Update

2011 Interstate Rehabilitation Program
and Connecting Arkansas Program
Completed
Miles: 222
Amount: $668 M
Scheduled for 2018
Miles: 21
Amount: $44 M
Scheduled for 2019-2023
Miles: 170
Amount: $290 M
Completed
Miles: 27
Amount: $188 M
Under Construction
Miles: 49
Amount: $403 M
Scheduled for 2018
Miles: 80
Amount: $1.09 B
Scheduled for 2019-2020
Miles: 29
Amount: $245 M
Update

Future Construction Engineering and Inspection Opportunities
Connecting Arkansas Program:
2018 - $1.09 Billion Scheduled
13 Projects

- 6 Projects In-House
- 4 Projects by Consultant
- 3 Projects To Be Determined
Other Projects:

2018 - $450 Million Scheduled

• To Be Determined

✓ Full Service CEI

✓ Consultant Inspectors/Field Engineers
Update Possible 2018 Ballot Measure
CHALLENGES
Challenges

- 12th largest system in the country
- 42nd in highway revenue per mile.
- $9.3 billion in needs
- $4.5 billion in available revenue
General Revenues vs ArDOT Net Highway Revenues


General Revenue vs Net Highway Revenue

Billions

Excludes County & City Aid funds | Excludes CAP
Average Annual Highway User Revenue Distribution

- **Cities**
  - $107M (15.2%)
- **Counties**
  - $107M (15.2%)
- **Other**
  - $33M (4.8%)
- **$455M (64.8%)**

**ARDOT**

*Constitutional & Fiscal Agencies and Non-Highway Uses.

Note: May not add due to rounding.
$100,000,000 Widening Program

THEN
22 years ago, in 1995, **33 miles** of Highway could be widened.

NOW
As of 2015, using the same resources, only **15 miles** of Highway could be widened.
THEN
22 years ago, in 1995, **200 miles** of Highway could be overlaid.

NOW
As of 2015, using the same resources, only **54 miles** of Highway could be overlaid.
Interstates

Current Condition

- Poor: 3%
- Fair: 26%
- Good: 71%

2027 Condition

- Poor: 1%
- Fair: 21%
- Good: 78%
All State Highways – Including Interstates

Current Condition
- Poor: 24%
- Fair: 58%
- Good: 18%

2027 Condition
- Poor: 28%
- Fair: 46%
- Good: 26%
Average Monthly Household Expenditures

- Electricity/Gas: $160.00
- TV/Internet: $124.00
- Telephone: $161.00
- Roads: $46.00
<table>
<thead>
<tr>
<th>Pay a <strong>Little Now</strong></th>
<th>Pay a <strong>Whole Lot Later</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overlay</strong> $100,000 per lane mile</td>
<td><strong>Reconstruction</strong> $1,500,000 per lane mile</td>
</tr>
</tbody>
</table>
Pay a Little Now or a Lot Later!
“. . . 70% of our highway, road and street funding comes from a consumption-based tax, while it is a national goal to reduce consumption. The trend. . . is simply a losing proposition. We’re moving backwards.”
Blue Ribbon Committee Recommendations

- Reissue GARVEE Bonds for Interstate Rehabilitation Program
- State Aid Programs for Cities
- Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program
- Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries
Total Road User Revenue
$1,076.5 Million

Distribution:

General Revenue
$460.7 Million (43%)

Highway Revenue
$615.9 Million (57%)
HB 1418 Revenue

Transferred sales tax on new and used vehicles to the Highway Department and phased in over 10 years.

FAILED TO GET OUT OF THE HOUSE COMMITTEE

90 SPONSORS!!
2015 Legislation

HB 1346 REVENUE

Transferred sales tax on new and used vehicles to the Highway Department fund phased in over 10 years AND transferred the natural gas severance tax revenue from the Highway Department fund into a newly created higher education workforce development fund.

PASSED THE HOUSE COMMITTEE

PULLED BEFORE A VOTE ON THE HOUSE FLOOR
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.
2017 Legislation

HB 1726 BOND ISSUE
Authorizes the State Highway Commission to issue bonds for highway maintenance and improvements upon approval by statewide election.

HB 1727 GAS TAX
Establishes additional fuel sales tax at the wholesale level to be levied, only if the State Highway Commission is authorized by a statewide vote to issue highway maintenance and improvement bonds.

PASSED THE HOUSE COMMITTEE

FAILED ON THE HOUSE FLOOR
2017 Legislation

HB 1726 BOND ISSUE
Authorizes the State Highway Commission to issue bonds for highway maintenance and improvements, upon approval by voters in a statewide election.

HB 1727 GAS TAX
Establishes additional fuel sales tax at the wholesale level to be levied, only if the State Highway Commission is authorized by a statewide vote to issue highway maintenance and improvement bonds.

HOUSE FOR – 38
AGAINST – 35
NOT VOTING - 27
"As to the long-term solutions, it emphasizes that it is difficult to get a referral of this General Assembly out to the voters, and that I hope the leadership of our state and the business community and others will look at an initiated act that might go on the ballot for a highway program," he said. "Otherwise, we'll continue to debate the long-term solution in future sessions."

