



A Bi-Monthly News Publication of the Council for Quality Growth

Volume 10, Issue 1

The Future of the Metro Region's Transportation Infrastructure

May/June 2014

Nearly two years after the rejection of TSPLOST, the Metro Region continues to suffer from a lack of funding for critical transportation and infrastructure projects. While a few larger projects such as the Northwest Corridor Managed Lanes and the I-285/Ga. 400 interchange reconstruction move along, many other projects of regional impact are slow to develop due to the high up-front costs. An innovative approach to funding, which combines federal grants, state and local partnerships, may be the Region's best solution to overcome its funding problems.

Federal Funding: Metro Region Left Behind

A recent transportation initiative proposed by the federal government may be the most viable option for the type of funding that the Region needs, and it is essential that state and local municipalities work together to become competitive candidates for the highly coveted funds.

In February, the Administration and Transportation Secretary Anthony Foxx announced a \$302 billion transportation plan, the GROW AMERICA Act, that seeks to invest in critical infrastructure projects and initiatives throughout the U.S. over the next four years. While this proposal will likely be amended before Congressional approval, it represents a bold investment strategy in the nation's aging infrastructure. Overall, the Act would invest \$199 billion in the national highway system, \$72 billion in transit, \$10 billion in multi-modal freight programs, and \$19 billion in intercity rail. This is the largest transportation funding bill since the SAFETEA-LU was signed into law in 2005.

For the budget proposed for fiscal year 2015, not a single project in the Atlanta area was among those selected as part of the \$2.5 billion Federal Transit Administration Capital Grant Program that was recently released. Rather, cities such as Orlando and Charlotte were chosen to receive millions of dollars to help finance extensions of key transit corridors.

Local funds and unified measures are key for the Metro Region to become a competitive candidate for these federal grants. Cities across the United States have demonstrated successful collaboration with the federal government to secure funding for local projects; their unified and cooperative actions can function as a model for the Metro Region.

What Other Cities are Doing to Meet Transportation Needs

Public-private partnerships (P3) are emerging as incredible tools for uniting communities and funding crucial transportation projects. For example, to address their 52% population increase since 1990, the Denver Region has successfully begun a transportation project that will help alleviate the Region's traffic congestion. Taking the P3 route, Denver has shown how local governments do not need to bear the burden of construction alone.

Denver recently passed a regional sales tax and instituted a new P3 — the Eagle P3 Project —that will assist funding its mass transit system. The 0.4% sales tax, passed in 2004, is partially financing 122 miles of new rail transit and 18 miles of bus rapid transit through the FasTracks program. The P3 is financing the remaining up-front cost of construction and will operate the

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President's Message

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We have had a very busy and successful Winter and Spring here at the Council. Membership has increased substantially and our programs including a record breaking Spring Meet and Greet with Commission Chairs and Mayors from around the region has given the Council a terrific boost.

The legislative session brought many successes, as you all have seen in Priorities of the Week, as Governmental Affairs Director James Touchton guided the Council through difficult and important issues. Further, our work on critical local issues has increased exponentially as the economy has brought development and building back in a substantial way. We continue to be the first to the fire when roadblocks occur in the regulatory track for our members and we are the first to be called by policymakers and staff when considering new ordinances and procedures.

This spring has also given us the opportunity to fill two important staff positions at the Council with enthusiastic and experienced talent. First, Amanda Crater has joined the Council as

Director of Membership and Programs. Amanda comes with many years of industry experience, including a long stint with the Greater Atlanta Homebuilders Association. Also joining us is Mallory Johnson as our Manager of Operations and Member Services. Mallory brings a background in accounting, member relations and business operations. If you haven't already, please welcome them to the Council.

And, our biggest news, which was announced on May 9th, is the 2014 Four Pillar honoree, Steve Selig. This will be the 25th year the Council has honored a regional leader for contributions to the community and exemplifying the four pillars of Quality, Responsibility, Vision and Integrity. Steve Selig is a leader in every respect and this year's theme - "By Doing Right" - comes from the family motto going back to the deep roots established by his grandfather, Ben Massell, beginning in 1918 as part of the fabric and structure in building this great City.

This year's Four Pillar Tribute will be held on Thursday, October 2nd at the Georgia World Congress Center in the Georgia Ballroom. Please make plans to sponsor and attend as we celebrate and honor a great Atlantan, Steve Selig.

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nearly 40 mile railway expansion. The private P3 consortium, known as Denver Transit Partners, consists of three companies responsible for providing \$450 million of the total \$2.1 billion in upfront funding and delivering the projects in a cost effective and timely manner. The consortium acquires all the risks associated with constructing the projects — including any cost overruns — and partial operating and maintenance costs. This partnership is expected to reduce the overall project costs and increase ridership, with the marketing costs handled by the private consortium. The projects are under budget and scheduled to be completed in 2016.

