

ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

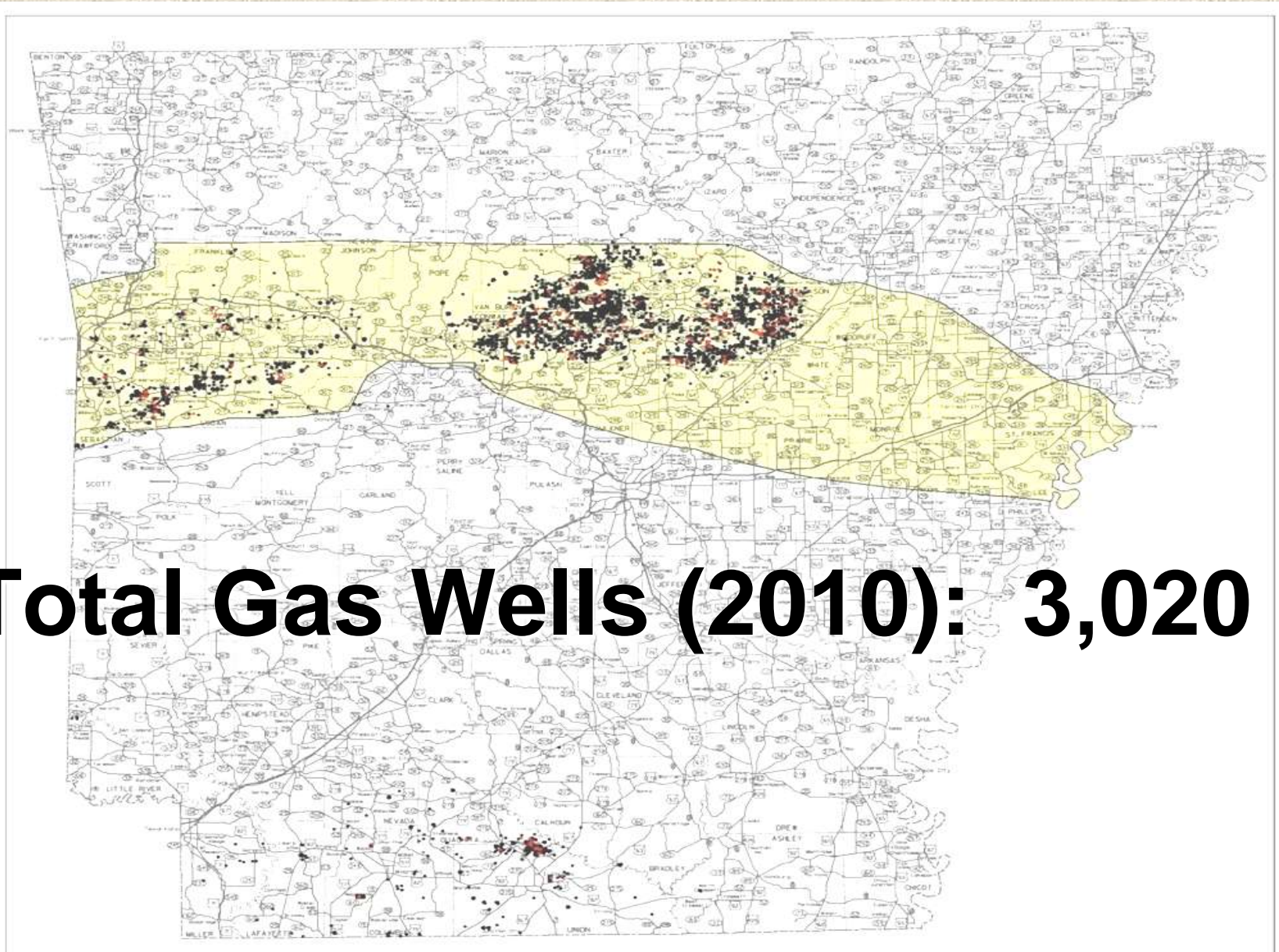


**Arkansas Forest and
Paper Council
March 8, 2012**

The Natural Gas Severance Tax of 2008



Fayetteville Shale Play Region



Total Gas Wells (2010): 3,020

Natural Gas Severance Tax

- **Acts 4 and 5 of 2008 Special Session**
- **Went into effect January 2009**
- **New source of funds for highways**
- **Revenue could be used anywhere, but Commission dedicated funds to projects in the Fayetteville Shale area.**

