

Danny Straessle
Public Information Officer



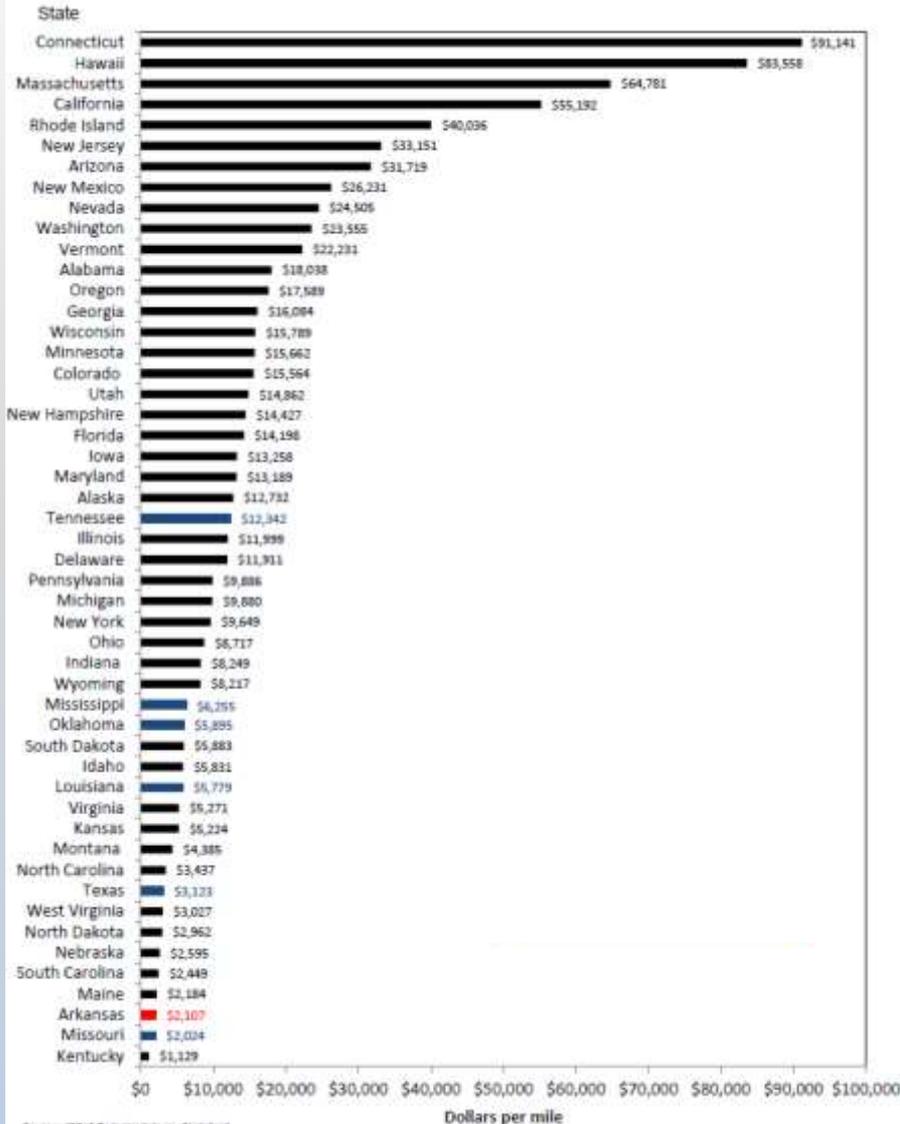
Springdale Leadership Class

Thursday, January 24, 2019

*Provide safe and **efficient** transportation solutions to support Arkansas' economy and enhance the quality of life for generations to come.*

