

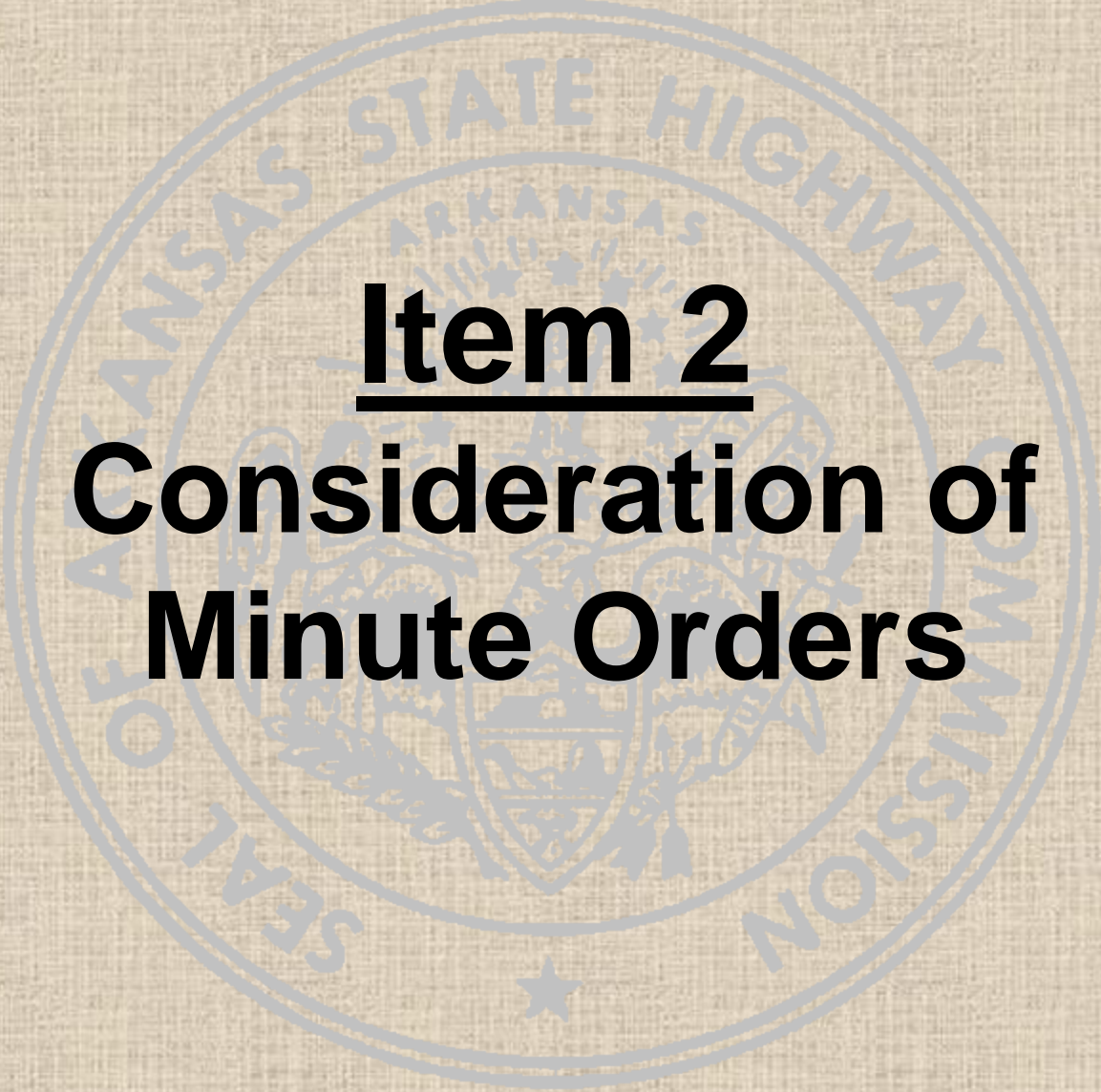
Arkansas State Highway Commission Meeting

Wednesday, September 11, 2013



The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and a central emblem with a shield and stars.

Item 1
Minutes
July 24, 2013 Meeting

The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and a central emblem with a shield and stars.

Item 2
**Consideration of
Minute Orders**

The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "SEAL OF ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and "ARKANSAS" in the center. In the center of the seal is a smaller emblem with a shield, a plow, and a sheaf of wheat, flanked by two figures. A five-pointed star is positioned at the bottom center of the seal.

Item 3

**State Highway Revenue
Update**

Revenues and Consumption

August 2013

REVENUES

Comparison of AHTD State Revenues by Fiscal Year

	FY 2013	FY 2014	Variance	Percent
July - August	(Millions)	(Millions)	(Millions)	Change
Motor Fuel Taxes	\$45.8	\$44.4	(\$1.4)	-3.1%
Registration Fees	\$15.9	\$15.2	(\$0.7)	-4.4%
Permits & Penalties	\$3.3	\$3.0	(\$0.3)	-9.1%
Other	\$1.4	\$1.5	\$0.1	7.1%
Total User Revenues	\$66.4	\$64.1	(\$2.3)	-3.5%
Natural Gas Severance Tax	\$3.1	\$7.8	\$4.7	151.6%
RRA Interest	\$0.4	\$0.6	\$0.2	50.0%
Less: Diesel Tax for Bonds	(\$2.7)	(\$2.6)	\$0.1	-3.7%
Total Revenues Available	\$67.2	\$69.9	\$2.7	4.0%

Fiscal Year 2014 Projected vs. Actual

July - August	Budget	Actual	Variance	Percent
	(Millions)	(Millions)	(Millions)	Variance
Motor Fuel Taxes	\$43.6	\$44.4	\$0.8	1.8%
Registration Fees	\$15.9	\$15.2	(\$0.7)	-4.4%
Permits & Penalties	\$3.3	\$3.0	(\$0.3)	-9.1%
Other	\$0.8	\$1.5	\$0.7	87.5%
Total User Revenues	\$63.6	\$64.1	\$0.5	0.8%
Natural Gas Severance Tax	\$6.2	\$7.8	\$1.6	25.8%
RRA Interest	\$0.4	\$0.6	\$0.2	50.0%
Less: Diesel Tax for Bonds	(\$2.8)	(\$2.6)	\$0.2	-7.1%
Total Revenues Available	\$67.4	\$69.9	\$2.5	3.7%