Projected Severance Tax Revenue to AHTD

(in million dollars)

	2009	2010	2011	2012	2013
Projected	\$12.9	\$47.5	\$55.4	\$60.4	\$64.7

Source: Department of Finance & Administration

Projected vs. Actual Severance Tax Revenue to AHTD (in million dollars)

	2009	2010	2011	2012	2013
Projected	\$12.9	\$47.5	\$55.4	\$60.4	\$64.7
Actual/ Budgeted	\$6.5	\$29.1	\$35.5	*\$37.5	??

*updated AHTD projection

Highway 124, Conway County

No Weight Restrictions



June 2006



August 2008



Highway 337, Cleburne County



Weight Restriction 73,280 pounds



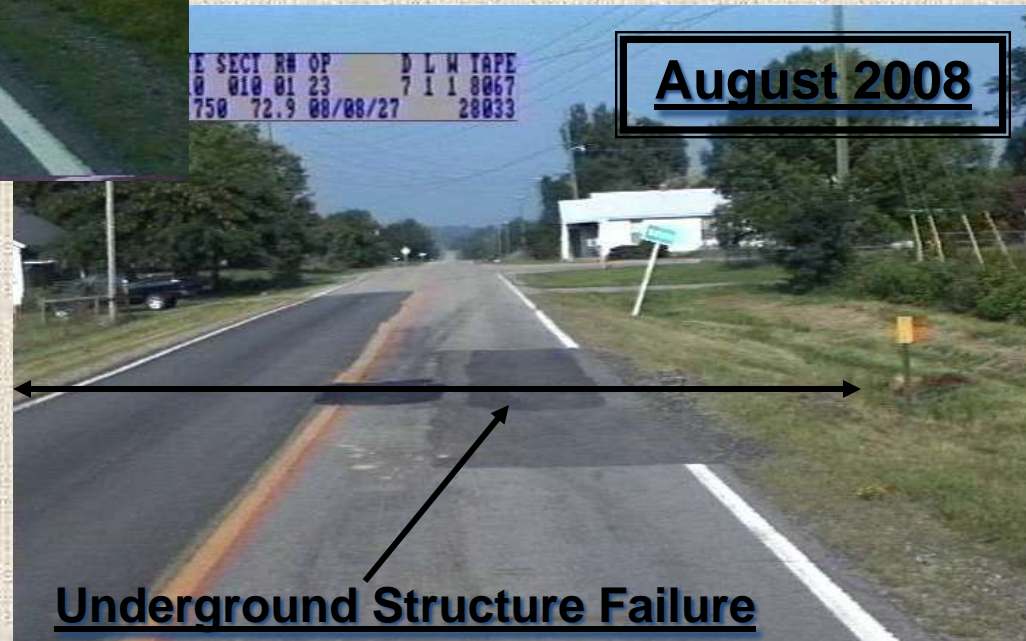
Highway 124, Conway County

No Weight Restrictions



Highway 310, White County

Weight Restriction 73,280 pounds

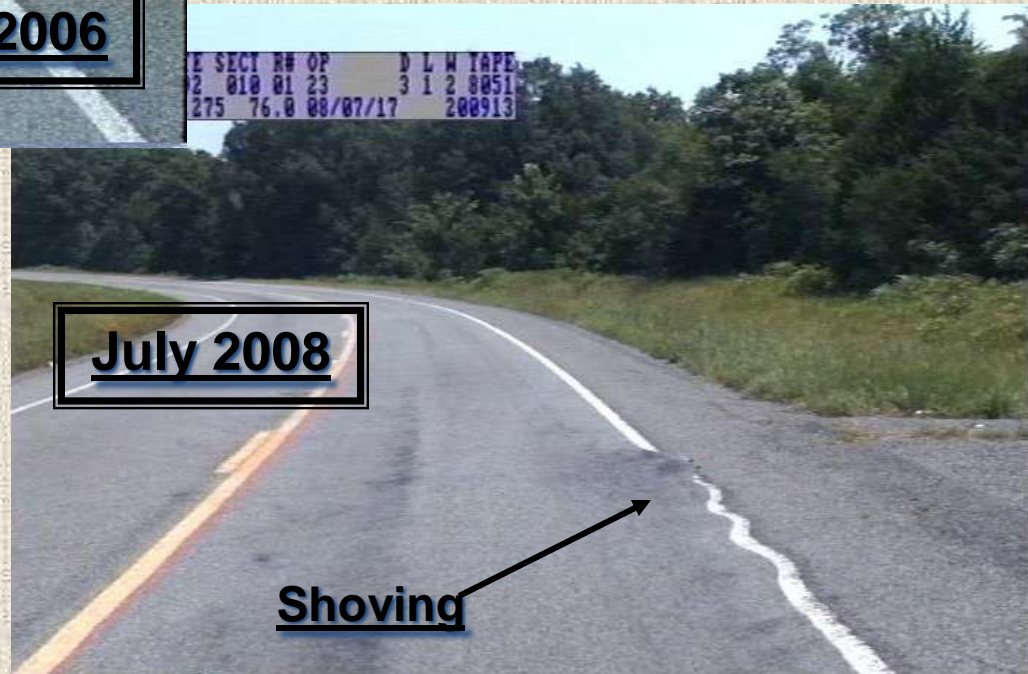


Highway 92, Conway County

No Weight Restrictions



June 2006



July 2008

Shoving →



Highway Conditions in Fayetteville Shale Play Region

- **Data collected and analyzed since 2007**
 - ✓ **Roughness, rutting, cracking, overall pavement condition**
 - ✓ **Focus at first was on lower volume highways**
 - ✓ **Higher volume routes are also affected**
- **Approximately \$455 million needed to bring all highways in the area back to acceptable condition**

Severance Tax Expenditures

(All in the Fayetteville Shale Area)

	<u>Projects</u>	<u>Miles</u>	<u>\$\$ Amount</u>
Completed	27	247.8	\$39.7 million
Under Const.	3	30.3	\$ 5.4 million
Scheduled	<u>25</u>	<u>170.9</u>	<u>\$32.1 million</u>
Totals	55 projects	449 miles	\$77.2 million

2011 Interstate Rehabilitation Program



Timeline

April 2011

RFPs for design consultants

November 2011

Contract signed with Financial Advisor

December 2011

Agreements signed with 10 design firms

Currently

Assigning projects to design firms

Late 2012 (tentative)

Issue bonds and let first contracts



INTERSTATE CONDITION

1999 PRE-IRP



2006 POST-IRP



2014



2020 WITH BONDS



GOOD

FAIR

POOR

Temporary 0.5% Sales Tax (Issue #1)

