

Lorie H. Tudor, P.E.
Director



Metroplan Board Meeting

Wednesday, June 24, 2020



Funding Challenges



Challenges



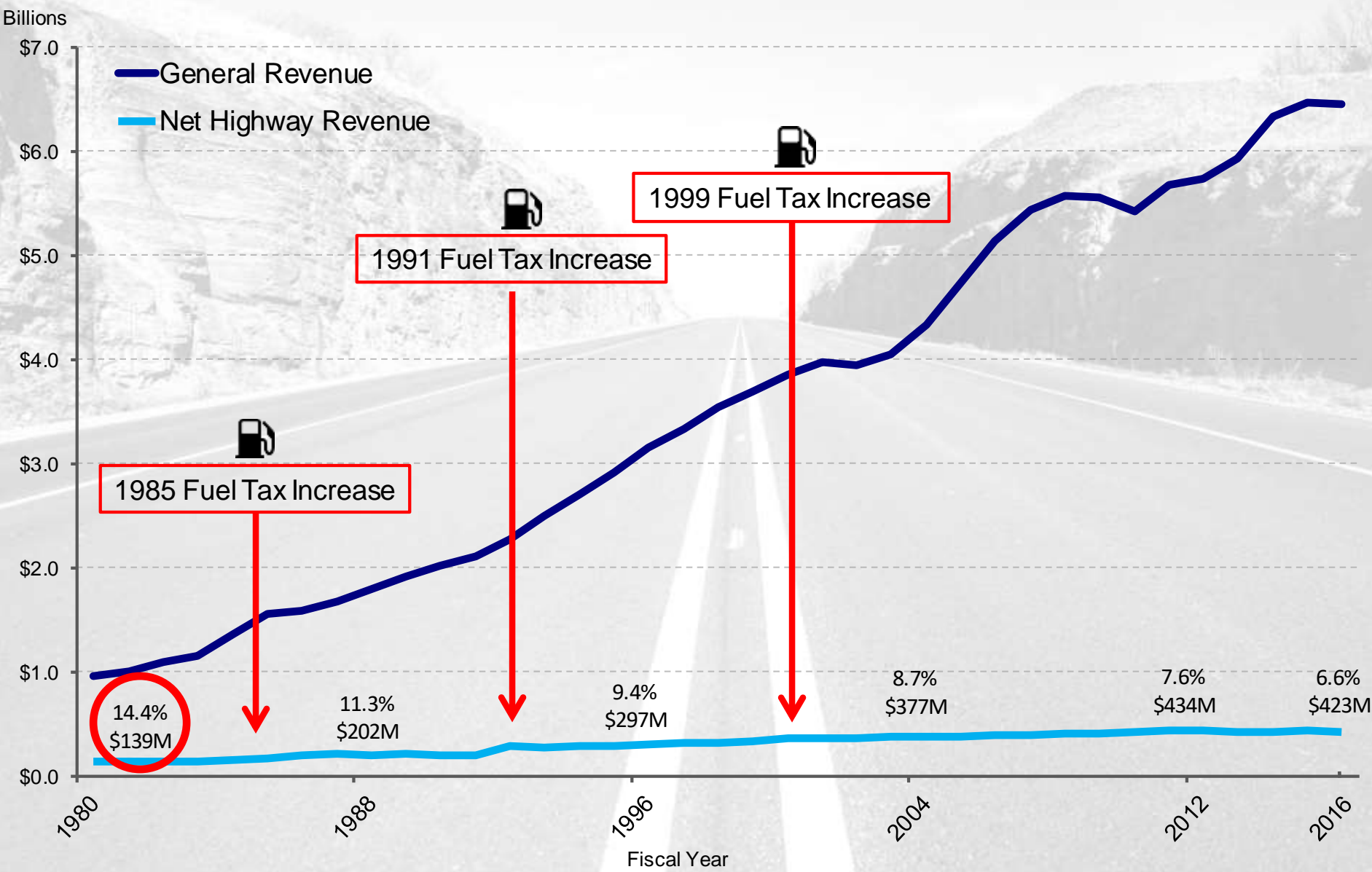
- **12th** largest system in the country
- **41st** in highway revenue per mile

Next 10 Years:

