Can Concept 3 Be Funded?

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Problem: Atlanta, Georgia faces significant transportation challenges. The city and surrounding region have grown rapidly. This rapid growth has produced traffic congestion and air pollution. Quality of life has suffered. Some people believe that Atlanta’s transportation-related problems are making it hard to attract businesses to locate in the region. Public transportation could help solve these problems, but expanding public transportation is costly. Investment in public transportation has been constrained over the years, following a period of relatively healthy levels of spending in the 1970s and 1980s. MARTA (Metropolitan Atlanta Regional Transit Authority), the region’s public transportation system, has been struggling financially. The state provides little support to public transportation. The Atlanta Regional Commission has proposed a plan to improve and greatly extend the existing public transportation system. The plan is very ambitious. It addresses many of the region’s public transportation needs. But it also is costly. At a time of high unemployment, falling tax revenues, and many demands on public budgets, the challenge of finding funding for Concept 3 is very great.

Purpose: This study seeks to evaluate the prospects for funding Concept 3 and recommend what proponents of the plan might do to enhance the chances of success.

Methods: This analysis surveys the factors that may come into play in determining whether or not Concept 3 might be implemented. It examines traffic congestion and air quality considerations, assesses public and opinion leader support for public transportation investment, considers possible funding approaches, and looks at the successes and failures of expansion in other transit systems in other major metropolitan areas. The analysis flows out of consideration of a wide range of materials, including studies by planners, think tanks, and public agencies and a wide range of other publicly available material.
Results and Conclusions: Funding Concept 3 is an uphill climb. The scale of the investments required, the unmet financial needs of the existing public transportation in the Atlanta region, and the economic hard times argue against it. On the other hand, more public transportation could benefit much of the region’s population, both in terms of quality of life and in terms of jobs and economic growth. Also, while financial support for the existing system has not been at the level it needs to be, a new law passed in 2010 by the state legislature could be a vehicle for acquiring more transportation funding. In addition, support for more investment in public transportation comes from many quarters, so there are proponents who could if organized and committed for the long haul build broad support for new spending on public transportation. Most likely at least some part of Concept 3 will be implemented, but what parts and on what schedule remain uncertain.

Takeaway for Practice: The business of planning is a long-term enterprise and involves more than producing creative, logical solutions to planning issues. It must also take into account getting the funding to put plans in motion. And that itself is probably far more complicated and difficult than producing a plan concept. Ultimately, a lot of people must agree that implementation makes sense, and the public as well as the politicians must be willing to provide the funding. Figuring out how to help make that happen and then having the commitment to work to make it happen over what might be a large part of a planner’s career can be – and usually are – tremendous challenges.

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Concept 3 is an ambitious, long range plan to expand and improve the Atlanta, Georgia region’s public transportation system. It aims to transform the existing system, not refine it. The goal is a state-of-the-art, multi-modal system that would serve far more people than the existing system does, raising the quality of life, increasing connectedness in the Atlanta region, and providing a key element of a transportation infrastructure that would facilitate the city’s continued growth in the decades ahead. Implementing the plan would cost the region many billions of dollars. This paper judges the likelihood and feasibility of funding Concept 3 and assesses what factors might play a role.

Concept 3 is an attempt to address the inadequacy of public transportation in one of the South’s and the nation’s most important cities. As Atlanta has grown and prospered over the decades, its public transportation system has struggled to keep pace. What once was a new, modern system with a state-of-the-art rail component, which helped drive the image of Atlanta as a growing, cosmopolitan, and vibrant city, has fallen on hard times. The system has been inadequately funded, and financial problems have already produced some downsizing of operations¹ and threaten more, leaving public transportation even less responsive to the needs of Atlantans. Critics charge MARTA is inefficiently run and unsafe; advocates counter that funding is inadequate and crime rates on MARTA are similar to those of other large metropolitan transit systems. MARTA says both its buses and trains are the second most cost-efficient, measured per vehicle revenue mile, among comparable transit systems and that its operating expense per passenger mile is lowest.² Many supporters of MARTA believe that for too many years insufficient money has been available for expansion as well as for the day-to-
day running of the system.

Concept 3
The Atlanta Region’s Long-Range Transit Vision

Regional Transit Committee
http://www.atlantaregional.com/rtc
Concept 3 presents an enormous challenge. It strives for a transportation overhaul and would be hugely costly. It would take a struggling public transportation system and turn it into one of the nation’s best. It would make public transportation an attractive service for millions of Atlantans, many of whom now ignore or little use the existing system and many who heavily depend on it. At the same time, it is being attempted in a state that historically has provided little support to public transportation in Atlanta.

The challenge is magnified by the fact that the nation is still only slowing recovering from one of the worst economic downturns in its history with Georgia and Atlanta showing less, if any, improvement. Unemployment in Georgia remains above 10 percent – more than a full percentage point above the national rate. Both federal and state revenues have dwindled, reducing potential investment for transportation. This may be one of the worst times in Atlanta’s history to try something as bold as Concept 3. On the other hand, the economy will recover, and now may be the time to begin. In a few years, the region’s financial capability and political and public readiness for undertaking Concept 3 might be improved. Pushing ahead immediately on what will be a long-term project may have little downside, and the need for improvement exists today.

Support has to be built for Concept 3. People have to understand that the time has come to take public transportation to a higher level. They have to believe the change would be good for Atlanta and for their families and friends. The public officials in the region responsible for implementing Concept 3 must work with transportation advocates from all quarters who initiated the push for change and who continue to support it. They must be able to publicly make the case for Concept 3 and build durable support for the program beyond what core
proponents can be counted on to provide. Many factors will go into trying to make that happen, including a widespread understanding of all of the benefits Concept 3 can provide, such as less congestion; affordable, dependable transportation should gasoline become excessively costly and less available; a viable transportation option for those with no alternatives; improved air quality; more jobs; a stronger economy; more convenience; and more transportation options for Atlantans of every group and income level.

