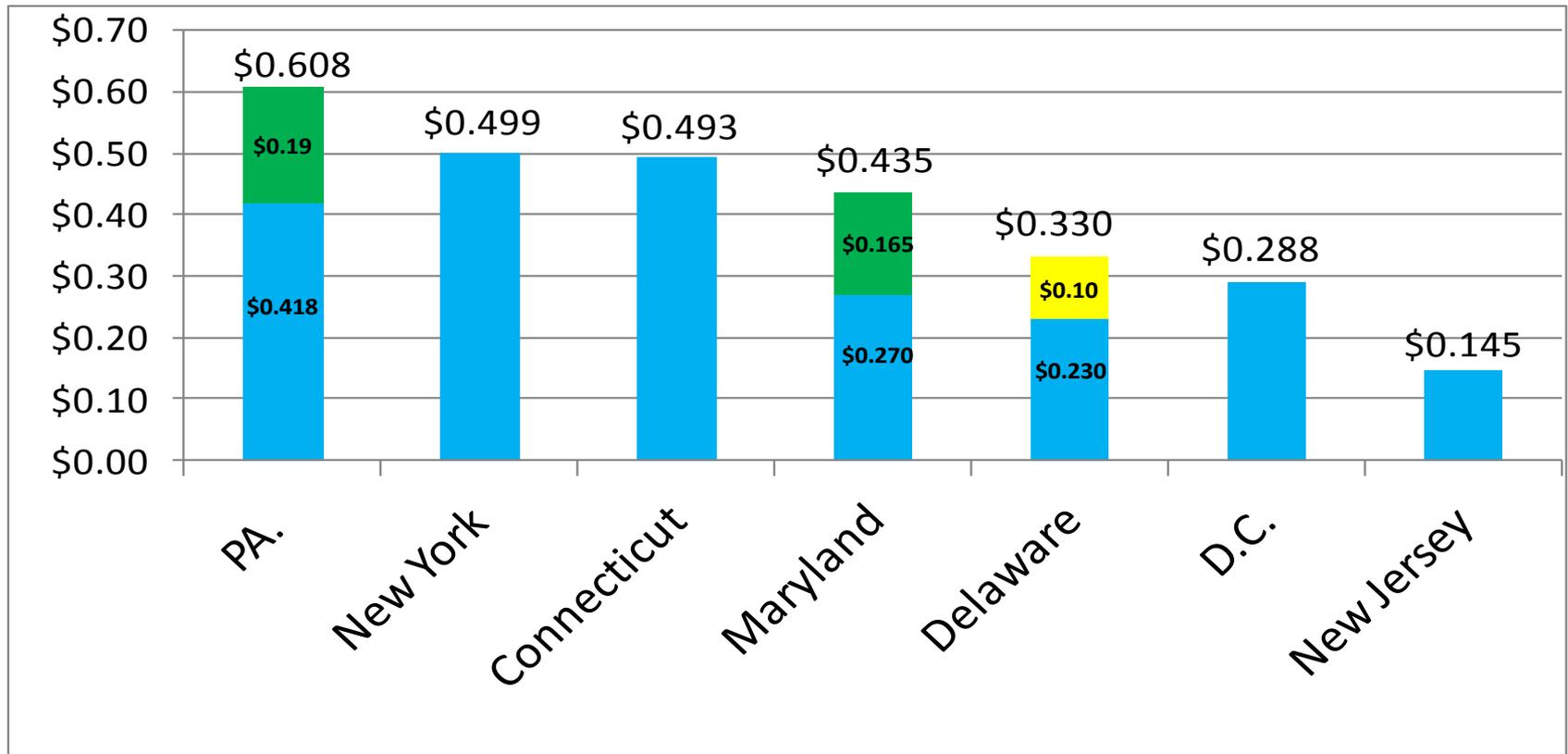
Impact on Average Consumer

Average Person drives 13,476 miles annually, averaging 23.5mpg, purchasing 573 gallons of gas a year.

573 gallons x \$.10 = \$57 annually

\$4.78 a month

Motor Fuel Tax Rate Comparison



Source: American Petroleum Industry

NOTES:

Maryland estimate based on anticipated on new tax structure by 2016

Pennsylvania's full tax to be phased in by 2018

Delaware proposed \$.10 increase