- **\$9.3 billion**
(\$930 million/year)
in Needs
- **\$4.5 billion**
in Revenue

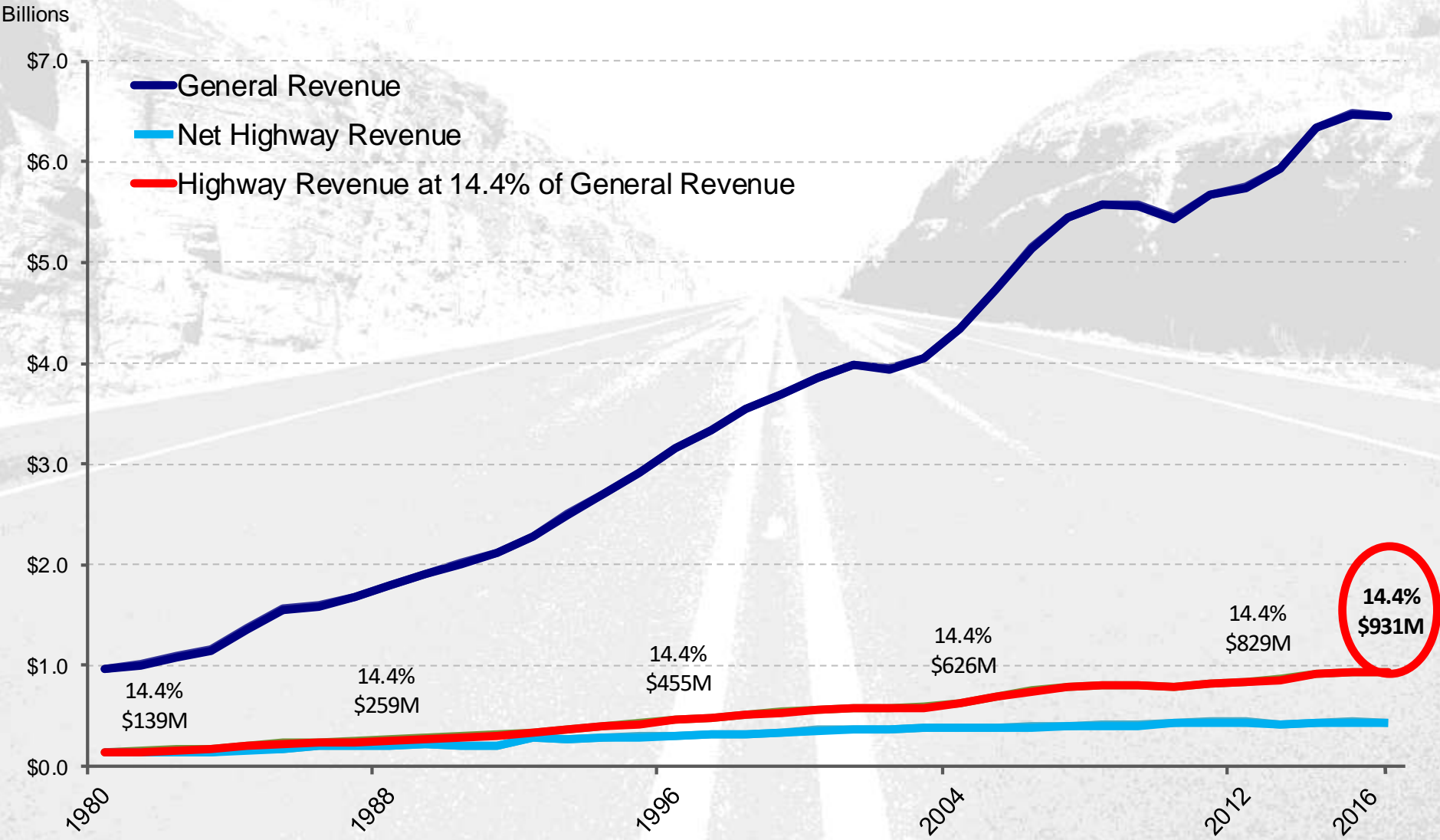


Percent of Highway vs. General Revenue



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

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

Type Work	1998 Cost Per Mile	2018 Cost Per Mile	Percent Increase
New Location 4-Lane Interstate - Urban	\$ 6,500,000	\$ 9,700,000	49%
New Location 4-Lane Arterial – Urban	\$ 4,000,000	\$ 7,000,000	75%
Widening 2 to 5-lane – Urban	\$ 2,900,000	\$ 5,200,000	79%

Type Work	1998 Cost Per Lane Mile	2018 Cost Per Lane Mile	Percent Increase
Reconstruction Non-Freeway - Urban	\$ 450,000	\$ 1,800,000	300%

Type Work	1998 Cost Per Square Foot	2018 Cost Per Square Foot	Percent Increase
New Bridge	\$ 60	\$ 147	145%