Issues such as race will come into play. Some will oppose expansion of a system used heavily by minorities. It is probably beyond the power of proponents of Concept 3 to change these attitudes in many of those who hold them. Nevertheless, proponents should continue to argue that public transportation is an amenity that every great city needs – and that for many Atlantans it is more than an amenity: it is a necessity, their only means of transportation to get to work or to school or wherever else they may need to go. Moreover, mobility across the labor force benefits business and the economy as it opens doors to employment among those who find jobs harder to find. Awareness of these benefits coupled with an appeal to fairness and equity could strengthen support for Concept 3, at least among the more open-minded.

This paper looks at the factors that go into helping or hurting the implementation of Concept 3, looks at the current level of public and political support, and compares what proponents of Concept 3 are proposing with what other cities are doing to improve public transportation. It includes six sections covering the following topics:

- The current state of public transportation in the Atlanta region and a description of Concept 3,
- The role of Atlanta’s traffic congestion for spurring expansion of public transportation,
• The implications of Atlanta region air quality for transit,
• The economic costs and benefits of more public transportation,
• Possible funding approaches for Concept 3,
• Recent efforts to expand transit in Atlanta and other cities,
• Support for Concept 3, and
• Conclusions and recommendations.

Concept 3 is ambitious. In some ways it is a wish list as well as a comprehensive program to do all that reasonably should be done to improve public transportation in Atlanta. It will not be done quickly. It likely will not be done completely. And it likely will change over time as compromises are made and as the facts on the ground change. Whatever is built can serve as a holistic vision that could help shape sensible transportation improvements for years to come. No society that wishes to grow and improve cannot also attend to the infrastructure that helps make that possible. At some point the region’s transportation challenges will be addressed and change will come. Beginning the implementation of Concept 3 could be the first step.

Atlanta public transportation history and Concept 3

A Georgia law created MARTA, the current Atlanta region public transportation system, in 1965, but MARTA was not funded until 1971 when a one-percent sales tax was approved by referendum in Fulton and DeKalb Counties. In 1972, MARTA bought the Atlanta Transit Company, which was an existing bus transportation company. The rail component of MARTA was built beginning in the late 1970s and two decades following, with service first starting in 1979. The full system originally envisioned was never built. Three counties – Cobb, Clayton and
Gwinnett – rejected or never held a sales tax referendum for funding MARTA, and today very little of the rail system touches those areas, outside of a rail station in Clayton County (which is also within the Atlanta city limits) at Hartsfield-Jackson Atlanta International Airport – even though rail ridership accessed by car or bus from these counties is significant.

Today, MARTA consists of two parts – a heavy rail rapid transit system and a bus transit system. Three local county bus systems also serve the Atlanta area. The last three MARTA rail stations were completed in 2000. The full heavy rail system comprises 48 miles, which is “significantly smaller than its counterparts in San Francisco and Washington, D.C., even though Atlanta’s urbanized area growth rate since 1980 was significantly higher than these two cities.” MARTA operates more than 500 buses on 91 routes in DeKalb and Fulton Counties. The bus system covers about 1,000 route miles per day. Total bus and rail transit passenger boardings are about 500,000 per day, MARTA, says. About 55 percent are rail system boardings. A 2010 Carl Vinson Institute study says Atlanta uses its public transit system less than other major metropolitan areas: “[T]he Atlanta metropolitan area has the lowest rates of utilization of public transit.... [and] the lowest proportion of the workforce using public transit for their commute to work among the 11 major metropolitan areas with heavy rail service.”

The history of Concept 3 begins with the recognition among public transportation advocates in and outside of government that Atlanta’s public transportation needs were not being met. Out of that came a study from the Atlanta Regional Commission approved in 2004 that explored what needed to be done to create a regional transit system to better meet the needs of the Atlanta region. Then – with the support of the commission, MARTA and the Georgia Regional Transportation Authority – the Transit Planning Board was established. It met
in 2006 “to develop a regional transit vision, propose a method to fund the construction, operation and maintenance of the system, and discuss a framework of governance for the system.”\textsuperscript{8} With the help of Citizens for Progressive Transit, Georgia Standup, the Connetics Transportation Group, and staff from MARTA, the Atlanta Regional Commission and the Georgia Regional Transportation Authority, a plan was developed, which the Transit Planning Board of Directors approved in 2008.\textsuperscript{9} It was later approved by the three partner groups that created the board. The Transportation Planning Board evolved into the Transportation Implementation Board, which has now been supplanted by the Regional Transit Committee that will lead the effort to try to make Concept 3 a reality.

The committee, which is headed by Bucky Johnson, the mayor of Norcross, has created model legislation (a policy statement) that provides a blueprint for a regional governing body with the responsibility to implement the funding, building and operation of Concept 3. The suggested timeframe for financing the project is 30 years.

The 21-member committee or roundtable consists of two representatives from each of ten counties – one of which is the chairperson of the county board, the other a mayor from a city or town in the county. Atlanta is separately represented by its mayor. The roundtable is operated by an executive committee of five selected by all roundtable members. Also on the committee – as nonvoting members but still influential because of their positions in the legislature – are the chairs of the Georgia house and senate transportation committees.

The completed Concept 3 system would serve 14 counties and consist of about 500 miles of new rail transit lines and bus lines, which represents a 50 percent increase in total mileage (rail and bus lines) above the current MARTA system. The largest share of investment
would go into extending the existing MARTA heavy rail lines and adding commuter rail and light rail components. However, there would also be a significant expansion and improvement of commuter, local and regional bus services.

**Traffic congestion may encourage funding for Concept 3**

Atlanta suffers from traffic congestion, which could be a significant factor in gaining approval for implementing Concept 3. And, because the region’s population has been growing, the problem could worsen, further encouraging support for public transportation improvements.

