

*** Transportation
SPLOST (2017-2021)
(Mayor's Meeting 3/31/16)**

Goals for Today's Meeting

Explain SB 369

Do we move forward on this TSPLOST effort in 2016?(Fulton County portion only)

Do we use max rate of 0.75%?

Do we distribute funds based on Population Only?

What is status of project selection? (have each Mayors give update)

Discuss the signing of Intergovernmental Agreement

Discuss the Call for Referendum

How does SB 369 create a special district within Fulton County?

Creates a special district for just Fulton County as a whole and a special district for City of Atlanta. The special district for COA is based on its geographic boundaries including the portion in DeKalb County.

'Metropolitan Municipality' = City of Atlanta

'Metropolitan County' minus 'Metropolitan Municipality' = Fulton County outside of COA

Is there a maximum tax rate?

The max rate in the City of Atlanta is 0.5%. Under SB 369, the City of Atlanta is allowed up to 0.5 cents for MARTA. The combined tax can be no more than 1.0%.

The max rate for Fulton County outside COA is 0.75%. While there is no current legislation that allows for additional tax, this bill limits any future increases to 0.25%.

How much money will be raised with a sales tax?

Assuming the maximum special district sales rate of 0.75% is leveraged for five years, the area of Fulton County outside the City of Atlanta will generate approximately **\$500-\$600** million from April of 2017 to March of 2022.

Assuming the maximum special district sales rate of 0.50% is leveraged for five years, the City of Atlanta will generate approximately **\$280-\$320** million from April of 2017 to March of 2022.

ESTIMATED 'FULTON OUTSIDE COA' TSPLOST FORMULA ALLOCATIONS

Formula Factor = (Local Gov. Pop./County Pop.)

Jurisdiction Formula Amount = Formula Factor x Revenue Projection

Jurisdiction	Total Population (Outside Atlanta)	% of County Population	0.75% TSPLOST 5-Year Revenue
ALPHARETTA	63,038	11.04%	\$ 62,736,751
CHATTAHOOCHEE HILLS	2,610	0.46%	\$ 2,597,527
COLLEGE PARK	13,290	2.33%	\$ 13,226,489
EAST POINT	35,488	6.22%	\$ 35,318,409
FAIRBURN	13,696	2.40%	\$ 13,630,549
HAPEVILLE	6,669	1.17%	\$ 6,637,130
JOHNS CREEK	83,102	14.56%	\$ 82,704,869
MILTON	36,662	6.42%	\$ 36,486,798
MOUNTAIN PARK	557	0.10%	\$ 554,338
PALMETTO	4,437	0.78%	\$ 4,415,796
ROSWELL	94,089	16.48%	\$ 93,639,364
SANDY SPRINGS	101,908	17.85%	\$ 101,420,998
UNION CITY	20,427	3.58%	\$ 20,329,383
FULTON (UNINCORPORATED)	94,888	16.62%	\$ 94,434,545
Totals	570,861	100.00%	\$ 568,132,946

Does the Georgia Code require that we spend money in a certain manner?

If an intergovernmental agreement is reached, a minimum of 30% of revenue generated must be consistent with the Statewide Strategic Transportation Plan (SSTP). SSTP is a policy document and does not include an exhaustive list of projects.

Because the SSTP identifies a broad range of supportive strategies and programs, many projects will be consistent with the SSTP. For example, projects that would be considered consistent include interchange projects, safety projects, and operational improvement projects. Meeting the 30% requirement should be easily accomplished.

Will there be Project Criteria?

Projects will be chosen by each of the municipal jurisdictions and unincorporated Fulton County. The manner in which the projects will be chosen will be entirely up to each jurisdiction. It is proposed that general project criteria be used by each jurisdiction and that these criteria be adopted by the Mayors and Commissioners at regular Mayor's meeting.

- Roadway Capital Expansion Projects
- System State of Good Repair
- Safety and Operational
- System Efficiency/Travel Demand Management/Transit
- Freight and Economic Development

The **Final Project Master List** will be a summation of each jurisdiction's list combined together. This Master List will be included in an intergovernmental agreement.

Per code, an intergovernmental agreement has to be reached on levying the tax, the rate of the tax and a project list.

How does a referendum get called?

A formal meeting is called by the BOC inviting each city by written notice. The referendum will only be considered if qualified municipalities and county representing 60% of the population of the portion of Fulton outside the City of Atlanta agree to move forward.

A similar process is in play for the City of Atlanta except the City Council approves the list of projects to move forward to the Fulton County Board of Commissioners.

The referendum will then be signed by the Fulton Board of Commissioners unless a super majority (5 votes) of the Board of Commissioners vote NOT to move the referendum forward. In the case of City of Atlanta, Fulton County Board still signs the resolution since they have more of City in regards to geographic area than DeKalb County.

What is included in the referendum forwarded to Election Superintendent?

- Specific transportation purposes to be funded
- The approximate cost of the transportation purposes
- Maximum amount of net proceeds to be raised by the tax
- Maximum amount of time in calendar years
- Rate of tax
- A list of projects and purposes

What details should be in final T-SPLOST Intergovernmental Agreement?

- *A list of the projects and purposes qualifying*
- *The estimated or projected dollar amounts allocated for each transportation purpose from proceeds from the tax*
- *The procedures for distributing proceeds from the tax to qualified municipalities*
- *A schedule for distributing proceeds from the tax to qualified municipalities which shall include the priority or order in which transportation purposes will be fully or partially funded*
- *A provision that all transportation purposes included in the agreement shall be funded from proceeds from the tax except as otherwise agreed*
- *A provision that proceeds from the tax shall be maintained in separate accounts and utilized exclusively for the specified purposes*
- *Record-keeping and audit procedures necessary to carry out the purposes of this article; and*
- *Such other provisions as the county and qualified municipalities choose to address.*

What happens if collections differ from projections?