Significant Loss of Purchasing Power

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

Pay a **Little** Now



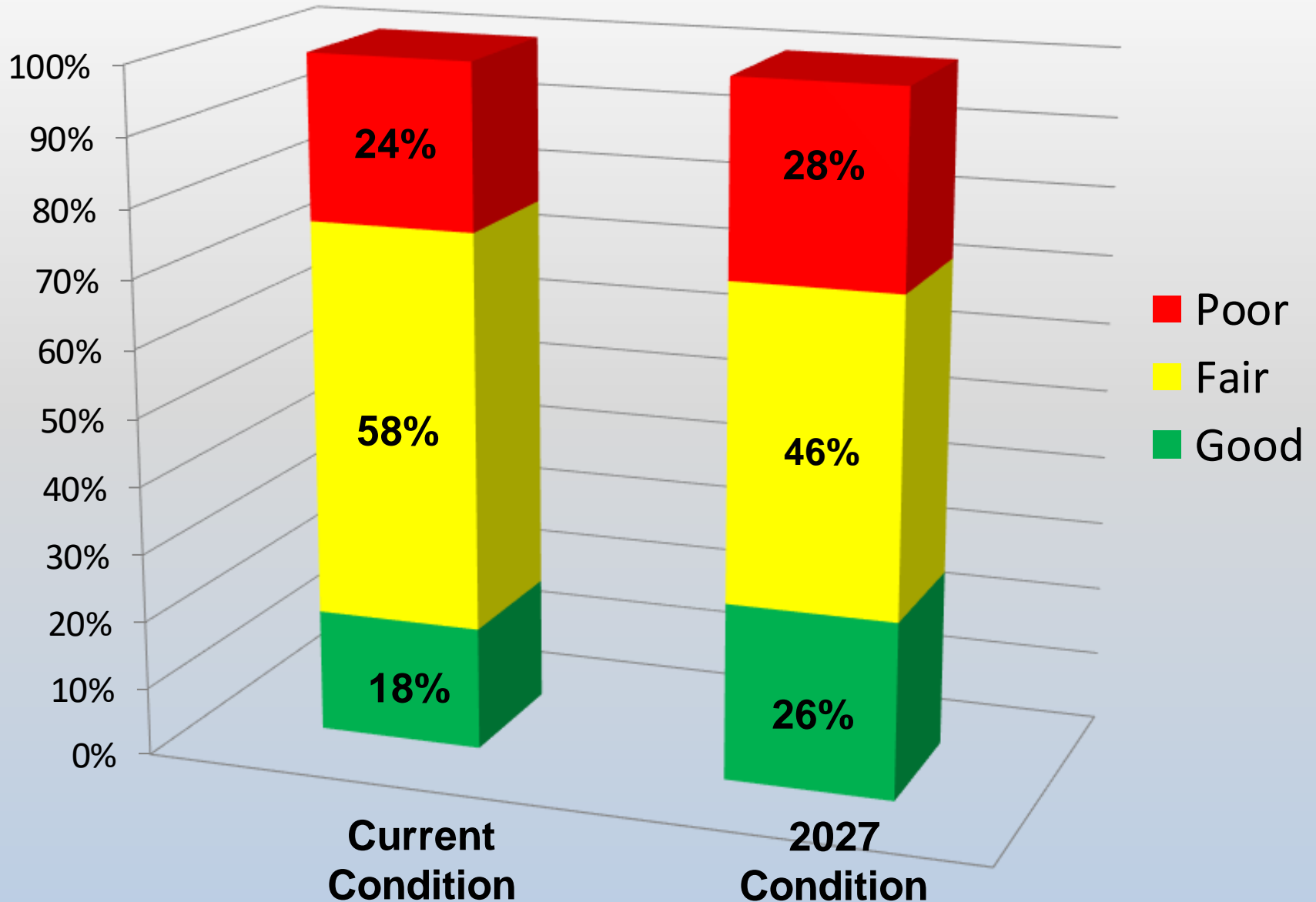
Overlay
\$110,000
per lane mile

Pay a **Whole Lot** Later

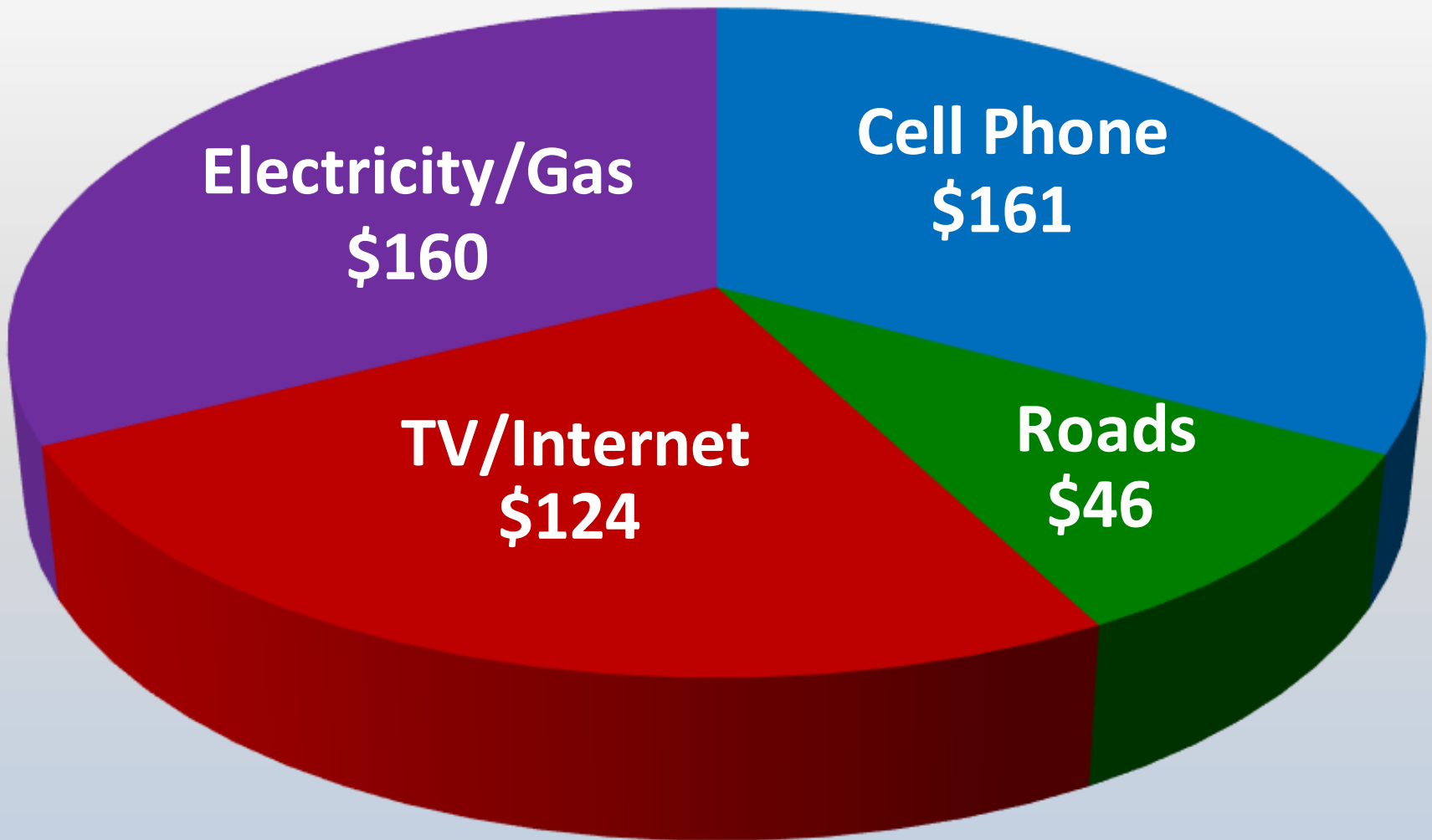


Reconstruction
\$1,800,000
per lane mile

All State Highways – Including Interstates



Average Monthly Household Expenditures

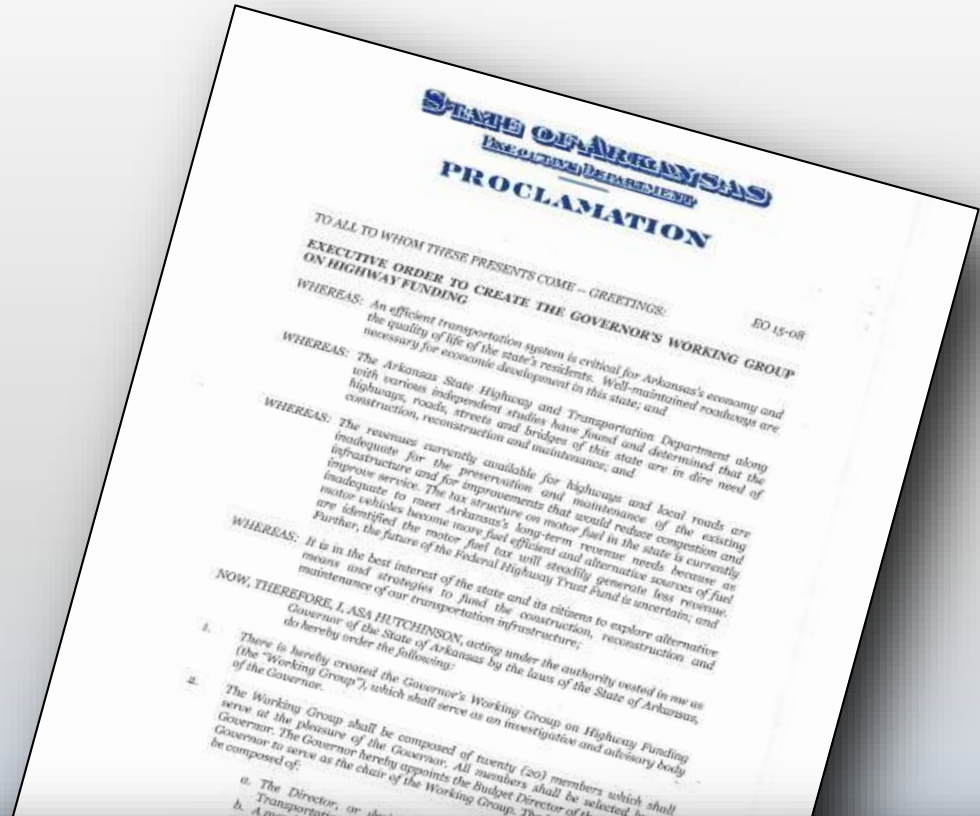


Arkansans Major Public Asset Transportation Infrastructure

State Highway System	Gross Replacement Value	Average Annual Investment to Maintain State of Good Repair
Roads	\$58.1 Billion	\$387 Million (0.67%)
Bridges	\$11.0 Billion	\$117 Million (1.06%)
Total	\$69.1 Billion	\$504 Million (0.73%)

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.

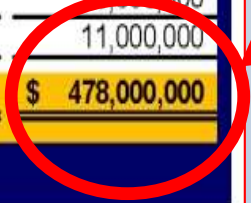


Exhibit III

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
Totals	\$ 925,000,000	\$ 447,000,000	\$ 478,000,000

\$ 478,000,000



Note: Amounts shown are rounded.



