

**Robert S. Moore, Jr.**  
**Commissioner**



**Monticello Economic Development**

**Wednesday, August 29, 2019**



# *Recent Legislation*

## Governor Hutchinson's Highway Package

Two Bills

Four Revenue Sources

\$300 Million Per Year



## Motor Fuel Taxes

1.6% Tax On Wholesale Price of Gas  
*(equals 3 cents per gallon)*

2.9% Tax On Wholesale Price of Diesel  
*(equals 6 cents per gallon)*



## Motor Fuel Taxes

Results in **\$86 Million** in Additional Annual Revenue

**\$58 Million** to ARDOT

**\$14 Million** to Cities and Counties Each

*“And we feel like we would like to invest and spend money to make the roads better so that they are safer, so that they are easier on the equipment, so that the volume of traffic can move more freely. The benefit of those things outweighs any increased costs.”*

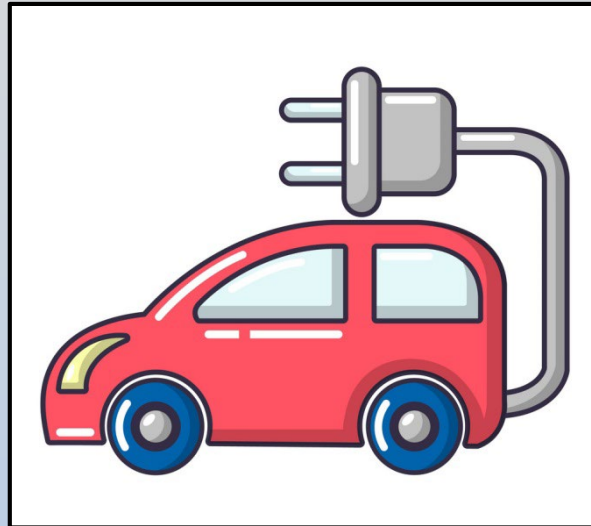
*– Shannon Newton, Arkansas Trucking Association President*

## Electric and Hybrid Vehicle Registration Fees

Electric Vehicles - \$200 Registration Fee

Hybrid Vehicles - \$100 Registration Fee

**\$2 Million to ARDOT**



## Casino Revenue

All New Casino Revenue

**\$35 Million Annually to ARDOT**



## Act 416 Summary

Motor Fuel Tax

\$ 58 Million

Electric and Hybrid Vehicle Registration Fees

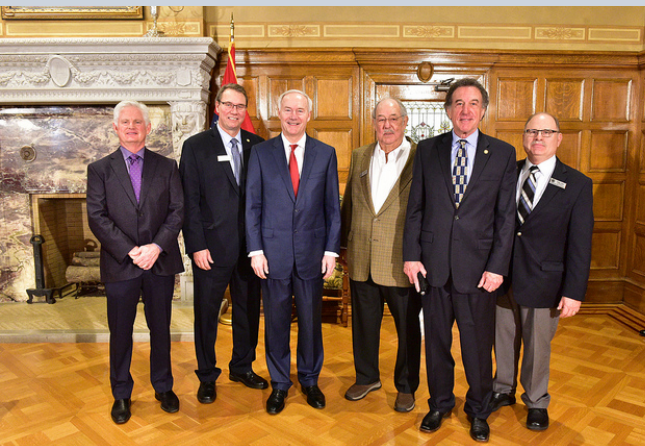
\$ 2 Million

Casino Revenue

\$ 35 Million

**Total to ARDOT**

**\$ 95 Million**





## Proposed Constitutional Amendment

- To Be Voted On In General Election – November 2020
- ½-Cent Sales Tax Permanent After 2023
- Continues To Provide **\$205 Million** To ARDOT Annually
- Continues To Provide **\$43 Million** To Cities Annually
- Continues To Provide **\$43 Million** To Counties Annually

# Governor's Long-Term Highway Funding Plan

## Plan Summary

Act 416 of 2019

**\$ 95 Million**

*(Immediate Funding dedicated to System Preservation)*

Proposed Amendment

**\$205 Million**

*(Funding for System Preservation plus Capital Projects beginning in SFY 2024)*

**Total to ARDOT**

**\$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

Improve Approx. 6,900 Miles of Non-Interstate Highways over 10 Years

Repair/Replace Structurally Deficient and Posted Bridges over 10 Years

Increase Safety Improvements

Implement a Second Connecting Arkansas Program (CAP-2)