The Atlanta metropolitan area is already the ninth largest in population in the United States with almost 5.3 million people, according to the 2010 U.S. census. Over the past decade, it has been one of the fastest growing in the nation with a population increase of nearly 24 percent. The Atlanta Development Authority projects that between 2000 and 2030, the region will add 2.3 million residents.\(^\text{10}\) The Atlanta Regional Commission says the Atlanta metro area will add an average of more than 90,000 people every year between 2010 and 2040 – or more than three million more people over that period.\(^\text{11}\)

**Congestion is bad but may not be worsening**

But just how serious is Atlanta’s current congestion problem? Some believe the problem is grave. One commentator says Atlanta’s traffic congestion “has moved beyond critical mass. It is harming the health of people, the environment and the economy.”\(^\text{12}\)

However, the congestion data from Texas Transportation Institute’s (TTI) “2010 Annual Urban Mobility Report” suggests the problem may not be quite as bad as this rhetoric suggests.
Atlanta’s congestion problem is not as serious as many other cities. The 2010 TTI report places Atlanta 11th in the nation in congestion cost per peak auto commuter at $1,046. It places Atlanta 16th in peak travel time delays and 17th in auto commuter stress – not good, but not as bad as it might be for the nation’s 9th largest metropolitan area.13

Atlanta has significantly less congestion than three of the worst cities: Chicago, Washington D.C., and Los Angeles. For example, each auto commuter in Atlanta suffers about 37 percent less annual delay and 40 percent less annual congestion cost than each auto commuter in Chicago (the city with the worst congestion problem), according to the TTI report.

Importantly, Atlanta congestion has not been worsening – not just over the past few years of economic downturn but going several years farther back, TTI data show. For example, the inflation-adjusted peak auto commuter cost and peak traveler delay have not been as low as they were in 2009 (the most recent year of data cited in the 2010 report) since 1996.

One conclusion that might be drawn is that because congestion in Atlanta is being held in check, it may prove less of a factor in encouraging Atlantans to support Concept 3. Also, other cities with worse congestion than Atlanta have not recently implemented public transportation initiatives on the scale of Concept 3 to address their problems. This raises an interesting question: Are the most congested U.S. cities planning or implementing costly, grand-scale transportation improvements? If not, would Atlanta, with less of a problem, be any more likely to support such an investment?

Transit can help – or not?

A more fundamental question is how much can transit help. Reducing congestion is welcomed by people who endure it. And most people probably accept that public
transportation reduces congestion. Transit can help with congestion. Nevertheless, there is some debate about how much it reduces congestion and whether more public transportation is always the best option.

TTI believes public transportation has reduced levels of congestion in Atlanta from where it would have been had there been no public transportation. In 2009, it calculates, Atlanta saved more than eight million hours of delay because of public transportation. TTI has compared urban areas with rail transit to those without it and determined that congestion grew much more slowly in cities with rail transit.\textsuperscript{14} The American Public Transportation Association, a defender and promoter of public transportation, says, “Public transportation is leading the fight against traffic congestion. It reduces the number of vehicles on the road and vehicle miles traveled.”\textsuperscript{15}

However, some analysts question that public transportation substantially reduces congestion. A Resources for the Future paper says changing the transportation infrastructure, either roads or transit, is unlikely to significantly reduce traffic congestion.\textsuperscript{16} A study by researchers at the University of California, Merced, of a new rail transit system in Taipei, Taiwan found “little heterogeneous effects” on automobile travel patterns after the opening of a rail metro station.\textsuperscript{17} In Atlanta, only 3.6 percent of workers routinely use public transit to travel to and from their jobs.\textsuperscript{18} If they all gave up transit and used their cars, the impact on congestion might not be as serious as some may fear. On the other hand, if putting everyone back on the highways even marginally worsened congestion, that could be the straw that broke the camel’s back for many commuters.
A major stumbling block, at least in the minds of some researchers, for assuming transit could help substantially reduce congestion is Atlanta’s low population density. It is 20 times lower than the New York City metropolitan area and is substantially lower than Boston, Miami, Washington, D.C., Los Angeles, Minneapolis and Seattle.¹⁹

As a result, wherever a rail transit line is placed in Atlanta, the number of people residing in close proximity may be limited. A Brookings Institution analysis suggests that even massive and unrealistic investment in transit in America might result in little reduction in private vehicle use: “Even if America’s existing transit capacity were tripled and fully utilized, morning peak-hour transit travel would rise to 11.0 percent of all morning trips. But that would reduce all morning private vehicle trips by only 8.0 percent – certainly progress, but hardly enough to end congestion – and tripling public transit capacity would be extremely costly. There are many good reasons to expand the nation’s public transit systems to aid mobility, but doing so will not notably reduce either existing or future peak-hour traffic congestion.”²⁰

Planner Alain Bertaud implies the same point when he compares Atlanta with Barcelona, which is similar in population but with a population density 28 times greater than

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¹⁹ Source: U.S. Census Bureau and ADA “A Conversation About Growth in the City of Atlanta”

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Atlanta. He says, “Suppose that the city of Atlanta would want to provide its population with the same metro accessibility that exists in Barcelona, i.e. 60% of the population within 600 meters from a metro station. Atlanta would have to build an additional 3,400 kilometers (about 2,100 miles) of metro tracks and about 2,800 new metro stations.” All of the metro rail systems in the United States today combined do not have that many stations.

Congestion probably does encourage support for public transportation

Congestion is a serious quality of life issue – certainly in the minds of most Atlantans who use the major thoroughfares during peak driving times. Public transportation is a way to address it. How much may be debated. But, where public transportation exists, it is used, so it is clear that it helps meet the transportation needs of part of the population. That being the case, it is hard to argue that this does not also reduce congestion somewhat. If there were no public transportation, more travelers would be on the roads, less a minority for whom walking or biking was a serious option. More people on the roads would have to make things worse.

Proponents of Concept 3 project that it could account for 15 percent to 25 percent of “activity center” trips. The activity centers are an important subset of all possible destinations in Atlanta. This suggests public transportation could provide thousands of commuters with new options for getting to highly popular destinations.

