

State of Good Repair Infrastructure Finance Work Session

Mayor Keisha Lance Bottoms
Commissioner Josh E. Rowan, PE

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Agenda

- Safety Moment
- Assumptions
- Defining the Program
- Determining a Realistic Duration
- #DowntownBeatMidtown



Safety Moment

10-15 MPH

Driver's peripheral vision
Stopping distance
Crash risk



40+ MPH

Driver's peripheral vision
Stopping distance
Crash risk



Assumptions

- This presentation is numerical. It is all math. It will be fun.
- The estimated costs are conceptual and may have 15% variability.
- The estimated revenues are based on current TSPLOST collection and subject to change.
- The perspective of this presentation is citywide and is not meant to capture specific district issues.
- This presentation includes the three major transportation asset classes – pavement, sidewalk, and bridges.
- The estimated sidewalk cost includes both repair of existing and new installation.
- The scope of this presentation does not include continued deterioration during program implementation. Depending upon the implementation time, this factor will vary significantly. Today, it is not included.

Defining the Program

○ Roadway / Asphalt Repair	\$800,000,000
○ Sidewalk Repair / Construction	\$950,000,000
○ Bridge Rehabilitation	\$350,000,000
○ <u>Infrastructure Funding</u>	<u>\$2,100,000,000</u>
○ <u>Technical/Overhead (25%)</u>	<u>\$525,000,000</u>
○ TOTAL PROGRAM	\$2,625,000,000

Determining Duration

- **TOTAL PROGRAM** **\$2,625,000,000**
- 10 years \$263M per year
- 15 years \$175M per year
- 20 years \$131M per year
- **25 years** **\$105M per year**
- 30 years \$88M per year

Funding Menu

- General Fund
- Impact Fees
- State Funds
- Federal Funds
- TSPLOST
- Innovative Finance

General Fund

- FY20 Total Cost (OMP, CIP, OOT, Renew) \$51M
- FY21 ATLDOT Budget \$48M
 - Labor/Burden \$20M
 - Operations \$14M
 - Capital \$14M

Impact Fees

- 2015 - \$3.1M
- 2018 - \$3.5M
- 2020 - \$5.1M
- Collections over the last six years show areas of development concentration and emerging growth outside of the urban core. Collections by Park Service Area:
 - Northside - \$14.8M
 - Southside - \$6.9M
 - Westside - \$2.8M

State / Federal Funds

- The message has been clear, "Develop a track record for delivering projects WHEN you schedule them to be delivered. There are opportunities for the city."
- Most opportunities require MINIMUM 20% local match. Historically, Atlanta has been lacking the local match.
- Our goal is to be more strategic when matching project needs to financial opportunities and to be more persistent in pre-selling future projects.
- These are important financial tools, which require local funds. Our emphasis needs to be placed on locally controlled financial opportunities first.



TSPLOST 1.0 - Review

- May 2017 through April 2022
- Current Program 0.4% of \$1
- Pre-Covid Collection was ~\$4.5M per month
- Current Collection is ~\$4.5M per month
- ~\$54M Per Year
- ~\$260M Total Program

TSPLOST 2.0 - Potential Preview

- May 2022 through April 2027
- Proposed Program 0.5% of \$1
- Estimated Monthly Collection ~\$6M
- Estimated Annual Collection - \$72M
- Estimated Total Program ~\$360M
 - "Divide by 12" - \$500k / \$6M / \$30M (month / year / total)
 - Potential model 50% / 40% / 10% (sidewalk / paving / bridges)

TSPLOST 2.0 - Proposed Tiered Approach

- Tier 1: Prioritized Project List represents 0% to 60% of revenue; high level of confidence
- Tier 2: Prioritized Project List represents 61% to 95% of revenue; mid level of confidence
- Tier 3: Prioritized Project List represents 96% to 125% of revenue; low level on confidence

Innovative Finance

- City of Atlanta is a regionally significant for surface transportation. Our strength as a transportation hub comes at a price (safety and economic):
 - A 500k population in a 5M region means the ATL residents carry a significant infrastructure maintenance burden (burden >> benefit) to support regional economy
 - The region receives a significant benefit with minimal transportation economic investment outside of City of Atlanta (benefit >>> burden).
 - It is necessary to analyze financing options that relieve financial burden placed upon city and its residents in order to provide regional economic benefits.



