Challenges

- 12th largest system in the country
- 41st in highway revenue per mile

Next 10 Years:

- $9.3 billion ($930 million/year) in Needs
- $4.5 billion in Revenue
Percent of Highway vs. General Revenue

- **1985 Fuel Tax Increase**: 14.4% ($139M)
- **1991 Fuel Tax Increase**: 11.3% ($202M)
- **1999 Fuel Tax Increase**: 9.4% ($297M)

Billions

- General Revenue
- Net Highway Revenue

Fiscal Year

- 1980
- 1988
- 1996
- 2004
- 2012
- 2016

Percent of Highway vs. General Revenue

Excludes County & City Aid funds | Excludes CAP funds
Highway Revenue at 14.4% of General Revenue

- General Revenue
- Net Highway Revenue
- Highway Revenue at 14.4% of General Revenue

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Revenue</th>
<th>Net Highway Revenue</th>
<th>Highway Revenue at 14.4% of General Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>$139M</td>
<td>$0.00</td>
<td>$139M</td>
</tr>
<tr>
<td>1988</td>
<td>$259M</td>
<td>$0.00</td>
<td>$259M</td>
</tr>
<tr>
<td>1996</td>
<td>$455M</td>
<td>$0.00</td>
<td>$455M</td>
</tr>
<tr>
<td>2004</td>
<td>$626M</td>
<td>$0.00</td>
<td>$626M</td>
</tr>
<tr>
<td>2012</td>
<td>$829M</td>
<td>$0.00</td>
<td>$829M</td>
</tr>
<tr>
<td>2016</td>
<td>$931M</td>
<td>$0.00</td>
<td>$931M</td>
</tr>
</tbody>
</table>

Excludes County & City Aid funds | Excludes CAP funds
THEN

In 1998, **200 lane miles** of highway could be overlaid with $10 million.

NOW

In 2018, **90 lane miles** of highway could be overlaid with $10 million.
# Arkansas Construction Cost Comparison

<table>
<thead>
<tr>
<th>Type Work</th>
<th>1998 Cost Per Mile</th>
<th>2018 Cost Per Mile</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Location 4-Lane Interstate - Urban</td>
<td>$ 6,500,000</td>
<td>$ 9,700,000</td>
<td>49%</td>
</tr>
<tr>
<td>New Location 4-Lane Arterial – Urban</td>
<td>$ 4,000,000</td>
<td>$ 7,000,000</td>
<td>75%</td>
</tr>
<tr>
<td>Widening 2 to 5-lane – Urban</td>
<td>$ 2,900,000</td>
<td>$ 5,200,000</td>
<td>79%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type Work</th>
<th>1998 Cost Per Lane Mile</th>
<th>2018 Cost Per Lane Mile</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconstruction Non-Freeway - Urban</td>
<td>$ 450,000</td>
<td>$ 1,800,000</td>
<td>300%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type Work</th>
<th>1998 Cost Per Square Foot</th>
<th>2018 Cost Per Square Foot</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Bridge</td>
<td>$ 60</td>
<td>$ 147</td>
<td>145%</td>
</tr>
</tbody>
</table>
## Significant Loss of Purchasing Power

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>1993</th>
<th>2015</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Tuition</td>
<td>Average Tuition &amp; Fees at Public 4-year Universities</td>
<td>$1,908</td>
<td>$9,145</td>
<td>379%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>National Expenditure Per Capita</td>
<td>$3,402</td>
<td>$9,523</td>
<td>180%</td>
</tr>
<tr>
<td>House</td>
<td>Median New Home Price</td>
<td>$118,000</td>
<td>$292,000</td>
<td>147%</td>
</tr>
<tr>
<td>Gas</td>
<td>Per Gallon</td>
<td>$1.08</td>
<td>$2.56</td>
<td>137%</td>
</tr>
<tr>
<td>Beef</td>
<td>Per Pound of Ground Beef</td>
<td>$1.97</td>
<td>$4.38</td>
<td>122%</td>
</tr>
<tr>
<td>Movie Ticket</td>
<td>Average Ticket Price</td>
<td>$4.14</td>
<td>$8.43</td>
<td>104%</td>
</tr>
<tr>
<td>Bread</td>
<td>Per Pound of White Bread</td>
<td>$0.75</td>
<td>$1.48</td>
<td>98%</td>
</tr>
<tr>
<td>Income</td>
<td>National Median Household</td>
<td>$31,241</td>
<td>$56,516</td>
<td>81%</td>
</tr>
<tr>
<td>Stamp</td>
<td>One First-Class Stamp</td>
<td>$0.29</td>
<td>$0.49</td>
<td>51%</td>
</tr>
<tr>
<td>Car</td>
<td>Average New Car</td>
<td>$16,871</td>
<td>$25,487</td>
<td>51%</td>
</tr>
<tr>
<td>Federal Gas Tax</td>
<td>Per Gallon</td>
<td>$0.18</td>
<td>$0.18</td>
<td>0%</td>
</tr>
</tbody>
</table>