*\* 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.*

# Governor's Long-Term Highway Funding Plan

## Annual Revenue Available

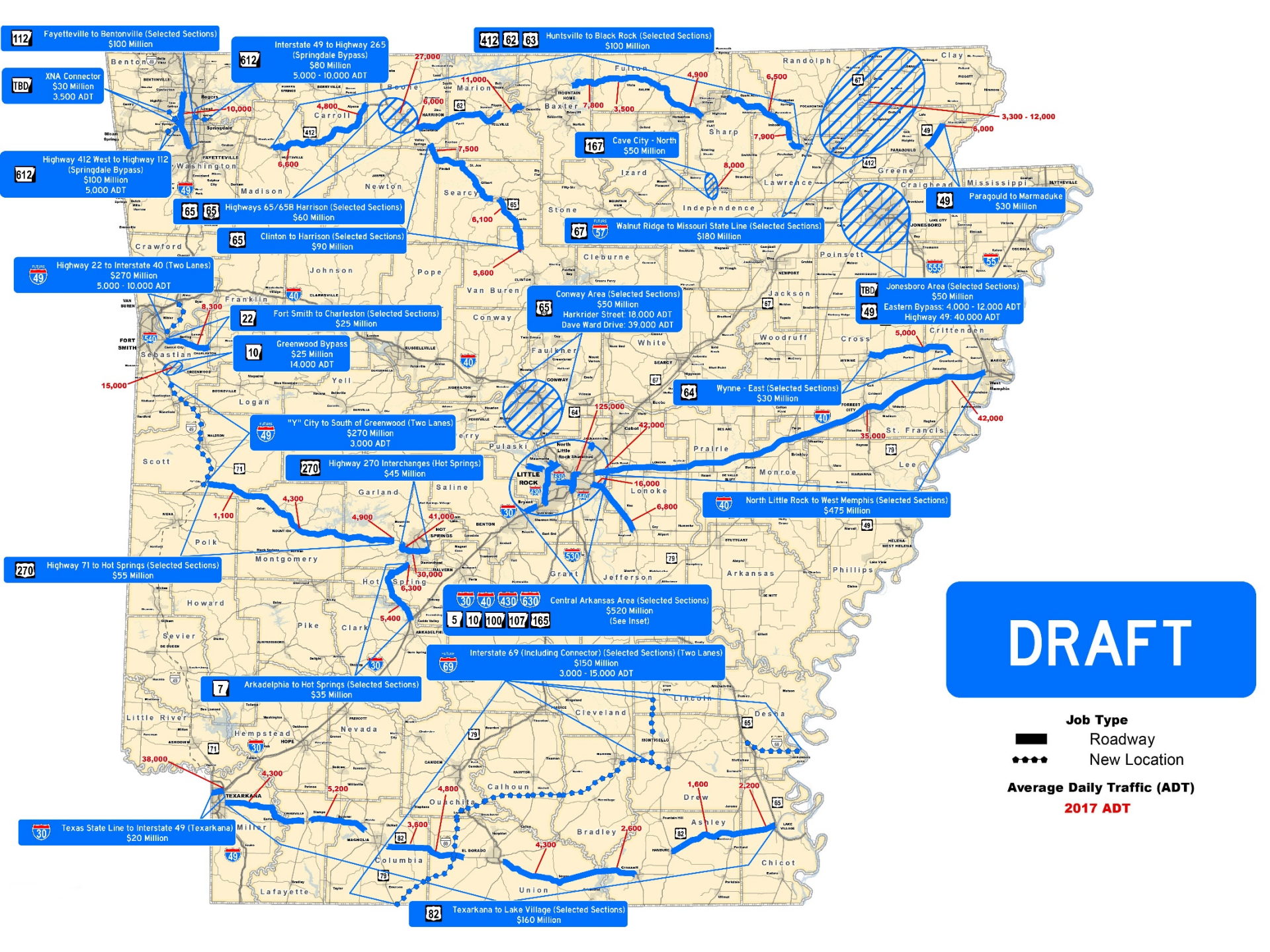
If the Constitutional Amendment passes,  
Annual Revenue Expected to be Available  
Beginning in SFY 2024 (July 2023):

Act 416 of 2019	\$ 95 Million
Proposed Amendment	\$ 205 Million
Current Construction Program	<u>\$ 440 Million</u>
<b>Total Available SFY 2024</b>	<b>\$ 740 Million</b>

# Governor's Long-Term Highway Funding Plan

## Commission-Adopted Plan

• Pavement Preservation	\$ 3.0 Billion
• Bridge Improvements and Preservation	\$ 1.1 Billion
• Interstate Maintenance	\$ 1.0 Billion
• Safety Improvements	\$ 0.5 Billion
• Capital and Congestion Relief (CAP-2)	<u>\$ 1.8 Billion</u>
<b>10-Year Total</b>	<b>\$ 7.4 Billion</b>