Moreover, if congestion grows worse as the region grows, more drivers could come to view public transportation as an important option (although allowing congestion to worsen unaddressed might slow population growth and the worsening of congestion – as could resource issues such as limited water supplies). In addition, fuel prices are rising. Sustained four dollar plus a gallon gasoline prices – which may well be our future – could further
strengthen support for public transportation. As the economies of the world have begun to recover, global oil demand has been rising, which has forced up crude oil and gasoline prices. The U.S. Energy Information Administration and the International Energy Agency project that prices will continue to increase in the years ahead. Sitting in traffic is bad, but needlessly and pointlessly burning expensive fuel at the same time could make commuting intolerable and unaffordable. At a certain point, as markets drive prices up, they may become so high as to make gasoline effectively unavailable for portions of the population.

While congestion may not by itself be enough to cause most people to support more public transportation, it is clearly a problem in the public’s mind, and logically it is a problem amenable to some improvement if more people took public transportation.

**Air quality challenges may encourage funding for Concept 3**

Like many urban areas, the Atlanta region suffers from air quality problems. These problems could be a factor in gaining approval of and funding for Concept 3. The region violates the ozone pollution standard and also the small particulate pollution standard. Atlanta has been struggling to comply with these standards and earlier less stringent versions back into the 1990s. The American Lung Association’s annual “State of the Air” report says Atlanta has the 19th worst ozone problem and 16th worst particulate pollution problem in the country.

Extensive controls have been put in place to reduce air pollution to meet the federal standards. In 2009, the Georgia Air Protection Branch asserted that these controls would be adequate to bring the state, including Atlanta, into attainment with the ozone standard. The controls included both mobile and stationary source measures, such as changes to gasoline sold in the Atlanta region, vehicle inspection and maintenance programs, and emissions control.
systems on utilities. So far, however, Atlanta has not achieved compliance.

Under the Clean Air Act, if Atlanta fails to take appropriate action to meet the standards, it jeopardizes highway transportation funding from the federal government. Georgia now receives about $1.2 billion annually in federal transportation funding. The threat of losing
highway funding and/or being denied permission to proceed on transportation projects because of emission impacts is real. In 1999, a moratorium was placed on all roadway projects in Atlanta that required federal funding or approval due to poor air quality. This temporarily threatened to stop the Atlantic Station redevelopment plan, which is a large scale mixed-use design project that promoted alternative modes of transportation and connections to MARTA.  

People are aware of air quality problems. They hear it on the news during the summer when local news and weather broadcasts give smog alerts. Most people probably also understand that cars and trucks help cause air pollution and that it is necessary to reduce emissions from them. And many likely recognize that having more of the population using public transportation is one approach to reducing transportation emissions. All of this may predispose at least part of the public to support expansion of public transportation, including possibly Concept 3.

However, the U.S. EPA says air quality has been improving across the nation because of the efforts to reduce emissions over the decades. While that is not something everyone may be aware of, it could at some point undercut support for major investments in transit. In fact, many people may not be concerned about air pollution because its impacts on health are subtle and they do not believe the problem is serious.

**Tough choices on emission reductions may help encourage Concept 3**

Currently, the U.S. Environmental Protection Agency is proposing a significant tightening of air quality standards. This will mean that, even though air quality has been improving, areas that may have been in compliance, which includes most of the state outside the Atlanta region,
will now be out of compliance, and those out of compliance, such as the Atlanta region, will have even farther to go to bring air quality up to federal standards. The need to substantially reduce emissions further suggests that all approaches for reducing emissions will need to be considered, and that more of them will have to be implemented.

The Atlanta region (and perhaps other parts of Georgia) will have to choose among more and more expensive or intrusive options for reducing emissions. They will have to do more to address emissions from cars and trucks, which may constitute half of all emissions.

Would expansion of public transit be effective in reducing emissions?

Transit takes cars off the roads and reduces air pollution. Not everyone is completely convinced. A paper by Yihsu Chen and Alexander Whalley at the University of California, Merced, notes that while there is “a rich theoretical literature” making the argument for air quality improvements, that remains “unclear.” While Chen’s and Whalley’s research found a reduction in carbon monoxide pollution on a commuter route that might have been expected to be impacted by a new rail transit system in Taipei, Taiwan, it could not measure an impact on ozone pollution, one of the pollutants of concern in Atlanta. The researchers said the use of the rail system may indicate “induced” demand for travel and that auto traffic in the area might have been little reduced.

Nonetheless, the weight of opinion says public transportation cuts air pollution. The National Business Coalition for Rapid Transit (citing Robert J. Shapiro, *Conserving Energy and Preserving the Environment: The Role of Public Transportation*) claims that public transportation “is the most effective strategy for achieving significant energy savings and environmental gains.... Even at current levels of use, public transportation every year...reduces harmful
emissions by millions of tons.” MARTA says that its operations take 185,000 cars off the roads every day. The Center for Clean Air Policy claims substantial benefits from light rail transit, citing as an example that Portland, Oregon’s MAX LRT system “eliminates 18.2 million car trips each year.” Smart Growth America believes that we need more “robust public transportation service” along with other transportation improvements to help address the growth in greenhouse gas emissions. Almost all other third party organizations supporting public transportation also cite its actual or potential important role in reducing air pollution. Most important, the U.S. EPA recognizes transit as a transportation control measure that reduces pollution.

While estimates have not been provided on the expected air quality benefits of Concept 3, the potential emission reduction impacts would likely be considerable given the extensive changes proposed.

**Will the Atlanta region choose public transportation to help reduce air pollution?**

Everyone wants clean air. It is an important quality of life issue. So it may be assumed there is some level of general support for transportation policies that reduce emissions. That does not necessarily mean, however, that the public would support major investments in transit. Other approaches may be considered first, such as more controls on industrial and building emissions; restrictions on driving, backyard grilling, and gasoline-powered lawn equipment; requirements for more use of cleaner-burning fuels; more stringent vehicle inspection and maintenance programs; incentives for purchase of zero-emission vehicles; and highways that reroute through-traffic away from Atlanta. Some form of controls will have to be put in place in order for the state to continue to receive its highway funding. The issue becomes which measures...
will be chosen – which measures have and are perceived to have the most benefits for the least costs and the least amount of intrusion into people’s lives.