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	<u>\$ 35 Million</u>
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

Summary

Act 416

\$ 95 Million

Issue #1

\$205 Million

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

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

Act 416 of 2019	\$ 95 Million
Issue 1	\$ 205 Million
Current Construction Program	\$ 440 Million
Total	\$ 740 Million



If Issue 1 Passes



10-Year *Renew Arkansas Highways* Program

Pavement Preservation \$3.0 Billion

Bridge Improvements and Preservation \$1.1 Billion

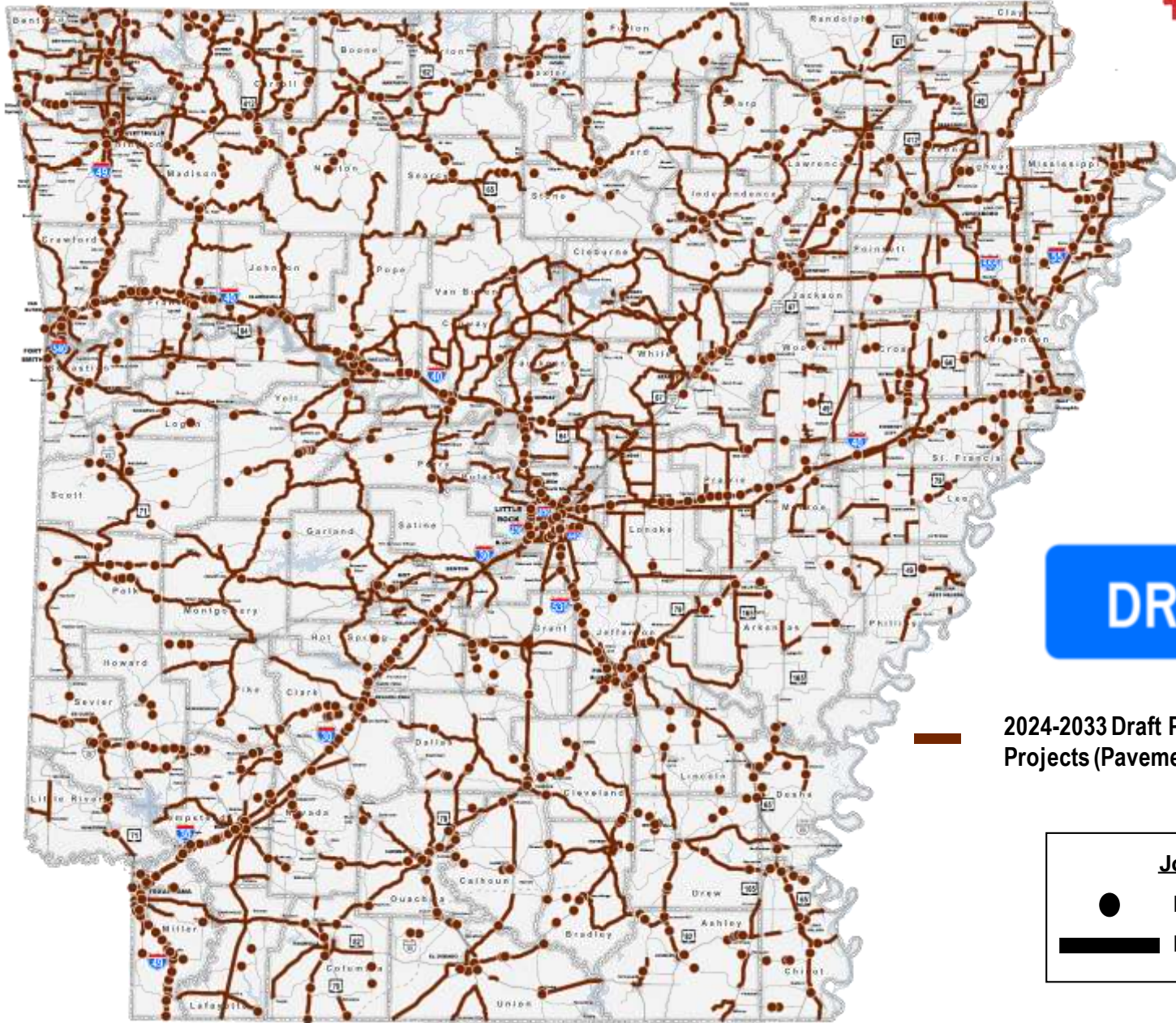
Interstate Maintenance \$1.0 Billion

Safety Improvements \$0.5 Billion

Capital and Congestion Relief (CAP-2) \$1.8 Billion

Total \$7.4 Billion





DRAFT

— 2024-2033 Draft Program of Preservation Projects (Pavement & Bridges)