**DRAFT**

**Job Type**  
 ■ Roadway  
 ●●●● New Location  
**Average Daily Traffic (ADT)**  
 2017 ADT

# Future I-69

## Completed

2 Projects  
 \$29.4 Million





## Scheduled

1 Project  
 Est. \$40-50 Million

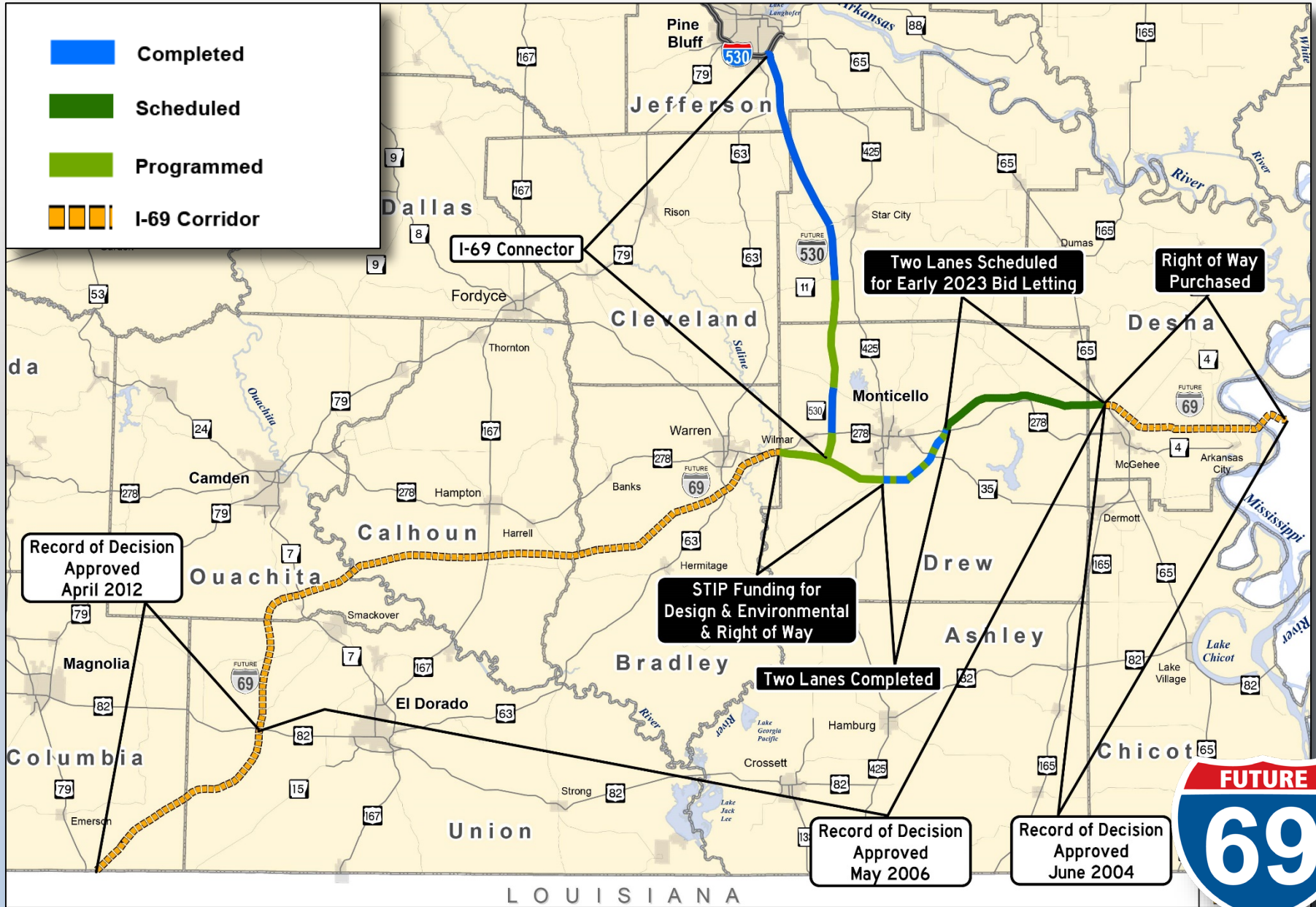
## Programed

6 Projects  
 2 Proj. Est. \$35-50 Million



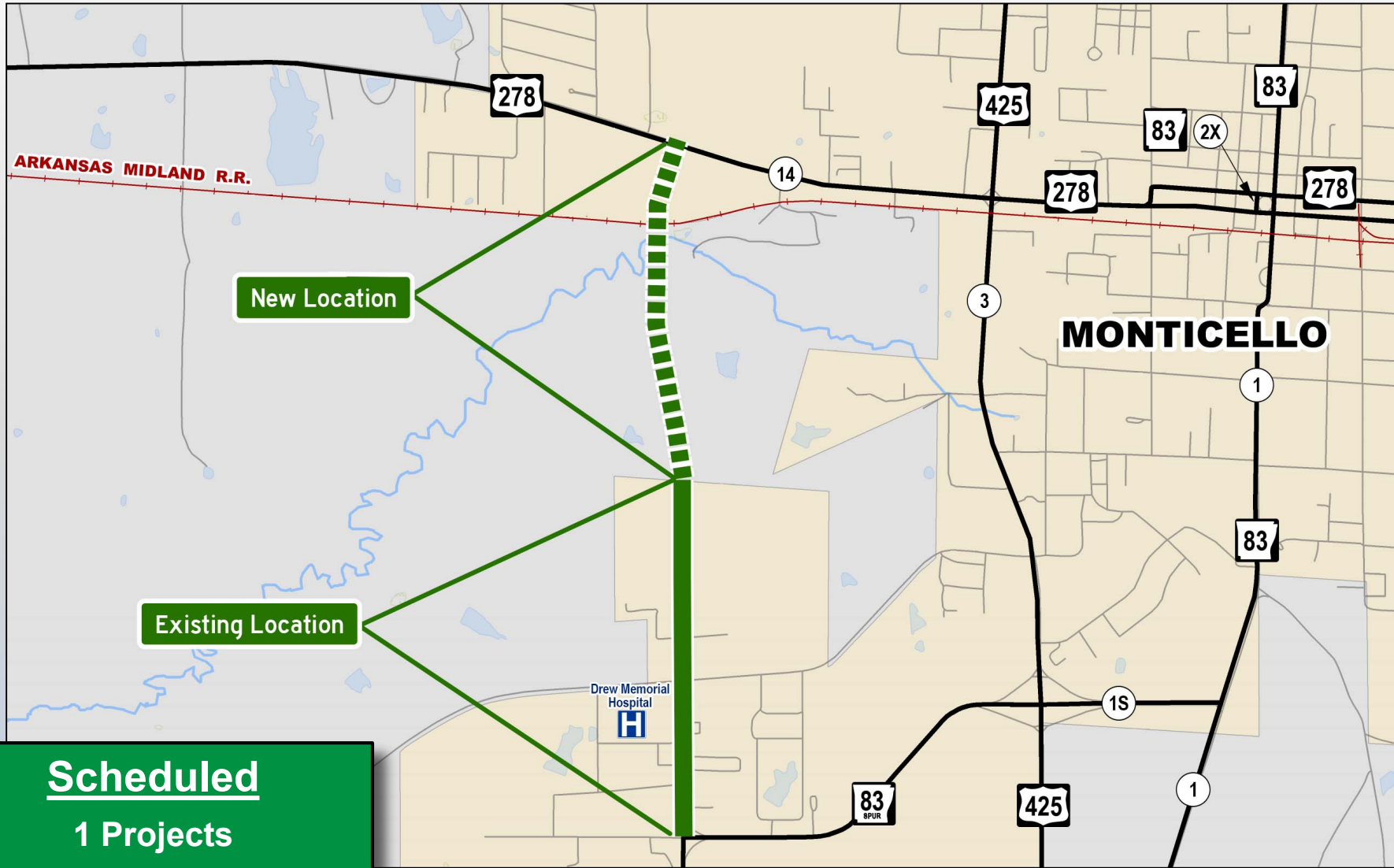
STATUS	
	Completed
	Scheduled
	Programed
	Right of Way Purchased

# Future I-69





# Connecting Hwy 83S & Hwy 278



**Scheduled**  
1 Projects  
2 Miles  
Estimated \$5-10 Million



*Looking Forward*





## 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.

ARDOT / Cities / Counties

Educate Public

Stakeholders

Educate Public

Campaign

# 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



## Turnback to Cities

2023 - \$156 million

2024 - \$113 million

***Nearly a 30% Reduction***



## Turnback to Counties

2023 - \$156 million

2024 - \$113 million

***Nearly a 30% Reduction***

## Drew County

Received **\$2.5** Million to date

Projected to Receive **\$1.6** Million

**Total \$4.1 Million (Ending in 2023)**



## City of Monticello

Received **\$1.2** Million to date

Projected to Receive **\$0.8** Million

**Total \$2 Million (Ending in 2023)**



## ROAD to a BETTER FUTURE

**ARDOT / Cities / Counties**

Educate Public

**Stakeholders**

Educate Public  
Campaign



*Your*  
**TRANSPORTATION SYSTEM**







# *Funding Challenges*



# Challenges

- **12<sup>th</sup>** largest system in the country
  - **41<sup>st</sup>** in highway revenue per mile.
- 

- **\$9.3 billion** in needs
- **\$4.5 billion** in available revenue

*“This is a problem that we can’t leave for our children or grandchildren to solve.”*