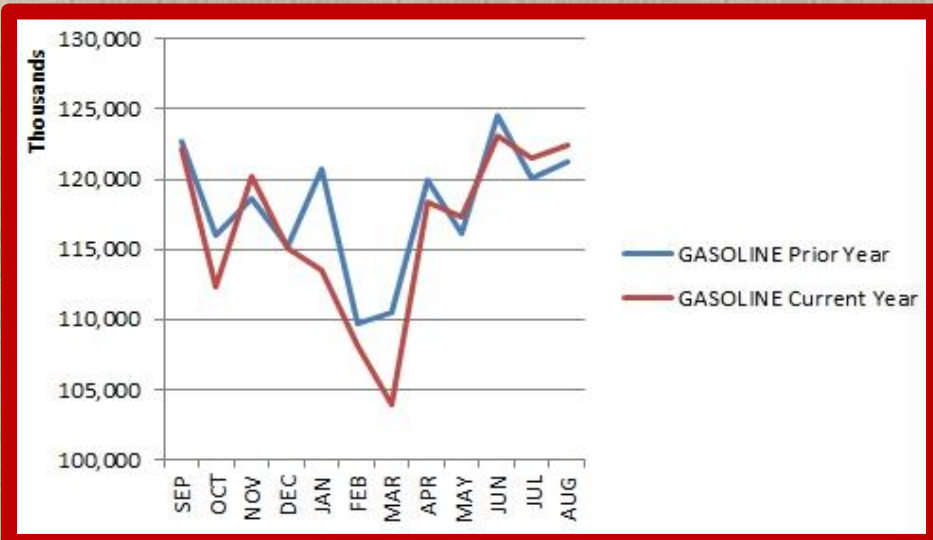
CONSUMPTION

Taxable Motor Fuel Gallons Reported

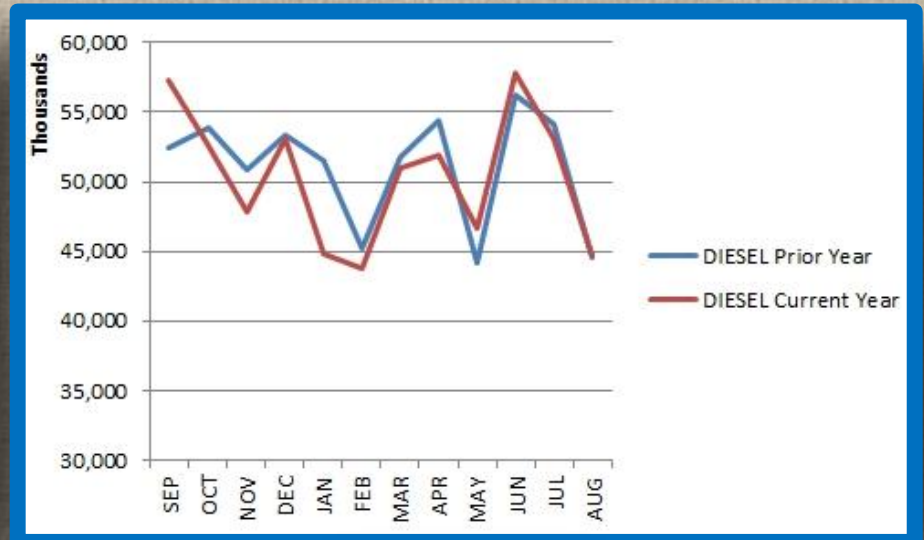
July - August	FY 2013	FY 2014	Difference	Percent
	(Millions)	(Millions)	(Millions)	Change
Gasoline	241.4	244.0	2.6	1.1%
Diesel	98.6	97.8	-0.8	-0.8%
Total	340.0	341.8	1.8	0.5%

