Infrastructure Funding in Georgia and Other Southeastern States
Transportation Roads and Transit: No New Funding

- Metro Atlanta voters rejected a 10-year T-SPLOST of 1 percent in 2012
- The tax would have raised an estimated $7.2 billion
- Proceeds for transit and road projects across the region.
- There was no major Plan B on the horizon
Water: Florida filed a lawsuit in long running water wars in 2013

- Claimed Georgia hoarded water during the 2011-12 drought to the detriment of oysters and endangered fish and mussels in the Apalachicola River basin.
- Florida sought a cap on Georgia’s overall water consumption, plus a 40 percent increase in water flowing from Georgia.
- Estimated Economic Impact on Georgia if Florida granted relief sought: $-18 Billion
Road Map for Presentation

• How Georgia Compares to S.E. neighbor states for various Road and Transit funding and spending metrics
• Discuss ASCE recommendations for Roads, Transit
• Progress Georgia has made in these areas
Highway Spending by State Per Capita for Years 2000, 2005, 2012

Total Highway Spending per Capita

- Georgia
- Alabama
- Florida
- North Carolina
- South Carolina
- Tennessee
- US State Avg.

Colours:
- 2000
- 2005
- 2012
S.E. States Sources of Funding Per Capita: Federal, State and Local

2012 Highway Spending per Capita by Source

- Georgia
- Alabama
- Florida
- North Carolina
- South Carolina
- Tennessee

Federal | State | Local

-$ | $50.00 | $100.00 | $150.00 | $200.00 | $250.00 | $300.00 | $350.00 | $400.00
GA Roads ASCE 2014 improvements

• Fix the Funding to Ease Congestion:
  – Increase funding to make needed improvements in 2010 GA ranked 49th in per capita transportation expenditures.
  – All potential funding sources should be considered: gas tax, user fees based on mileage, T-SPLOSTs, HOT lanes and public private partnerships.
GA Roads ASCE 2014 improvements

• Improve Transit Availability to Commuters:
  – Access and expand

• Make Improvements to Allow Efficient Movement of Freight:
  – Add capacity to strategic long-haul freight corridors
  – Freight carriers should look to the rail network to shift more long hauls off the highway system
Transportation Funding Act of 2015

• Old motor fuels tax
  – 7.5 cents excise tax on gas and diesel
  – 3% sales tax called prepaid tax
  – 1% sales tax charged that went to general fund
• From 2012-15 averaged about 20 cents per gallon

• Changes to state motor fuels tax:
  – 26 cents-per-gallon state excise tax on gasoline
  – 29 cents-per-gallon state excise tax on diesel
• Prepaid tax and 1% eliminated
• Created an indexing formula tied to CAFÉ standards and Consumer Price Index
## Motor Fuel Collections (in Millions $ Nominal)

<table>
<thead>
<tr>
<th>Actuals FY*</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tr>
<td>Prepaid Motor Fuel Tax</td>
<td>$573</td>
<td>$547</td>
<td>$569</td>
<td>$564</td>
<td>$50</td>
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<tr>
<td>Motor Fuel Excise Tax</td>
<td>$432</td>
<td>$428</td>
<td>$448</td>
<td>$457</td>
<td>$1,605</td>
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<tr>
<td>Total</td>
<td>$1,005</td>
<td>$975</td>
<td>$1,017</td>
<td>$1,021</td>
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<table>
<thead>
<tr>
<th>Forecasts for HB 170 FY</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2023</th>
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<tbody>
<tr>
<td>Low Estimate</td>
<td>$1,621</td>
<td>$1,653</td>
<td>$1,717</td>
<td>$1,763</td>
<td>$1,884</td>
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<tr>
<td>High Estimate</td>
<td>$1,626</td>
<td>$1,663</td>
<td>$1,732</td>
<td>$1,783</td>
<td>$1,911</td>
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</tbody>
</table>
Georgia’s 10-year, $10 billion transportation improvement plan