Adopted June 7, 2017

Administrative Cost Per Mile
 Arkansas Ranks 48th in the Nation



Source: "2013 Federal Highway Statistics"
 Note: Excludes Toll Facilities

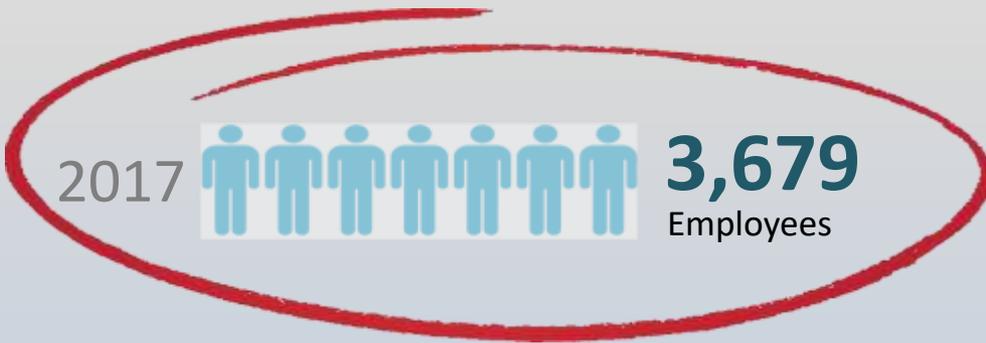
Arkansas = \$2,107

Surrounding States Average = \$4,334

National Average = \$9,224

Arkansas has the
 3rd Lowest
 Administrative Cost Per
 Mile
 in the Nation

Employment Levels Efficiency



Promises



**Rebuilding Arkansas
Interstates**



INTERSTATE
REHABILITATION
PROGRAM

IRP



CONNECTING
ARKANSAS
PROGRAM

CAP



Interstate Rehabilitation Program

Completed

46 Projects
290 Miles
\$1.00 Billion

Under Construction

6 Projects
54 Miles
\$314 Million

Scheduled

27 Projects
159 Miles
\$220 Million



Connecting Arkansas Program

Completed

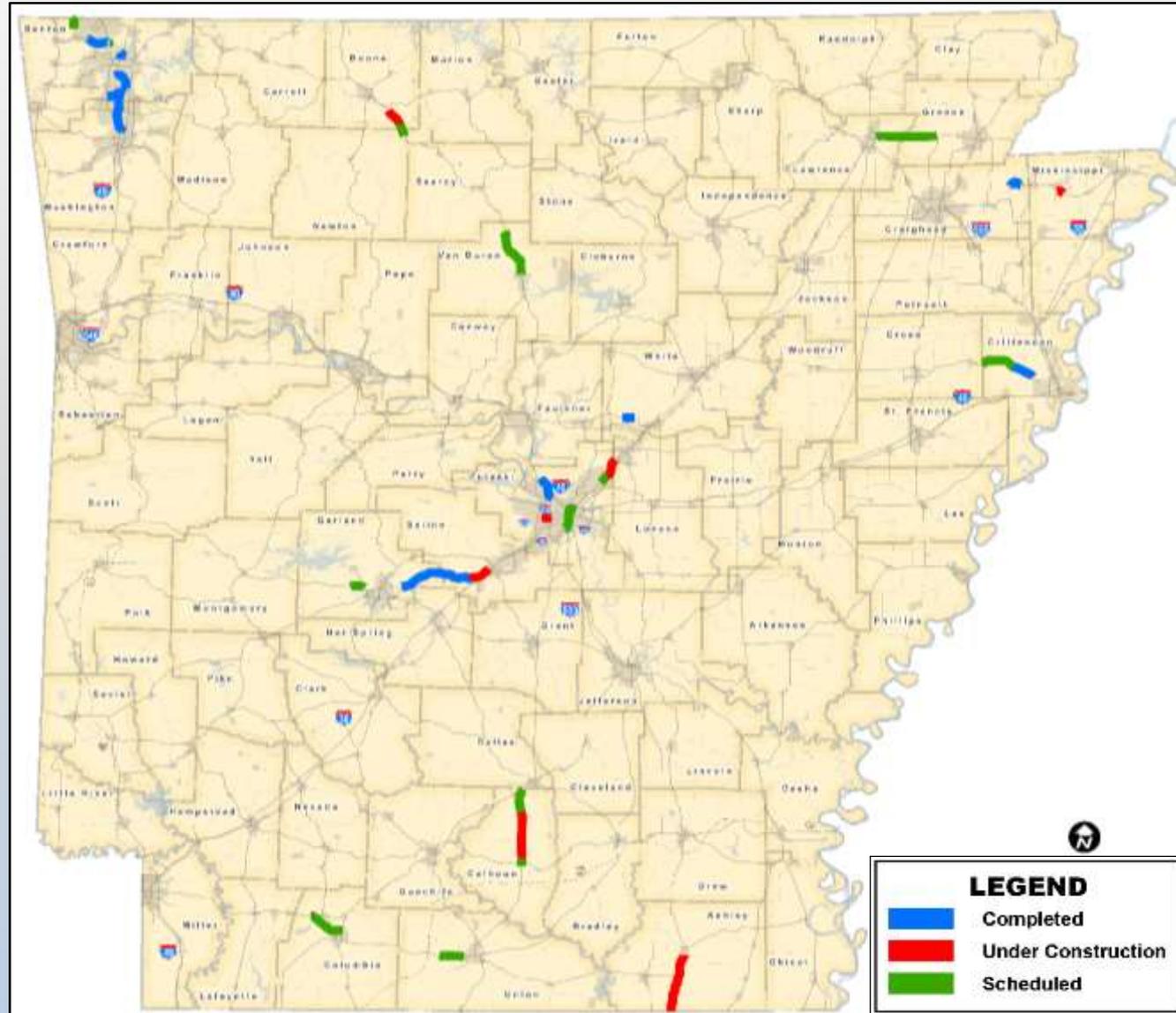