*~Arkansas Department of Transportation Director  
Scott Bennett*



## Pay a **Little** Now



Overlay  
**\$100,000**  
per lane mile

## Pay a **Whole Lot** Later



Reconstruction  
**\$1,500,000**  
per lane mile

## THEN

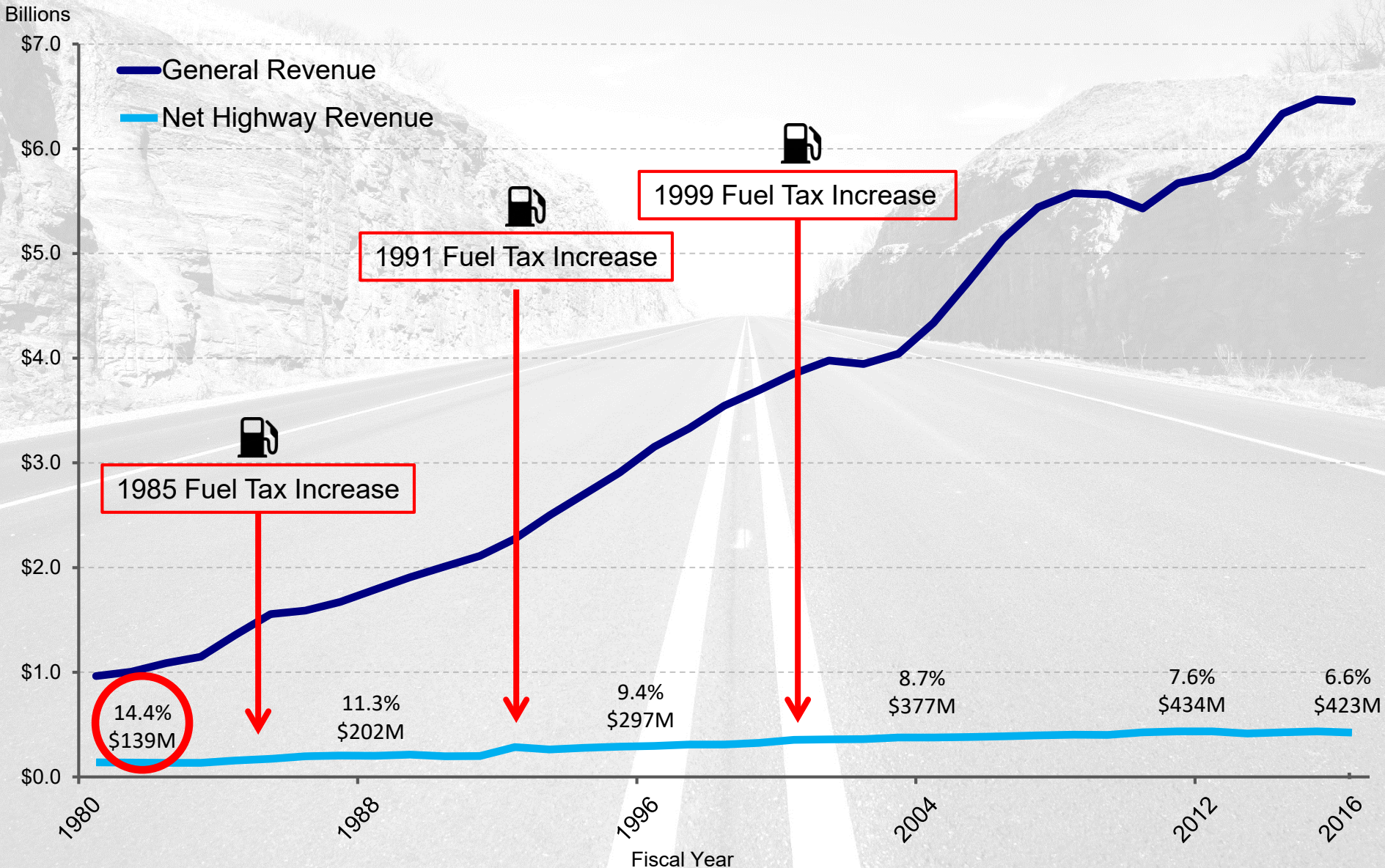
In 1995, **200 miles** of highway could be overlaid with \$10 million.

## NOW

Using \$10 million today, only **54 miles** of highway can be overlaid.

