SUMMARY STATEMENT

ITEM NO. Subject: 2011 DRPA Capital Budget

Committee: Finance

Committee Meeting Date: December 8, 2010

Board Action Date: December 15, 2010

Proposal: That DRPA approve and adopt a 2011 DRPA Capital Budget

Purpose: To establish the 2011 DRPA Capital Budget

Background: Each year the DRPA adopts an updated five-year Capital Program and annual Capital Budget. The Capital Program was developed based on input from Division Chiefs, Department and Facility Directors, and bridge and PATCO personnel and is then refined through a formal review process led by the Chief Executive Officer (CEO), Deputy CEO, Chief Financial Officer, Chief Engineer and the Capital Budget Review Committee. This review process utilizes a framework that prioritizes projects based on essential maintenance, security, safety, customer service, operational enhancements, and available funding and operational capacity.

The 2011 Capital Budget reflects the DRPA's commitment to maintain and improve its bridge and transit facilities in support of providing safe, reliable transportation facilities for the region. In addition to the inspections conducted by our Engineering Department, Biennial Inspections are conducted at each facility by outside consultants. As a result, many of the capital improvement projects included in the Capital Program are in response to recommendations made during the Biennial Inspection.

The 2011 Capital Budget proposes estimated net spending of $150,502,000 (net of federal grants of approximately $62.5 million) on projects identified for the year 2011. Net funding required to complete projects included in this capital budget totals $478,208,000. It includes essential on-going and new start Capital Projects on all four bridge facilities, the PATCO High Speed Line, Cruise Terminal and Ferry to maintain the current state of repair of the facilities and to ensure the safety and security of customers and employees. The multi-year Capital Program proposes total net expenditures of $1,001,743,000.
Five of the largest projects, all with projected 2011 costs in excess of $10 million, total $117.0 million (including $31.0 million in federal funding). These are shown below:

1) Deck Truss Rehabilitation (Ben Franklin Bridge) for $14.0 million
2) Structural Repairs (Commodore Barry Bridge) for $14.0 million
3) PATCO Power Cable and Pole Line - $18.0 million
4) Rehabilitation of Fleet (PATCO) - $31 million (FTA funding)
5) Redeck Suspended and Anchorage Spans (Walt Whitman Bridge) - $40 million

The amount required to complete the aforementioned projects totals $385.4 million (inclusive of expenditures for 2011 and subsequent years). (Total federal funding is approximately $75.4 million resulting in net estimated DRPA costs of $310 million.)

The 2011 Capital Budget projects will be funded by project funds from revenue bonds issued in July of 2011. In addition, certain short-lived capital expenditures (Vehicles, equipment, etc.) will be funded by a contribution of approximately $8.1 million to the project fund from net current revenues.

The 2011 Update to the DRPA Master Plan will be prepared in 2011. The Master Plan fulfills the Compact requirement for new capital projects to proceed.

**SUMMARY:**

- **Amount:** $150,502,000 (for the year 2011)
- **Source of Funds:** 2010 Revenue Bonds (Series D) / General Fund
- **Capital Project #:** N/A
- **Operating Budget:** N/A
- **Master Plan Status:** N/A
- **Other Fund Sources:** Federal Grants
- **Duration of Contract:** N/A
- **Other Parties Involved:** N/A
RESOLUTION

RESOLVED: That the 2011 DRPA Capital Budget is hereby approved by the Board of Commissioners (subject to the availability of funds); and be it

FURTHER RESOLVED: That the DRPA shall not expend funds in excess of the total authorized 2011 Capital Budget, in the amount of $150,502,000 unless such Budget shall be amended by Resolutions of the Board of Commissioners to increase said authorization.

SUMMARY:

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