11 Projects
61 Miles
\$432 Million

Under Construction

9 Projects
46 Miles
\$534 Million

Scheduled

16 Projects
78 Miles
\$1.06 Billion



Local Project



Updates

Springdale Bypass

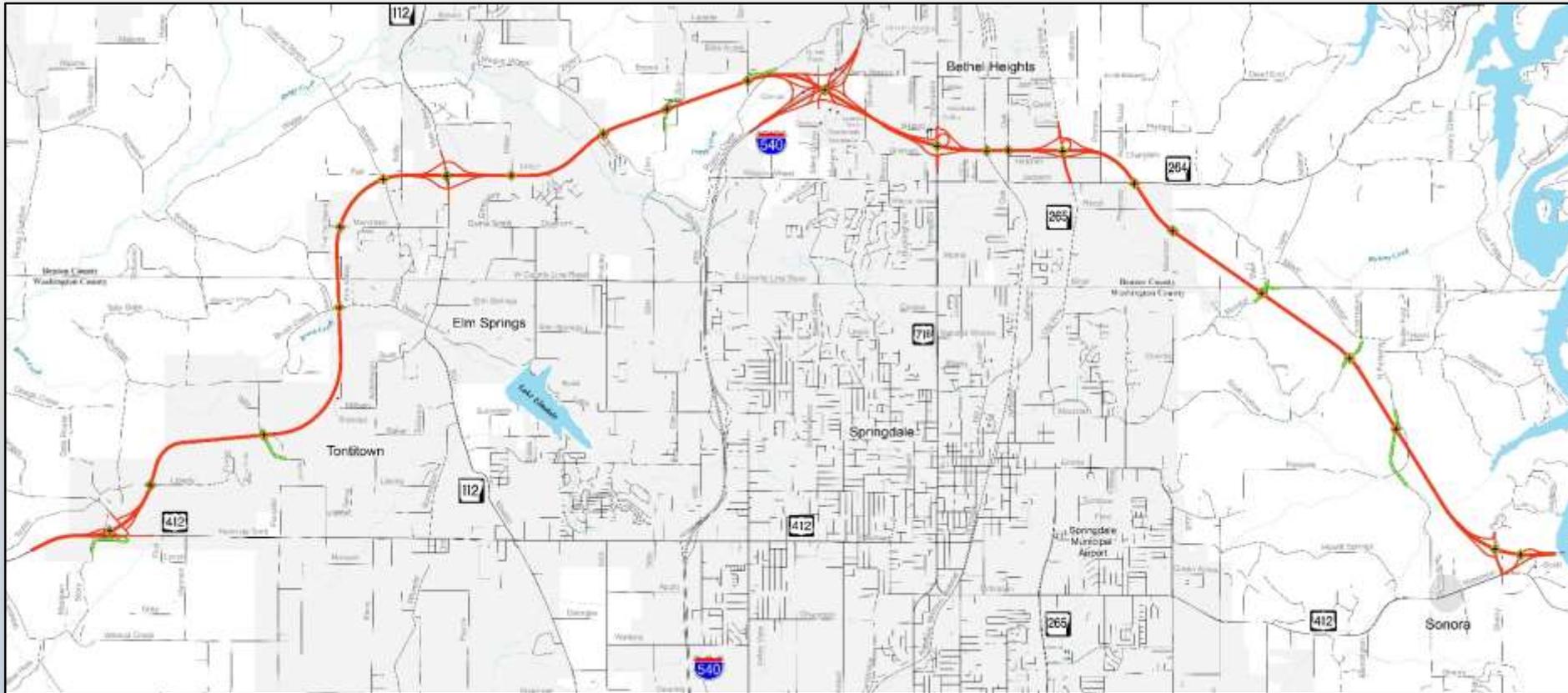
Future 412

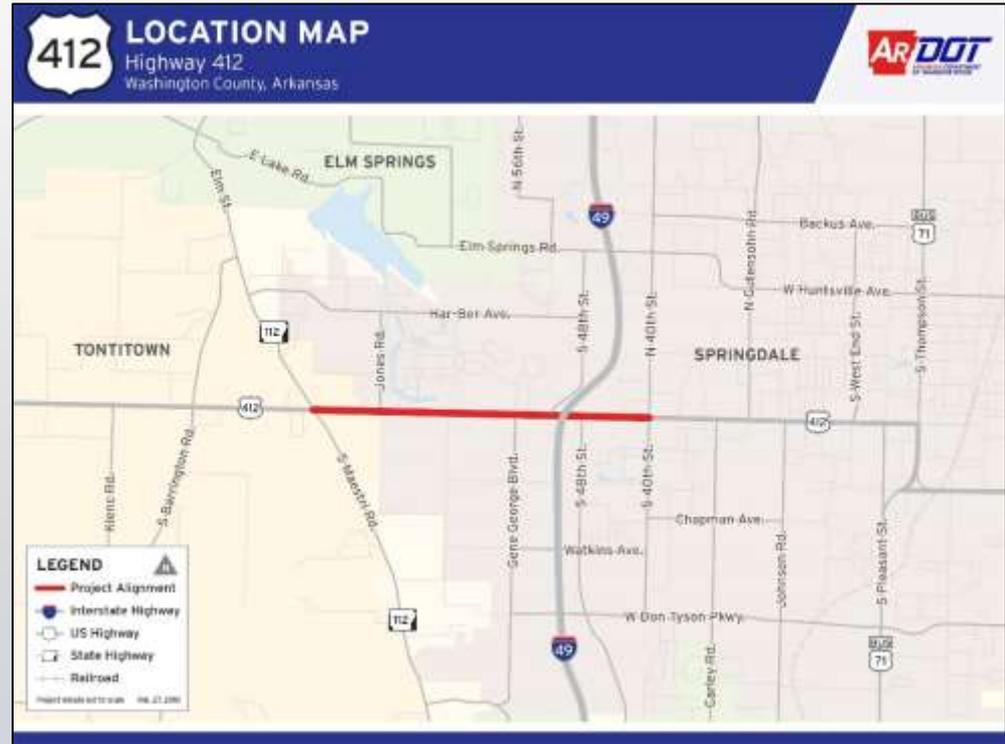


Ribbon
Cutting



Springdale Northern Bypass





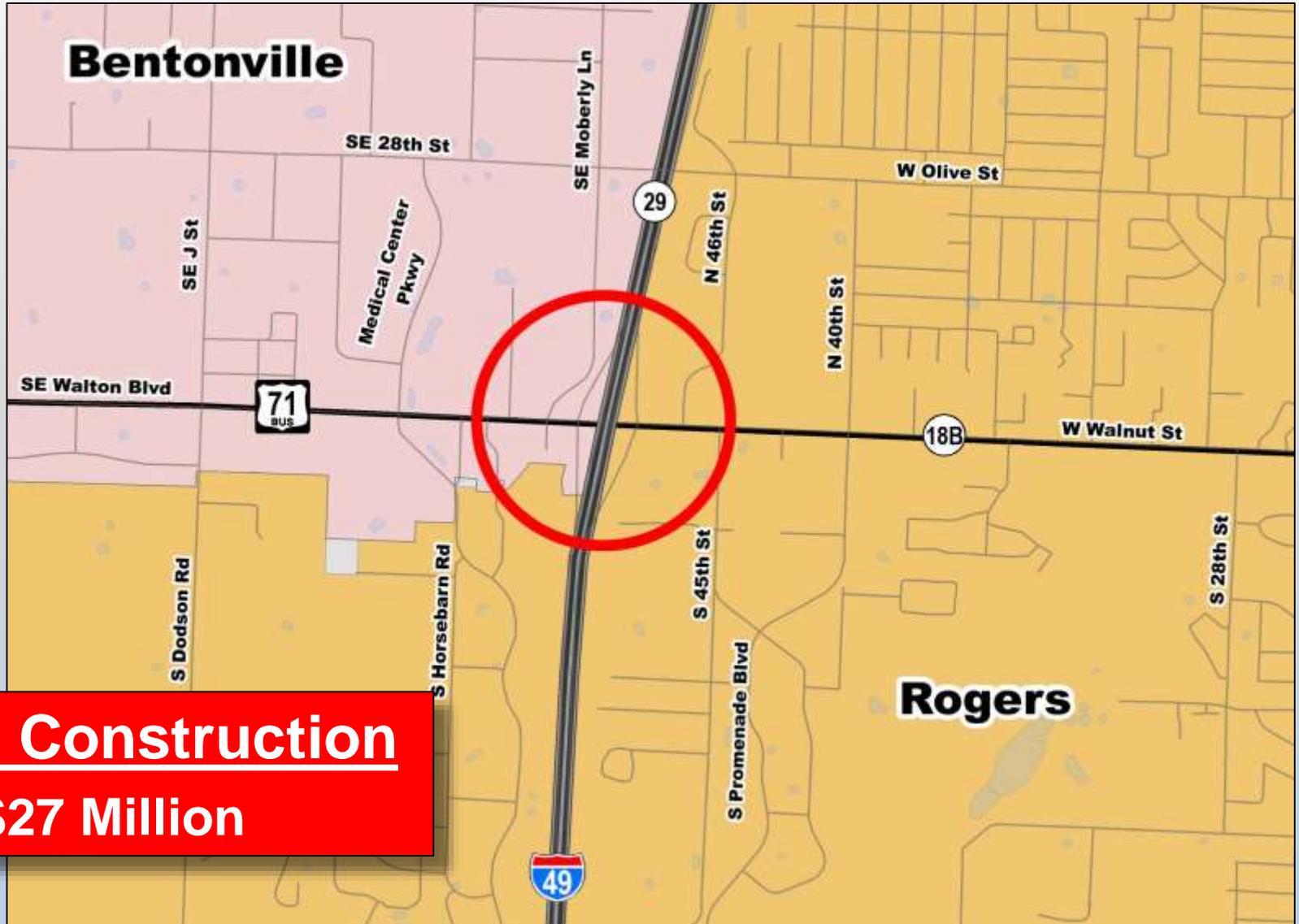
Under Construction

2 Miles

\$10 Million



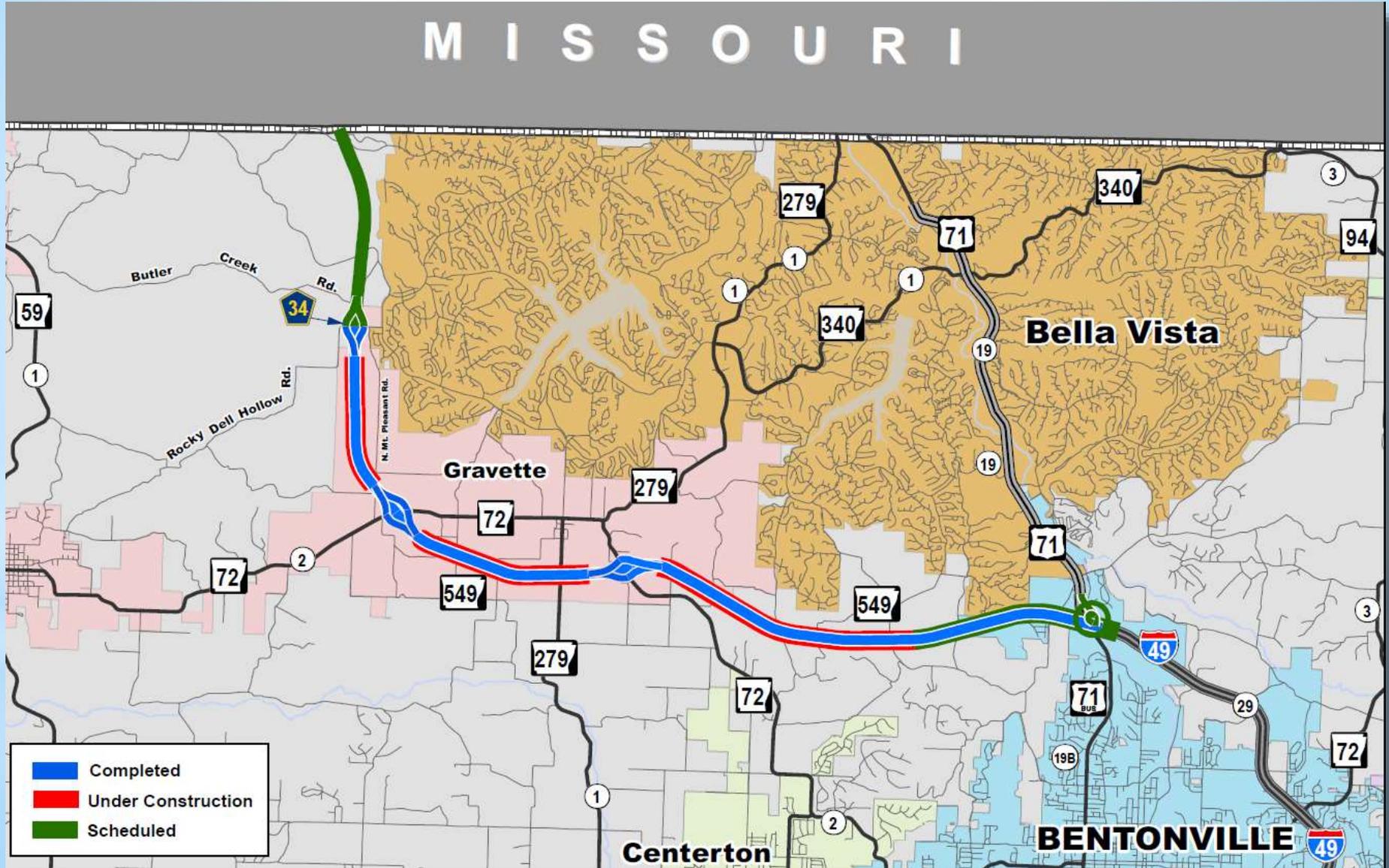
Interstate 49



Under Construction

\$27 Million

Bella Vista Bypass Update



Interstate 49
Missouri – Arkansas
Connector
(Bella Vista Bypass)





Funding Challenges

Challenges

➤ **12th** largest system in the country

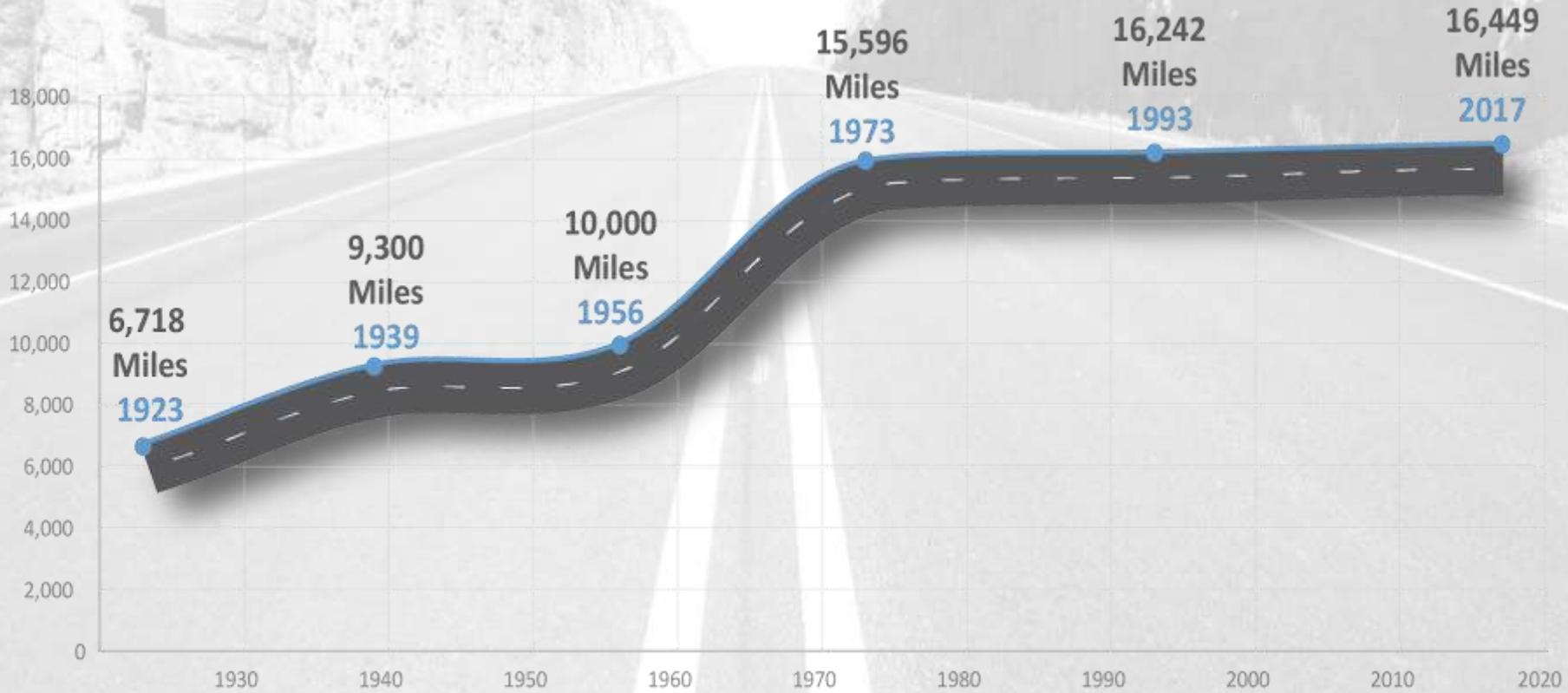
➤ **42nd** in highway revenue per mile.