Because the least expensive emission controls have already been employed, whatever is done next is likely to be more costly. More public transportation is expensive. However, it arguably provides a range of benefits, including air quality and health improvements, economic and job growth, enhanced mobility, social justice and reduced traffic congestion. A comparison of the full costs and benefits of new roads versus new public transportation is necessary and may work to the advantage of public transportation. The cost of new roads is high. Besides the immediate construction and maintenance costs, roads produce external costs from air pollution and congestion.

Air pollution and the growing costs of addressing it could provide additional strong incentives for supporting Concept 3.

**Economic costs and benefits of public transportation**

Whether sufficient support and funding can be won for Concept 3 depends on whether people think of it as providing important benefits to them and also whether they believe the overall benefits would be worth the substantial costs. While the costs of Concept 3 are considerable, the potential benefits would likely be large.

Atlanta’s Transit Planning Board estimates capital costs of Concept 3 at $26.8 billion, which includes $20.7 billion for expansion elements and $6.1 billion to rehabilitate the current system – or about $1.3 billion annually spread out through 2030. Operating the full expanded system with Concept 3 is estimated to cost $26 billion through 2030 – or about $1.2 billion per year. Costs of building and operating the full system with Concept 3 through 2030 are
estimated at $2.5 billion a year or a total of $52.8 billion. The board says the total costs will work out for each “metro resident” to “about $1.15 a day.”\textsuperscript{37} That may not sound like a lot, but for a family of four it approaches $1,700 a year. For most families, that is a significant amount of money.

Also, these costs may be underestimates. There are many past examples of infrastructure project cost overruns. A 2002 analysis in the \textit{Journal of the American Planning Association} says cost overruns happen in 90 percent of transportation projects and that rail projects end up costing 45 percent more than initial projections.\textsuperscript{38}

\textbf{Costs versus benefits}

Whatever the costs, they will be large. Are they worth it? Do they produce enough benefits? Answering that requires weighing all of the benefits, including any benefits from reducing congestion and air pollution and from providing transportation options to those who do not or cannot drive. It means accounting for employment and economic growth benefits. Numerous analyses assert that the benefits of transportation projects generally are very substantial.

An October 2009 report\textsuperscript{39} by the American Public Transportation Association (APTA) says that each $1 billion spent on transit capital investment and operations support about 36,000 jobs. These jobs produce $3.6 billion in business sales, almost one-half billion dollars in government tax revenues, and $1.6 billion in worker income, APTA claims. Benefits, the study says, derive from travel and vehicle cost savings by switching from cars freeing up income for other uses, reducing the personal costs of time lost from traffic congestion, lowering business operating costs, increasing business productivity by growing labor markets, and increasing
business expansion as individual commuter savings are spent. The study does not put a value on social and environmental benefits.

A study from the Carl Vinson Institute of Government in 2007 says MARTA in 2011 will support almost 25,000 jobs in Georgia, add $3.2 billion to the economy and add about $75 to per capita income. “This addition to real disposal income is the result, primarily, of the improved transportation system lowering labor cost – and hence lowering the cost of living – in the Atlanta area,” the study explains.40

An economist studying transportation spending for APTA41 believes that benefits have sometimes been underestimated because of the modeling employed. He says evaluating transportation spending using a general equilibrium model (as opposed to a partial equilibrium model) provides a better picture of the full benefits. Using what he believes is the more accurate modeling, he calculates that transportation spending spurs strong growth in the economy and in personal income. He also claims that productivity growth from transit spending is twice that of highway spending. His research concludes that the “benefits of higher transportation spending – appearing in the form of higher output of goods and services – turns out to be sufficient to outweigh the costs of such a program.”42

It must be true that spending billions of dollars on almost anything will cause economic activity and create jobs. However, when dollars are spent on one thing, they cannot be spent on something else. Whatever that something else is would also have generated economic activity. So the question that has to be asked is whether the benefits of one kind of spending are greater than another relative to the costs.
Some commentators who have tried to answer that question favor transportation spending but oppose heavy investments in rail transit, which they believe costs more and does less to reduce congestion. Researchers at the Heritage Foundation say that rail transit is heavily subsidized (the net federal subsidy for rail transit is higher than for any other mode) yet attracts a relatively small number of travellers.\(^43\) Heritage advocates shifting some federal funding from rail transit to congestion reduction approaches, such as telecommuting and carpooling, which it says are much more cost-effective.

**Benefits for people who don’t ride**

People who do not use public transit or only use it infrequently are in the majority. Many of them need to be convinced they would benefit from expansion of public transportation if they are going to support funding for it.

To win support for a light rail transit line in Utah, proponents used the slogan, “Even if you don’t ride it, you use it.”\(^44\) In addition to highway congestion reduction and faster commutes, the benefits claimed for non-users include availability of transportation options for occasional use (going to and from concerts and sports events, for example), fewer additional vehicle purchases (don’t need a second car), reduction in energy consumption, better air quality, increases in home values, and a more positive climate for economic development that positions businesses to be better competitors nationally and internationally. That means more economic development and jobs.

Educating people in Atlanta about these benefits could prove important to build a stronger chance of winning approval for funding and implementing Concept 3.

**Funding approaches for Concept 3**
How could the costs of Concept 3 be paid? There are many possibilities including federal, state and local sources but no options agreed upon or in place at this time. While Concept 3 proponents have not yet proposed a formal funding plan, the Transit Planning Board has suggested a combination of approaches, including federal funding, a sales tax, a statewide gasoline tax, an infrastructure bank, selling advertising, selling development rights, parking fees, rental car fees, and license tag fees. Every choice, however, has its challenges, and finding sources of revenue of the magnitude needed, especially when the economy is in trouble, tax revenues are depressed, and people are unemployed, makes the task of finding a suitable, publicly supported and sufficiently large revenue stream even more difficult.