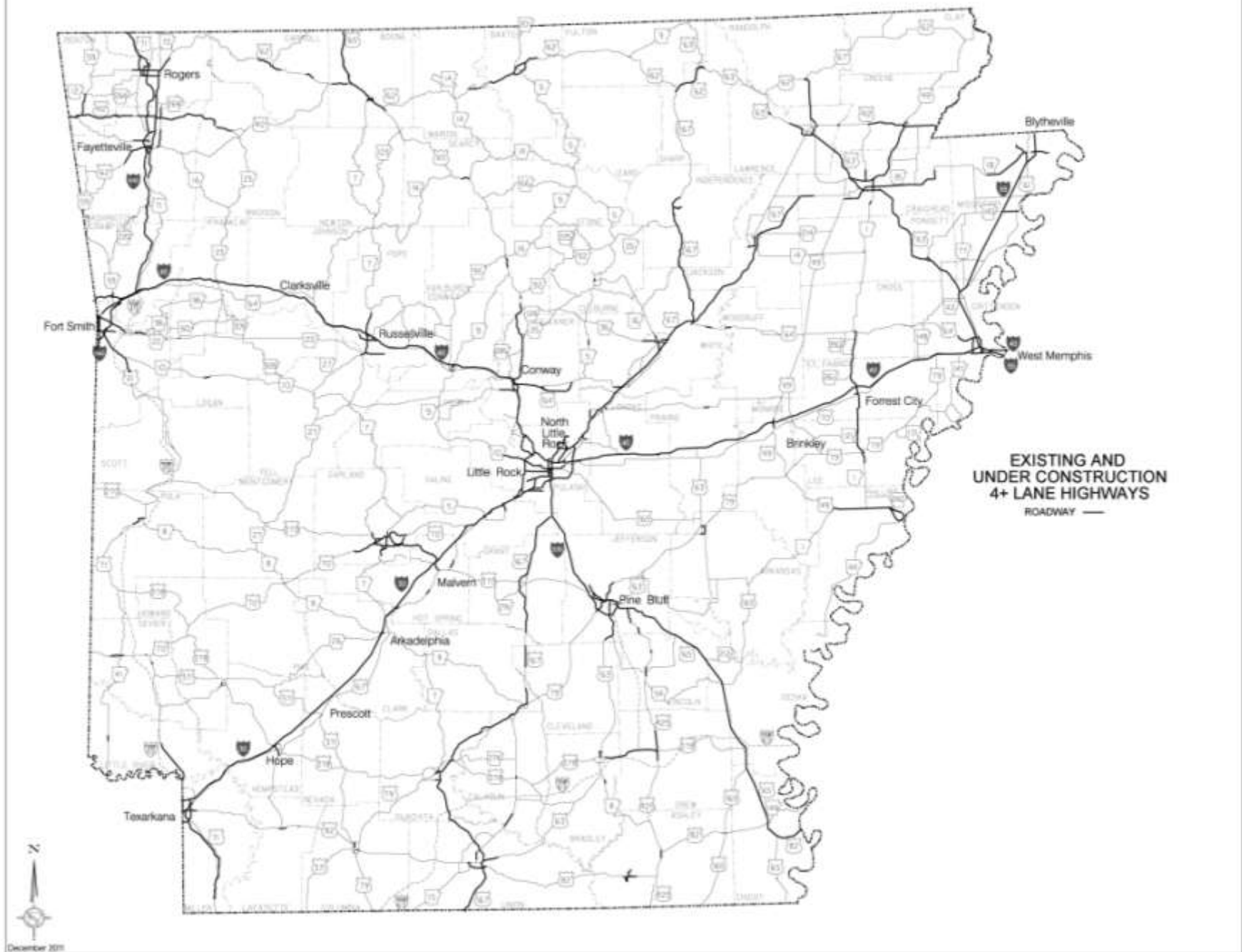
- **November 6, 2012 election ballot**
- **Temporary Increase**
- **\$230m annually (\$160m/\$35m/\$35m)**
- **State Aid Street Fund for City Streets**



