**STATE AID STREET PRESENTATION**

**36TH ANNUAL AGFOA CONFERENCE**

**BY STEVEN NAPPER, ATTORNEY for the STATE AID STREET COMMITTEE**

**HISTORY OF THE PROGRAM**

1. First created in 1975 and funded with Federal Revenue Sharing Funds until 1981 at which time revenue sharing was eliminated. Funding was based upon population.
2. Remained dormant until passage of Act 1032 of 2011 which substantially amended the 1975 statute establishing the State Aid City Street Program to be administered by a State Aid Street Committee whose responsibilities include determining which projects receive funding under the Program.
3. On November 6, 2012 Arkansas Voters approved a Constitutional Amendment which passed a temporary ½ cent sales tax for highway construction and permanently dedicated one cent per gallon of the existing motor fuel tax to fund the Program.

**DESIGN AND PASSAGE OF ACT 1032 –** The Legislative Experience.

**STATE AID STREETS -**  Definition.

1. Are particularly essential to the conservation and development of economic and social value;
2. Encourage desirable land utilization; and have one or more of the following characteristics:
   1. Extend to communities within and beyond the municipality;
   2. Connect with roads of major importance to municipalities or to counties;
   3. Connect with State Highways;
   4. Carry heavy volumes of traffic serving major business interests of the municipality;
   5. Collect traffic at reasonable intervals from several local streets.
3. State Aid Streets include bridges and ferries.
4. State Aid Streets can never be a state highway.
5. By AHTD rule State Aid Streets must be at least 18 feet wide.
6. By AHTD rule State Aid Streets will not qualify if they terminate in a “dead end” or consist of a loop.

**STATE AID STREET COMMITTEE**

1. Made up of nine mayors serving a four year term. Each mayor may be appointed to a second four year term.
2. Three mayors are selected by the Governor; three mayors are selected by the Speaker of the House; and three mayors are selected by the President Pro Tem of the Senate.
3. At least one mayor selected by the Governor, Speaker and President Pro Tem must come from a city with a population in excess of 25,000.
4. The current Committee is made up of the Mayors of Little Rock, Springdale, Jonesboro, Conway, Paragould, Camden, Lake Village, Lamar and Jasper.
5. Mayor Mike Gaskill of Paragould is Chairman of the Committee and Mayor Jerry Boen of Lamar is Vice-Chair.

**APPOINTMENT OF FUNDS**

1. The Committee works with the State Aid Engineer, David Mayo, of the State Aid Division of AHTD whose Division qualifies the project for submittal to the State Aid Street Committee for approval.
2. All projects are bid at lettings conducted by the State Highway Department and the State Aid Division then oversees project construction.
3. Municipalities with populations of 25,000 or less receive 100% funding for each approved project. Municipalities over 25,000 must make a 10% match.
4. The Committee has adopted a rule limiting funding for a project to $250,000 and is currently only funding overlay projects. If a project exceeds $250,000 the municipality must pay the excess.
5. To be considered for a project a municipality must simply submit a letter to the Committee, signed by the Mayor, designating the street name, length of the project, priority and type of improvement. The Committee will then give preliminary approval and David Mayo or staff will schedule a site visit to determine compliance with Act 1032.
6. All right-of-way acquisition and utility relocation, if any, will not be considered part of the project and must be paid for separately by the municipality.

**PROJECT CRITERIA**

1. In order to receive funding for an overlay project the street condition must be fair, fair to poor, or poor.
2. Each project will be capped at $250,000.
3. Projects requiring design work will be granted preliminary approval but will not be considered for funding until engineering has been completed. To date, no such projects have been approved by the Committee.
4. Projects that are awarded funding of less than $250,000 but the bid amount exceeds by 10% of the estimated contract price must come back to the Committee for approval.
5. Municipalities may submit one project per calendar year but priority will be given to those municipalities that have yet to receive a project.
6. Municipalities that have received a project may submit the next calendar year but must resubmit each calendar year until the project has been approved.

**EXPANSION OF THE PROGRAM IN 2014**

1. Streets that consist of loops, end in a cul-de-sac, or terminate at a public or commercial facility will not be considered “dead ends” and are eligible for funding.
2. Streets with widths less than 18 feet are eligible for funding if there are no other suitable projects available to a municipality and the mayor submits a design exception with the initial application.
3. Roll out of the new website for the Program [www.citystreet.ar.gov](http://www.citystreet.ar.gov).

**CURRENT STATUS OF THE PROGRAM**

1. To date the Committee has approved 172 requests for overlay projects totaling $37.8 million in State Aid Street Funds.
2. 46 projects have been completed, 54 are under construction and 72 have been approved for funding.
3. On July 23, 2014 AHTD will open 32 bids totaling 7.2 million in State Aid Street Funds and another 16 projects totaling 4.0 million in the September bid letting. The remainder will be bid in 2015.
4. Since July 2013, which marks the inception of bidding for the program, AHTD has awarded contracts for 100 projects totaling 148 miles of street improvements for a combined cost of $24.5 million (not including contracts from the July 23rd bid letting).