



# The 3 Ps of P3s in Arkansas

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# ***The Facts:***

- ***12<sup>th</sup> Largest System in USA***
- ***44<sup>th</sup> in Highway Revenue per Mile***



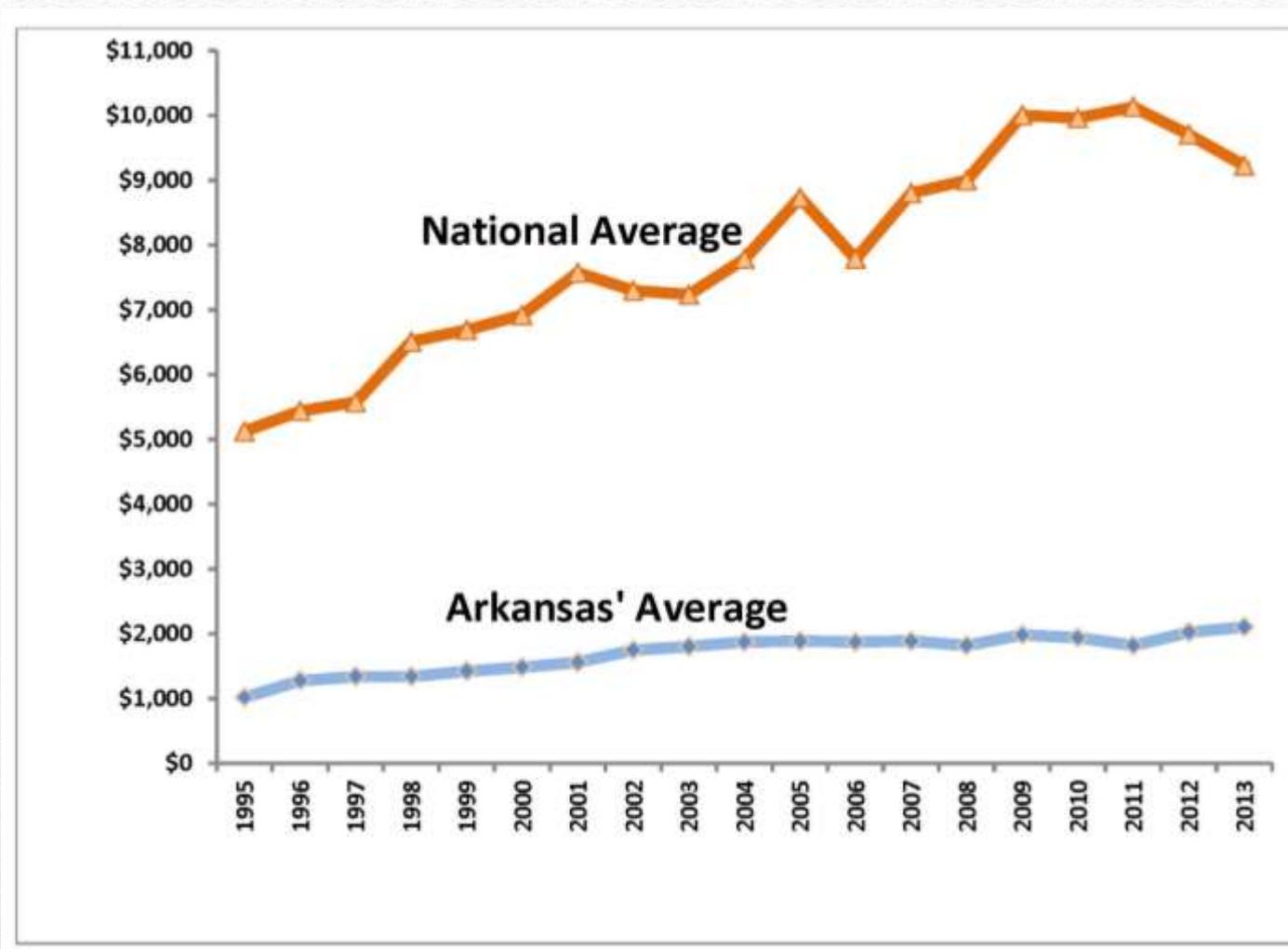
# State Highway Systems

State	Mileage
<b>Arkansas</b>	<b>16,416</b>
Illinois	16,161
California	15,225
New York	15,033
Tennessee	13,793
Florida	12,084

# State Highway Systems

State	Mileage	Revenue Per Mile
Arkansas	16,416	\$79,232
Illinois	16,161	\$376,461
New York	15,026	\$648,927
California	14,983	\$1,262,809
Tennessee	13,867	\$151,659
Florida	12,085	\$622,740