➤ **\$9.3 billion** in needs

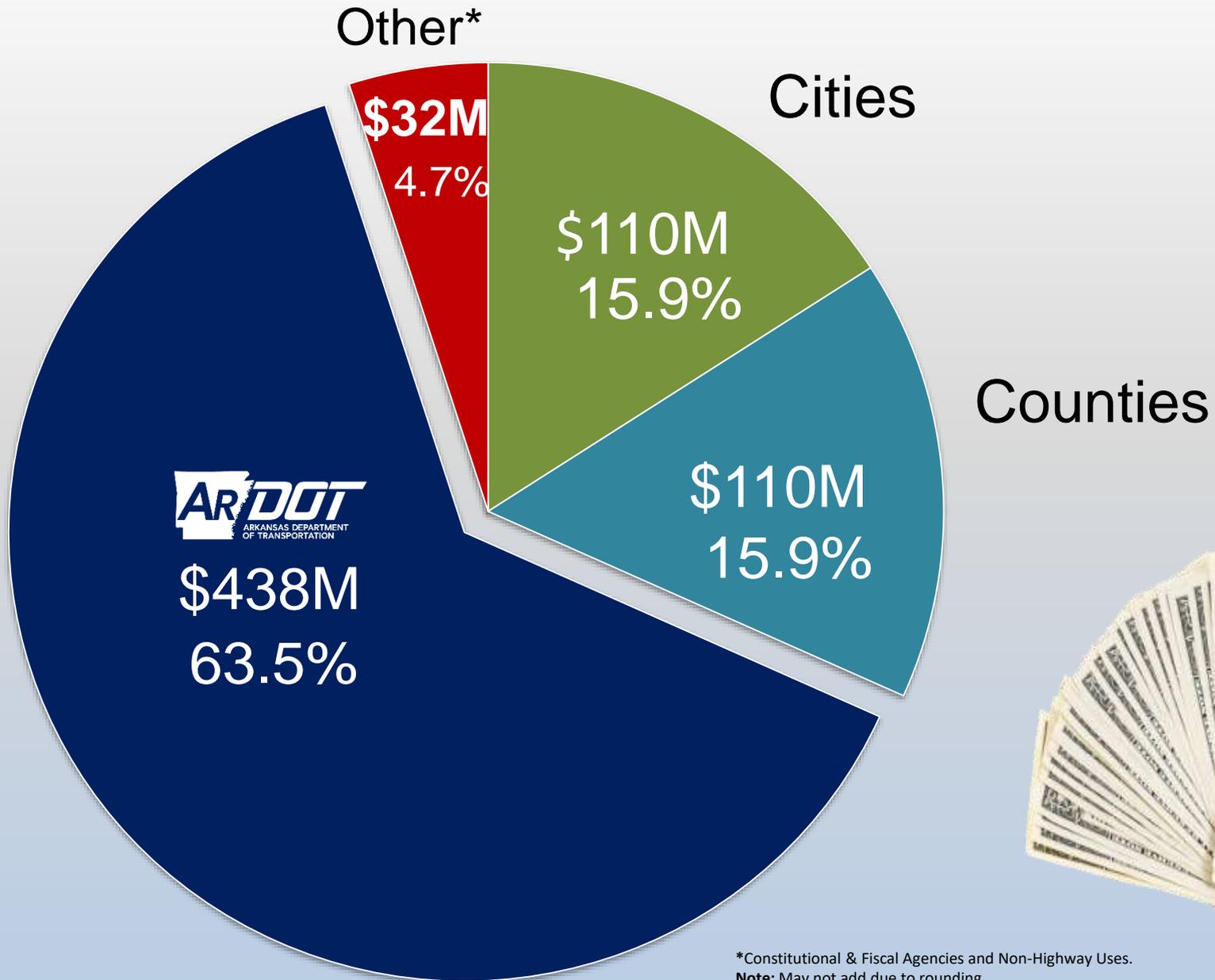
➤ **\$4.5 billion** in available revenue



GROWTH OF THE HIGHWAY SYSTEM

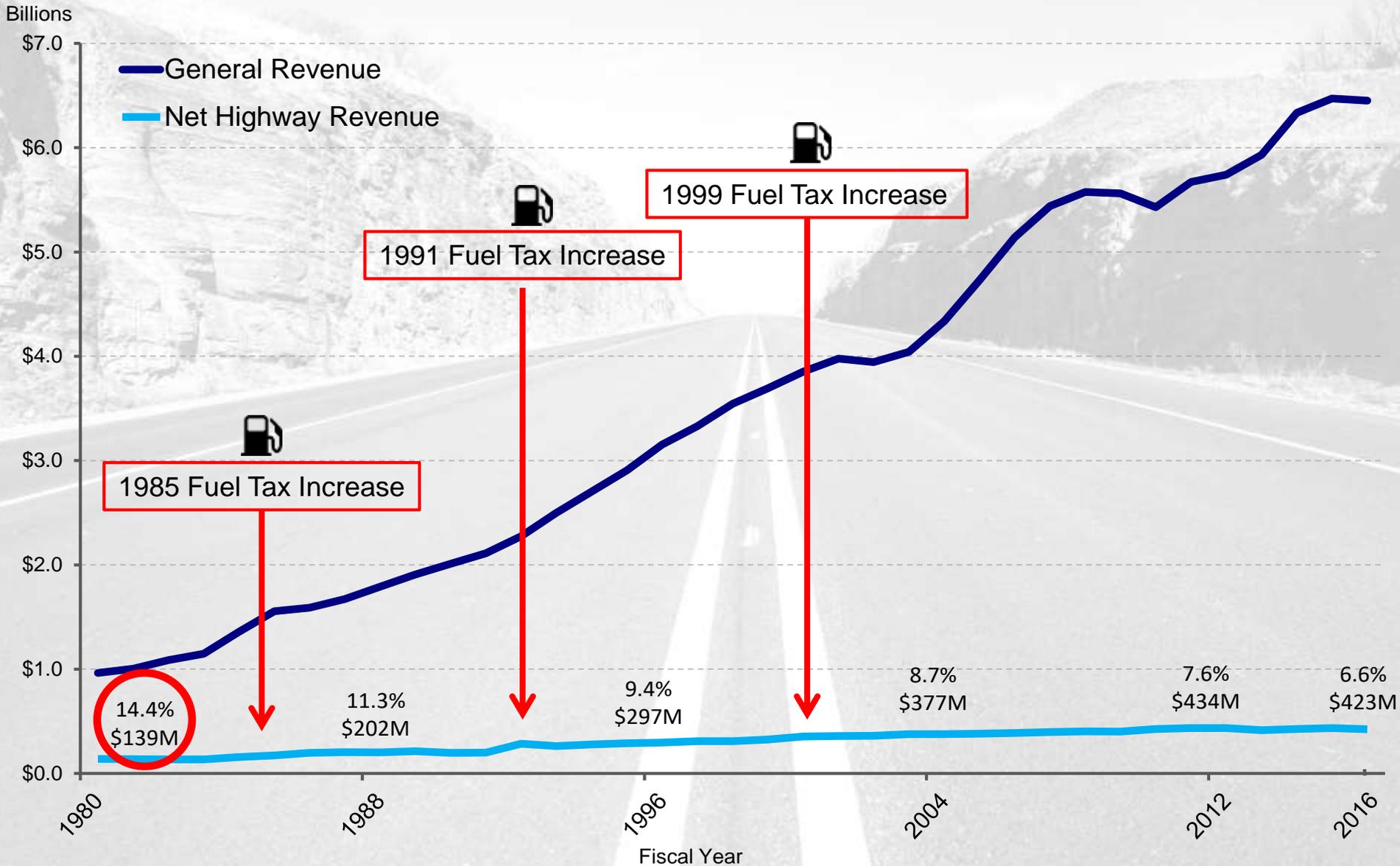


Average Annual Highway User Revenue Distribution



*Constitutional & Fiscal Agencies and Non-Highway Uses.
Note: May not add due to rounding

Percent of Highway vs. General Revenue



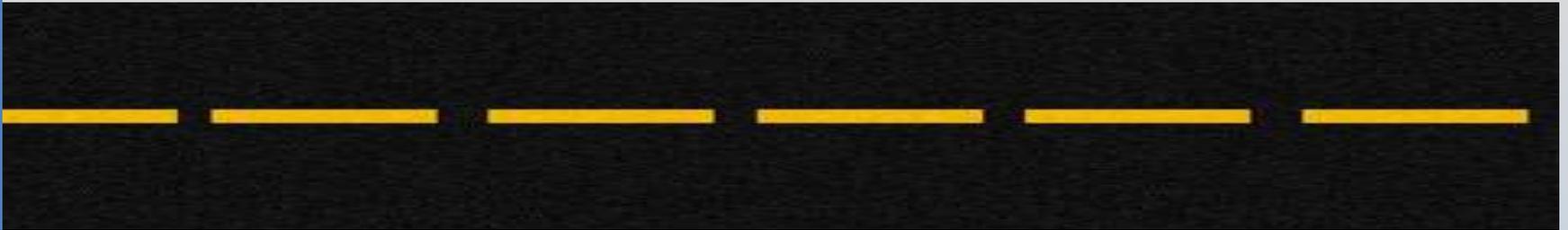
Excludes County & City Aid funds | Excludes CAP funds