Governor Asa Hutchinson
Arkansas Legislative Audit

May 16, 2017 – Arkansas Legislative Audit - Review of Highway Funding

Purpose:

✓ To review and verify ARDOT information, estimates and calculations related to highway funding

Report Objectives:

✓ History of funding sources
✓ History of construction and maintenance costs
✓ State match needed for Federal funds
✓ Additional State revenue to meet system preservation needs

August 31, 2017 – Report Released
ALA staff reviewed projected revenues and expenditures for fiscal years 2017 through 2020 for consistency and reasonableness when compared with prior years.

<table>
<thead>
<tr>
<th>Description</th>
<th>Additional Annual Revenues Needed (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>$447,000,000</td>
</tr>
<tr>
<td>Pavement Preservation</td>
<td>$447,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>$447,000,000</td>
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<tr>
<td>Total System</td>
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<tr>
<td>Capacity Relief</td>
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<tr>
<td>Safety Improvements</td>
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</tr>
<tr>
<td>Maintenance</td>
<td></td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td></td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td></td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td></td>
</tr>
<tr>
<td>Total Maintenance</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>$447,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
Arkansas State Highway Needs

ALA staff reviewed supporting documentation obtained from ARDOT to verify that costs for the projects were reasonable, based on historical information.

<table>
<thead>
<tr>
<th>Description</th>
<th>Additional Annual Revenues Needed Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>$[925,000,000]</td>
</tr>
<tr>
<td>Pavement</td>
<td>$[447,000,000]</td>
</tr>
<tr>
<td>Bridges</td>
<td>$[478,000,000]</td>
</tr>
<tr>
<td>Total System</td>
<td>$[478,000,000]</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>$[151,000,000]</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>$[30,000,000]</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$[19,000,000]</td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>$[19,000,000]</td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>$[8,000,000]</td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>$[3,000,000]</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>$[30,000,000]</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
Arkansans Need to Decide How to Fund Your Transportation System
Citizens Opinion Survey

Are you satisfied with the condition of the existing state highway system?
☐ Yes  ☐ No

What highways in your area need improvements, and what type of improvements do they need?
Priority 1: ___________________________
Priority 2: ___________________________
Priority 3: ___________________________
Priority 4: ___________________________

If you want better highway conditions, the Arkansas State Highway and Transportation Department will need additional funds. Would you support a new highway program that would generate additional revenue?
☐ Yes  ☐ No

Which of the following sources do you recommend be utilized in obtaining additional funds (check all that apply):
☐ Increase in gas tax
☐ Increase in diesel tax
☐ Increase in sales tax (dedicated to highways)
☐ Increase in registration fees
☐ Add sales tax on wholesale price of motor fuels
☐ Transfer existing sales and use tax on motor vehicles and related parts and service (currently collected but not paid to Highways)
☐ Other: ___________________________

Would you be willing to sign a petition to put a highway revenue proposal on the 2019 general election ballot?
☐ Yes  ☐ No

How did you hear about this survey?
☐ Presentation
☐ TV/Radio/Print
☐ Social Media
☐ Website/Search Engine
☐ Other: ___________________________

Optional:
Name: ___________________________
Address: ___________________________
City, State, Zip: ___________________________
Survey Results

Are you satisfied with the condition of the existing highway system?

- No: 73%
- Yes: 24%
- No Answer: 3%

Would you support a new highway program that would generate additional revenue?

- Yes: 75%
- No: 21%
- No Answer: 4%
Survey Results

Which of the following sources do you recommend be utilized in obtaining additional funds?

- **Transfer existing sales and use tax**: 1,775 (62%)
- **Add on w/s price of motor fuels**: 531 (19%)
- **Increase Registration fees**: 878 (31%)
- **Increase Sales Tax**: 743 (26%)
- **Increase Diesel Tax**: 1,327 (47%)
- **Increase Gas Tax**: 902 (32%)
Update

Design Build Project Delivery Method

Future Projects?
Design-Build

Current Activities (30 Crossing)

Meeting with Short-listed Proposers

Finalizing Request for Proposal documents

Anticipated DB selection in late 2018/early 2019
Future Activities

No additional projects currently identified for DB delivery

Developing a Design-Build project screening process
Update

Construction Manager / General Contractor Project Delivery Method
Background

Act 809 of 2017 established the CMGC Pilot Program:

- 5-year pilot program
- Up to 3 projects can be delivered
- Total combined value of projects not to exceed $200 million
What is CMGC?

CMGC is a qualifications based selection of a construction contractor to provide:

- Constructability and innovation reviews during design
- Opinions of Probable Construction Costs (OPCC) during design
- Identification of risk and methods of risk mitigation during design
- Bid to construct the project within the context of the contractor’s preconstruction involvement
What is the ICE?

Independent Cost Estimator is used to validate the CMGC OPCCs:

- The ICE is procured separate from the CMGC
- Provides an independent cost estimate for each CMGC OPCC
- Cost estimate is developed to simulate a “second bid”
CMGC and ICE

**Current Activities**

CMGC and ICE are currently being procured:

- Proposals have been received
- Selection anticipated in February 2018
Arkansas Department of Transportation

- ARDOT.gov
- ConnectingArkansasProgram.com
- Vimeo.com/myARDOT
- IDriveArkansas.com
- Twitter.com @myARDOT
Questions?