# AHTD Administrative Costs per Mile



National Average = \$9,705/mile

Surrounding States' Average = \$4,905/mile

Arkansas = \$2,024/mile

Arkansas' Rank = 48<sup>th</sup>

# AHTD Employment Levels

<b>Year</b>	<b>Employees</b>
2014	3,634
2002	3,801
1992	4,016
1982	3,770
1972	3,892
1965	3,620

# **Analysis of Revenue vs Expenses 1993-2014**

	<b>Percent Increase</b>
<b>Revenue</b>	<b>63%</b>
<b>Expenses</b>	<b>83%</b>
<b>Construction Cost Index</b>	<b>181%</b>

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# SIGNIFICANT LOSS OF PURCHASING POWER

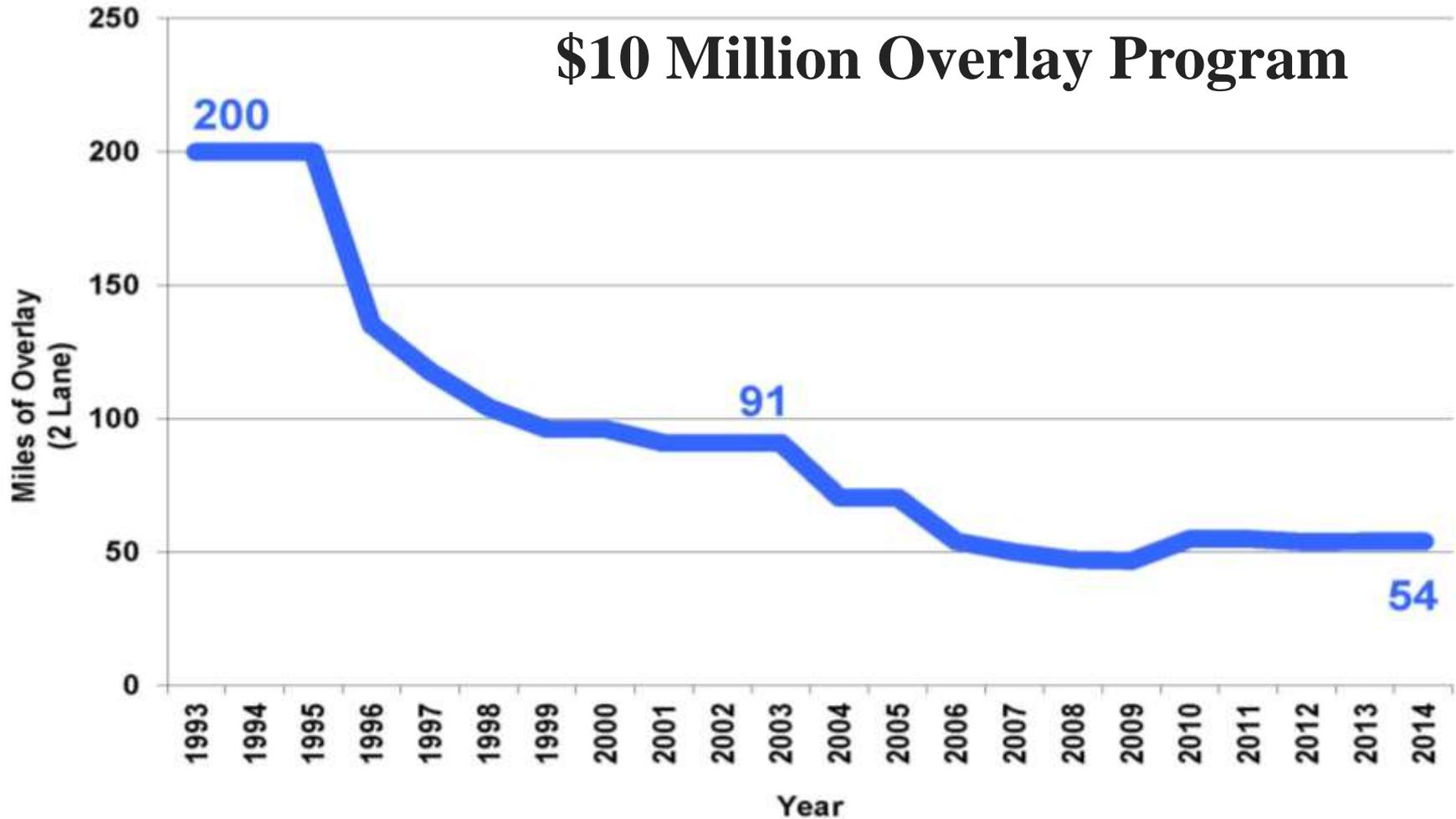
## Sample of Nominal Prices Relative to Federal Gas Tax, 1993 and 2010