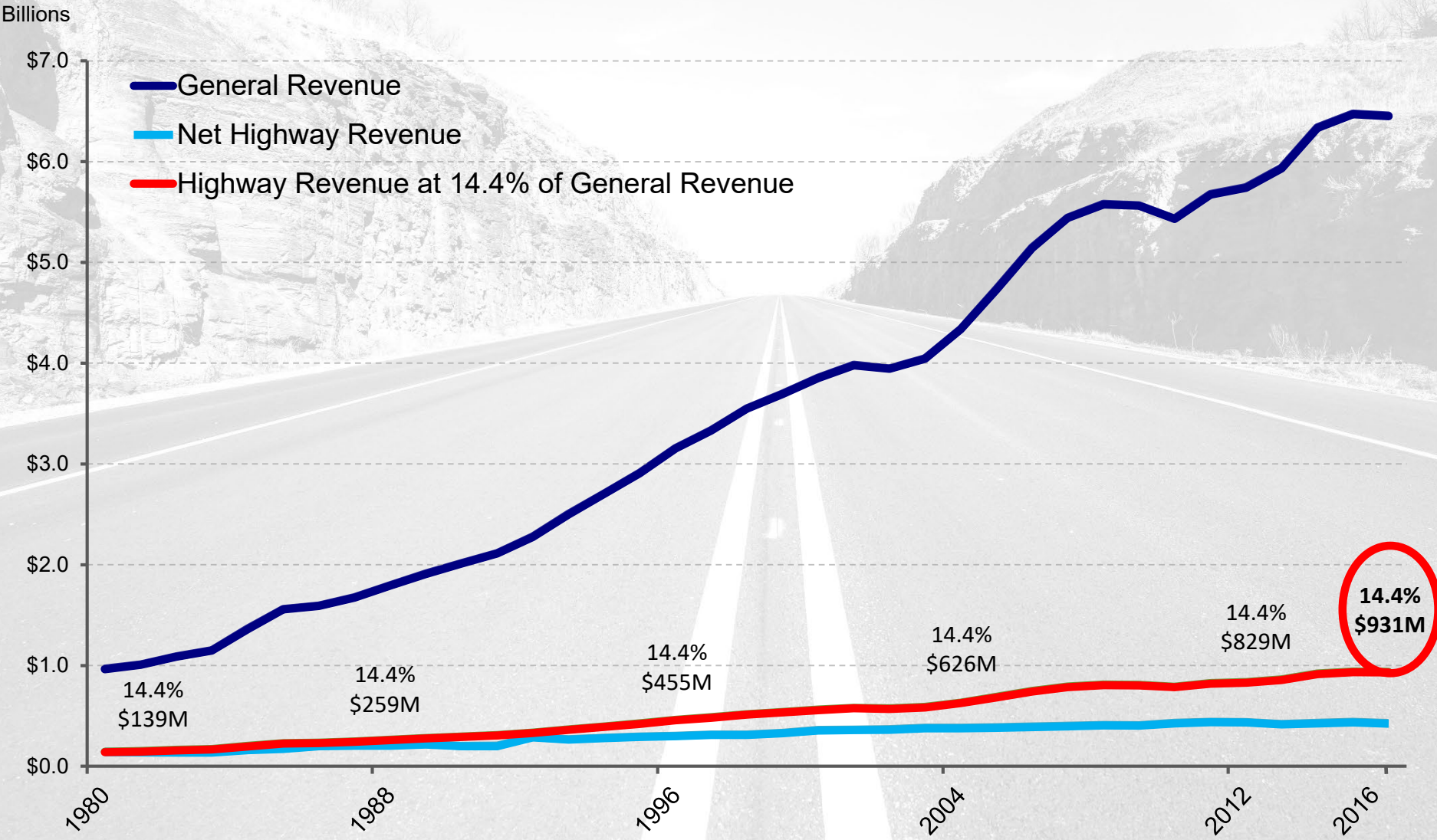


# Percent of Highway vs. General Revenue



Excludes County & City Aid funds | Excludes CAP funds

# Highway Revenue at 14.4% of General Revenue



Excludes County & City Aid funds | Excludes CAP funds

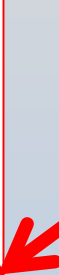
Fiscal Year

## 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	504,000,000	227,000,000	277,000,000
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	30,000,000	19,000,000	11,000,000
<b>Totals</b>	<b>\$ 925,000,000</b>	<b>\$ 447,000,000</b>	<b>\$ 478,000,000</b>

**\$ 478,000,000**



Note: Amounts shown are rounded.