P3 projects are helping to provide highway infrastructure as well, with cities such as Los Angeles, Tampa and Dallas utilizing P3 to deliver key projects at a significantly faster pace. In Dallas, the three member consortium, NTE Mobility Partners, is currently constructing the 13.5 mile, \$2 billion overhaul of the North Tarrant Expressway. This project includes the complete reconstruction of the current 4-lane highway to 6 general purpose lanes and 4 managed lanes, in addition to several auxiliary lanes and frontage roads along the route. Similar to the Denver Transit Partners agreement, NTE is under a design, build, finance, operate, and maintain (DBFOM) contract that will collect the tolls from the managed lanes in order to help recoup construction costs and maintain the roadway.

The boom of P3 projects around the U.S. suggest that the model not only has a high propensity for success, but also reduces the burden of construction on the tax-payers and promotes partnerships across sectors to meet critical infrastructure needs. While the Atlanta area is ripe for reform and the Metro population recognizes the need for a solution, they have shown reluctance to bear the upfront cost of construction; the P3 model may be the best solution.

Georgia: Current Projects in the P3 Realm

The Georgia Department of Transportation (GDOT) is currently pursuing projects that are slated to utilize P3 funding, including the downtown Multi-Modal Passenger Terminal (MMPT) and the Northwest Corridor Managed Lanes project. While the funding split for the MMPT is not yet specified due to the preliminary status of the project, the Northwest Corridor project will be contracted by Northwest Express Roadbuilders. This group will be responsible for financing 10% of the total \$834 million project. Additionally, the Northwest Corridor Managed Lanes project is part of a larger managed lanes network that GDOT is implementing throughout the Metro area that includes the ongoing I-75 South Corridor project. This initiative seeks to provide the Region with efficient mobility while still maintaining financial viability with user fees.

The Metro area's Community Improvement Districts (CIDs), which work to improve critical transportation infrastructure within their respective areas, are also actively leveraging P3 collaboration. This includes Gwinnett Place CID's and Perimeter Area CIDs' installation of Diverging Diamond Interchanges (DDIs) at congested interstate access points, along with the Atlanta Downtown Improvement District's partial financing of the Atlanta Streetcar project.

Next Steps for Georgia

Other initiatives and proposals in Georgia's legislature and local communities are also showing promise as collaborative measures that will seek more comprehensive solutions. Measures under the Gold Dome during the 2013-2014 Legislative Session were House Resolution (HR) 1573 and Senate Resolution (SR) 735. As has been reported by transportation leaders in Georgia, current funding levels may only cover 50% of the state's greatest infrastructure needs. HR 1573 creates the Joint Study Committee on Critical Transportation Infrastructure Funding, composed of key legislative officials and industry leaders, who are tasked with researching and recommending innovative methods for funding infrastructure projects. Council Board Member and State Senator Brandon Beach also introduced Senate Resolution (SR) 735, which was a product of

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the Senate Study Committee on Public Transportation in the Metropolitan Atlanta Region which he chaired last fall. The Resolution urged Metro Atlanta transportation authorities to come together and provide a website with the goal of simplifying the way riders in the Metro Region travel on public transportation by allowing planning and payment for a trip to take place on one website, versus the convoluted system that is currently in place. While SR 735 failed to pass out of the House, SR 735 and HR 1573 are examples of legislation that encourage public private partnerships and transportation reform that the Council believes are a step in the right direction.

Finally, on the local level, Cobb County has introduced the Connect Cobb Arterial Rapid Transit project along U.S. 41, which seeks to establish high capacity transit using a combination of dedicated lanes and preexisting lanes. This would link Cumberland (and possibly Atlanta) to Kennesaw; however, funding support for this program is in question. The project shows promise in connecting several communities along a key transportation route; finding private funding sources through a P3 arrangement or establishing a Arterial Rapid Transit component into the Managed Lanes project should be explored to provide a much needed transit alternative for the Corridor.

Conclusion: Collaboration is Key

In examining the Metro Region's current challenges and the success that other regions are experiencing, one this is clear: a unified commitment and collaboration across sectors and municipalities is needed to meet ongoing transportation infrastructure needs. By finding innovative funding sources and solutions to help overcome prohibitive upfront costs, the Metro Region's projects are more likely to receive federal grants and funding, much like the funding awarded to Orlando and Charlotte. Public-private partnerships are another tool in the toolbox that the Metro Region needs in order to remain competitive and provide infrastructure that will sustain continued growth.

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