THEN

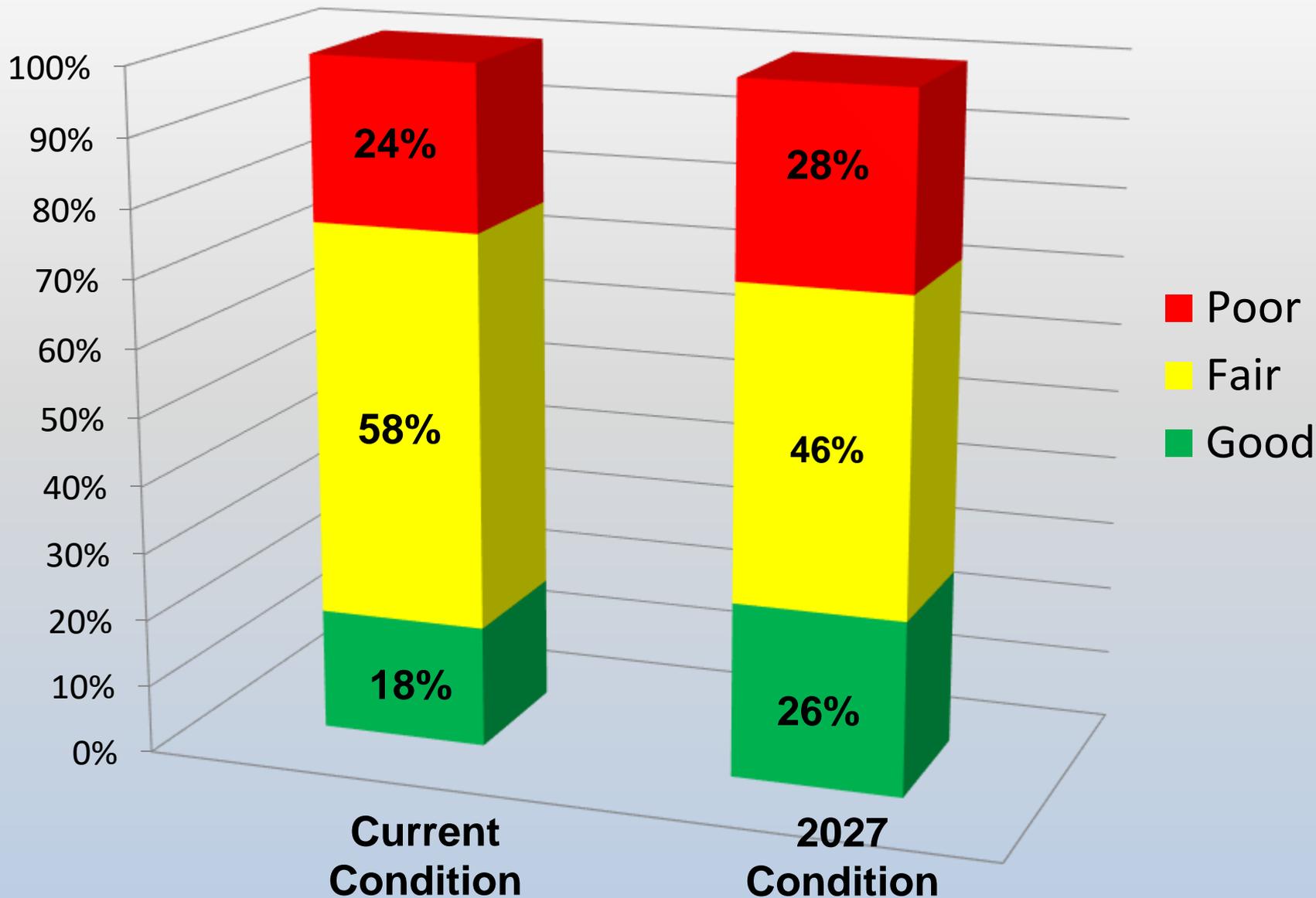
23 years ago, in 1995,
200 miles of Highway
could be overlaid.

NOW

As of 2017, using the
same resources, only
54 miles of Highway
could be overlaid.



All State Highways – Including Interstates

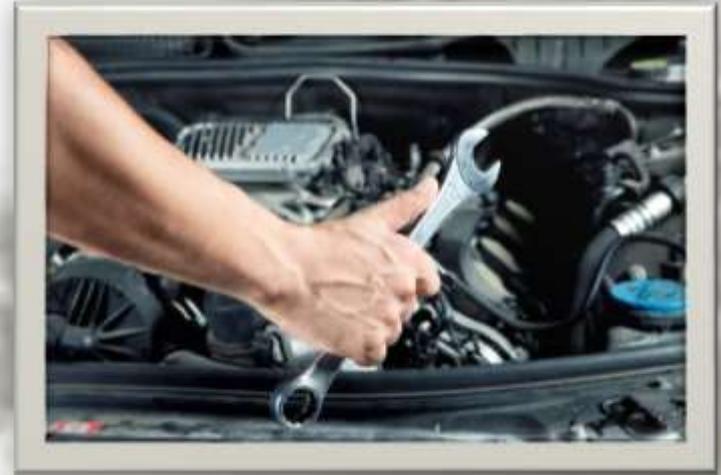


Pay a **Little** Now

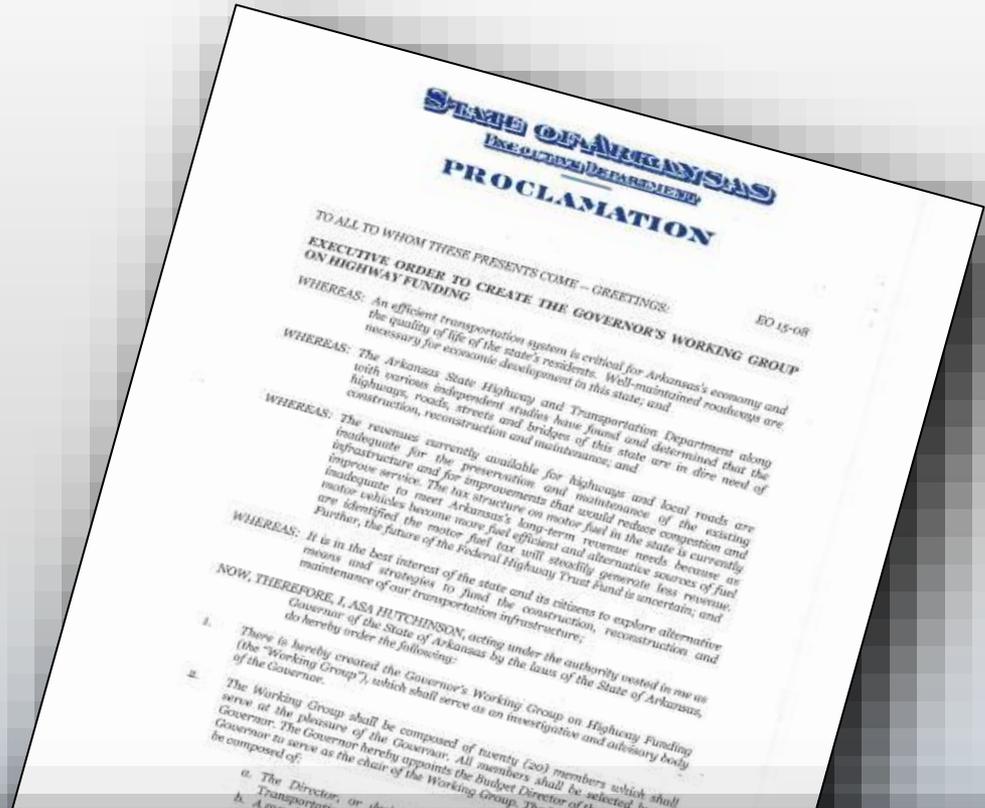


Overlay
\$100,000
per lane mile

Pay a **Whole Lot** Later



Reconstruction
\$1,500,000
per lane mile



“An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.”

- Arkansas Legislative Audit - Review of Highway Funding
- Purpose:
 - ✓ To review and verify ARDOT information, estimates and calculations related to highway funding
- Report Objectives:
 - ✓ History of funding sources
 - ✓ History of construction and maintenance costs
 - ✓ State match needed for Federal funds
 - ✓ Additional State revenue to meet system preservation needs
 - ✓ History of bond activities

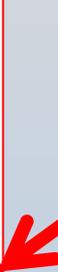


Exhibit III

Arkansas Department of Transportation (ARDOT) Summary of Annual State Funds Needed to Meet Proposed Highway Construction Plan Over a 10-Year Period

Description	Annual Funds Needed for Highway Construction Plan	Annual Funds Available for Highway Construction	Additional Annual State Revenues Needed for Highway Construction Plan
System Preservation			
Pavement	\$ 387,000,000	\$ 137,000,000	\$ 250,000,000
Bridges	117,000,000	90,000,000	27,000,000
Total System Preservation	<u>504,000,000</u>	<u>227,000,000</u>	<u>277,000,000</u>
Capacity Relief	305,000,000	157,000,000	148,000,000
Safety Improvements	86,000,000	44,000,000	42,000,000
Maintenance			
Equipment upgrades	19,000,000	19,000,000	
Facilities upgrades	8,000,000		8,000,000
Intelligent Transportation System (ITS)	3,000,000		3,000,000
Total Maintenance	<u>30,000,000</u>	<u>19,000,000</u>	<u>11,000,000</u>
Totals	<u>\$ 925,000,000</u>	<u>\$ 447,000,000</u>	<u>\$ 478,000,000</u>

\$ 478,000,000



Note: Amounts shown are rounded.