Current Atlanta region transportation funding

Atlanta struggles to pay for the public transportation system it has. Currently, the federal government provides $600 million to $800 million of transportation funding annually to the Atlanta region or about 32 percent of what Atlanta spends on transportation. The state provides 14.7 percent totaling about $300 million. Most of both sources of funding, however, goes to roads and highways. Georgia’s constitution says fuel taxes – the biggest overall state source of transportation funding – must be spent on roads and bridges. After federal government and state government contributions, localities provide the rest of transportation funding for the Atlanta region.

Georgia provides little funding for public transportation, and unlike all other major transit agencies in other states, MARTA receives no state funding. A regional sales tax pays the largest share of MARTA’s expenses. Fulton and DeKalb Counties, where Atlanta is located, impose a one percent sales tax that pays for about 40 percent of operations. However, state
law directs that half the revenues collected by this sales tax must be spent on capital projects, even though MARTA’s greatest immediate need is to cover its operational costs and even though operational costs have grown proportionally larger over time compared with capital spending on a maturing system. Passenger fares contribute another 28 percent of MARTA funding. Federal support covers less than 15 percent of the cost of operations. Other sources, such as lease and interest income, provide the rest. For comparison, while the federal government covers nearly 15 percent of the cost of MARTA operations, it covers 80 percent of funding for federal highways in Georgia.

ATLANTA DEPENDS ON LOCAL FUNDING FOR TRANSPORTATION


<table>
<thead>
<tr>
<th>FEDERAL FUNDS</th>
<th>STATE</th>
<th>LOCAL SOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>32%</td>
<td>14.7%</td>
<td>53.3%</td>
</tr>
</tbody>
</table>

SOURCES OF ATLANTA REGION TRANSPORTATION FUNDING

<table>
<thead>
<tr>
<th>SPLOST</th>
<th>PASSENGER FARES</th>
<th>FEDERAL</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>28%</td>
<td>15%</td>
<td>17%</td>
</tr>
</tbody>
</table>

SOURCES OF OPERATIONS FUNDING FOR MARTA

Federal Transit Administration funding for the Atlanta region (for MARTA and other regional transit companies) amounted to almost $110 million in FY 2009. However, since the state does not provide a dedicated funding source for rail transit, it is more difficult to qualify new public transportation projects for federal funding that require states to show an ability to pay part of the costs.

Existing MARTA funding is inadequate to cover current service levels. Bus and rail service were cut last year, and MARTA is proposing additional bus service cuts this year. In
2010, nearly one-third of bus lines were eliminated while rail service was but by 14 percent. The MARTA law requires the sales taxes collected to be spent evenly between operations and capital improvements, although the Transportation Investment Act of 2010 provides relief from this provision for three years. This has increased the challenge of covering operating expenses. Also, the “historical real value” of the sales receipts is at a low point for the decade, amounting to only about 84 percent of the value in FY 2001. The Carl Vinson Institute projects that funds will fall short of revenues by $348 million in 2020 and $1.1 billion in 2030.

**Potential federal funding for Concept 3**

The federal government helps support transportation improvements in the states, both roads and public transportation, but future funding could be less available. It began supporting public transportation after the enactment of the Urban Mass Transit Act in 1964. This historic legislation helped encourage public ownership of municipal transit systems. Followed by more significant public transportation laws in the 1970s, it also established the precedent for federal government assistance in funding public transportation, the concept of matching federal grants and the focus on federal support for capital funding. Federal funding was used to build MARTA and continues to support MARTA. However, Georgia receives federal transportation funding in an amount less than the value of the federal gasoline taxes collected in the state. Also, the $110 million in federal transit funding the Atlanta region received in FY2009 was about one percent of total federal transit funding, which totaled a little more than $10 billion. North Carolina received grants for transit totaling $545 million from the recent federal stimulus program for high-speed rail while Georgia was awarded $750,000 to do studies.
Over the years, federal funding has become relatively less important as a source of funding for transportation projects, and federal budgetary challenges may limit funding going forward as “a demographic tidal wave where mandatory spending for Social Security and Medicare will command a greater share of the nation’s resources, overwhelming the funding available for discretionary programs such as transportation.” Republicans in the House of Representatives have proposed substantial cuts in discretionary spending in the remainder of this fiscal year, including spending on public transportation. Nevertheless, funding at some level may well continue, and the Atlanta region should be prepared to continue to apply for the greatest share possible to help pay its public transportation bills, including Concept 3, if it is approved and receives some local and/or state funding.

Potential sources of funding in Georgia

The trend in state transportation spending has not been positive. While Georgia invested more on transportation “than the rest of the nation” from the 1960s to the 1980s as a percentage of its gross domestic production, spending has been on a downward path since the late 1980s. Today, Georgia per capita transportation spending is second lowest among the states. This does not bode well for obtaining large funding from the state for Concept 3, even if the law were changed so that fuel tax revenues could be used for public transportation.

The Atlanta Regional Commission has produced a list of possible transportation funding options and estimated how much revenue could be generated from each. At the state, regional and local levels, some ten different tax and fee increases could produce as much as $135 billion over the 2010-2040 period. These potential sources could provide more than enough to fund Concept 3 while still providing support for all state transportation initiatives. However, the
sources listed were not characterized as likely sources. They simply constitute the universe of possibilities, and many if not all would be difficult to enact and implement.