It is suggested that a tiered process be used:

Tier I Projects - Projects that are based on 85% of Revenue projections

Tier II Projects - Projects that are based on revenue above 85% of the projections up to 100%

Tier III Projects - Projects that can be built if revenue exceeds 100% of projections.

Once passed, how will oversight occur?

Fulton County and the cities could create a Fulton Transportation Investment Citizen's Oversight Council. This Council would oversee the progress and implementation of the program. They would furnish annual reports to the Board of Commissioners and each Mayor of the cities within the County.

It is recommended that the Council consist of 15 total members with one appointee for each Mayor and one member appointed by the Fulton County Chairman. It is recommended that there will not be any elected official from within the County or municipalities represented.

The Annual Report will include a complete list of projects and the progress of the projects. The Council would meet twice per year and will be paid a per diem for their service on the Council. This per diem would be paid from the proceeds of the Sales Tax.

What would the ballot question look like?

FULTON OUTSIDE CITY OF ATLANTA

Shall an additional ____ percent sales tax be collected in part of _____ County _____ for _____ years for the purpose of transportation improvements and congestion reduction?

SAMPLE BALLOT: Shall an additional 0.75 percent sales tax be collected in part of FULTON County OUTSIDE OF THE CITY OF ATLANTA for FIVE years for the purpose of transportation improvements and congestion reduction?

CITY OF ATLANTA

Shall an additional ____ percent sales tax be collected in the City of _____ for _____ years for the purpose of transportation improvements and congestion reduction?

SAMPLE BALLOT: Shall an additional 0.5 percent sales tax be collected in the City of ATLANTA for FIVE years for the purpose of transportation improvements and congestion reduction?

Can the tax be renewed at the end of the five (5) year period?

Yes, the tax can be renewed following the same process. This process can occur while the current tax is still being collected.

Will all the monies go to actual projects?

Yes, nearly all of funds will go to projects. However, there will be monies set aside for program management. Funds for Project engineering and Rights of Way will also be spent. Program management cost typically is in the range of 3%. Please note that the law does require that 1% be paid to the general fund of the state treasury in order to defray the cost of administration at the state treasury.

How can the money be spent?

Funds can only be spent on “transportation purposes”. (See O.S.G.A 48-8-260(5))

(5) 'Transportation purposes' means and includes roads, bridges, public transit, rails, airports, buses, seaports, including without limitation road, street, and bridge purposes pursuant to paragraph (1) of subsection (b) of Code Section 48-8-121(see below), and all accompanying infrastructure and services necessary to provide access to these transportation facilities, including new general obligation debt and other multiyear obligations issued to finance such purposes. Such purposes shall also include the retirement of previously incurred general obligation debt with respect only to such purposes, but only if an intergovernmental agreement has been entered into under this article.

Code Section 48-8-121(b)(1)

If the resolution or ordinance calling for the imposition of the tax specified that the proceeds of the tax are to be used in whole or in part for capital outlay projects consisting of road, street, and bridge purposes, then authorized uses of the tax proceeds shall include:

- (A) Acquisition of rights of way for roads, streets, bridges, sidewalks, and bicycle paths;*
- (B) Construction of roads, streets, bridges, sidewalks, and bicycle paths;*
- (C) Renovation and improvement of roads, streets, bridges, sidewalks, and bicycle paths, including resurfacing;*
- (D) Relocation of utilities for roads, streets, bridges, sidewalks, and bicycle paths;*
- (E) Improvement of surface-water drainage from roads, streets, bridges, sidewalks, and bicycle paths; and*
- (F) Patching, leveling, milling, widening, shoulder preparation, culvert repair, and other repairs necessary for the preservation of roads, streets, bridges, sidewalks, and bicycle paths.*

(2) Storm-water capital outlay projects and drainage capital outlay projects may be funded pursuant to subparagraph (a)(1)(D) of Code Section 48-8-111 or in conjunction with road, street, and bridge capital outlay projects.

The code also does not directly address transit operations. However, it is felt that the text “and services” allows transit operations. Please note that a jurisdiction can also retire previously incurred general obligation debt with proceeds from the tax.

Are there items that are exempt from taxation?

Yes, there are six items that are exempt from taxation on the law. (see O.C.G.A 48-8-269.96(a) and 269.9993)

- *The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road farm or agricultural equipment, or locomotives;*
- *The sale or use of jet fuel to or by a qualifying airline at a qualifying airport;*
- *The sale or use of fuel that is used for propulsion of motor vehicles on the public highways;*
- *The sale or use of energy used in the manufacturing or processing of tangible goods primarily for resale;*
- *The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass transit; or*
- *The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1*

What about MARTA?

A sales tax for MARTA within the City of Atlanta is allowed under SB 369. Up to a 0.5 % sales tax that runs concurrent with the existing MARTA tax can be voted on in the Nov 8 election. For details on how the MARTA sales tax works, see SB 369. (Lines 19-119).

Proposed timeline

March 31	Discuss moving forward
April	Ratification of the general terms will later be incorporated into the IGA
Feb-May	Jurisdictions develop their list (4 months)
May 30	Jurisdiction lists are due
June 15	Complete Master List is sent to all jurisdictions
June 30	Intergovernmental Agreement discussed and signed at formal meeting (with proper 10 day notice)
Aug 3	Resolution signed by County and forwarded to Election Superintendent
Aug-Nov	Voter information campaign
Nov 8	VOTE