Pay a Little Now

Overlay
$110,000 per lane mile

Pay a Whole Lot Later

Reconstruction
$1,800,000 per lane mile
All State Highways – Including Interstates

- **Current Condition**
  - Poor: 24%
  - Fair: 58%
  - Good: 18%

- **2027 Condition**
  - Poor: 28%
  - Fair: 46%
  - Good: 26%
Average Monthly Household Expenditures

- Electricity/Gas: $160
- TV/Internet: $124
- Cell Phone: $161
- Roads: $46
Arkansans Major Public Asset
Transportation Infrastructure

<table>
<thead>
<tr>
<th>State Highway System</th>
<th>Gross Replacement Value</th>
<th>Average Annual Investment to Maintain State of Good Repair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>$58.1 Billion</td>
<td>$387 Million (0.67%)</td>
</tr>
<tr>
<td>Bridges</td>
<td>$11.0 Billion</td>
<td>$117 Million (1.06%)</td>
</tr>
<tr>
<td>Total</td>
<td>$69.1 Billion</td>
<td>$504 Million (0.73%)</td>
</tr>
</tbody>
</table>

Based on Arkansas DOT Transportation Asset Management Plan and Legislative Audit Report
An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.
Funding Targets

- Immediate: $50 Million
- Short-term (0-3 years): $110 Million
- Mid-term (3-5 years): $250 Million
- Long-term (6-9 years): $400 Million

All figures are annual amounts for state highways.
Arkansas State Legislative Audit

### Exhibit III

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual Funds Needed for Highway Construction Plan</th>
<th>Annual Funds Available for Highway Construction</th>
<th>Additional Annual State Revenues Needed for Highway Construction Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pavement</td>
<td>$387,000,000</td>
<td>$137,000,000</td>
<td>$250,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>$117,000,000</td>
<td>$90,000,000</td>
<td>$27,000,000</td>
</tr>
<tr>
<td>Total System Preservation</td>
<td>$504,000,000</td>
<td>$227,000,000</td>
<td>$277,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>$305,000,000</td>
<td>$157,000,000</td>
<td>$148,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>$86,000,000</td>
<td>$44,000,000</td>
<td>$42,000,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>$19,000,000</td>
<td>$19,000,000</td>
<td></td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>$8,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>$3,000,000</td>
<td>$2,000,000</td>
<td></td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>$30,000,000</td>
<td>$19,000,000</td>
<td>$11,000,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$925,000,000</strong></td>
<td><strong>$447,000,000</strong></td>
<td><strong>$478,000,000</strong></td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.

Total: **$478,000,000**
Recent Legislation
Governor Hutchinson’s Highway Plan
Act 416 and Proposed Constitutional Amendment (Issue #1)

Four Revenue Sources

$300 Million Per Year
Funding Recap

Highway Funding Working Group $400 Million

Arkansas State Legislative Audit $478 Million

Governor’s Highway Funding Plan $300 Million

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

– Governor Asa Hutchinson
Act 416 Summary

Motor Fuel Tax $ 58 Million
Electric and Hybrid Vehicle Registration Fees $ 2 Million
Casino Revenue $ 35 Million

Total to ARDOT $ 95 Million

Dedicated to System Preservation (Pavement and Bridges)
Proposed Constitutional Amendment