<table>
<thead>
<tr>
<th>POTENTIAL TRANSPORTATION FUNDING SOURCES 2010-2040 (FY 2010 VALUE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: ARC, BRIDGING THE GAP 2010: INVESTIGATING SOLUTIONS FOR TRANSPORTATION FUNDING ALTERNATIVES IN THE ATLANTA REGION</td>
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<table>
<thead>
<tr>
<th>MOTOR FUEL EXCISE TAX RATE INCREASES</th>
<th>1-CENT</th>
<th>2 CENT</th>
<th>3 CENT</th>
<th>1.2 BILLION</th>
<th>2.4 BILLION</th>
<th>3.6 BILLION</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREPAID MOTOR FUEL SALES TAX INCREASES</td>
<td>1% INCREASE</td>
<td>2% INCREASE</td>
<td>4% INCREASE</td>
<td>5.8 BILLION</td>
<td>11.6 BILLION</td>
<td>23.3 BILLION</td>
</tr>
<tr>
<td>REGIONAL VEHICLE REGISTRATION</td>
<td>5 DOLLAR FEE</td>
<td>10 DOLLAR FEE</td>
<td>650.8 MILLION</td>
<td>1.3 BILLION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REGIONAL COMMISSION TSPLOST (10 COUNTY ARC/ 2013 2022)</td>
<td>1% SALES TAX</td>
<td>7.9 BILLION</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>REGIONAL MILEAGE RATE INCREASE</td>
<td>NET M&amp;O INDUSTRIAL COMMERCIAL</td>
<td>(0.5 Mil/1 Mil) (1 Mil/2 Mil) (1 Mil/ 2 Mil)</td>
<td>3.9 BILLION/ 7.9 BILLION 417 MILLION/ 833 MILLION 2.2 BILLION/ 4.4 BILLION</td>
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<td></td>
</tr>
<tr>
<td>REGIONAL VEHICLE AD VALOREM TAX INCREASE</td>
<td>(1 Mil/ 2 Mil)</td>
<td>513 MILLION/ 1 BILLION</td>
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</tr>
<tr>
<td>REGIONAL INCOME TAX INCREASE (ANNUAL GROWTH)</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
<td>12.3 BILLION</td>
<td>18 BILLION</td>
<td>26.8 BILLION</td>
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<tr>
<td>STATE INCOME TAX INCREASE (REGIONAL SHARE) (ANNUAL GROWTH)</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
<td>11.4 BILLION</td>
<td>16.8 BILLION</td>
<td>25.3 BILLION</td>
</tr>
<tr>
<td>REGIONAL VEHICLE MILES TRAVELED TAX</td>
<td>1.5 Cents/Mile</td>
<td>2 Cents/ Mile</td>
<td>25.3 BILLION</td>
<td>33.7 BILLION</td>
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<td></td>
</tr>
<tr>
<td>PARKING FEES (ANNUALLY FOR 20 YRS in ATLANTA) TRANSACTIONAL TAX</td>
<td>1 DOLLAR * 200,000 SPACES 10% * 50,000 SPACES at 90 DOLLAR/MONTH</td>
<td>25.3 MILLION</td>
<td>5.4 MILLION</td>
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</table>
Among the options considered by the commission are the motor fuel excise tax and the prepaid motor fuel sales tax, which in FY 2009 contributed about $775 million to the state treasury and have constituted a stable revenue stream until the recession (although they have not kept pace with population growth). Barring a change in the state constitution, state fuel taxes are not a likely source of funding for Concept 3 even though revenue totals are expected to gradually increase. But even if the state constitution were changed, Georgians have historically demanded low fuel taxes. So, proposals to raise them would likely meet with significant opposition.

Furthermore, even if dedicating a portion of fuel taxes to public transportation were possible, fuel taxes are typically not adjusted for inflation. That liability combined with the increasing fuel efficiency of automobiles also works against fuel taxes serving as a stable source of funding. Fewer and fewer real dollars are collected as inflation eats away at the value of the tax and as less fuel is purchased. These factors also mean highway funding gets pinched, which could reduce the chances of increasing the tax rate and dedicating additional revenues to public transportation. In addition, proponents of more highway maintenance and expansion of roadways may want to use any possible increased revenues for highway and road projects.

Increasing real estate property and commercial and industrial property taxes is another potential source. Like fuel taxes, the tax base for property tax increases is broad, but the public often resists raising real estate property taxes. One objection is that non-residents who may use the transportation system do not pay. Businesses may fear the cost of renting commercial space will increase. Also, property tax revenues decline if property values decline, making them a less reliable funding source.
For the potential property tax increases evaluated by the Atlanta Regional Commission, far less revenue is raised than if fuel taxes were increased. Fuel taxes are paid in relatively small amounts frequently while property taxes are paid less frequently in larger sums. This difference may make it harder to win support among the public for an increase in property taxes that would raise large sums.

Raising or imposing local income taxes is another possibility. A small percentage tax can raise significant amounts of dollars. The revenue these taxes can raise varies with the strength of the economy, however, and an increase in income taxes would likely generate opposition. A local income tax in Georgia would require conducting a referendum to obtain citizen approval. On the other hand, as wealth and population increase in an area, as they have and will likely continue to do in the Atlanta region, potential revenues collected increase, so local income taxes could prove a stable source of funding if ever approved.

The biggest sources of possible revenue on the commission’s list from smaller to larger include a regional 10-county Atlanta region sales tax ($7.9 billion), a motor fuels sales tax increase ($23.3 billion), a state income tax increase ($25.3 billion), a regional income tax increase ($26.8 billion), and a regional vehicle miles traveled tax ($33.7 billion), where motorists would pay a tax proportionate to the amount of miles their vehicles travel.

The commission also considers other smaller taxes and fees, including local business license taxes, local accommodations taxes, and parking fees.

Finally, it considers public-private partnerships, where private interests and private capital are brought into the equation. Businesses interests in Atlanta understand the value of transportation enhancements and may be able to help finance them provided it is profitable to
do so. A typical public-private partnership might involve participation by a private company in building and then operating a toll road. Georgia is supporting several public-private toll road projects, and nationally there are a small number of public-private rail transit projects. Also, a public-private partnership, the Atlanta Downtown Improvement District, Inc., is helping fund the Atlanta Streetcar Project through a community improvement district tax. The partnership expects to provide $10 million for the $72 million project, which has also been awarded a federal grant of almost $48 million.