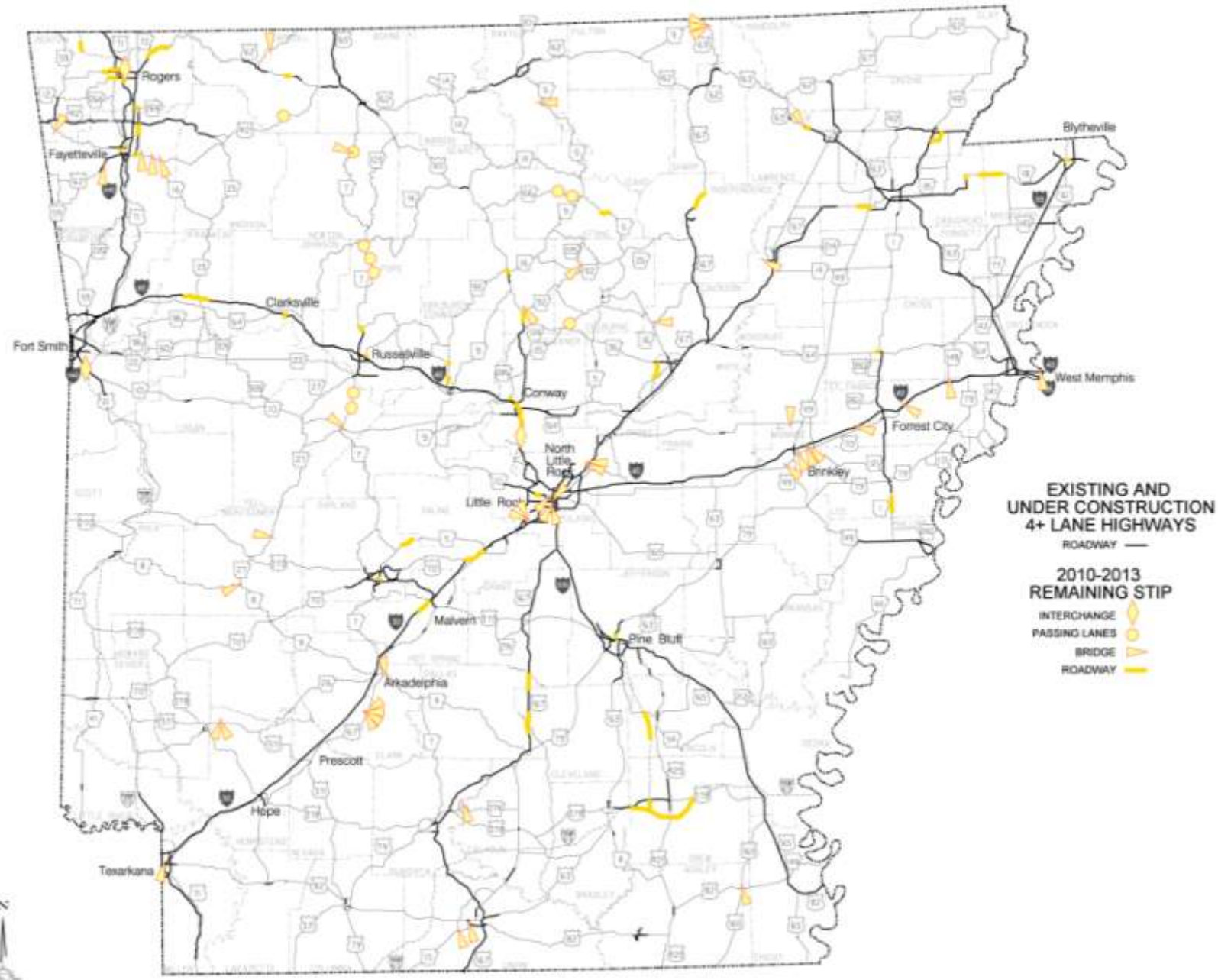
Temporary 0.5% Sales Tax (Issue #1)

- **Bond debt retired over 10 years**
- **\$1.3 Billion in general obligation bonds**
- **Tax expires when the bonds are retired**
- **Four-lane highways**
- **\$1.8 Billion total program**