Job Type

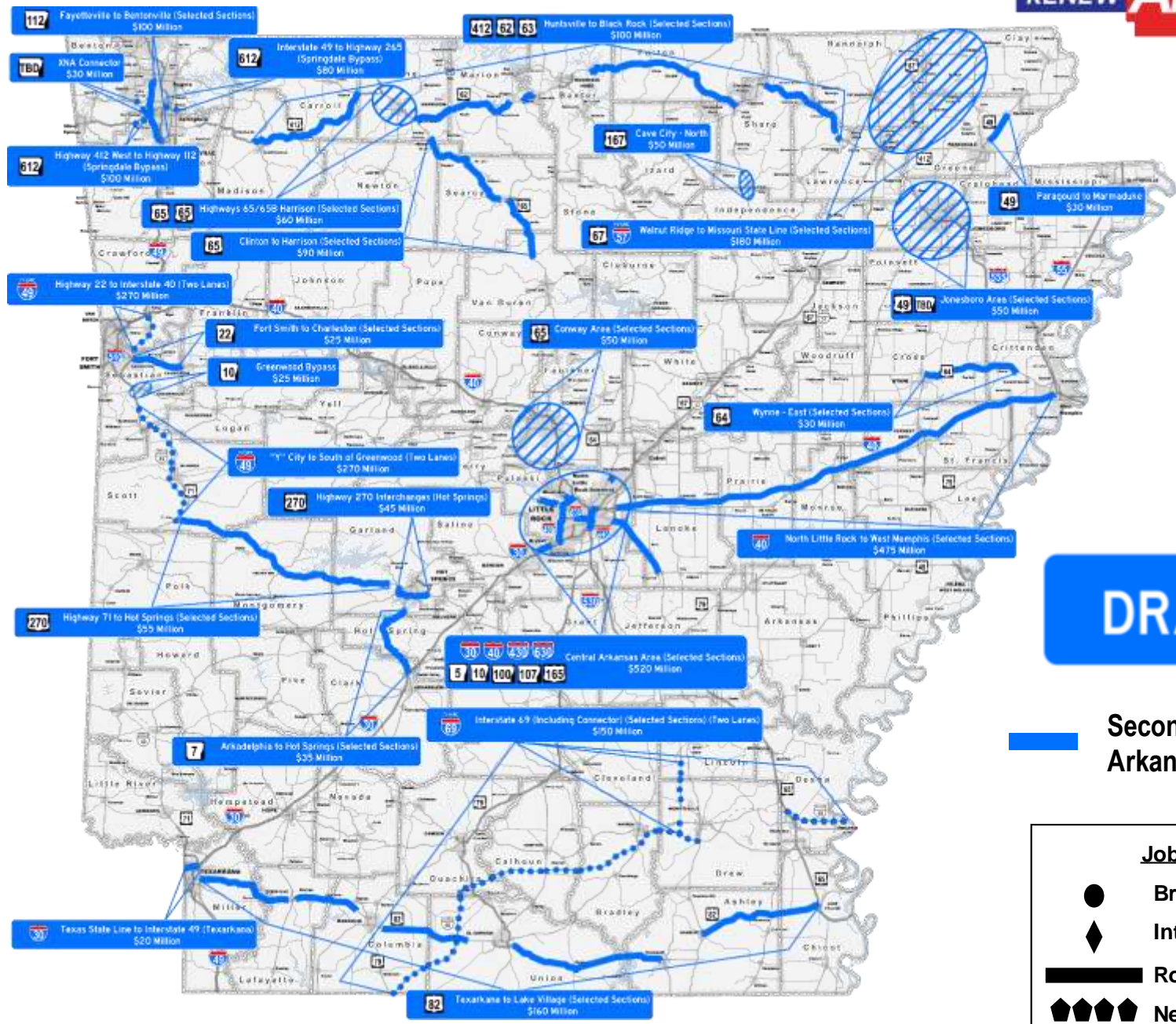
- Bridge
- Roadway

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



DRAFT

Second Connecting Arkansas Program

Job Type

- Bridge
- ◆ Interchange
- ▬ Roadway
- ◆◆◆◆ New Location

Second Connecting Arkansas Program



65B **TBD** Conway Area (Selected Sections) \$50 Million

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

100 Count Massie to Interstate 430 \$20 Million

30 **40** Central Arkansas \$350 Million

10 Chenal Parkway – East (Selected Sections) \$25 Million

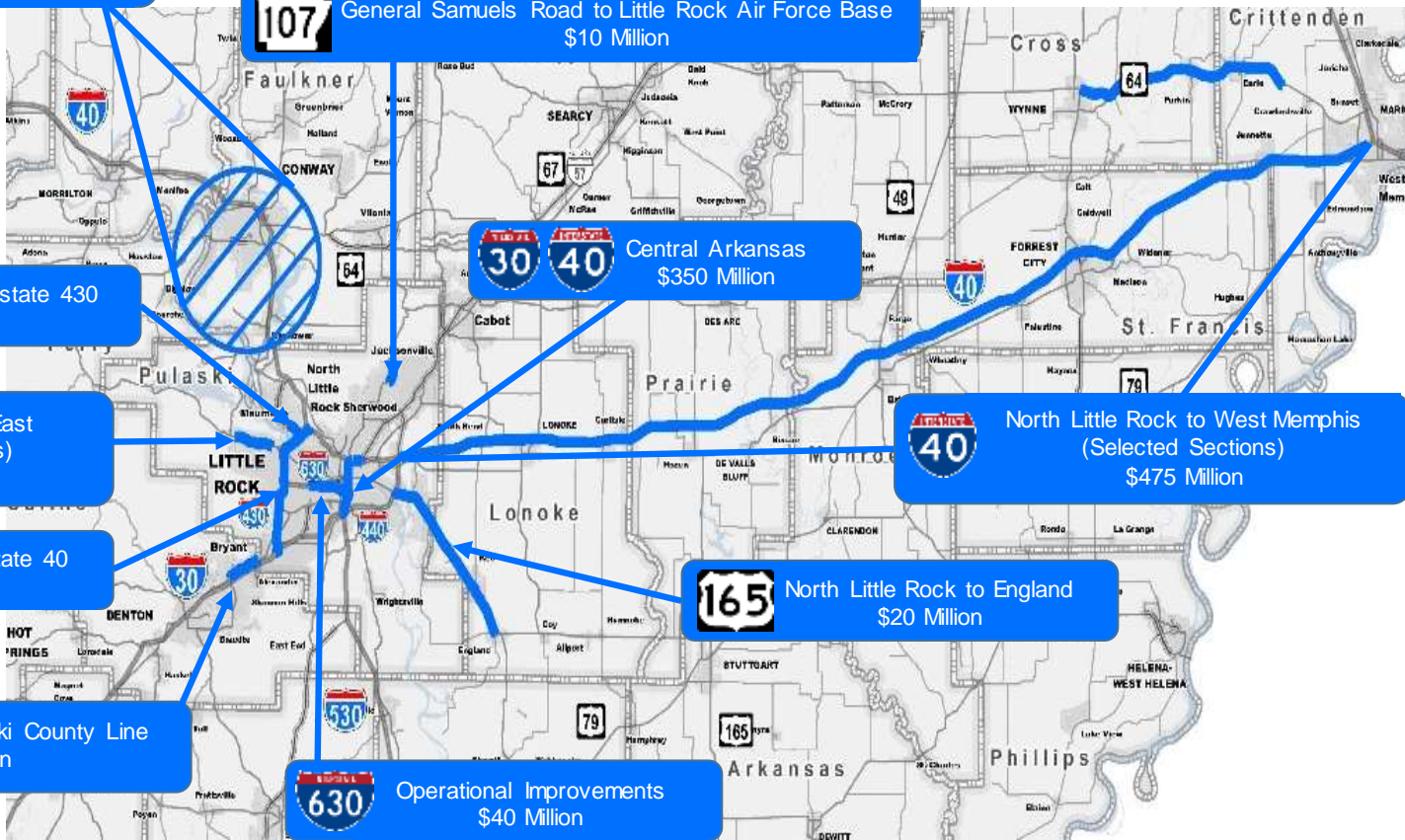
40 North Little Rock to West Memphis (Selected Sections) \$475 Million