ITEM	UNIT/DESCRIPTION	1993	2010	PERCENT CHANGE
<b>College Tuition</b>	Average Tuition and Required Fees	\$ 3,517	\$ 9,136	<b>160%</b>
<b>Gas</b>	Per Gallon	\$ 1.12	\$ 2.73	<b>144%</b>
<b>Movie Ticket</b>	Average Ticket Price	\$ 4.14	\$ 7.89	<b>91%</b>
<b>House</b>	Median Price	\$ 126,500	\$ 221,800	<b>75%</b>
<b>Bread</b>	Per Pound	\$ 1.08	\$ 1.76	<b>62%</b>
<b>Income</b>	Median Household	\$ 31,272	\$ 49,167	<b>57%</b>
<b>Stamp</b>	One First-class Stamp	\$ 0.29	\$ 0.44	<b>52%</b>
<b>Beef</b>	Per Pound of Ground Beef	\$ 1.57	\$ 2.28	<b>46%</b>
<b>Car</b>	Average New Car	\$ 19,200	\$ 26,850	<b>40%</b>
<b>Federal Gas Tax</b>	<b>Per Gallon</b>	<b>\$ 0.184</b>	<b>\$ 0.184</b>	<b>0%</b>

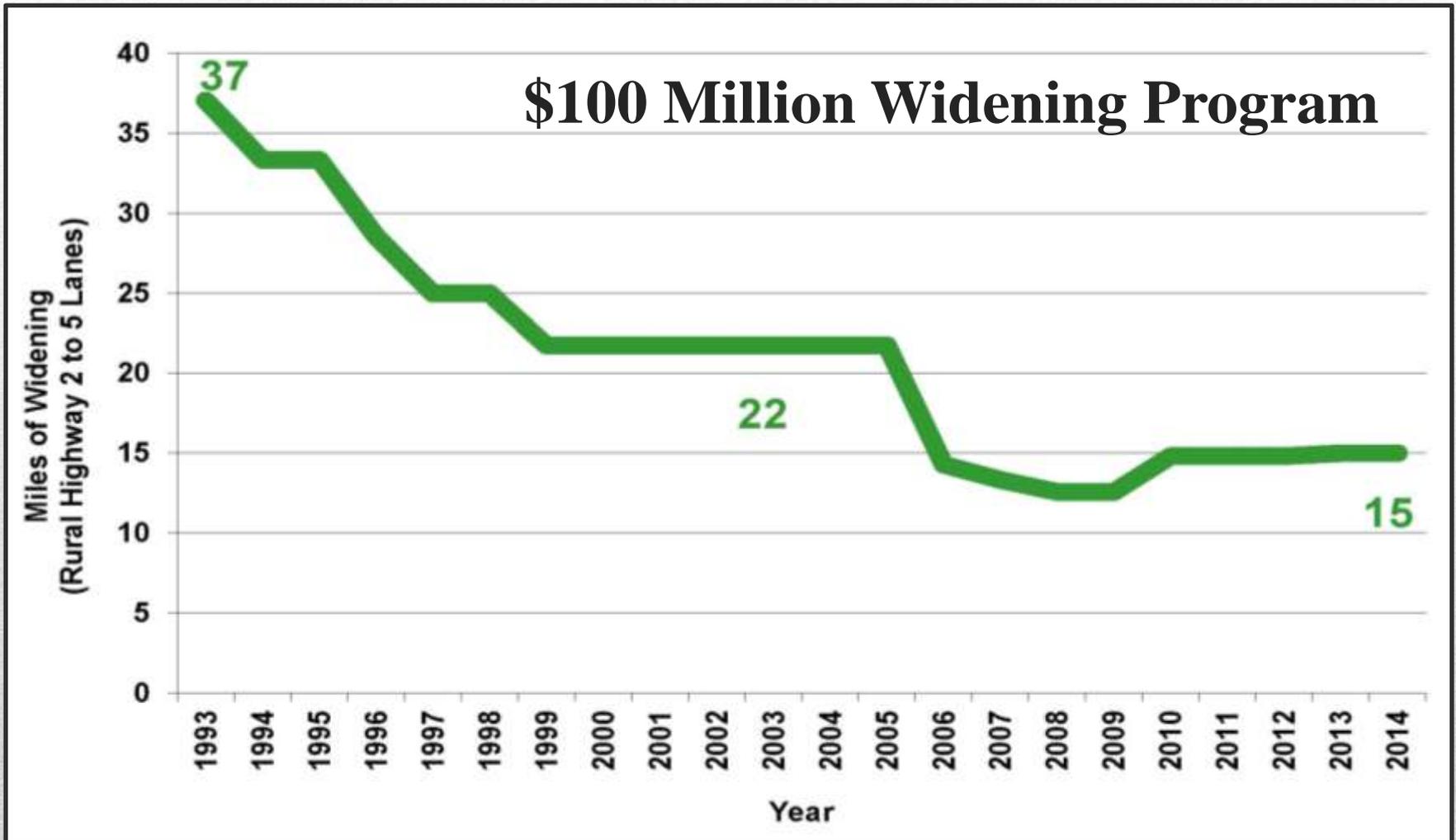
Sources: U.S. Census Bureau, U.S. Department of Transportation, U.S. Postal Service, U.S. Department of Commerce, U.S. Department of Education, National Association of Theater Owners