**EXISTING AND
UNDER CONSTRUCTION
4+ LANE HIGHWAYS**
ROADWAY —

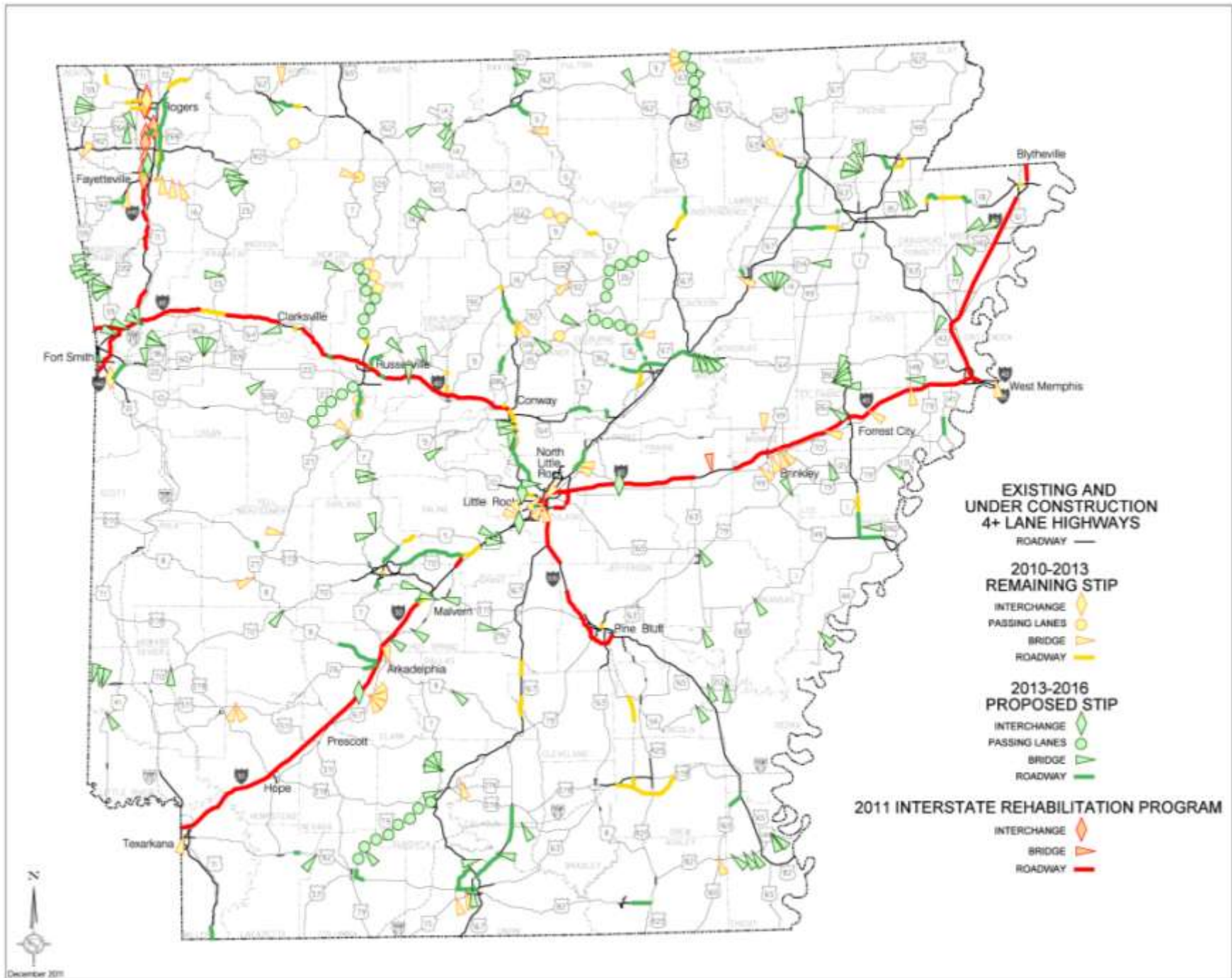




EXISTING AND UNDER CONSTRUCTION 4+ LANE HIGHWAYS

- ROADWAY —
- 2010-2013 REMAINING STIP**
- INTERCHANGE
 - PASSING LANES
 - BRIDGE
 - ROADWAY

- 2013-2016 PROPOSED STIP**
- INTERCHANGE
 - PASSING LANES
 - BRIDGE
 - ROADWAY



EXISTING AND UNDER CONSTRUCTION 4+ LANE HIGHWAYS

ROADWAY —

2010-2013 REMAINING STIP

- INTERCHANGE 
- PASSING LANES 
- BRIDGE 
- ROADWAY 

2013-2016 PROPOSED STIP

- INTERCHANGE 
- PASSING LANES 
- BRIDGE 
- ROADWAY 

2011 INTERSTATE REHABILITATION PROGRAM

- INTERCHANGE 
- BRIDGE 
- ROADWAY 



EXISTING AND UNDER CONSTRUCTION 4+ LANE HIGHWAYS

ROADWAY —

2010-2013 REMAINING STIP

- INTERCHANGE 
- PASSING LANES 
- BRIDGE 
- ROADWAY 

2013-2016 PROPOSED STIP

- INTERCHANGE 
- PASSING LANES 
- BRIDGE 
- ROADWAY 

2011 INTERSTATE REHABILITATION PROGRAM

- INTERCHANGE 
- BRIDGE 
- ROADWAY 

PROPOSED 0.5% SALES TAX PROGRAM

ROADWAY 



Benefits of Temporary 0.5% Tax

- **Completion of widening I-540 to six lanes between Fayetteville and Bentonville;**
- **Completion of the initial two lanes of the ultimate four lanes of the Bella Vista Bypass (Future I-49);**
- **Beginning the four-lane construction of the U.S. Highway 412 Bypass (Springdale) from I-540 westward to XNA Connector;**

Benefits of Temporary 0.5% Tax

- **Completion of widening I-40 to six lanes between Conway and North Little Rock;**
- **Completion of widening U.S. Highway 67 to six lanes from Jacksonville to Cabot;**