• I-285/I-20 East Interchange $534 million
• I-285/I-20 West Interchange $910 million
• I-285 West exp. lanes from I-20 to I-75 (one lane each direction) $743 million
• I-285 East exp. lanes from I-85 to I-20 (one lane each direction) $659 million
• Exp. lanes on the top-end of I-285 between I-75 to I-85 (two lanes each direction) $5.9 billion
• I-16/95 interchange and widening of I-16 from I-95 to I-516 (two separate projects) $244 million
• I-75 Northbound truck-only lanes: Ga. Hghwy 155 in McDonough to I-475 $2 billion (ASCE)
• Ga. 400 Express Lanes from I-285 to McGinnis Ferry Road $2.4 billion
• I-85 North widening from Hamilton Mill to U.S. Highway 29 $605 million
The Northwest Corridor P3
Cost: $834 Million

• Project collaboration between GDOT and State Road and Tollway Authority (SRTA) and Private developers.

• GDOT
  – design and construction
  – long-term operation and maintenance

• SRTA
  – tolling operations and equipment
  – issuing the toll revenue bonds

• Private developers/Partners:
  – Archer Western Contractors, Hubbard Construction Company and Parsons Corporation
The Northwest Corridor Funding Sources

- State Motor Fuel Taxes: $232.9M
- TIFIA Loan: $275M (secured by the SRTA)
- GDOT Program Funds (Federal and State): $265.9M
- Developer Financing: $59.9M (to be repaid by the State with toll revenue bonds/motor fuel tax revenues)
- Developer required to finance a minimum of 10% of design-build contract amount, per state contract

Total Transit Spending per Capita

- Georgia
- Florida
- North Carolina
- South Carolina
- Alabama
- Tennessee

Legend:
- 2000
- 2005
- 2012
- 2015
S.E. States Sources of Funding Per Capita: Federal, State and Local

2015 Transit Spending per Capita by Source

- Georgia
- Florida
- North Carolina
- South Carolina
- Alabama
- Tennessee

[Bar chart showing transit spending per capita by source for each state listed above.]
ASCE Transit Recommendations

• Increase Dedicated Funding:
  – Georgia, and especially Metro Atlanta, cannot just rely on roads to solve the state’s transportation issues.

• Options include:
  – T-SPLOSTs, property tax districts, or alternative financing around Transit Oriented Developments (TOD) and Public Private Partnerships (PPP).
ASCE Transit Recommendations

• Repeal the State 50/50 Rule:
  – Required MARTA to spend 50 percent of its budget on capital expenditures.
  – Created smaller operating budget when local sales tax revenues declined.
  – Resulted in service cuts from 2009-14

• Repealed in 2015
Transit/Transportation legislation and projects: County T-SPLOST

• Single County T-SPLOST (2015):
  – transportation purposes, fractional rate of 0.05% - max of 1%, not to exceed 5 years
  – Any county not currently in a TIA region
  – T-SPLOST start July 2017,
  – Metro Atlanta Counties single county T-SPLOST 2016

• Changes to above law (2016):
  – T-SPLOST funds to be used on state projects;
  – multiple fractional T-SPLOSTs to be in place at one time in increments of 0.05% so long as the combined rate of all T-SPLOST levies do not exceed 1%.
Transit/Transportation legislation and projects: MARTA sales tax bill

- Half penny or less sales tax to expand MARTA inside the city limits
- Authorized for 40 years!
  - (same as MARTA legislation for 1 cent sales tax already in place)
- $2.5 billion in estimated revenue

- A second referendum
  - Fulton County outside the city of Atlanta
  - three-fourths of a penny or less for 5 years.
  - fund improvements to roads and bridges
  - $560 million in estimated revenue
Summary

• How Georgia Compares to S.E. neighbor states for various Road and Transit funding and spending metrics
  – Middle of the pack historically in S.E. per capita totals
  – Below US state average
  – Low levels of GA State per capita funding roads, transit
• ASCE recommendations for Roads, Transit
  – New state motor fuels tax: Roads
  – New Local MARTA sales tax: Transit
  – T-SPLOSTs: Roads, other....
Thank you!

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Check out our research at cslf.gsu.edu or on social media