Fuel Consumption

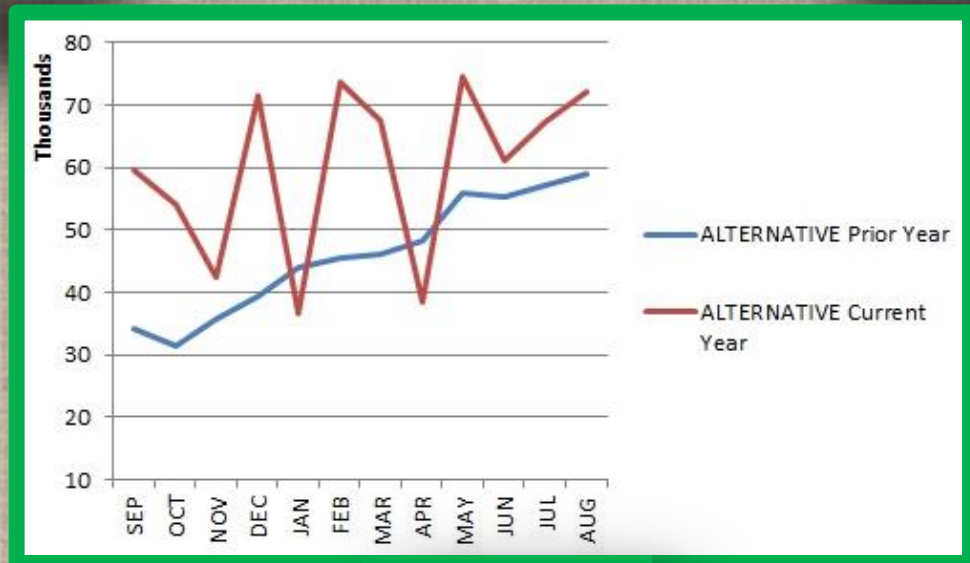
September 2012 – August 2013



Gasoline



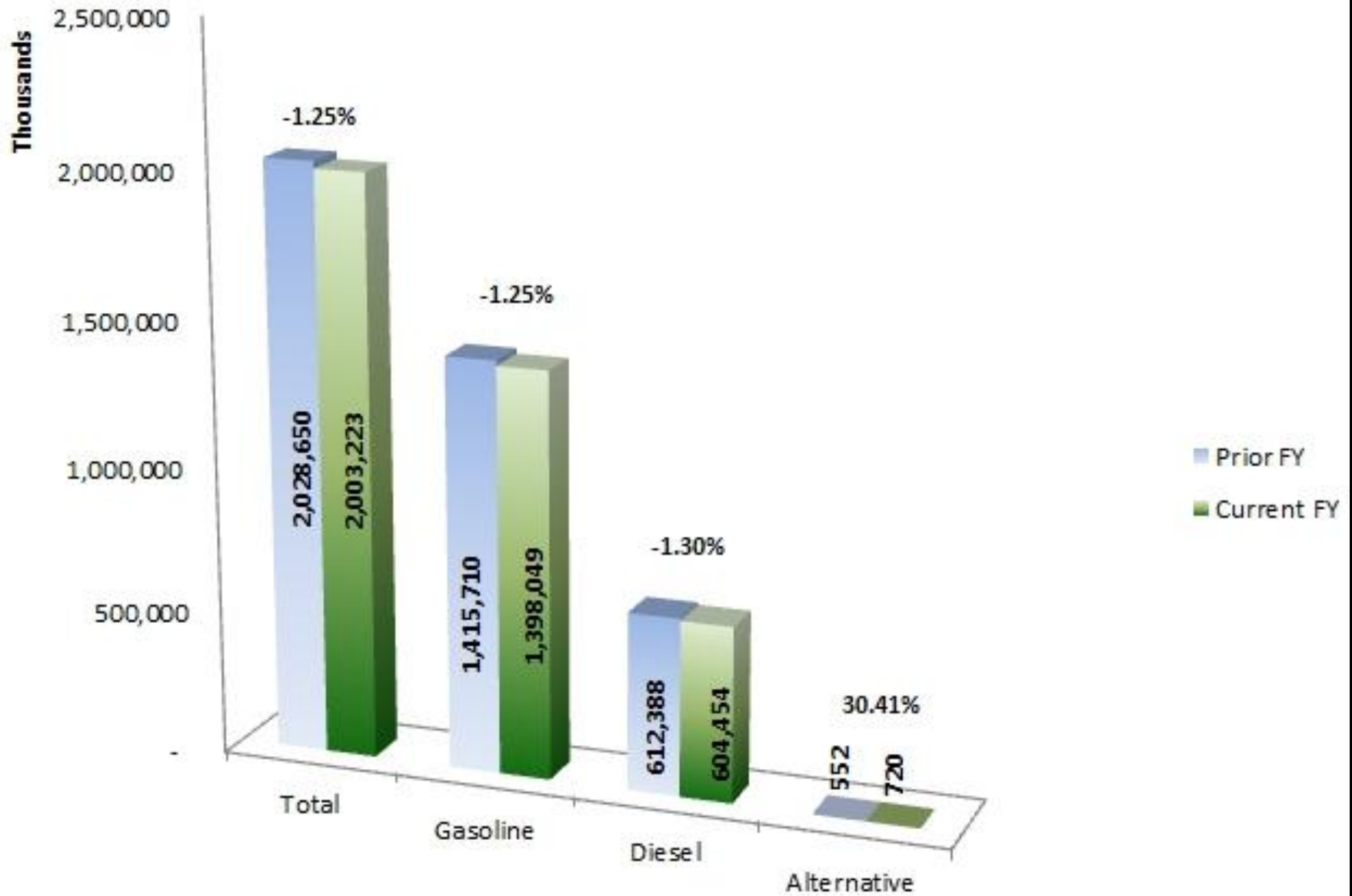
Diesel



Alternative

Fuel Consumption

Gallons



Projected Sales Tax vs. Actual

	Projected net to Highway Dept.	Actual Receipts	Variance	Monthly % Variance	Annual % Variance
July	\$ 5,950,000.00	\$ 6,205,659.77	\$ 255,659.77	4.30%	4.30%
August	\$ 13,930,000.00	\$ 12,923,708.99	\$ (1,006,291.01)	-7.22%	-3.78%
September	\$ 13,860,000.00				
October	\$ 13,300,000.00				
November	\$ 13,160,000.00				
December	\$ 13,860,000.00				
January	\$ 13,860,000.00				
February	\$ 13,230,000.00				
March	\$ 13,300,000.00				
April	\$ 13,650,000.00				
May	\$ 13,790,000.00				
June	\$ 13,930,000.00				
Total	\$ 155,820,000.00	\$ 19,129,368.76	\$ (750,631.24)		

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Item 4

Status of Federal Highway and Transit Funding Issues



Legislation

• Appropriations

- ✓ Federal-aid Obligation Authority

Federal Fiscal Year 2014 (October 1, 2013 – September 30, 2014)

• Reauthorization

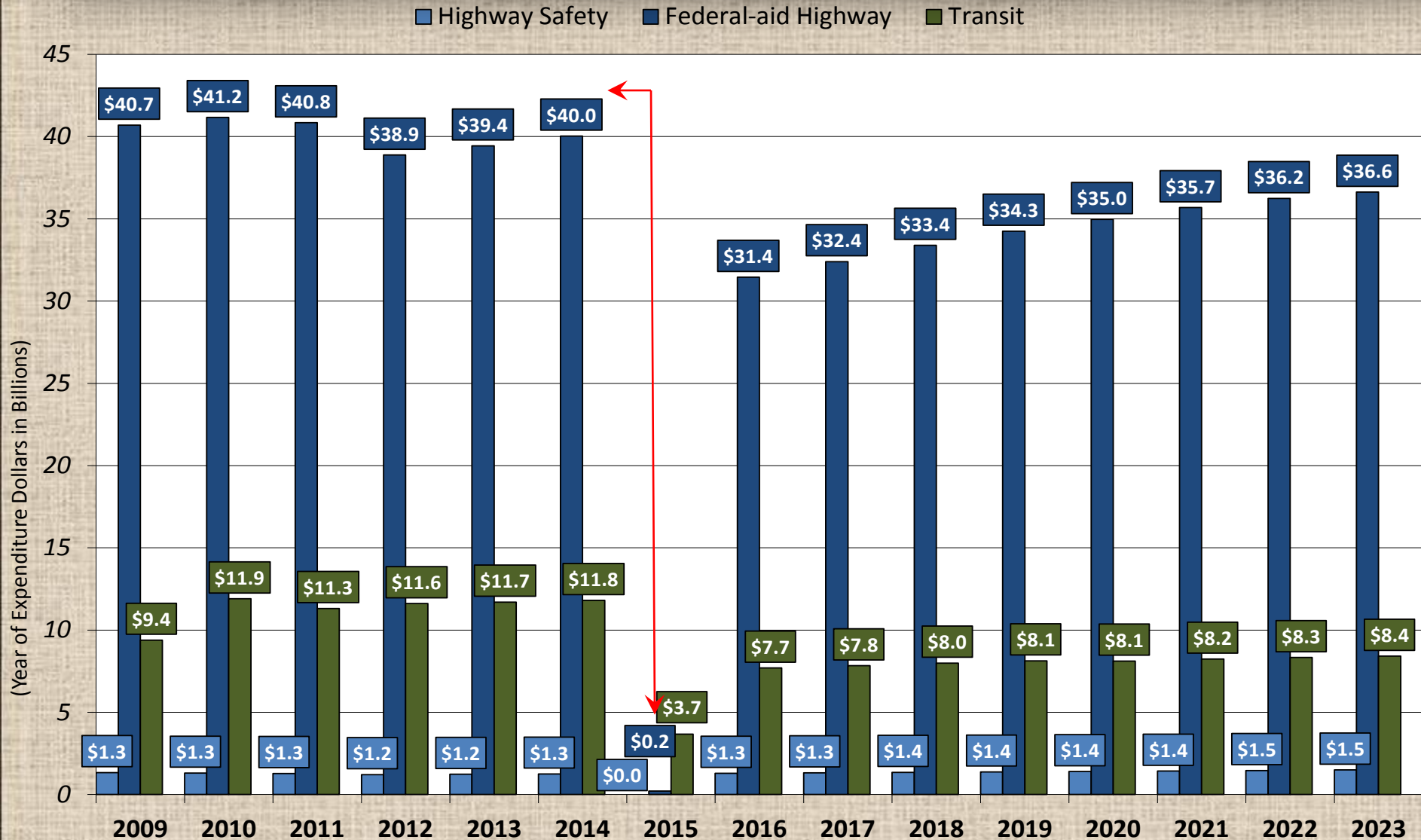
- ✓ MAP-21 Expires September 30, 2014

• Highway Trust Fund

- ✓ No New Obligations in Federal Fiscal Year 2015

HIGHWAY TRUST FUND

ESTIMATED FEDERAL HIGHWAY AND TRANSIT PROGRAM FUNDING LEVELS WITH NO NET NEW REVENUES



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*"We can't have a big league economy
with little league infrastructure."*