- **Improvements to I-30 connecting Little Rock and North Little Rock, including widening Arkansas River bridge;**

Benefits of Temporary 0.5% Tax

- **Completion of widening U. S. Highway 64 to four lanes between Conway and Beebe;**
- **Completion of widening U. S. Highway 70 to four lanes between I-30 and Hot Springs;**
- **Completion of widening U. S. Highway 167 to four lanes between I-530 and El Dorado;**
- **Completion of widening U. S. Highway 412 to four lanes between Paragould and Walnut Ridge;**

Benefits of Temporary 0.5% Tax

- **Completion of widening U. S. Highway 425 to four lanes from Hamburg to the Louisiana state line;**
- **Completion of widening Highway 18 to four lanes between Jonesboro and Blytheville;**
- **Continuation of widening U. S. Highway 65 to four lanes from Clinton northward;**
- **Continuation of widening U. S. Highway 65 to four lanes from Bellefonte southward;**

Benefits of Temporary 0.5% Tax

- **Continuation of widening U. S. Highway 49 to four lanes from Brinkley southward toward Helena-West Helena;**
- **Continuation of widening U. S. Highway 270 to four lanes from Hot Springs westward;**
- **Beginning the widening of U. S. Highway 82 to four lanes between Texarkana and El Dorado.**

ISSUES

- ✓ **12th in system size but 41st in revenue**
- ✓ **Funding system flawed**
- ✓ **Making good use of what we have**
- ✓ **4 Lane Grid System needed for safety, mobility and economic development**
- ✓ **Meeting expectations is difficult**

**“Things do not happen. Things are made to happen.”
- John F. Kennedy**

**“Difficulties mastered are opportunities won.”
- Winston Churchill**