Issue #1

- Vote in General Election – November 2020
- ½-Cent Sales Tax Permanent after June 2023
- Continues to Provide $205 Million to ARDOT Annually
- Continues to Provide $44 Million to Cities Annually
- Continues to Provide $44 Million to Counties Annually
Governor’s Highway Funding Plan

Summary

Act 416

Issue #1

Total to ArDOT

$ 95 Million

$205 Million

$300 Million
Governor’s Long Term Highway Funding Plan

Benefits from Additional $300 Million Per Year

- Provide $8.2 Billion in Economic Activity over 10 Years
- Support 3,596 Jobs Each Year*
- Maintain Interstates in a State of Good Repair
- Increase Safety Improvements
- Implement a Second Connecting Arkansas Program (CAP-2)
- Repair or Replace Poor Condition and Posted Bridges over 10 Years
- Improve Approximately 7,000 Miles of Non-Interstate Highways over 10 Years

*Source: “The Economic Impacts of an Annual $478 Million Increase in Arkansas Highway, Street and Bridge Construction Investment,” prepared by the American Road & Transportation Builders Association (ARTBA), October 2018; data prorated for $300 million in additional annual revenue.
Recipe for Success

• Consensus
• Unity
• Bipartisanship
  ✓ Governor
  ✓ Legislature
  ✓ Stakeholders
  ✓ ARDOT
Issue 1
Proposed Constitutional Amendment
November 3, 2020

The Ballot Question: Issue 1

YES

Funding from current sales tax continues after June 2023

NO

Funding from current sales tax terminates after June 2023
If Issue 1 Passes

Annual Revenue in SFY 2024

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Act 416 of 2019</td>
<td>$ 95 Million</td>
</tr>
<tr>
<td>Issue 1</td>
<td>$ 205 Million</td>
</tr>
<tr>
<td>Current Construction Program</td>
<td>$ 440 Million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 740 Million</strong></td>
</tr>
</tbody>
</table>
## If Issue 1 Passes

### 10-Year **Renew Arkansas Highways** Program

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement Preservation</td>
<td>$3.0 Billion</td>
</tr>
<tr>
<td>Bridge Improvements and Preservation</td>
<td>$1.1 Billion</td>
</tr>
<tr>
<td>Interstate Maintenance</td>
<td>$1.0 Billion</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>$0.5 Billion</td>
</tr>
<tr>
<td>Capital and Congestion Relief (CAP-2)</td>
<td>$1.8 Billion</td>
</tr>
</tbody>
</table>

**Total** $7.4 Billion
2024-2033 Draft Program of Preservation Projects (Pavement & Bridges)

- Job Type
  - Bridge
  - Roadway
Potential Projects

• Second Connecting Arkansas Program $ 3.0 Billion
• Economic Development, Partnering & Local Congestion Relief $ 0.5 Billion
• ROW Acquisition & Utility Relocation $ 0.1 Billion

20-Year Total $ 3.6 Billion
Second Connecting Arkansas Program

North Little Rock to West Memphis (Selected Sections) $475 Million

Central Arkansas Interstate 30 to Interstate 40 $350 Million

Highway 183 to Pulaski County Line (Selected Sections) $25 Million

Chenal Parkway – East (Selected Sections) $25 Million

Operational Improvements $40 Million

Count Massie to Interstate 430 $20 Million

Interstate 30 to Interstate 40 $30 Million

General Samuels Road to Little Rock Air Force Base $10 Million

North Little Rock to England $20 Million

Conway Area (Selected Sections) $50 Million

TBD

RENEW AR HIGHWAYS

DRAFT

Second Connecting Arkansas Program

Job Type
- Bridge
- Interchange
- Roadway
- New Location
New Highway Program

Projects Let Last 10 Years
Remaining STIP
Act 416 & State Surplus Revenue
2024-2033 Draft Program of Preservation Projects
Second Connecting Arkansas Program
<table>
<thead>
<tr>
<th>Scenario</th>
<th>Revenue 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Act 416 of 2019</td>
<td>$95 Million</td>
</tr>
<tr>
<td>Proposed Amendment</td>
<td>$205 Million</td>
</tr>
<tr>
<td>Current Construction Program</td>
<td>$440 Million</td>
</tr>
<tr>
<td><strong>Total Available SFY 2024</strong></td>
<td><strong>$535 Million</strong></td>
</tr>
</tbody>
</table>