430 Interstate 30 to Interstate 40 \$30 Million

165 North Little Rock to England \$20 Million

5 Highway 183 to Pulaski County Line \$25 Million

630 Operational Improvements \$40 Million

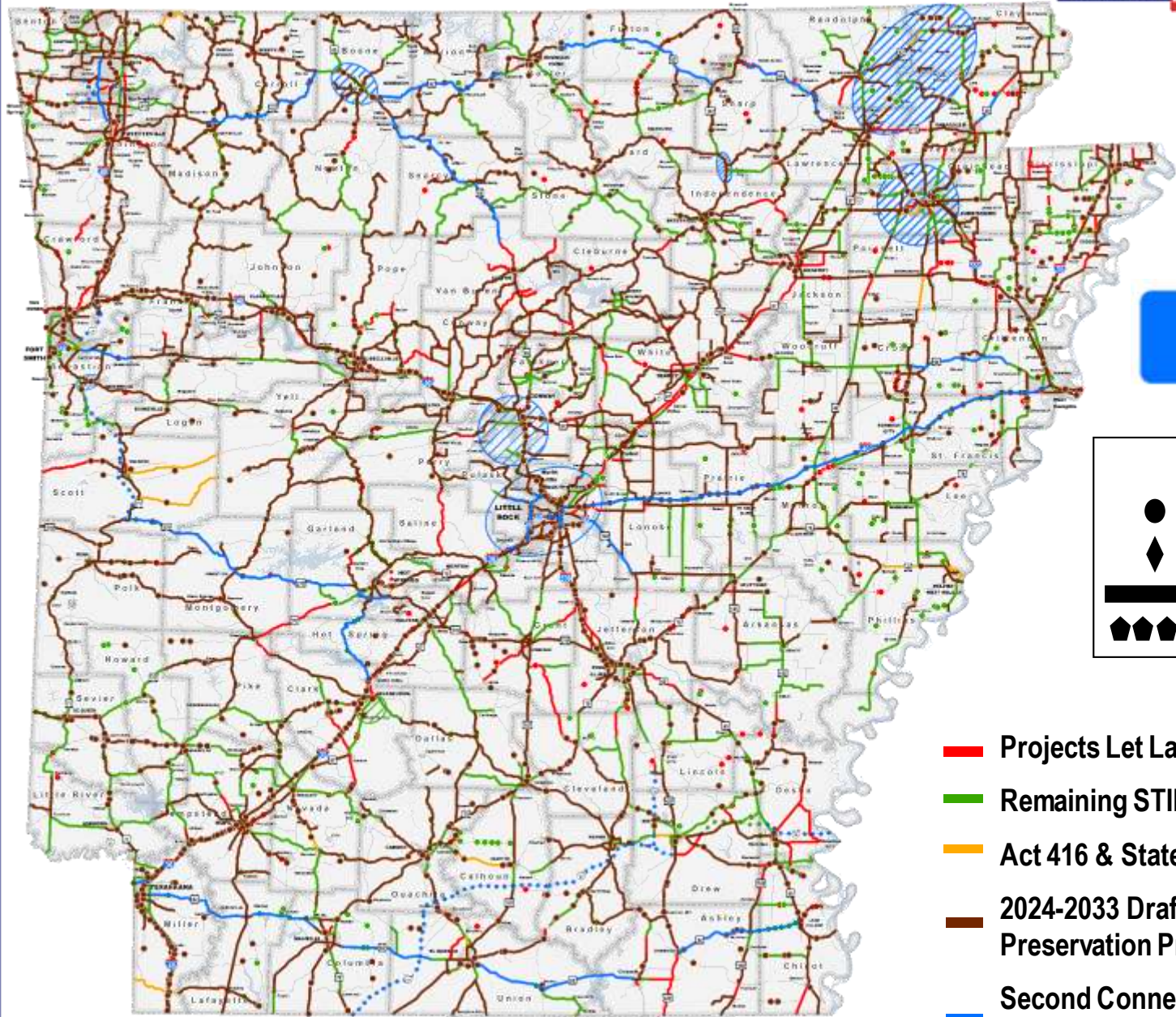


DRAFT

— Second Connecting Arkansas Program

Job Type	
●	Bridge
◆	Interchange
▬	Roadway
◆◆◆◆	New Location

New Highway Program



DRAFT

Job Type

- Bridge
- ◆ Interchange
- ▬ Roadway
- ▮▮▮▮ New Location

- Red line: Projects Let Last 10 Years
- Green line: Remaining STIP
- Yellow line: Act 416 & State Surplus Revenue
- Brown line: 2024-2033 Draft Program of Preservation Projects
- Blue line: Second Connecting Arkansas Program