# The Shrinking Highway Dollar

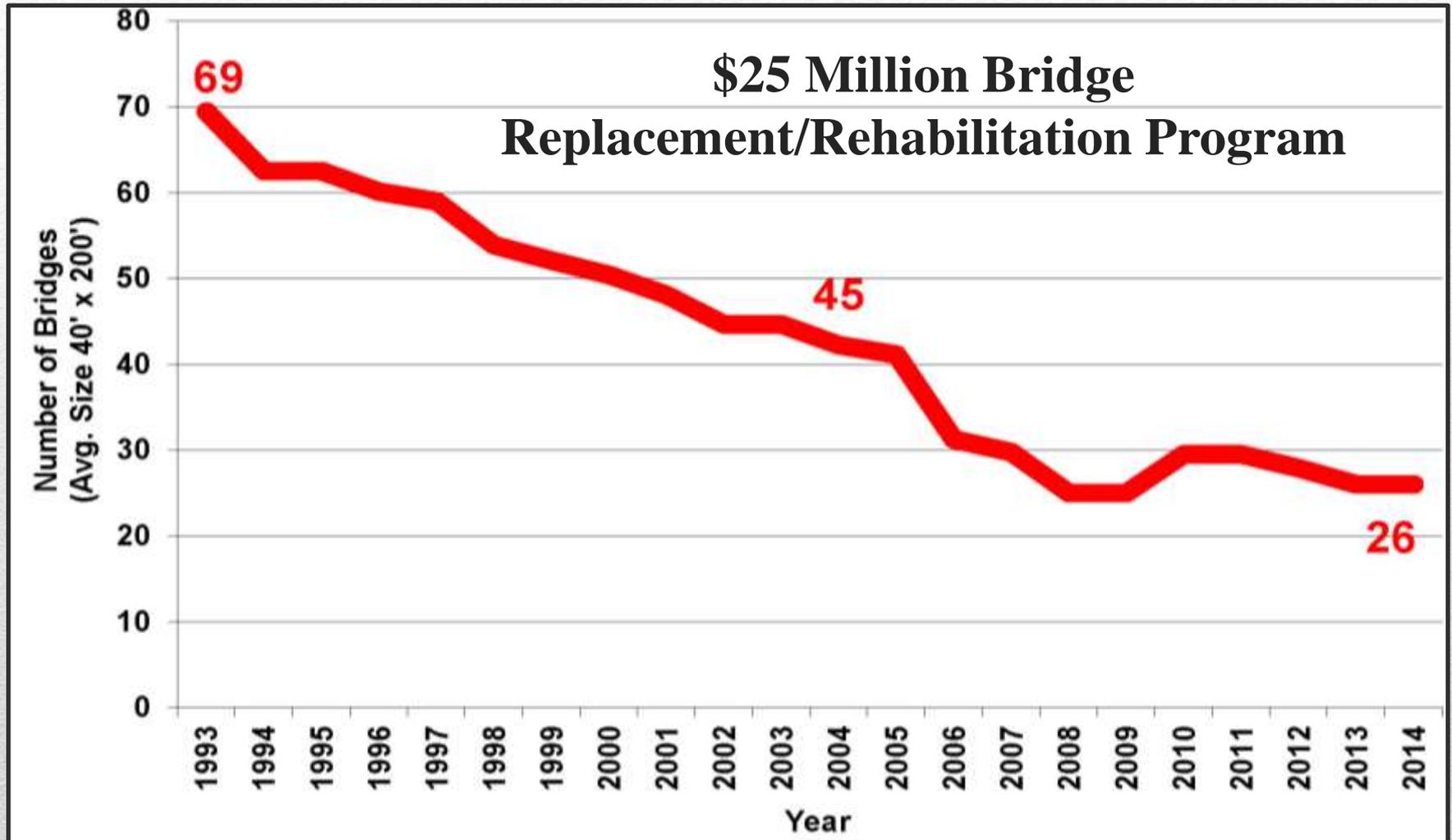
## \$10 Million Overlay Program



# The Shrinking Highway Dollar



# The Shrinking Highway Dollar

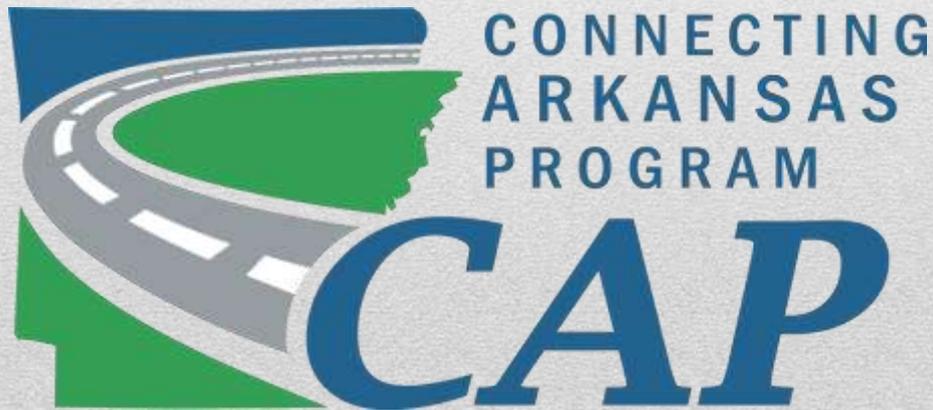




**2011**



**2012**



# Needs vs. Revenue

 CONNECTING  
ARKANSAS  
PROGRAM  
**CAP** = 180 miles

 INTERSTATE  