Nearly 30% Less
### If Issue 1 Fails

#### 10-Year Plan

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement Preservation</td>
<td>$3.0 Billion</td>
</tr>
<tr>
<td>Bridge Improvements and Preservation</td>
<td>$1.1 Billion</td>
</tr>
<tr>
<td>Interstate Maintenance</td>
<td>$1.0 Billion</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>$0.5 Billion</td>
</tr>
<tr>
<td>Capital and Congestion Relief (CAP-2)</td>
<td>$1.8 Billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7.35 Billion</strong></td>
</tr>
</tbody>
</table>
If Issue 1 Fails

**Turnback to Cities**
2023 - $150 Million
2024 - $106 Million
Nearly a 30% Reduction

**Turnback to Counties**
2023 - $150 Million
2024 - $106 Million
Nearly a 30% Reduction
If Issue 1 Fails

**Metroplan Area Counties**

- 2023 – $19.7 Million
- 2024 – $13.9 Million

*Loss of Funding – $5,800,000 Per Year*

**Cities Within the Metroplan Area Counties**

- 2023 – $40.2 Million
- 2024 – $28.3 Million

*Loss of Funding – $11,900,000 Per Year*
Promises Made – Promises Kept!

1999
Rebuilding Arkansas Interstates

2011
INTERSTATE REHABILITATION PROGRAM
IRP

2012
CONNECTING ARKANSAS PROGRAM
CAP

VOTER APPROVED
2011 Interstate Rehabilitation Program

Total Program

Number of Projects: 54
Miles: 358
Amount (Millions): $1,331
2012 Connecting Arkansas Program

Scheduled
Number of Projects: 3
Miles: 10
Amount (Millions): $119

Total Program
Number of Projects: 31
Miles: 165
Amount (Millions): $1,985
Interstate 30 Widening

Under Construction

6 Miles
$187 Million
Design-Build Contract Awarded

7 Miles
$540 Million

30 Crossing

ARIDOT
ARKANSAS DEPARTMENT OF TRANSPORTATION

Connecting Arkansas Program
CAP

30 Crossing

North Little Rock

365
Highway 67 Improvements

**Completed**
- 5 Miles
- $88 Million

**Scheduled**
- 5 Miles
- Est. $150-175 Million
- $40 Million INFRA Grant
Other CAP Projects

CA0609
Highway 365 – Interstate 430 and Interstate 430 Interchange Modifications
Interstate 40

Completed
5.5 Miles
$38 M

I-630
Baptist Hospital to University Ave.

Completed
2.5 Miles
$87 M
Highway 10 Widening

Under Construction
1.4 Miles
$81 Million
Pavement Preservation

**Completed**
- 54 Projects
- 237 Miles
- $221 Million

**Under Construction**
- 4 Projects
- 18 Miles
- $7 Million

**Scheduled**
- 19 Projects
- 109 Miles
- Estimated $59 Million
Bridge Replacement

Completed
11 Projects (13 Bridges)
$178 Million

Under Construction
1 Project (1 Bridge)
$1 Million

Scheduled
6 Projects (7 Bridges)
Estimated $30 Million
Looking Forward
Next Steps to November 2020 Election

Arkansas Professional ENGINEER

RENEW AR HIGHWAYS

ArDOT – Educate Voters
Cities and Counties – Educate Voters
Roads and Bridges Coalition – Campaign

What is the road to good roads?

Governor Asa Hutchinson paves the way for a highway plan to be presented to voters in 2020. But the politics ahead could be bumpy.

• The cost of the current 1/2 cent sales tax for the average family with a median income is about $8/month.

• This tax does not apply to groceries or medicine.

• If Issue #1 passes, the cost to the taxpayers will remain the same as it is now:
  – No Increase
  – No Decrease
Issue 1 – Educate Voters

Economy / Jobs / Safety / State of Good Repair

November 3, 2020
Arkansans Need to Decide How to Fund

Your Transportation System
QUESTIONS?

Metroplan Board Meeting

Wednesday, June 24, 2020