Arkansans Major Public Asset Transportation Infrastructure

State Highway System	Gross Replacement Value	Average Annual Investment to Maintain State of Good Repair
Roads	\$58.1 Billion	\$387 Million (0.67%)
Bridges	\$11.0 Billion	\$117 Million (1.06%)
Total	\$69.1 Billion	\$504 Million (0.73%)

Based on Arkansas DOT Transportation Asset Management Plan and Legislative Audit Report



Crittenden County
Highway 42 Near Heafer



Hempstead County
Highway 195 East of Fulton



Miller County
Highway 134 Near Fouke



Jefferson County
Highway 199 East of Moscow



Sebastian County
Highway 71 South of Greenwood



Boone County
Highway 62 Near Alpena



Perry County
Highway 7 Near the Garland County Line



Sebastian County
Highway 255 in Fort Smith





Lawrence County
Highway 34 Near Okean



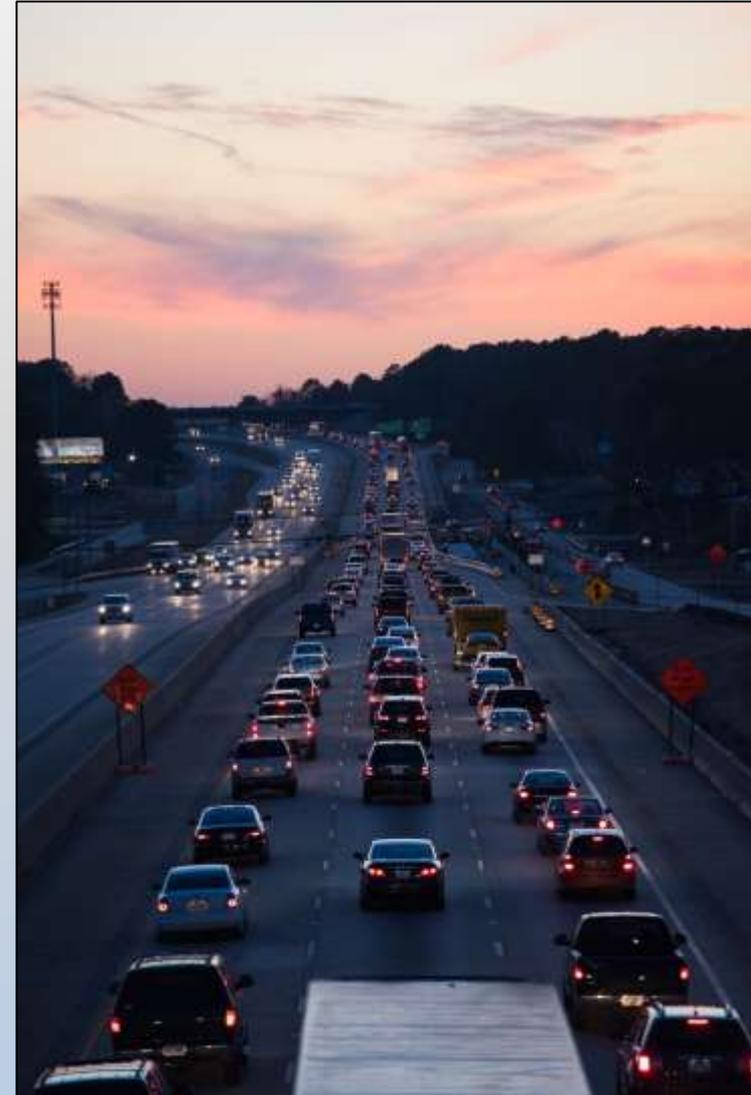
Mississippi County
Highway 34 East of Highway 77



Randolph County
Highway 34 North of Highway 90

Economic Impact of Infrastructure Investment

- Increased Property Values
- Attraction to Businesses
 - ✓ Higher Wages
 - ✓ More Job Opportunities
- Less Expense on Vehicle Wear and Tear = Greater Expendable Income
- Safety Benefits
 - ✓ Reduced Fatalities
 - ✓ Reduced Property Damage



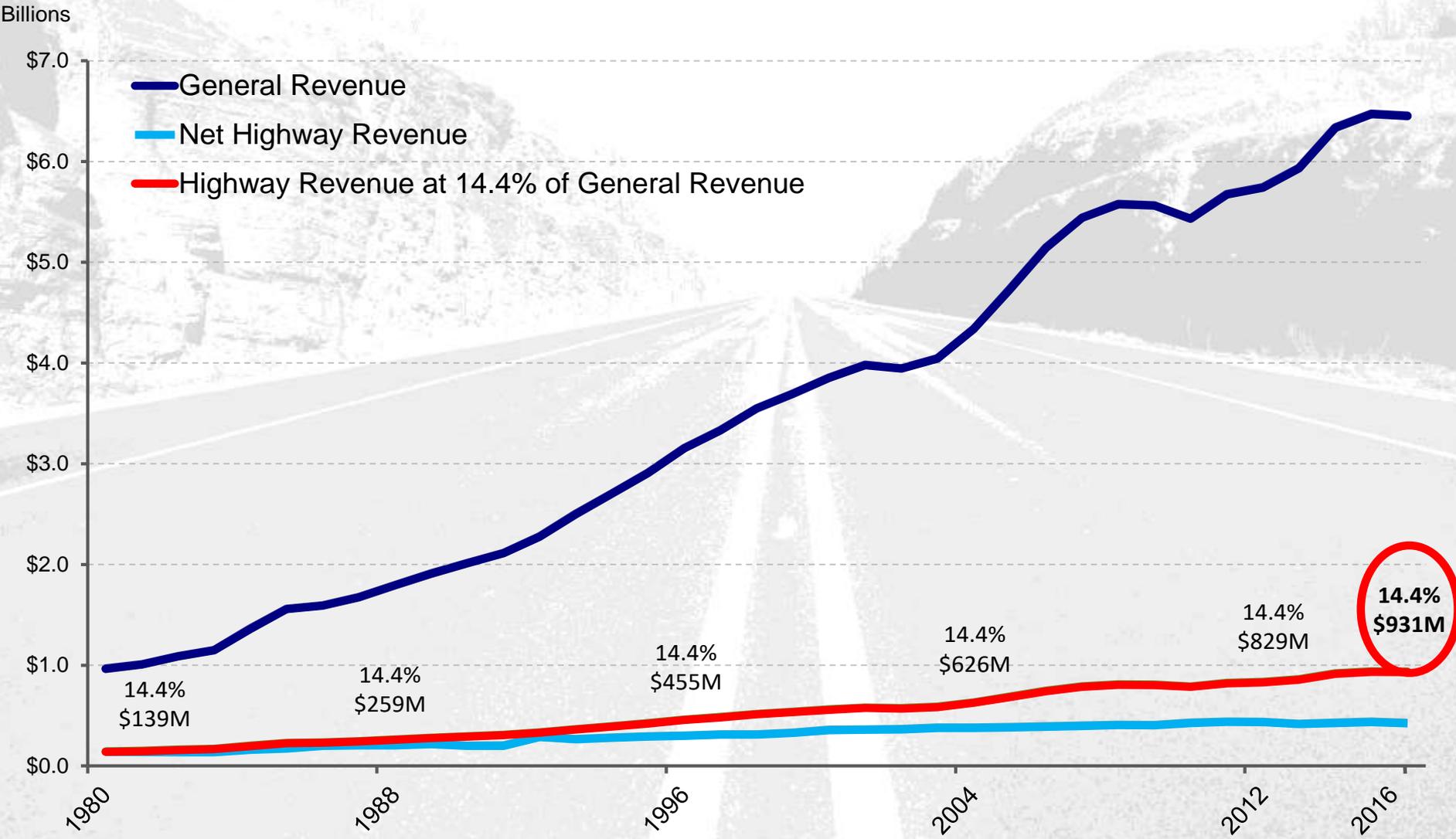
Infrastructure Investment and Quality of Life

Quality of Life is Directly Linked to:

- Reliable Access to:
 - ✓ Housing
 - ✓ Family, Friends, Spirituality
 - ✓ Employment
 - ✓ School
 - ✓ Health Care
 - ✓ Recreation/Entertainment
 - ✓ Consumer Goods
 - ✓ Consumer Services



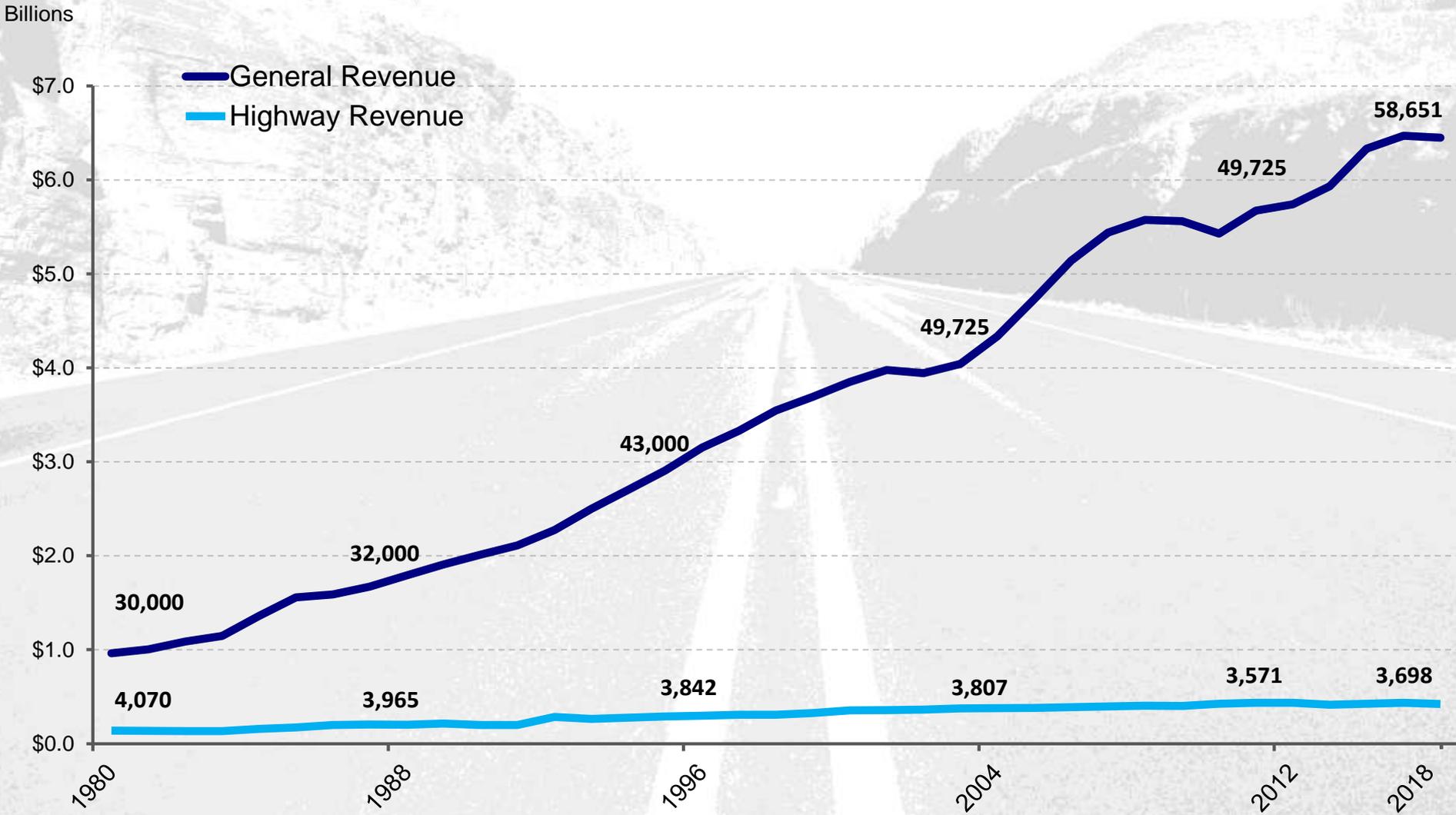
Highway Revenue at 14.4% of General Revenue