REHABILITATION  
PROGRAM  
**IRP** = 450 miles

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# Needs vs. Revenue



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**Total = 630 miles**

**3.8%**

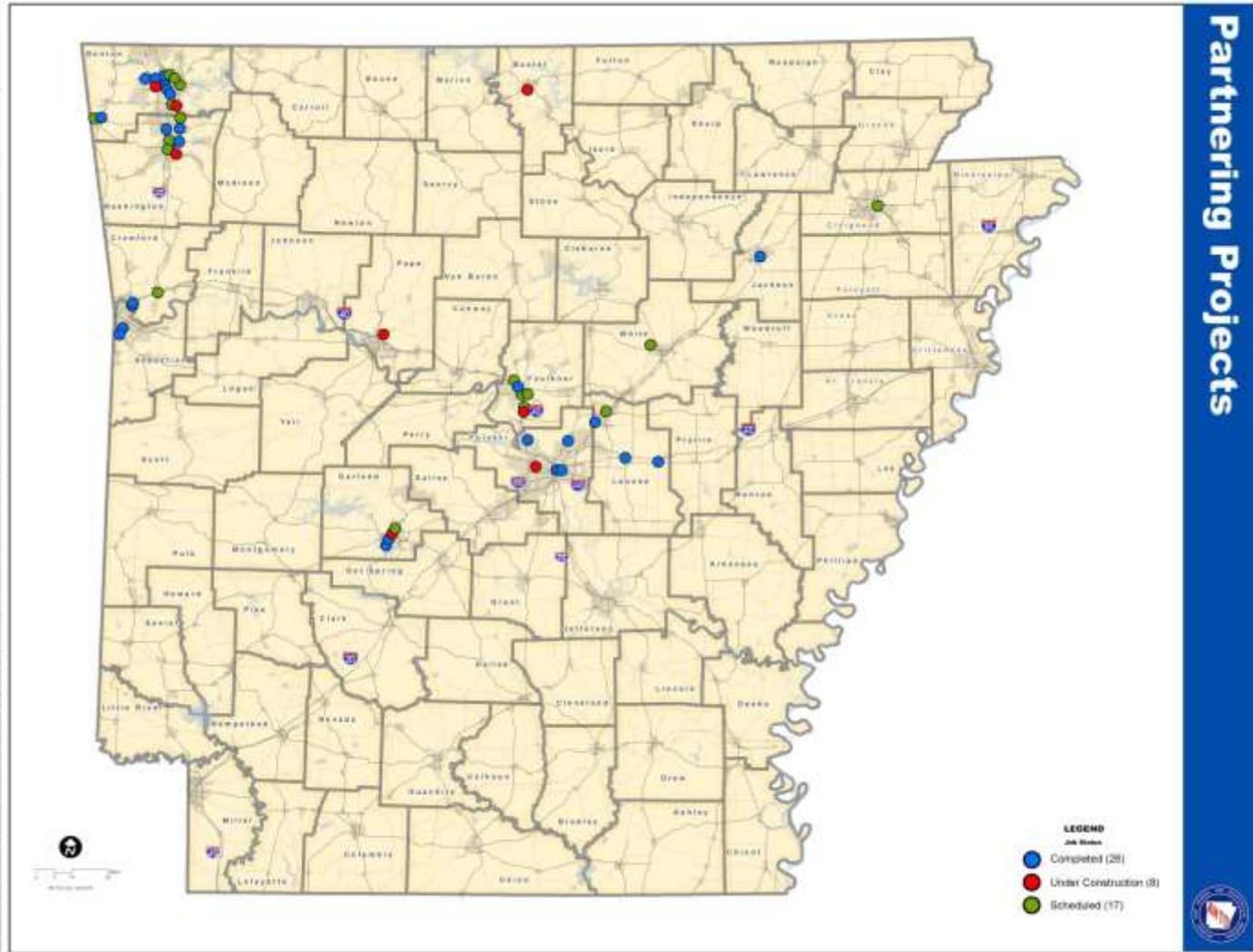
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# The Past