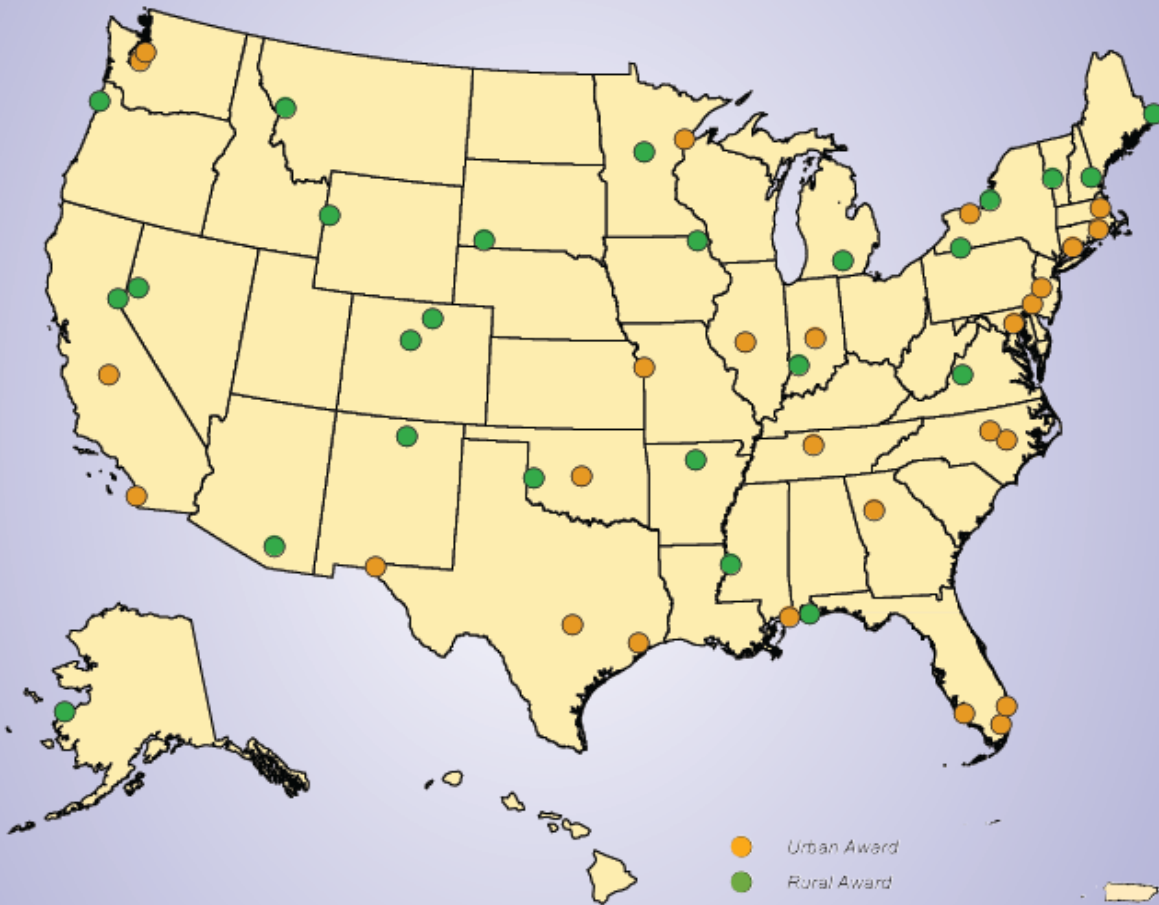
**-U.S. Rep. Rick Larsen
(D) Washington**

Transportation Investment Generating Economic Recovery TIGER V

- Call for Applications – April 26, 2013
- Deadline to Submit – June 3, 2013
- Awards Announced – September 5, 2013
- Funds Obligated – September 30, 2014

TIGER

2013 AWARDS



\$474 Million

**52
Transportation
Projects**

**13
DOT Projects**



U.S. Department
of Transportation

HIGHWAY 92 ROADWAY IMPROVEMENT AND BRIDGE REPLACEMENTS

APPLICANT/SPONSOR: Arkansas Department of Transportation

Rural

TOTAL PROJECT COST: \$6,200,000

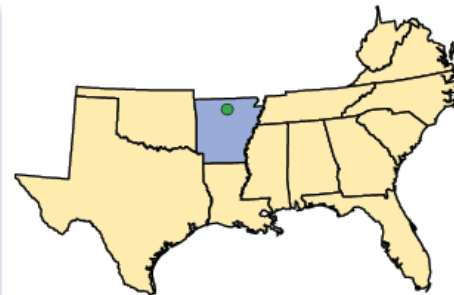
GRANT FUNDING: \$4,960,000

PROJECT DESCRIPTION

TIGER funds will be used to resurface a section of Highway 92 and replace two weight-restricted bridges along a section in north central Arkansas covering Conway, Van Buren, and Cleburne Counties. Traffic along the project corridor has increased significantly over the last few years. Improving this corridor and removing the restrictions for use will increase future economic efficiency, growth, and stability in the region.

PROJECT HIGHLIGHTS

- » Removes commercial vehicle traffic from congested urban roads that currently have to detour into town to avoid the current weight restrictions on Highway 92.
- » Improves the transportation network and provides increased employment opportunities for rural residents.
- » Enhances safety by upgrading each bridges' foundation to meet current and future travel needs.



SOUTH

PROJECT BENEFITS

Resurfacing the roadway and replacing two weight-restricted bridges will return this route to its original condition and will reduce associated long-term operations and maintenance costs. The improvements will provide a reliable and efficient transportation system for the natural gas, timber, and agricultural industries in the region.



