

funding sources





8.0 Funding Sources

The Piedmont Area Transportation Plan will be a dynamic plan, if for no other reason than the “fluid” nature of securing funding to implement its recommendations. The challenge of funding planned programs and projects is more difficult because of the changing nature of finances and the strong influence of politics and shifting priorities.

Obtaining funds for projects is a two-fold exercise. First, there is the need to know what funding resources are available and what projects are well-matched to the criteria for each funding resource. Second, there is a need to build and maintain relationships with funding agencies and potential partners. The following provides a summary of the funding resources which will be potentially applicable for the Piedmont Area Transportation Plan, and a list of next steps for fundraising.

8.1 Federal

Piedmont Road is designated as Georgia State Route 237. Roswell Road is designated as U.S. Highway 19 and Georgia State Route 9. A considerable amount of the funding for the construction, improvement, operation, and maintenance of infrastructure comes from monies distributed by the Federal Government through the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). This legislation provides revenue sources through many programs including the following:

- Surface Transportation Program (STP)
- Congestion Mitigation and Air Quality Improvement Program (CMAQ)
- High Priority Projects (HPP)

Surface Transportation Program (STP)

The federal STP provides flexible funding that may be used by States and localities for projects on any Federal-aid highway including high accident/high congestion intersections. Funds are distributed among the States based on lane-miles of Federal-aid highways, total vehicle-miles traveled on those Federal-aid highways, and estimated contributions to the Highway Account of the Highway Trust Fund. Each state must set aside a portion of their STP funds (10 percent or the amount set aside in 2005, whichever is greater) for transportation enhancement activities.

STP Set-aside for Transportation Enhancements (TE)

Georgia’s Transportation Enhancement Program (TE) is one of the most successful TE programs in the nation. Funds provided through the TE program are eligible for use in the provision of facilities for pedestrians and/or bicycles and for the provision of safety and educational activities for pedestrians

“I don’t want to see this study released to applause, and then it sits on the shelf, we’ll have to keep our noses to the grindstone and come up with funding.”



and bicyclists. To be eligible for funding, projects must be sponsored by a governmental body and upon selection the project must be included in the TIP. Under this program, the sponsoring body is required to match 20% of the cost and the remaining 80% will be covered by designated federal funds administered through the state. There is a \$1 million per project maximum per State Transportation Board policy. As shown in Table 23, there are 19 projects at or under \$1 million for the plan, including two bicycle/pedestrian projects, two intersection improvements, and restriping of the merge area where Georgia 400 joins southbound I-85.

Congestion Mitigation and Air Quality Improvement Program (CMAQ)

Money for this program comes from the Federal Government and is allocated to states based on the population living within ozone and carbon monoxide non-attainment areas and the relative severity of the regions' air quality problems. Under this program, the sponsoring body is required to match 20% of the cost and the remaining 80% will be covered by designated federal funds administered through the state. Bicycle and pedestrian facility programs are eligible for CMAQ funding. The Federal Highway Administration (FHWA) requires a demonstration of emissions benefits that will come from implementation of the project.

For the metro Atlanta area, the air quality monitoring for such a project is performed by ARC and projects are selected by the ARC along with GDOT, the Environmental Protection Agency (EPA), and GRTA. Typically, bicycle and pedestrian projects have a lower chance of being selected because of their relatively low potential effect on emission levels. However, pedestrian and bicycle projects have been funded when they were heavily transportation-focused such as providing access to transit stops and stations. Clearly, the recommendations in this study that address sidewalk and other walkway improvements to bus stops and the Buckhead MARTA station should be considered.

High Priority Projects (HPP)

Through extensive interaction with the region's Congressional Delegation, the Buckhead CID may be able to add Piedmont Road to the list of projects for federal discretionary (i.e. earmark) funding. Reauthorization of SAFETEA-LU is scheduled for the federal fiscal year beginning in 2009.

Grant Anticipation Revenue Vehicle (GARVEE)

Grant Anticipation Revenue Vehicles (GARVEE) allow agencies to select and designate projects to be funded for accelerated construction from bond proceeds that are approved by the Federal Highway Administration (FHWA) and the Regional Transportation Planning Agency, or the ARC in the case of Atlanta. This funding source can be applied to highway or transit project and is used by the Georgia SRTA as a major funding source.