Excludes County & City Aid funds | Excludes CAP funds

Fiscal Year

Highway vs. General Revenue Compared to Employment Levels



Excludes County & City Aid funds | Excludes CAP funds

Fiscal Year



Potential New Program Discussion

Options for Generating Additional Revenue for Highways

Source	\$400 Million for Highways ⁽¹⁾
Fuel Tax	28.4¢
Sales Tax on Fuel (wholesale)	16.67%
Registration Fee	\$208
General Sales Tax ⁽²⁾	1.16%

¹ Amount shown is annual net to highways – after deduction for CFA/CSF and 30% to cities and counties.

² Transfer of 4.5% (“general” portion of statewide sales tax)

Other Considerations

Alternative Fuels

Definition

Methanol, Ethanol and other Alcohols

Blends of Alcohol with Gasoline

Compressed Natural Gas and Liquefied Petroleum Gas

Liquefied Natural Gas

Hydrogen

Electricity

Pure Biodiesel

Promotion Versus Equity Issue

Competition

Annual Flat Fee

Energy-Related Consumption?

Vehicle Miles Traveled?

Tolls?

FAIRNESS



Bond Financing Pros

- Funds immediately available

Bond Financing Cons

- Interest costs erode your buying power

	<u>Total Spent</u>	<u>Principal</u>	<u>Interest</u>
IRP	\$ 762.5 million	\$ 575.0 million	\$ 187.5 million
	Interest as a percentage of total cost		24.60%
	<u>Total Spent</u>	<u>Principal</u>	<u>Interest</u>
CAP	\$ 620.2 million	\$ 468.9 million	\$ 151.3 million
	Interest as a percentage of total cost		24.39%

Citizens Opinion Survey

CITIZENS OPINION SURVEY ON HIGHWAYS IN ARKANSAS

MAIL OR EMAIL RESPONSES TO:
 ARDOT
 Public Information
 P.O. Box 2261
 Little Rock, AR 72203
info@ardot.ar.gov

Are you satisfied with the condition of the existing state highway system?

Yes No

What highways in your area need improvements, and what type of improvements do they need?

Priority 1: _____
 Priority 2: _____
 Priority 3: _____
 Priority 4: _____

If you want better highway conditions, the Arkansas State Highway and Transportation Department will need additional funds. Would you support a new highway program that would generate additional revenue?

Yes No

Which of the following sources do you recommend be utilized in obtaining additional funds (check all that apply):

- Increase in gas tax
- Increase in diesel tax
- Increase in sales tax (dedicated to highways)
- Increase in registration fees
- Add sales tax on wholesale price of motor fuels
- Transfer existing sales and use tax on motor vehicles and related parts and service (currently collected but not paid to highways)
- Other: _____

Would you be willing to sign a petition to put a highway revenue proposal on the 2018 general election ballot?

Yes No

How did you hear about this survey?

- Presentation
- Social Media
- Other: _____
- TV/Radio/Print
- Family or Friend
- Website/Search Engine

Optional:

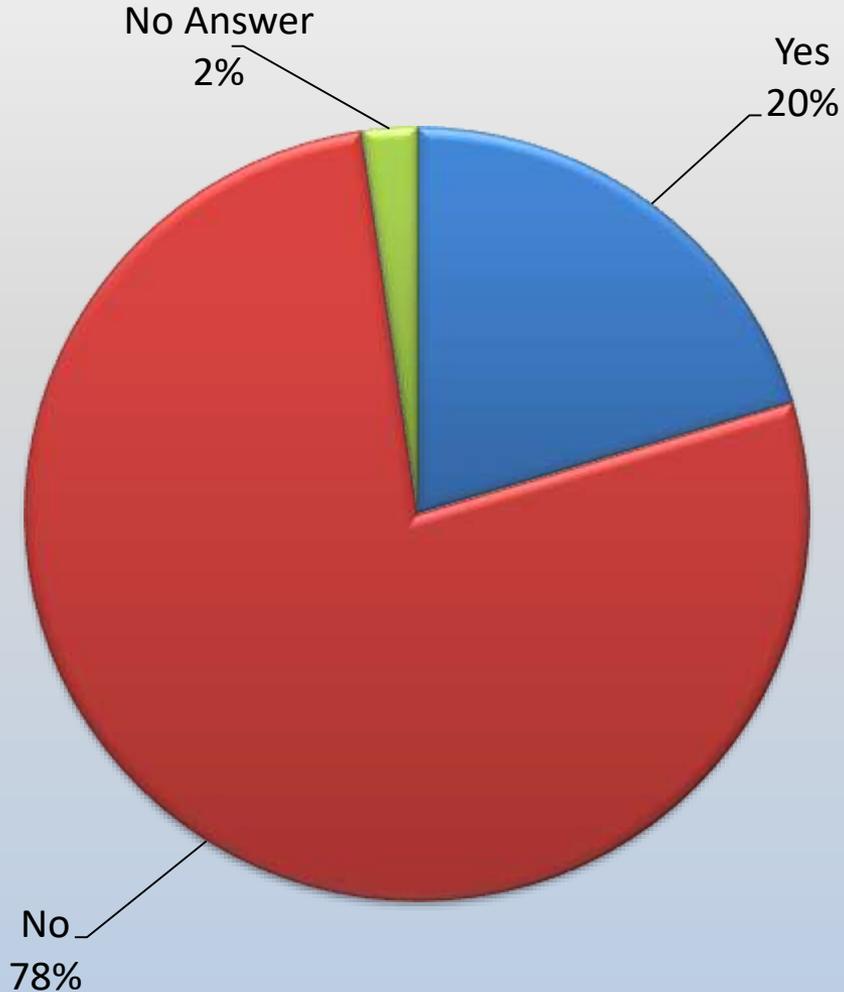
Name: _____
 Address: _____
 City, State, Zip: _____

Online Form Available Here:

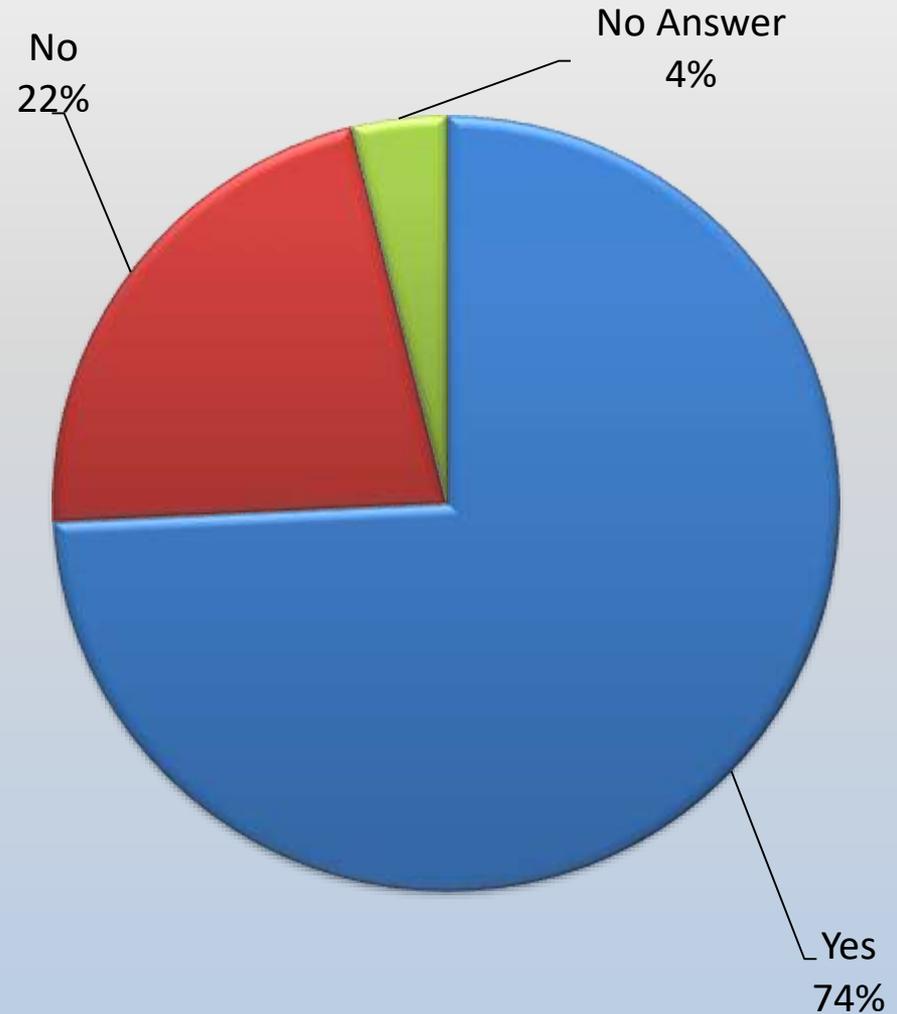


Survey Results

Are you satisfied with the condition of the existing highway system?