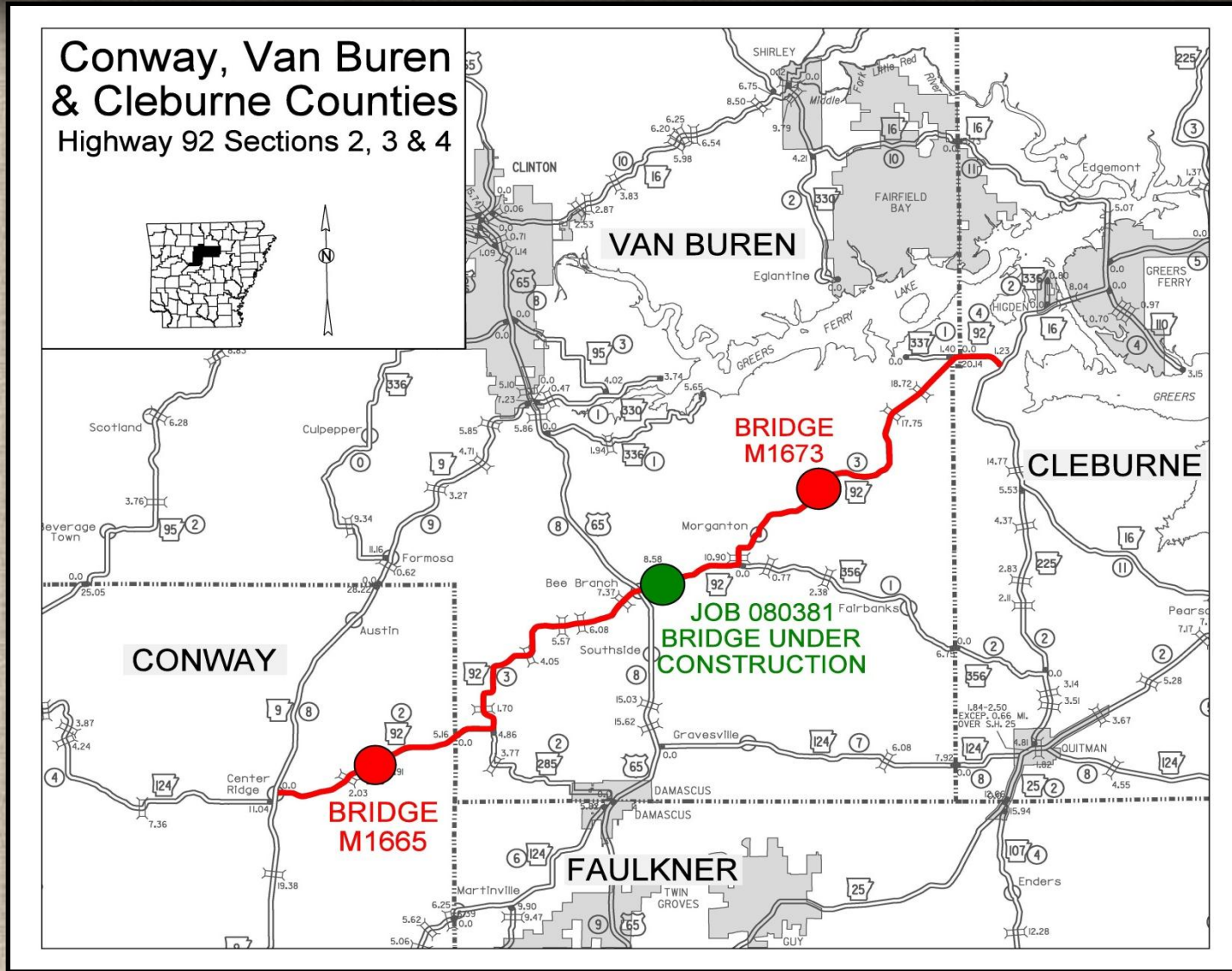
U.S. Department
of Transportation



TIGER

Highway 92

Roadway Improvement and Bridge Replacements





Sulpher Springs Relief Bridge

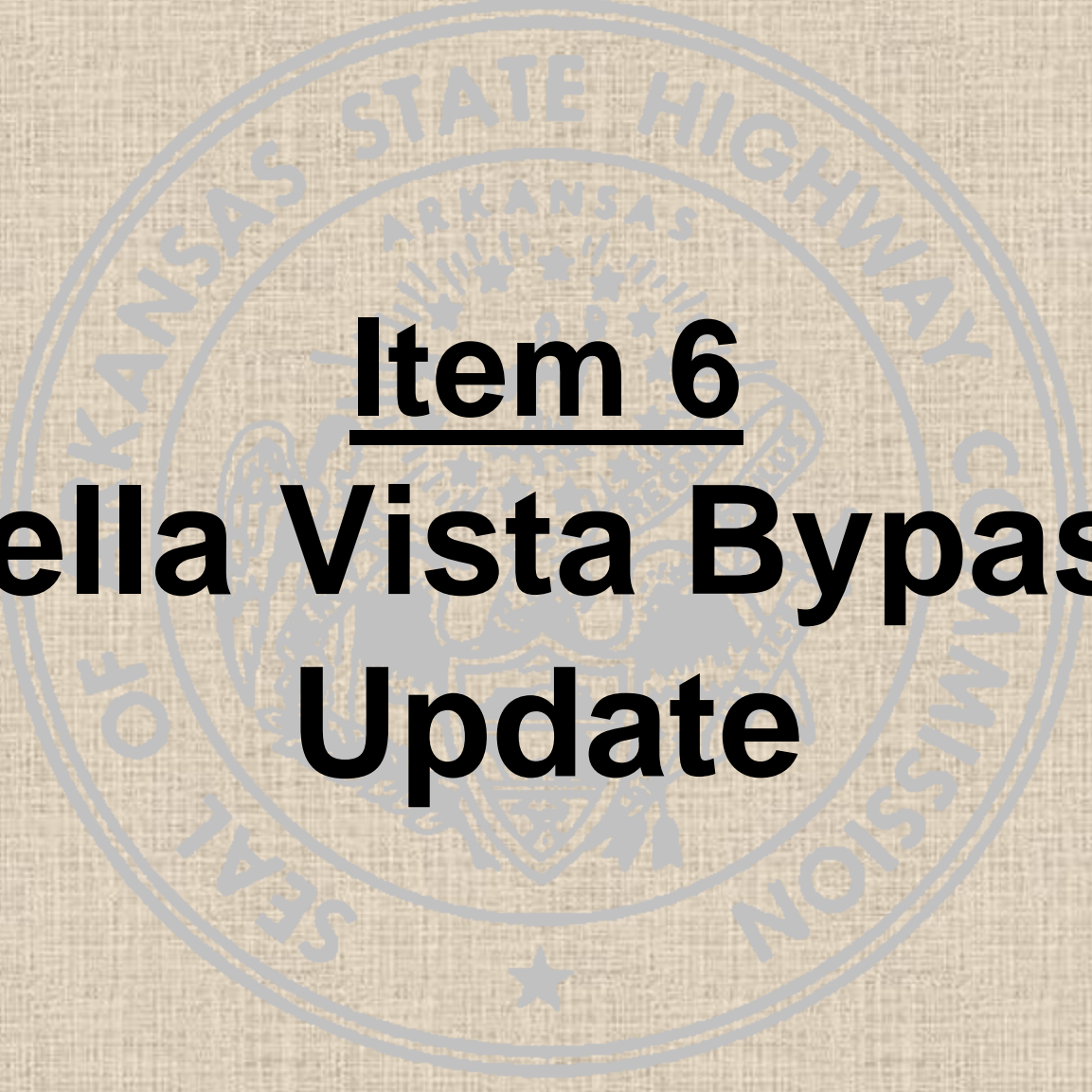


Evansville Creek Bridge

Item 5

Finalize Sale of Bonds



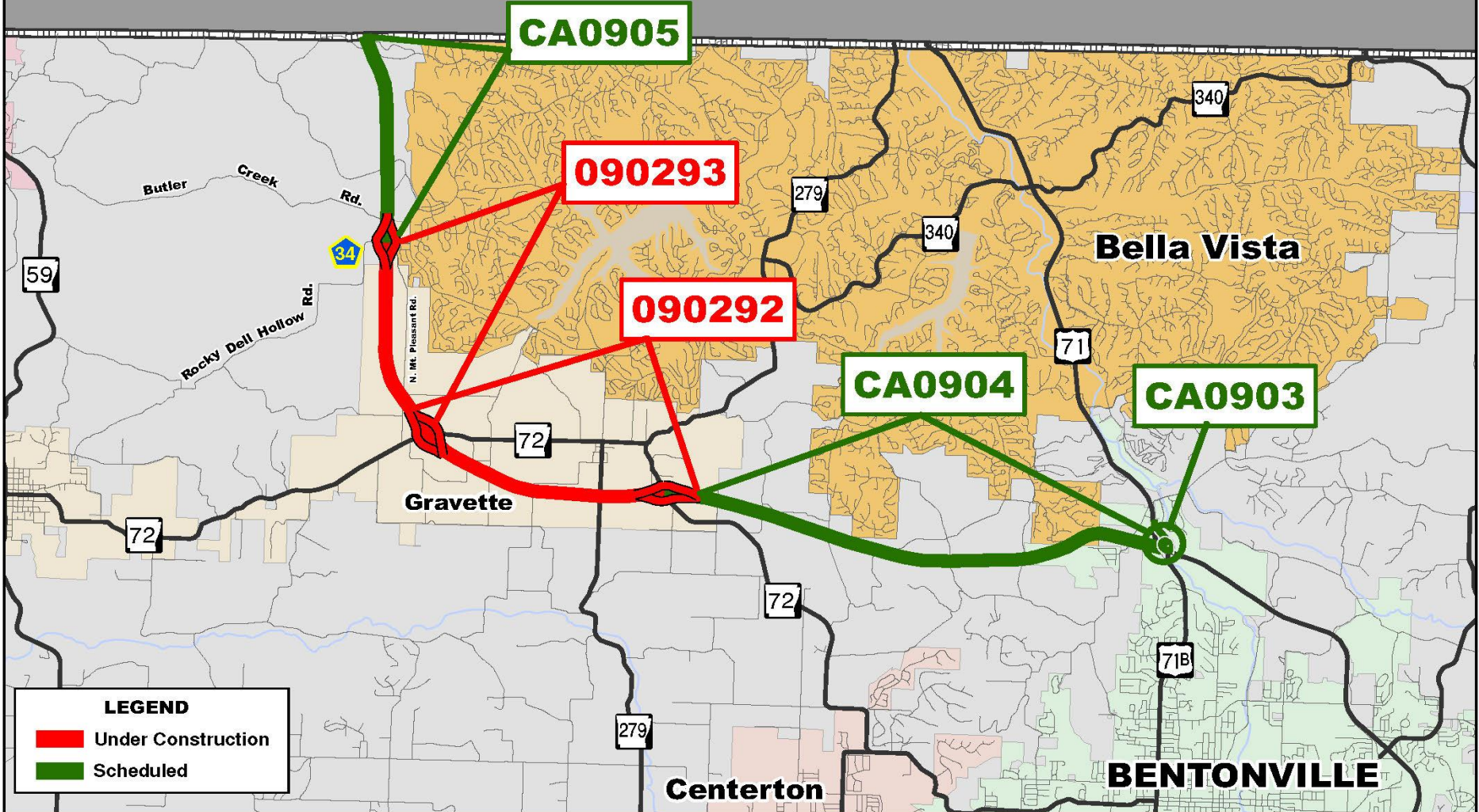
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Item 6
Bella Vista Bypass
Update

Highway 71 - Bella Vista Bypass Two-Lane Facility

- Under Construction
 - Hwy. 72 South to County Road 34
- Scheduled
 - Hwy. 71 Interchange
 - Hwy. 71-Hwy. 72 South
 - Co. Rd. 34-Missouri State Line

MISSOURI



Bella Vista Bypass

Benton County



Highway 71 - Bella Vista Bypass

- Missouri's Portion
 - Full Funding Currently Not Available
- CAP Project Placed On Hold
 - Co. Rd. 34-Missouri State Line
- CAP Project Modified
 - Hwy. 71 Interchange
 - Interim connection included in next job

Bella Vista Bypass Toll Feasibility Study Update

- Four Previous Toll Studies –
2004, 2006, 2007, 2009
- Recent Toll Study Update - 2013
 - Preliminary Feasibility Study
 - Not Investment Grade