If Issue 1 Fails

Annual Revenue Expected to be
Available in SFY 2024

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

Nearly 30% Less

If Issue 1 Fails

10-Year 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)	\$1.8 Billion

Total **~~\$5.4~~ \$7.4 Billion**

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**



IRP

2011



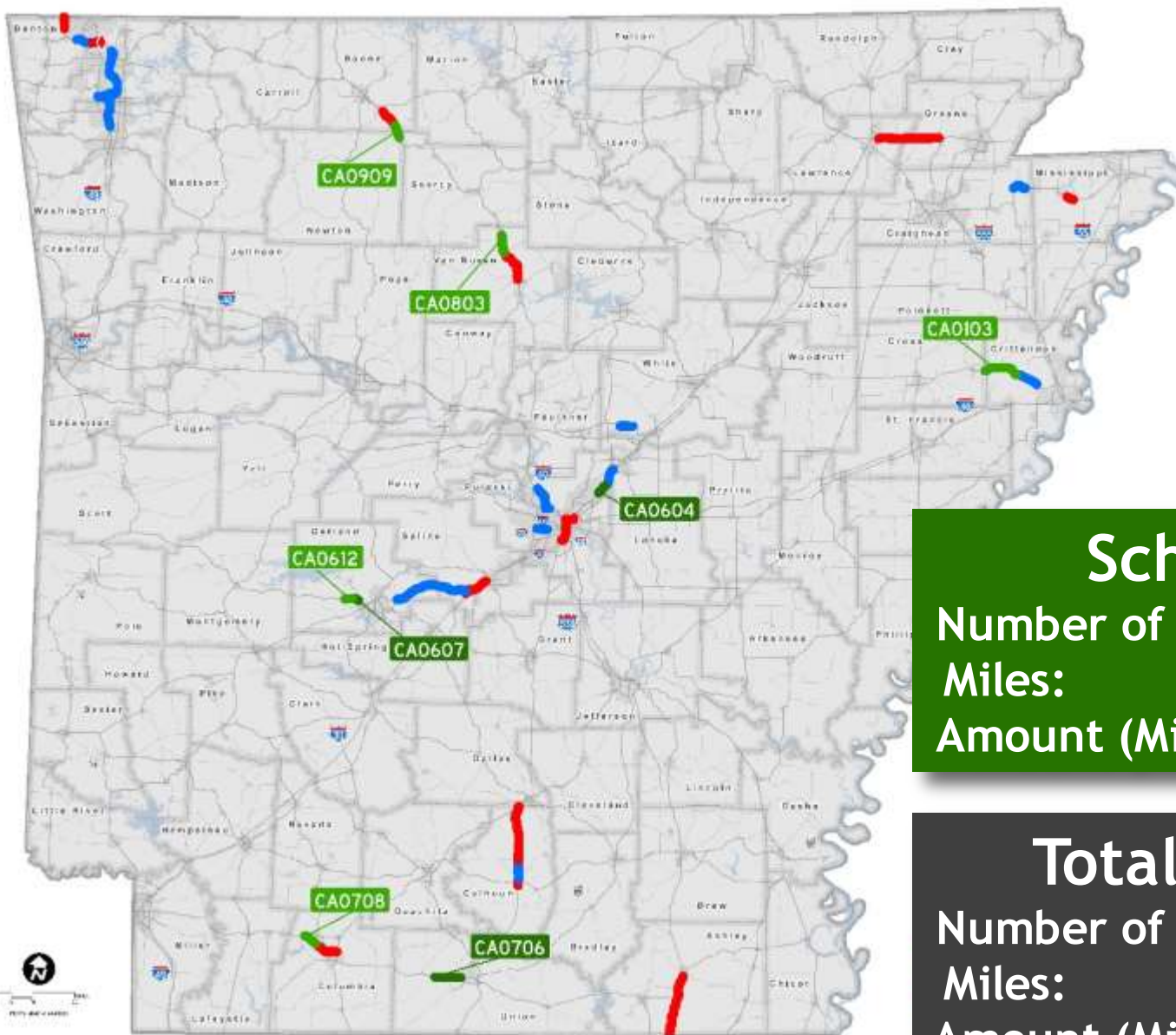
CAP

2012





Total Program	
Number of Projects:	54
Miles:	358
Amount (Millions):	\$1,331



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

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



Local Updates



Interstate 30 Widening



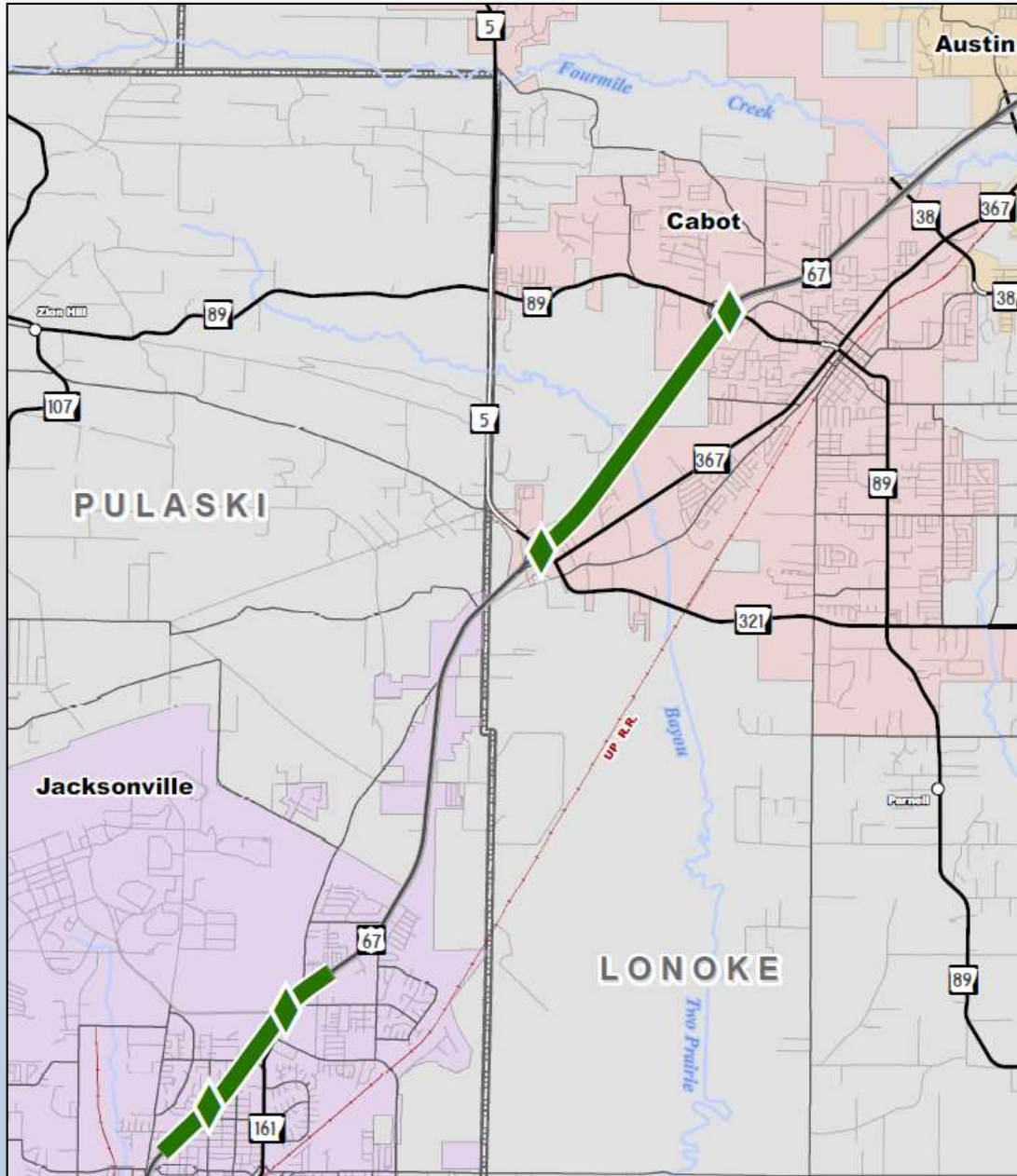
Under Construction
6 Miles
\$187 Million

Design-Build
Contract Awarded

7 Miles
\$540 Million



Highway 67 Improvements

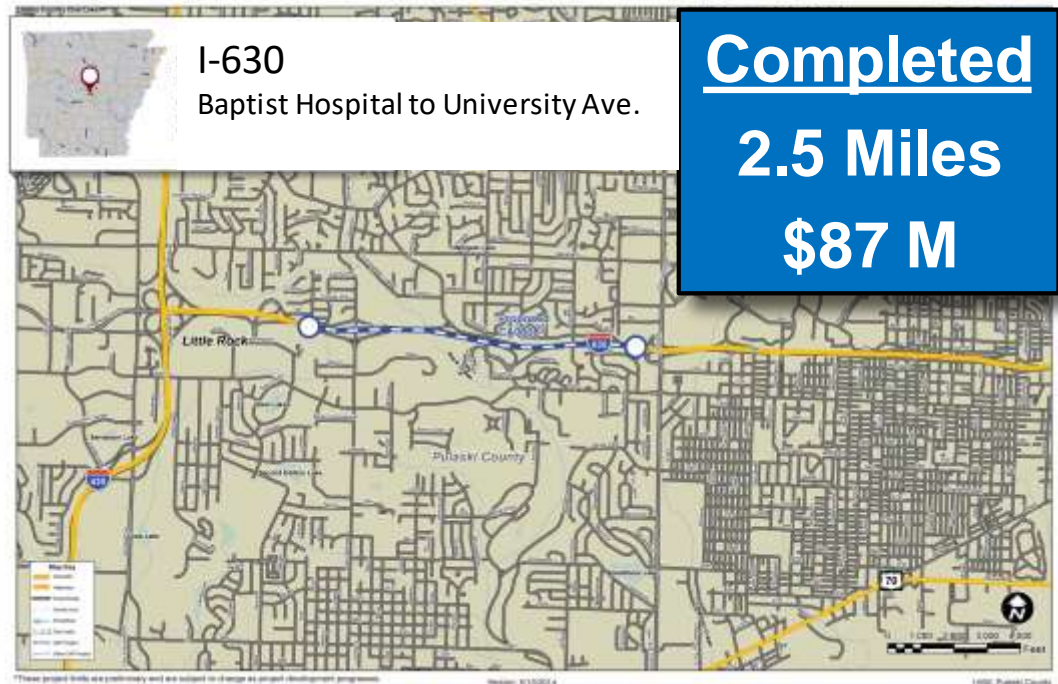
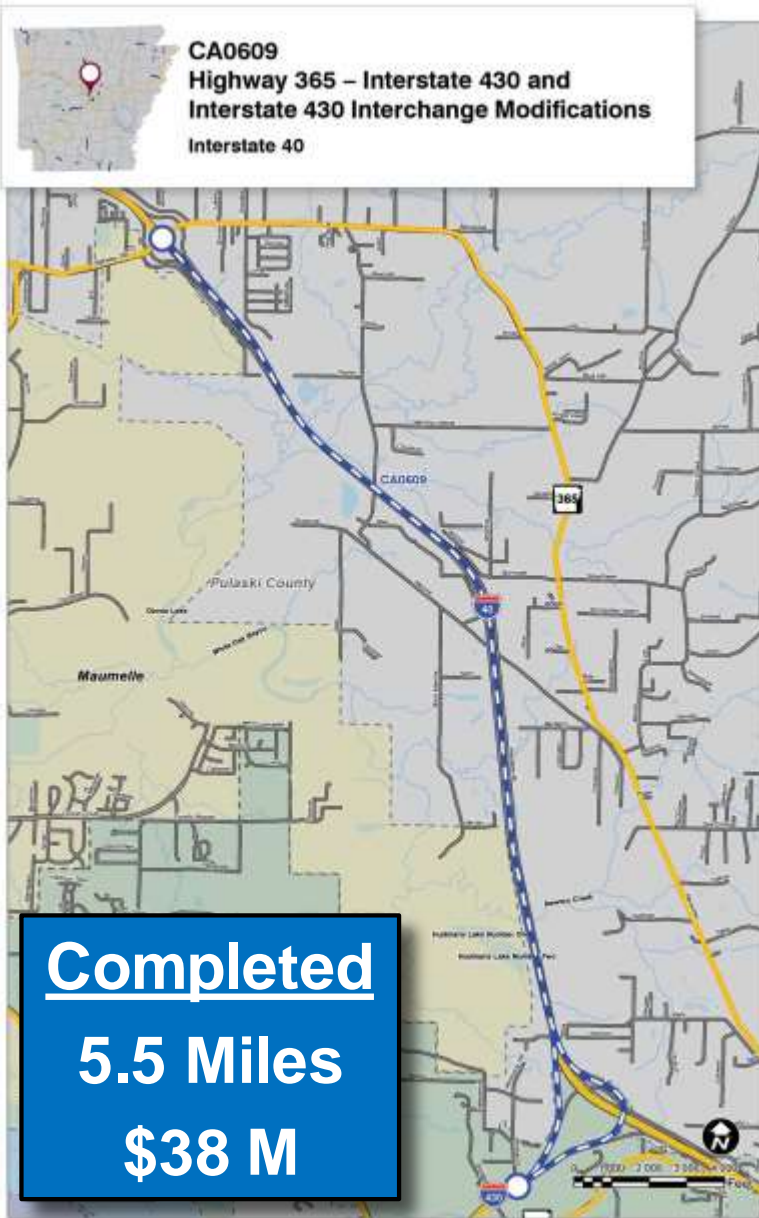