Innovative Finance

- Some options for consideration include:
 - Automated Speed Enforcement – the commuters are having a negative impact on quality of life and safety in neighborhoods
 - Parking Expansion/Increased Fees/Tax - there are ~1.5M parking spaces in City of Atlanta; the land use favors commuters and prioritizes parked cars (a stationary object)
 - Toll Streets with High Commuting Volume – offset cost of maintenance due to non-Atlanta traffic
 - Cordon Pricing (Downtown, Midtown, Buckhead) - monetize auto access to economic centers
- The Atlanta Regional Commission estimates 2.9M people by 2050 – the equivalent of metro Denver. Our current transportation financial model is not sustainable. This model requires adjustment within next 3 to 5 years.

Current Financial Picture, FY21

- General Fund \$14M
- Impact Fees \$6M
- State Funding \$10M
- Federal Funding \$6M
- TSPLOST \$54M
- Innovative Finance \$0M
- TOTAL \$90M



Determining Duration

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Estimate To Complete (ETC) #1

- Total Program \$2,625,000,000
- Current Annual Funding \$90,000,000
- ETC 30 years

Estimate To Complete (ETC) #2

- Total Program \$2,625,000,000
- Excluding TSPLOST \$39,000,000
- ETC 67 years

ATLDOT – Aspirational Budget, FY25

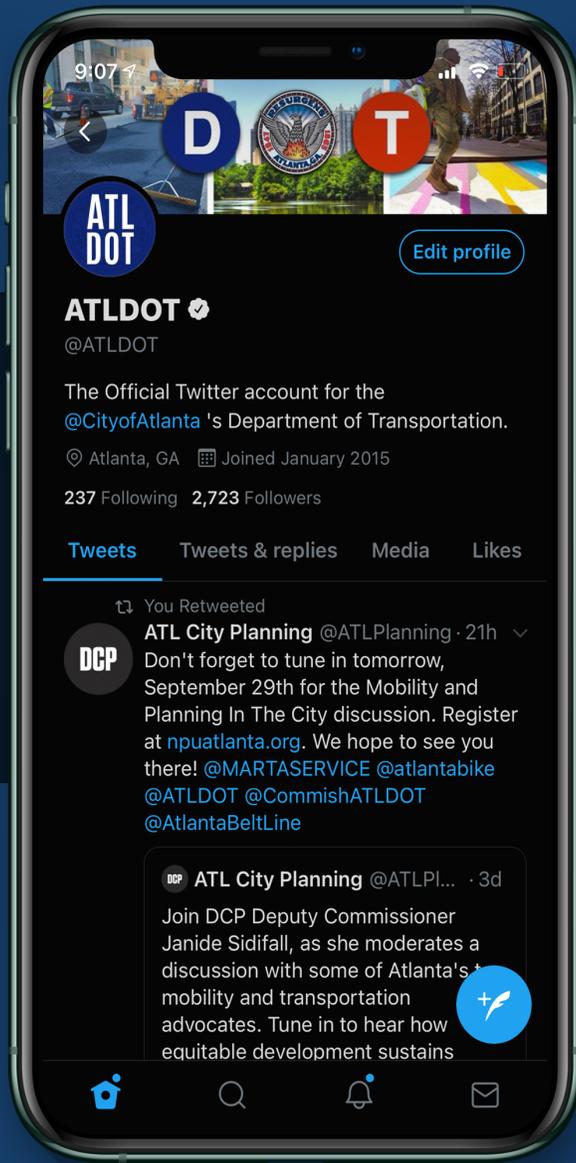
○ General Fund	\$20M	Continued growth within city
○ Impact Fees	\$15M	Changes to fee structure
○ State/Fed	\$20M	Difficult to predict; conservative
○ TSPLOST	\$70M	Increase to 0.5% of \$0.01
○ Innovative Finance	\$10M	Get outside the box, 10%-15%
○ TOTAL	\$135M	

Estimate to Complete, FY25

- Total Program \$2,625,000,000
- Projected Annual Funding \$135,000,000
- ETC 20 years

Conclusions

- General Fund will NEVER be enough to address the infrastructure state of good repair issues, but density and continued growth within city will be beneficial.
- Local financial control is imperative; "it takes money to make money"
- TPSLOST 2 is the most impactful financial tool currently available to City of Atlanta
- Innovative Finance is important to consider in the near-term for the long-term future of the City of Atlanta. Those within the region receiving benefits from Atlanta's transportation infrastructure must pay to maintain assets.



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“The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.” – Peter Drucker