Bella Vista Bypass Toll Study

ASSUMPTIONS

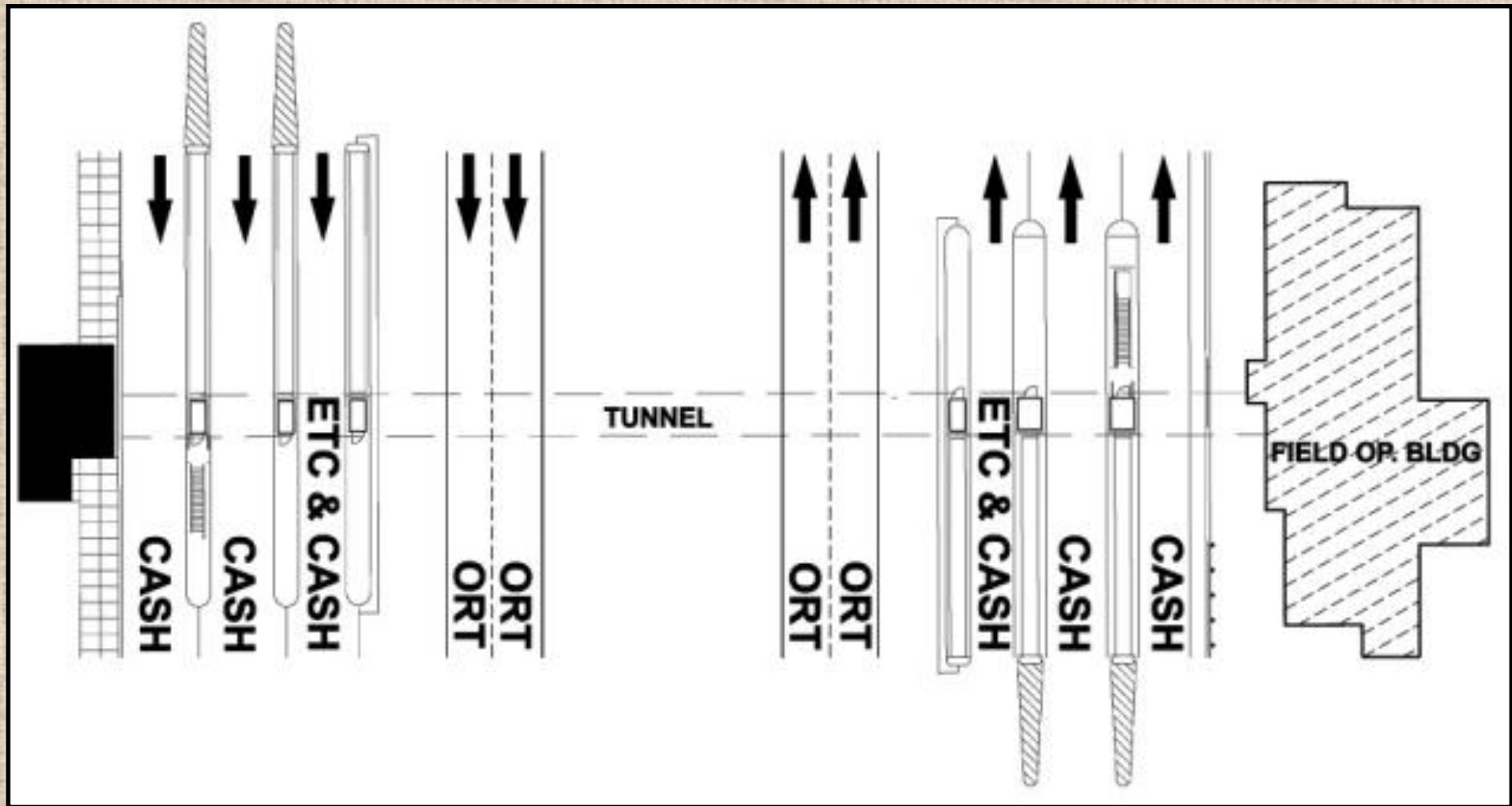
- Opening Date – July 2017
- Tolls:
 - Passenger Vehicles \$1.50
 - Light Trucks \$3.00
 - Heavy Trucks \$6.00
- 2.5% Inflation Rate
- Ramp-up Period - Five Years
- Peak Hours - Time Saved – 6 to 14 Minutes
- Bonds Issued and Repaid over 40 Years

Bella Vista Bypass Toll Feasibility Study Update

Scenarios

1. Three Cash Lanes (3CL)
2. Two Cash Lanes (2CL)
3. Two Unattended Cash Lanes (UCL)
4. All Electronic Tolling (AET)

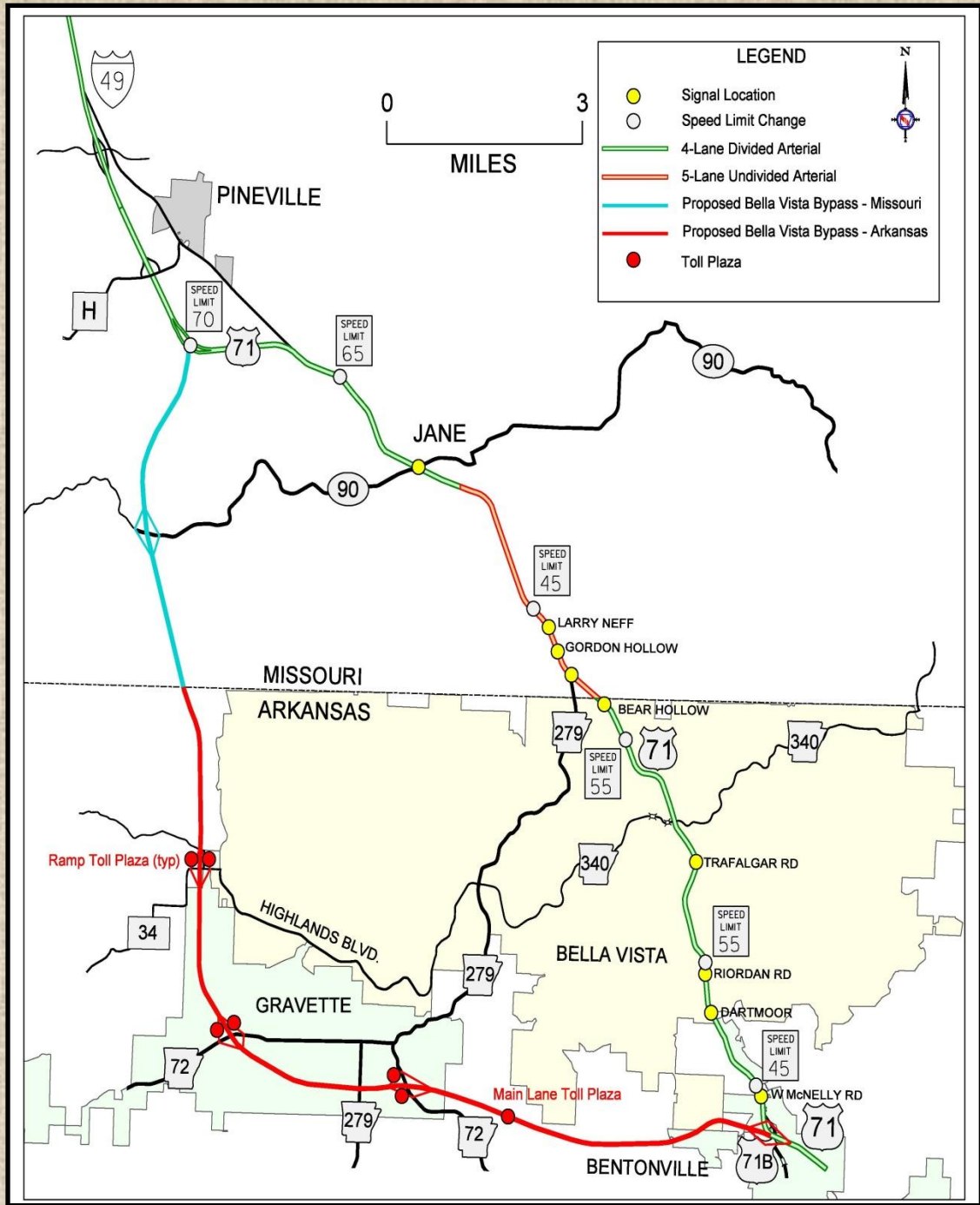
Bella Vista Bypass Toll Feasibility Study Update



Scenario 1 – Three Cash Lanes (3CL)