Completed
5 Miles
\$88 Million

Scheduled
5 Miles
Est. \$150-175 Million
\$40 Million INFRA Grant

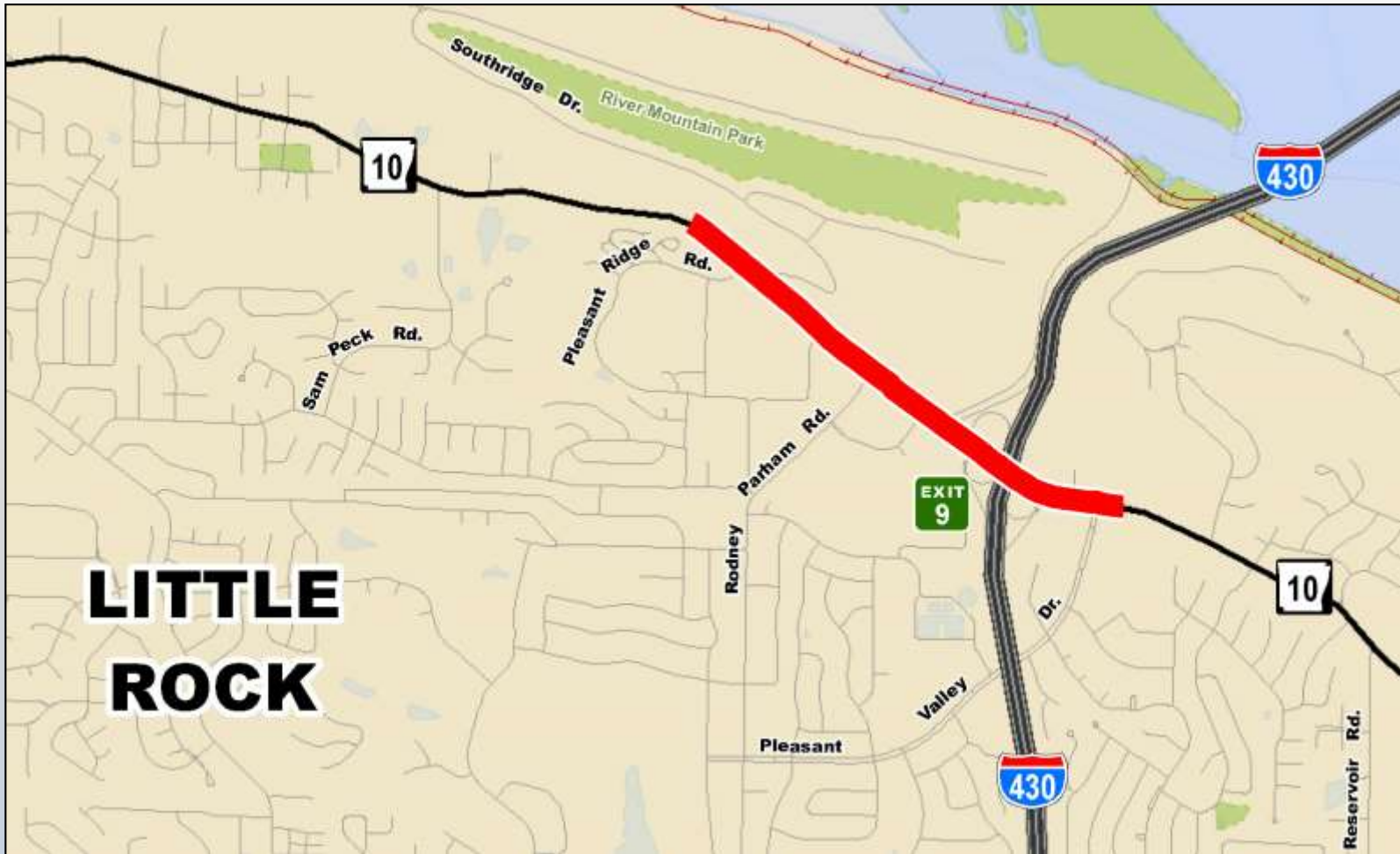


Other CAP Projects



*These project titles are preliminary and are subject to change as project development progresses. Revision: 01/15/2014. © 1999, Pulaski County.

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





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

- 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

Economy / Jobs / Safety / State of Good Repair



ROAD to a
BETTER FUTURE

November 3, 2020



Your
TRANSPORTATION SYSTEM

Lorie H. Tudor, P.E.
Director



QUESTIONS?

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