# Statewide Programs





# Interstate Rehabilitation Program

## Completed

47 Projects  
 291 Miles  
 \$1,027 Million

## Under Construction

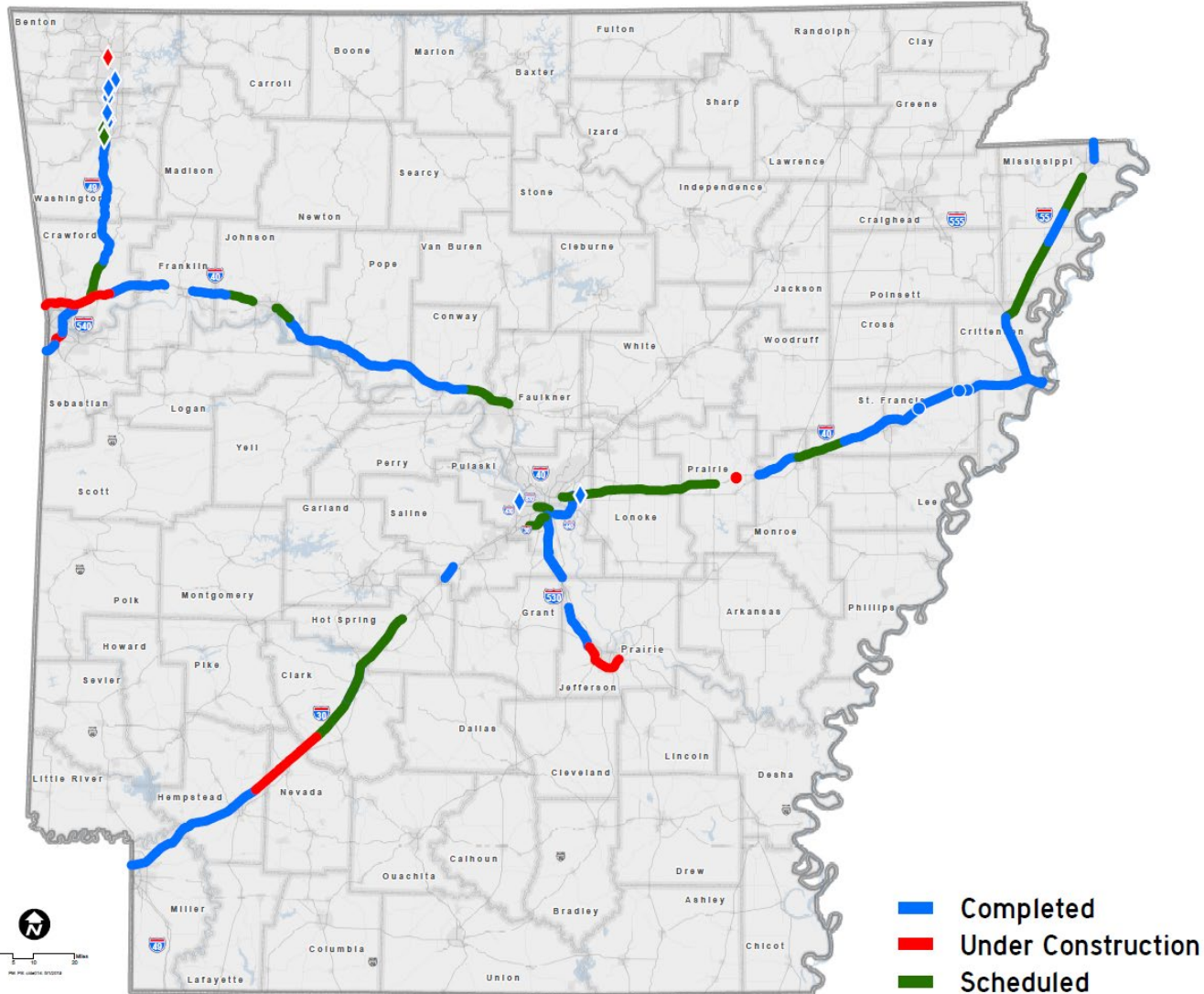
5 Projects  
 53 Miles  
 \$287 Million

## Let To Contract

52 Projects  
 344 Miles  
 \$1,314 Million

## Scheduled

27 Projects  
 160 Miles  
 \$219 Million



# Connecting Arkansas Program

2016 2017 2018 2019 2020 2021 2022 2023

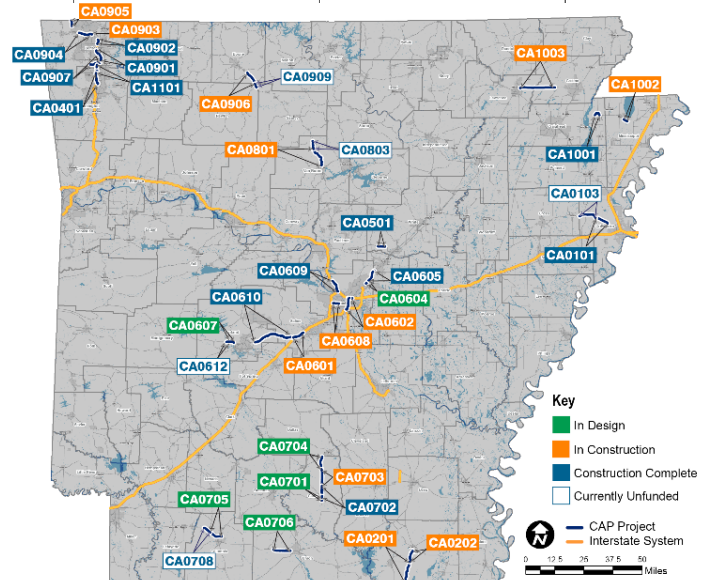