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# Partnering Program



# Partnering Program

<b>Northwest</b>		<b>Completed</b>	<b>Under Construction</b>	<b>Scheduled</b>	<b>Total</b>
	Projects	15	2	8	25
	Total Cost	147,160,018	25,858,624	171,644,739	344,663,381
	Local Contribution	71,997,920	15,400,000	52,564,662	139,962,582
	<b>Contribution %</b>				<b>41%</b>

<b>Central</b>		<b>Completed</b>	<b>Under Construction</b>	<b>Scheduled</b>	<b>Total</b>
	Projects	10	2	5	17
	Total Cost	70,760,519	14,992,904	77,732,958	163,486,381
	Local Contribution	21,455,181	3,445,300	28,994,387	53,894,868
	<b>Contribution %</b>				<b>33%</b>

<b>Other</b>		<b>Completed</b>	<b>Under Construction</b>	<b>Scheduled</b>	<b>Total</b>
	Projects	1	2	2	5
	Total Cost	1,216,864	29,722,900	35,740,000	66,679,764
	Local Contribution	200,000	4,431,000	6,300,000	10,931,000
	<b>Contribution %</b>				<b>16%</b>

# Partnering Program Statewide

Partner	Number of Projects	Total Project Cost	Total Local Contribution	Contribution Percent
Bentonville	5	71,576,630	43,318,545	61%
Springdale	3	55,352,750	36,349,925	66%
Rogers	3	40,048,462	27,944,078	70%
Conway	3	42,499,628	19,888,057	47%
Fayetteville	5	110,706,449	17,079,133	15%
Cabot	2	22,932,315	9,858,723	43%
Hot Springs	4	25,748,021	8,231,531	32%
Fort Smith	2	14,608,989	7,329,901	50%
Lonoke	1	9,837,889	6,349,999	65%
Searcy/White Co.	1	34,040,000	6,000,000	18%
Faulkner Co./ Conway	1	15,597,000	4,500,000	29%
Russellville	1	22,567,900	3,000,000	13%
Siloam Springs	2	14,054,223	2,694,000	19%
Alma	1	11,632,000	2,397,000	21%
Pulaski County	1	3,870,313	2,320,000	60%
Centerton	1	11,508,645	2,000,000	17%
Mt. Home	1	7,155,000	1,431,000	20%
Carlisle	1	5,753,850	1,073,769	19%



# The Present

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# Act 704 of 2015

Design-Build / Design-Build-Finance and  
Public-Private Partnerships

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# Act 704 of 2015

- Design Build Finance
  - Cost Sharing Agreements
  - Public Private Partnerships
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# Design Build Finance

## Two Primary Benefits:

- **Minimizes Cash Constraints**
    - ✓ Leverages Funding for Large Projects
  - **Maximizes Project Delivery**
    - ✓ Get In, Get Out, Stay Out
    - ✓ Mitigates Inflation
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## 30 Crossing

It is approximately 6.7 miles in length and extends through portions of Little Rock and North Little Rock in central Arkansas.