8.2 State

There are also some funding mechanisms provided through the State of Georgia that are distributed by other organizations including the following:

- Highway Safety Funds (administered by GDOT District 7)
- Local Development Funds (administered by the Georgia Department of Community Affairs, or DCA)
- Operational Lump Sum Funds (administered by GDOT's Office of Traffic Safety and Design)

The ability to obtain funds is determined by effective participation in the transportation planning processes of the Atlanta region. In most instances, the process attempts to balance regional need with available funds, which it does by evaluating potential projects for funding. Criteria for securing these funds are related to eligibility, need (both local and regional) and ability to achieve the goals of the funding category. There is a clear advantage for communities that have their projects "ready" prior to requesting funds. Readiness is achieved by local governments and community improvement districts (CID) that assume proactive action-oriented steps toward designing their projects with their own funds and then requesting federal and state financial assistance with only one construction phase.

Another way to approach the issue of accessing federal and state funds is to fully understand the bigger picture needs and desires of the funding agencies. There is tremendous market demand for innovative answers to the region's pressing issues, including congestion and continued growth in vehicle-miles-traveled (VMT). If a local government or CID approaches these issues with a fresh perspective, political will, and some local money to start the process, and follows up with strategic discussions with the funding agencies, there is potentially an opportunity to become a pilot for new and improved transportation planning and investing.

Following is a brief description of potential suitable funding sources to implement the Piedmont Road plan:

Highway Safety Funds

The Governor's Office of Highway Safety provides funding for safety-related programs including pedestrian and bicycle projects that improve safety along or across roadways. State grants are available for up to three years with the first year being 100% funded, the second year requiring a 20% match and the final year requiring a 40% match. Funding is generally prioritized by crash frequency.

This funding source allows for GDOT discretion. It may be a good funding source for various intersection improvements along Piedmont Road and the short section of Roswell Road that is included in this study. Here, the improvements to safety and traffic flow may be enough to qualify for these funds, which are administered less formally by GDOT.



Local Development Fund

The Local Development Fund (LDF) program is administered by the DCA. Pedestrian improvements such as sidewalk improvements in historic districts or ADA-related improvements may be eligible for funding. The sponsoring organization (City of Atlanta or Buckhead CID) would be required to commit local funds or in-kind contributions to match the state funding.

Operational Lump Sum Fund

The Operational Lump Sum program allocates up to \$5 million each year to relatively low cost/high value projects throughout the state. Funds are administered by GDOT's Office of Traffic Safety and Design who request solicitations from districts and are intended to provide up to \$750,000 for preliminary engineering, right-of-way, and construction costs for projects that address intersection capacity and congestion improvements. The sponsoring organization is required to commit local or private funds to any costs of the project exceeding \$750,000.

8.3 Local

Quality of Life Bonds

General Obligation Bonds (GOs) are direct general obligations secured by the full faith, credit, and taxing powers of the City of Atlanta. GOs are used to raise funds for the City's capital improvements that benefit the entire community, i.e. road repairs. These improvements typically do not produce revenues. Principal and Interest are payable from an ad valorem tax levied on all taxable property within the City.

The City is authorized to issue up to \$8 million in General Obligation Bonds each fiscal year. A City ordinance must be passed to issue GO Bonds. The City is required to have a referendum passed by its citizens if it wishes to issue GO bonds greater than 8 million. In 2000, a referendum was passed by Atlanta's voting citizens, which authorizes the city to issue \$150 million in Quality of Life Bonds. With increasing urbanization of the areas in and around the City, there is a pressing need to develop and preserve areas and transportation ways that encourage neighborhood livability, pedestrian mobility and a general improvement of the quality of life in our urban setting. This bond issue embraces all of these ideals and objectives and allows the City to utilize this base of funds to leverage against the Department of Transportation, Housing and Urban Development, and private funding to provide many improvements to the City's green space and alternative transportation systems.

Guaranteed Revenue Bonds (GRB)

Guaranteed Revenue Bonds (GRB) are municipal bonds supported by the revenue from a specific project, such as a toll roadway, which produces revenues. These bonds operate much like that of Gos, with the main difference being that they can be repaid by a limited number of sources. The main

advantage of using GRBs to fund projects is that they allow the entity to avoid reaching legislated debt limits. This is a source of funding widely used by the Georgia SRTA for the portion of Georgia 400 from I-285 to I-85.