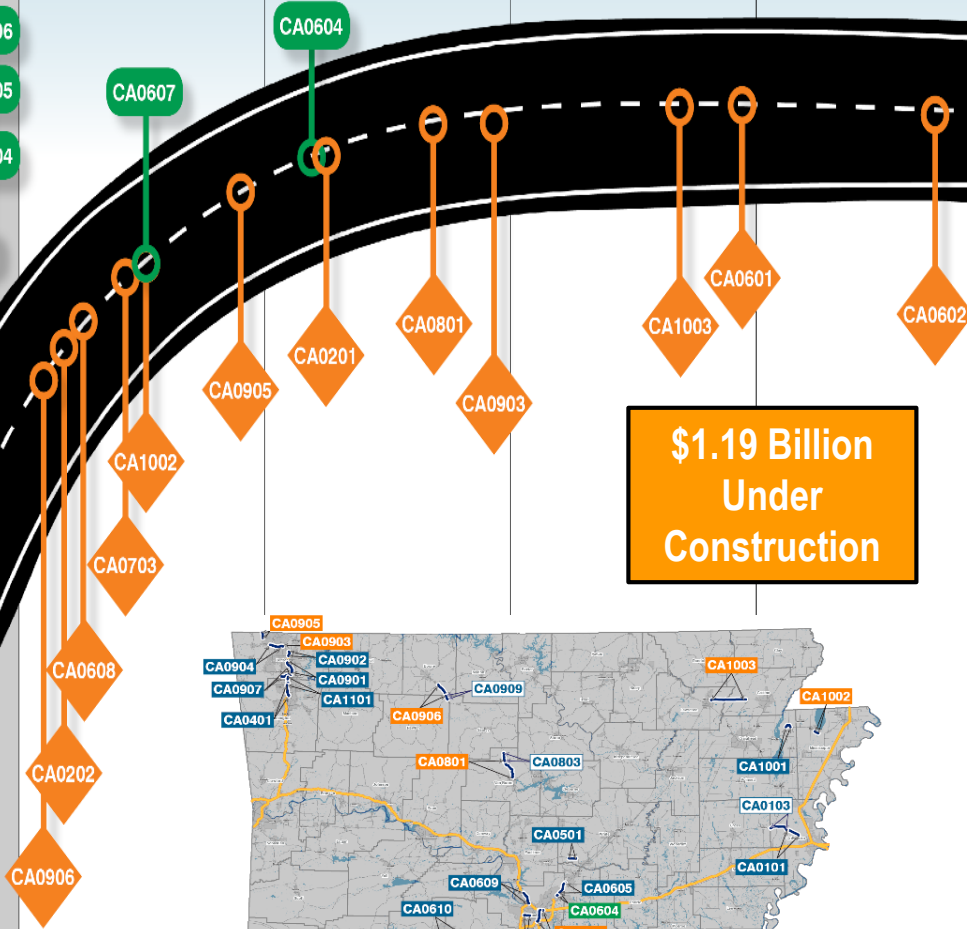
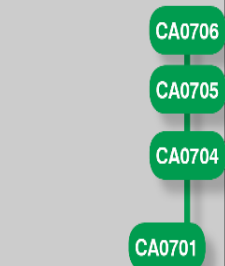
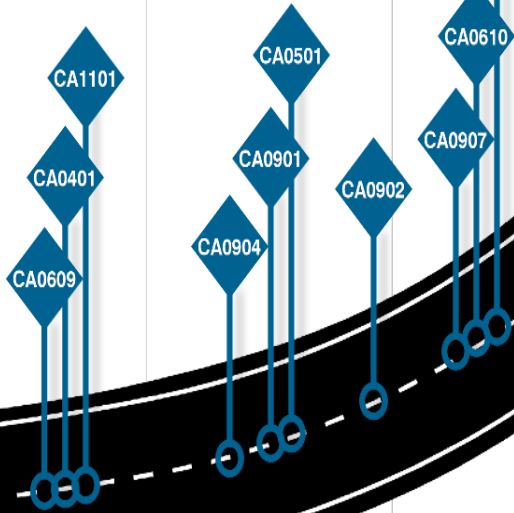
## Status Key

- ◆ Construction Complete
- In Design – Scheduled Letting
- ◆ In Construction – Estimated Completion

**\$533 Million Completed**

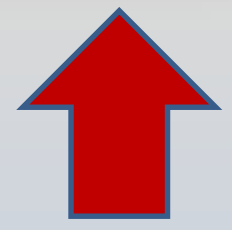
**\$175 Million Scheduled**

**\$1.19 Billion Under Construction**





Costs



Revenue





# *Other Improvements*

















*Questions?*

