Transit Funding Options

October 10, 2017
PRESENTATION OVERVIEW

- Current MARTA Funding Structure
- Funding Needs
- Potential State Investment in Transit
CURRENT MARTA FUNDING STRUCTURE
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Local Sales Tax Collection
• $.01 on the dollar in Clayton, DeKalb and Fulton Counties
• $.015 on the dollar within the City limits of Atlanta

State Contribution
• $30M - One time “Go Transit” Bond Program for Electronic Signage and Public Announcement awarded in 2016
• $1.7M - One time “Go Transit” Bond Program for Regional Bus Stop Signage awarded in 2016

Federal Formula Grant Funding
• $98M – FY2017 Apportionment Funding (Sec. 5307,5337 & 5339)

Fare Box Revenue/Other Revenue
• Fare box revenue accounts for approximately 30% of all revenue; this is high for a transit system of MARTA’s size
• Advertising revenue
• TOD lease
• Misc.
FUNDING NEEDS
MARTA’S FUNDING NEEDS

• Transit Expansion (GA400, I-20 East, Clifton Corridor)

• Other capital projects (e.g., state of good repair)

• Debt Service ($150M annually)
Transit Funding Principles
Skin in the Game, Proportionality, & Accountability – Currently, the four jurisdictions that are represented on MARTA’s Board of Directors with voting membership are the four jurisdictions with whom MARTA contracts to provide transit service in exchange for those jurisdictions’ sales tax to pay MARTA. Further, while not exact, there is a rough relationship between the annual financial contribution that jurisdiction makes to MARTA and how many voting members of the MARTA Board a jurisdiction appoints. Proportionality in representation ensures that the Georgians who are funding the system determine how it is administered, and thus can ensure that their dollars are being spent wisely and in service to community needs and values.
Local Control & An Opt-In Structure – Under the existing MARTA structure, metro Atlanta counties have option to join MARTA, to pursue their own transit system, to have limited MARTA service and their own transit system, or not to invest in transit at all. While MARTA is obviously a proponent of transit, we do not believe that communities that are not ready for transit should be forced to accept it – that is not a sustainable approach. Instead, we strongly support establishing clear pathways and mechanisms by which communities that decide that they are ready for transit can access long-term funding sources and integrate into existing networks with a minimum of duplication and redundancy.
**Tailored Integration & Interactivity** – Through the contract that governs each jurisdiction’s relationship with MARTA, each jurisdiction’s individual needs can be addressed in an enforceable and sustainable fashion. For instance, when MARTA and Clayton negotiated Clayton’s 2014 entry into MARTA, Clayton’s fears that its revenue would be diverted to other expansion projects were allayed through establishment of an escrow account for \( \frac{1}{2} \) of Clayton’s penny, guaranteeing that it would be used to fund fixed route high-capacity transit for Clayton. Similarly, use of Atlanta’s expansion funding will be addressed through the contract amendment and intergovernmental agreement between MARTA and the City of Atlanta.
POTENTIAL STATE INVESTMENT IN TRANSIT
COMPETITIVE TRANSIT GRANT PROGRAM

GO TRANSIT II Bond Program
• Create annual competitive state bond package
• Fund capital investments based on criteria such as regional significance, innovative funding mechanism such as P3/P4, use of CID or TAD, local match, and inter-jurisdictional projects)
• Available to all transit agencies in state of Georgia
• Primary criteria should follow federal guidelines closely:
  • Job Center
  • Congestion mitigation
  • Economic development
• State can determine its level of transit investment annually
Questions?