Bella Vista Bypass – Funding Analysis

	Scenario 1 (3CL)	Scenario 2 (2CL)	Scenario 3 (2UCL)	Scenario 4 (AET)
Unfunded Construction Cost to Build 4-Lane Freeway	\$51,000,000	\$51,000,000	\$51,000,000	\$51,000,000
Plus Capital Tolling Costs	\$28,000,000	\$25,000,000	\$23,000,000	\$9,000,000
Net Amount to be Financed	\$79,000,000	\$76,000,000	\$74,000,000	\$60,000,000
Bond Proceeds Available	\$79,000,000	\$76,000,000	\$74,000,000	\$60,000,000
Shortfall in Funding	\$0	\$0	\$0	\$0
Estimated Debt Service	\$300,000,000	\$300,000,000	\$300,000,000	\$270,000,000
Total Cost	\$379,000,000	\$376,000,000	\$374,000,000	\$330,000,000

Bella Vista Bypass Toll Feasibility Study Update

Other Considerations

- Legislation to Allow Video Data Collection
- Agency Agreements with DF&A and Other States
- Signage of the Bella Vista Bypass as a Toll Facility
- Not Designated as Interstate

Bella Vista Bypass

Next Steps

- Coordinate with Missouri
- Decision on “Free” Road vs. Tolling
- For Tolling, Need:
 - ✓ Investment Grade Study
 - ✓ Update Environmental Documentation to Include Tolling
 - ✓ Sell Bonds
 - ✓ Open to Traffic / Collect Tolls
 - ✓ Retire Bonds

Item 7

Finalize Sale of Bonds



2011 IRP Update

- **November 2011**

- ✓ Approved By Arkansas Voters
- ✓ Authority to Issue \$575 M in Bonds
- ✓ Must be Issued by December 31, 2015

- **September 2012**

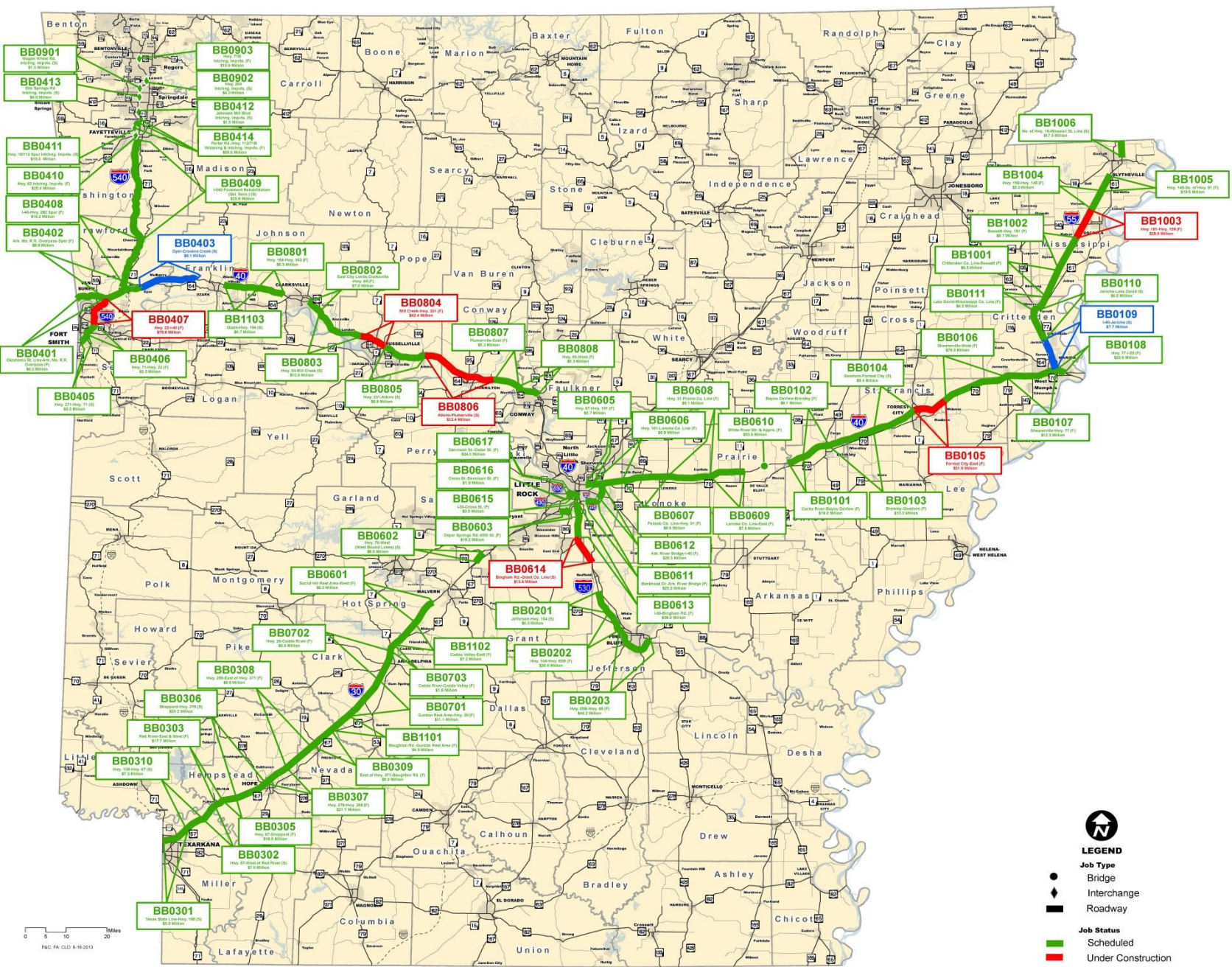
- ✓ 1st Series of Bonds Sold
 - **Par Value of \$197 M**
 - **Premium of \$33 M**
 - **Total Amount of Bond Proceeds Available for Construction - \$230 M**

- **October 2013**

- ✓ Recommend Issuing 2nd Series of Bonds
- ✓ Amount - \$200 M
- ✓ Based on Future Cash Flow Needs


Interstate Rehabilitation Program

Job Status



2011 IRP 2nd Bond Sale

• If Approved, Future Activities Include:

- ✓ **October 15** – Receive Credit Ratings
 - ✓ **October 17** – Bid Documents Mailed to Potential Investors
 - ✓ **October 29** – Acceptance of Bids on Bonds
 - ✓ **October 30** – Final Approval – Execute Closing Documents
 - ✓ **November 14** – Closing and Transfer of Funds
- 
- A faded background image of a construction site. In the foreground, several workers wearing hard hats and safety vests are standing on a wooden platform or formwork. In the background, there are large steel structures, possibly part of a bridge or a large building, under construction. The scene is outdoors with trees and a clear sky visible in the distance.

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Item 8

**Selection of Auctioneer
Services**

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Item 9
**Other Business &
Discussion**

Arkansas State Highway Commission Meeting

Wednesday, September 11, 2013