Special Assessment District

A Special Assessment Tax District collects tax dollars in much the same way as a Community Improvement District; however, taxes are levied on both commercial and residential property owners. The money is collected and distributed within the district by the City of Atlanta. This may be a viable option for raising dollars for local projects to the corridor. The Peachtree Corridor Taskforce is currently seeking this same type of funding strategy for the Peachtree Streetcar project in Downtown and Midtown Atlanta.

Buckhead Community Improvement District (CID)

The Buckhead CID is a special district in which commercial property owners pay a self-imposed tax for improvements. The mission of the Buckhead CID is to leverage local tax dollars with city, state, and federal grants to attract new investment in Buckhead and promote sustainable, livable growth. The recently completed Peachtree Boulevard project in Buckhead is a prime example of the significance of the CID.

Impact Fees

The City of Atlanta collects impact fees from developers to pay for the proportionate share of the cost of street "improvements which is reasonably related to the service demands and needs of the [development] project within a defined service area."

In May 2007, the Governor signed the Georgia Development Impact Fee Law which was House Bill 232 introduced by Representative Edward Lindsey (representing Georgia General Assembly District 54 that includes Buckhead) that amended Title 36 of the Official Code of Georgia as it relates to the collection of development impact fees. The changes modify the definition of eligible project improvements such that "the character of the improvement shall control a determination of whether an improvement is a project improvement [to be funded by a developer] or system improvement [to be funded by sources other than impact fees] and the physical location of the improvement on site or off site shall not be considered determinative of whether an improvement is a project improvement or a system improvement. If an improvement or facility provides or will provide more than incidental service or facilitates capacity to persons other than users or occupants of a particular [development] project, the improvement or facility is a system improvement. No improvement or facility included in a plan for public facilities approved by the governing body of the municipality or county shall be considered a project improvement." The law goes on to further define eligible project improvements as "roads, streets, and bridges, including rights of way, traffic signals, landscaping, and any local components of state or federal highways."



Tax Allocation District

A Tax Allocation District (TAD) funds infrastructure projects in a targeted growing area with specific boundaries that are legally defined. A TAD finances projects by issuing bonds that are repaid in the future from increases in property tax revenue. A linkage is created in that the infrastructure spurs an increase in tax-paying business, residential, and land development. New pedestrian facilities, streetscapes, and bikeways are typical TAD projects in an activity center like Buckhead. The ADA serves as a redevelopment agent for all TADs formed within the City of Atlanta. Six such TADs have been established:

- Westside
- Atlantic Station
- Perry-Bolton
- Princeton Lakes
- Eastside
- Beltline

The Beltline is the only existing TAD that coincides with the Piedmont Road study area. The Beltline is a \$2.8 billion redevelopment project that proposes a network of public parks, multi-use trails, and transit along a historic railroad corridor circling downtown and connecting many neighborhoods including the Lindbergh area. Key attributes of the Beltline include:

- Nearly 1,300 acres of new greenspace and parks
- 33 miles of multi-use trails
- A 22-mile loop of transit
- Approximately 30,000 new jobs in 20 economic development areas
- More than 5,600 affordable workforce housing units
- Touches and connects 45 neighborhood
- Investments in pedestrian access, streetscapes, public art, historic preservation, and environmental cleanup

Through this investment, the City hopes to encourage more sustainable development patterns and improve the quality of life for all Atlanta residents.

8.4 Partnering Agencies

The implementation of the recommended projects as listed in this report will require multiple funding sources and cooperation between many Federal, State, and local agencies, as well as private sector interests. The below groups are those identified as equipped to utilize the funding sources as described above to lead the charge on taking on the recommendations as described in this report:

- Beltline, Inc.
- Buckhead Community Improvement District (Buckhead CID)
- City of Atlanta (CoA)
- Cobb Community Transit (CCT)
- Georgia Department of Transportation (GDOT)
- Georgia Regional Transportation Authority (GRTA)
- Gwinnett County Transit (GCT)
- Georgia Power
- Metropolitan Atlanta Rapid Transit Authority (MARTA)
- Private developers and property owners
- State Road and Tollway Authority (SRTA)