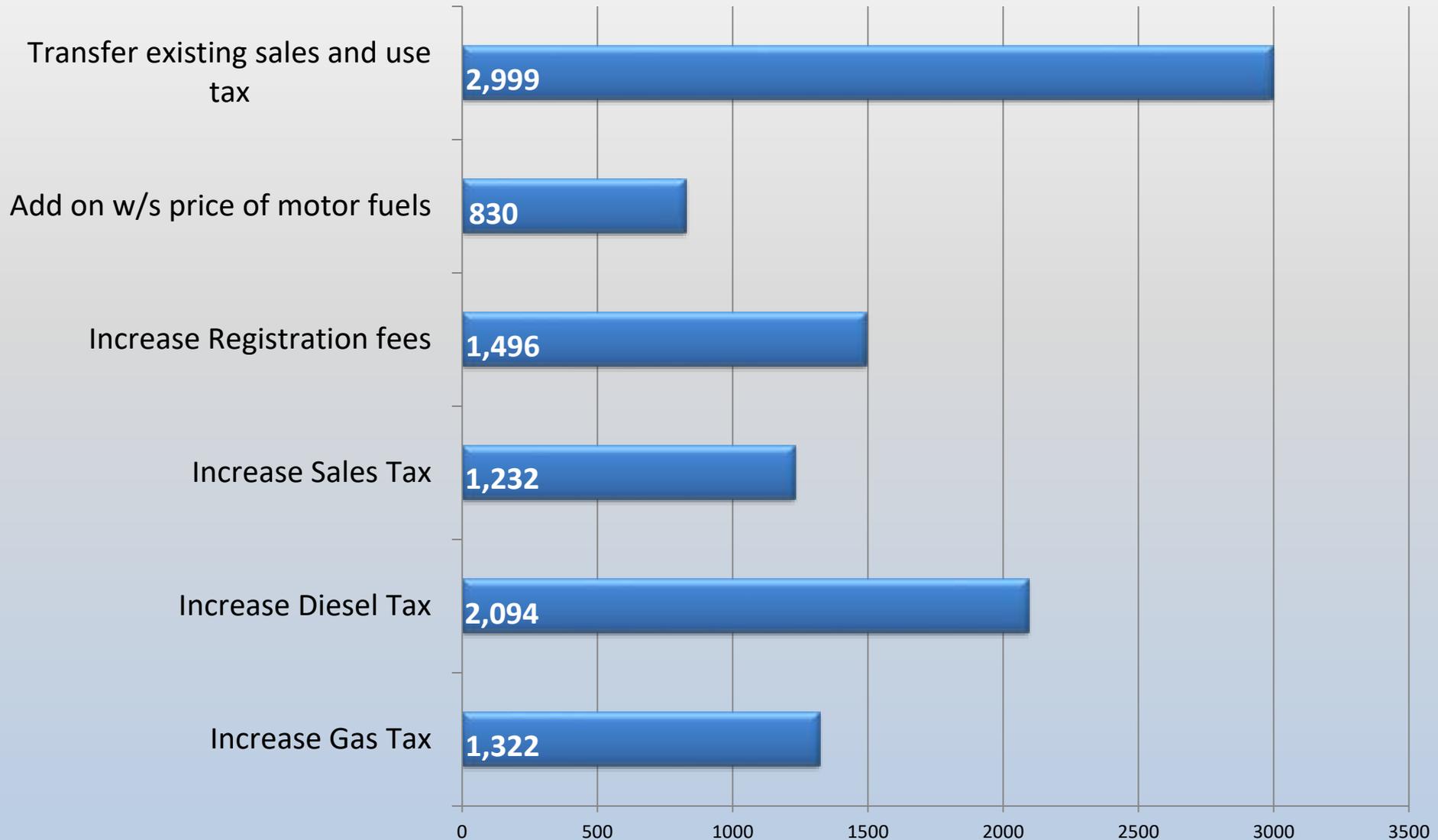


Would you support a new highway program that would generate additional revenue?



Survey Results

Which of the following sources do you recommend be utilized in obtaining additional funds?

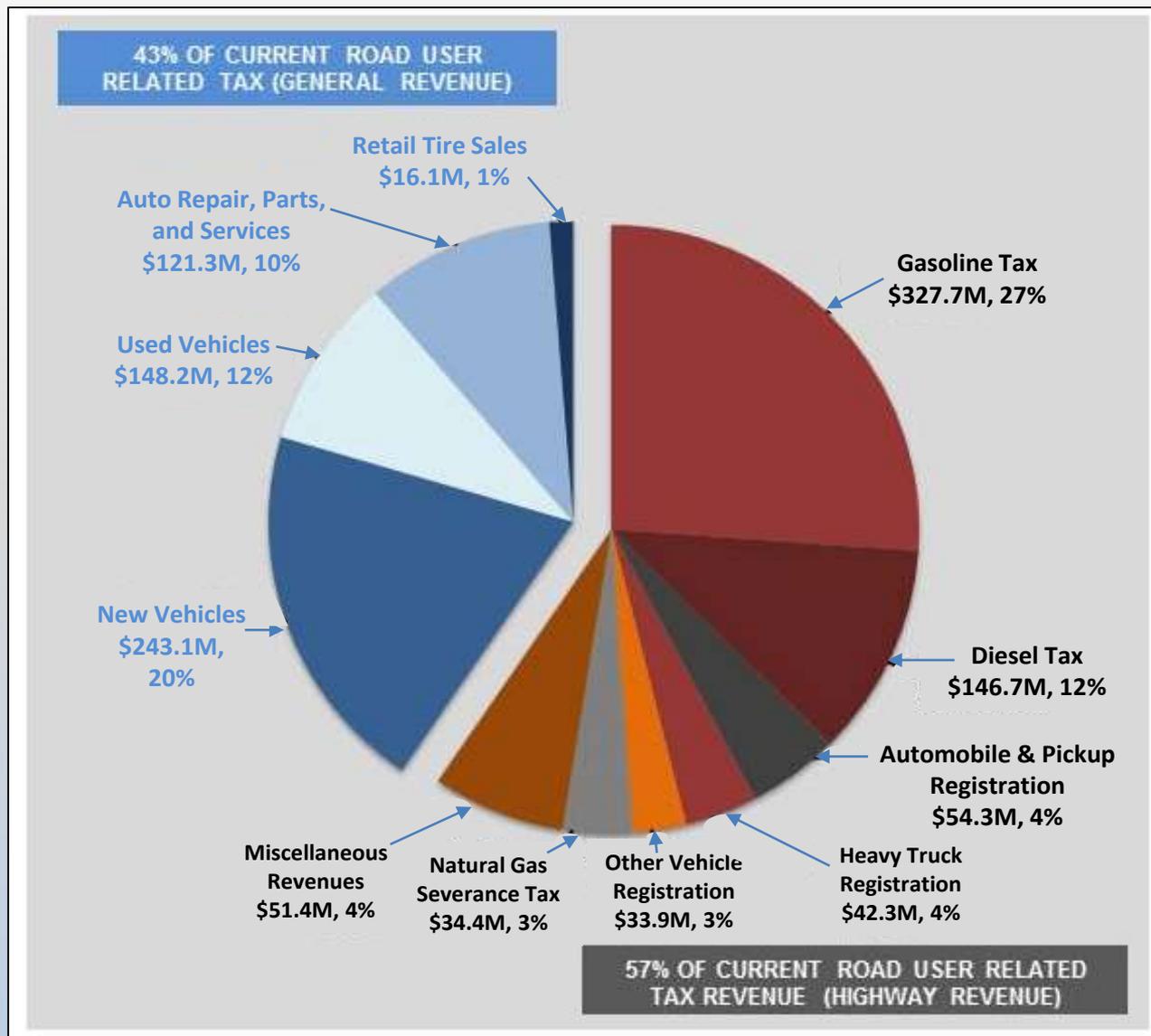


Total Road User Revenue
\$1.219 Billion

Distribution:

General Revenue
\$528.7 Million (43%)

Highway Revenue
\$690.7 Million (57%)





Your
TRANSPORTATION SYSTEM

- ARDOT.gov
- ConnectingArkansasProgram.com
- Vimeo.com/myARDOT
- IDriveArkansas.com
- Twitter.com @myARDOT



@myARDOT



Questions?