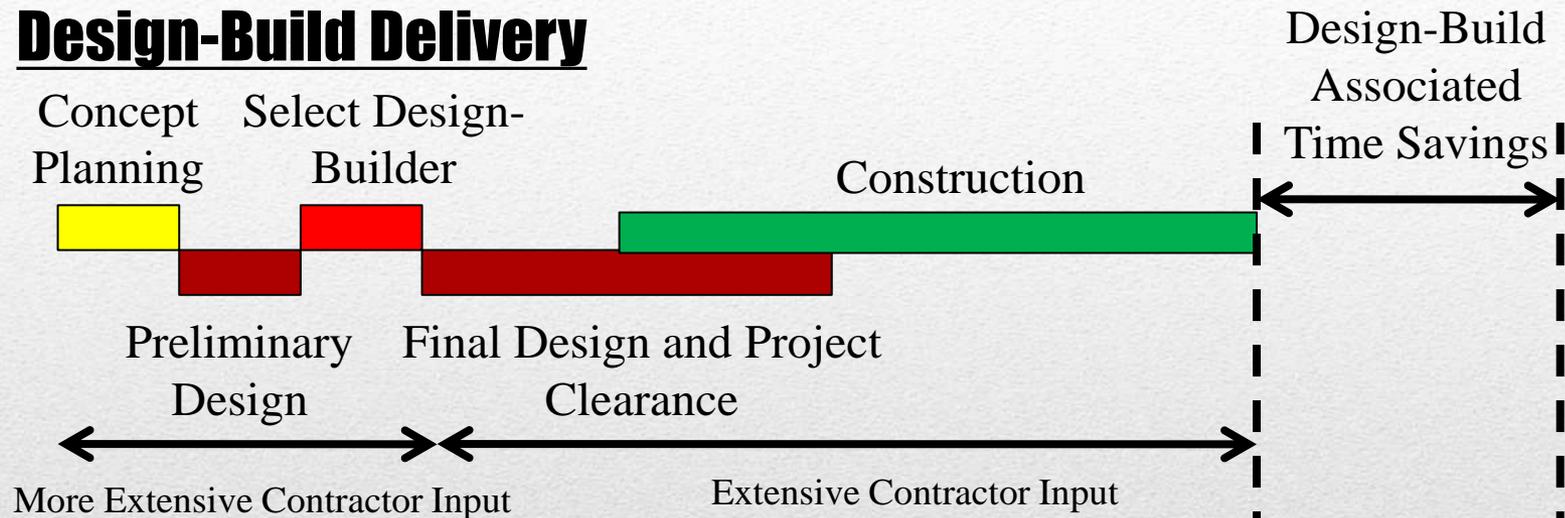
The corridor extends:

- along I-30 from I-530 to the south and I-40 to the north
- along I-40 to its interchange with US 67 in North Little Rock

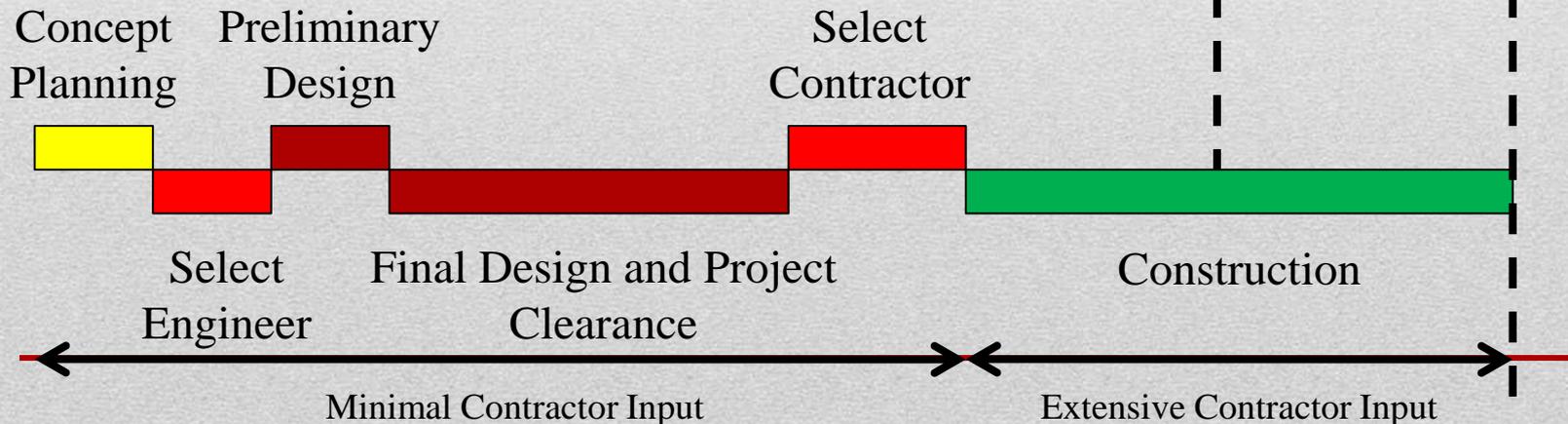


# D-B vs. D-B-B Schedule Comparison

## Design-Build Delivery



## Design-Bid-Build Delivery







# The Possibilities

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# Cost Sharing Examples



## Rest Area Sponsorships

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# Cost Sharing Examples



**Motorist Assistance Patrol**

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# Cost Sharing Examples



**Logo Signing Program**

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# Public Private Partnerships

- Advance Large Expensive Projects
  - Leverage Revenue
  - Cost Savings
  - Risk Transfer
  - **NOT NEW FUNDING**
    - ✓ Project Financing Approach
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# Tolling

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# History of Tolling Studies in Arkansas

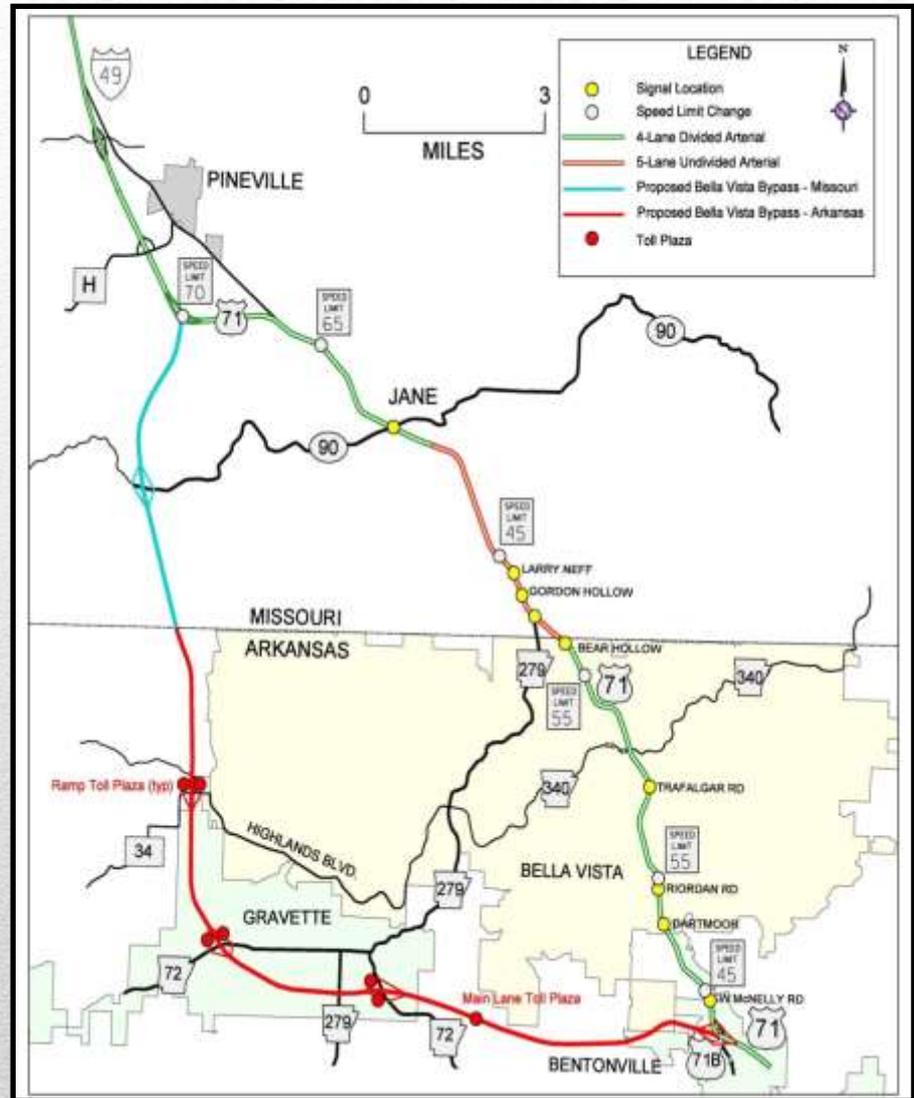
- First explored by the Commission beginning in 1953
  - Since that time over 40 toll studies have been conducted
  - Only 2 scenarios in all of those have been economically feasible
    - The Bella Vista Bypass, from Highway 71 in Bentonville to the Missouri line
    - Interstate 40, from North Little Rock to Memphis [not allowed under existing law]; and
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## Bella Vista Bypass – Funding Analysis

	<b>Scenario 1 (3CL)</b>	<b>Scenario 2 (2CL)</b>	<b>Scenario 3 (2UCL)</b>	<b>Scenario 4 (AET)</b>
<b>Unfunded Construction Cost to Build 4-Lane Freeway</b>	<b>\$51,000,000</b>	<b>\$51,000,000</b>	<b>\$51,000,000</b>	<b>\$51,000,000</b>
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
<b>Total Cost</b>	<b>\$379,000,000</b>	<b>\$376,000,000</b>	<b>\$374,000,000</b>	<b>\$330,000,000</b>

## Tolling the Bella Vista Bypass

- 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



# Interstate 40 Toll Feasibility Study



**Toll Feasibility Study**

**Executive Summary  
May 2014**



# The Future

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# Funding vs. Financing



**Vs.**





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