Special purpose local option sales tax

While a variety of mechanisms are employed by metropolitan areas to fund public transportation projects, special local option sales taxes have become steadily more popular. “Policymakers are devolving fiscal responsibility from federal and state to local governments, by increasingly authorizing the use of local option transportation taxes,” Todd Goldman and Martin Wachs at the University of California at Berkeley write.

As noted earlier, the Atlanta region already employs local option taxes. The 1965 MARTA law established MARTA as a taxing authority for collecting a 1-percent sales tax in jurisdictions where voters approved, and that tax (now collected in Fulton and DeKalb counties) provides MARTA its largest source of revenue.

The Atlanta Regional Commission supports a regional sales tax for generating funds for public transportation. As noted, it calculates that a one-percent sales tax levied on the 10-county Atlanta region could produce about $7.9 billion from 2013 to 2022 for all transportation modes. Aside from the potential for generating substantial revenue (but not enough to finance Concept 3, even if the entire amount were dedicated to that project – an extremely
unlikely prospect), that revenue stream would expand as the region grew and could be implemented through the existing sales tax system.\textsuperscript{69}

Also, a dedicated revenue stream, such as a local sales tax, improves the chances of getting federal support for projects. “With the FTA’s de facto policy of favoring projects that request less than 60% of their total cost from new-starts funding, the presence of dedicated funds to help cover the local share of construction costs as well as demonstrate the existence of a stable source of operating funds is, now more than ever, vitally important to getting projects off the ground in many cities,” say Daniel Hess at the University of Buffalo and Peter Lombardi at Rutgers.\textsuperscript{70}

Studies of successful efforts to impose local sales taxes to pay for public transportation projects suggest the tax appeals to people when the process is transparent and when the benefits seem fairly distributed. People often feel that through a sales tax the costs are fairly shared since everyone pays. They may also support such a tax when they feel the project will serve disadvantaged groups.\textsuperscript{71}

While Georgia legislators rejected bills that would have allowed local sales taxes in 2008 and 2009, they passed the Transportation Investment Act of 2010 this past June. The law divides the state into 12 regions – one of which is a ten-county Atlanta region – and allows each region to vote on transportation projects presented by elected officials. The voting would occur in the primary elections in 2012.\textsuperscript{72} The new law, which requires “any new transit instrumentality... [to] participate in Concept 3 development,”\textsuperscript{73} would allow a region-approved tax to be collected for ten years.
The total potential tax that could be collected (estimated at $600 plus million per year)\textsuperscript{74} would likely not cover the entire period in which the full costs of Concept 3 would be incurred. The 10-year tax collection limit – which can be extended but only following action by the General Assembly – may serve as an obstacle to issuing bonds for raising capital to be able to make sizable upfront investments. Also, each county would have the option of keeping 15 percent of the taxes for local county projects that could be unrelated to Concept 3.\textsuperscript{75} In addition, Concept 3 covers a 14-county area, expanding beyond the potential tax collection jurisdiction. Also, road projects will almost certainly be among those presented for a vote, which could reduce funding available for rail transit projects.

Voters will vote for the tax and a transportation project list. Representatives on regional roundtables are charged with producing a list. They may disagree on what should be on it. In the Atlanta region, Fulton and DeKalb Counties have already raised concerns about paying an additional one percent sales tax on top of the one percent they are already paying for MARTA. Supporters of MARTA are unhappy that not more was done in the HB 277 legislation to allow use of revenues under both the existing MARTA tax and under the potential new tax to cover MARTA operations and maintenance expenses. Also, the state director of planning presents another layer of review and potential complication. He is authorized to review a draft list of projects and work with executive committees of the regional roundtables to produce a final draft list for consideration by the roundtables. Government officials get to comment on the lists, and town halls must be conducted to get public input.

Nevertheless, if the Atlanta regional roundtable includes elements of Concept 3 on a project list voters approve, then the sales tax collected could provide partial funding for
Concept 3. Atlanta Regional Commission planner David Emory believes Concept 3 is likely to receive some of the tax revenues: “My expectation is that a significant portion of the funding from the sales tax will be proposed for transit.”

Transit expansion in Atlanta and other cities

The Atlanta region faces public transportation funding challenges unlike those faced by most other metropolitan areas. Compared with MARTA, public transportation systems in other cities have more sources of operations funding and greater capital funding from the federal, state and local government. A Carl Vinson Institute study of MARTA financing says, “MARTA’s peer agencies...have a diverse set of funding – that is, those that obtain funding from a variety of different sources – [and] have had the more stable transit programs over the past 10 years.
In particular, they have been able to support not only their basic service but also an expansion of services in key market areas.” Nevertheless, no metropolitan areas have recently successfully funded and implemented public transportation expansion on the scale of Concept 3, and most have struggled to improve their systems with less costly projects. Declining revenues from sales taxes, lower ridership, and the overall depressed economy are among the factors contributing to the difficulties of funding improvements to systems as well as adequately funding existing operations.

Many systems have benefited from stimulus funding, but that source may not be replenished. The American Public Transportation Association said in a report last year that there is now a serious crisis in keeping public transportation systems operating at current levels.78 Many systems are cutting jobs and raising fares. Most report lower local and/or regional and state funding and lower or the same fare revenues. An issue now being discussed is whether federal reauthorization of surface transportation legislation to be considered this year should include emergency help from the federal government and a change in the law that would permit systems to use federal funding to help cover operating expenses.79 Should the latter occur, maintaining operations at current levels would be easier, but less federal money would then likely be available for and applied to system expansions.

**Charlotte**

Charlotte’s 2030 Transit Corridor System Plan is an example of a significant system expansion at risk. The plan includes 25 miles of commuter rail, 21 miles of light rail, 16 miles of streetcar, 14 miles of bus rapid transit and additional bus and other transit services (in comparison to some 500 miles of added rail and bus lines proposed in Concept 3). One of the
light rail lines has been completed at a cost approaching one-half billion dollars. The capital cost of completing the system exceeds $2 billion, which is no more than one-tenth the projected capital costs of Concept 3. Nevertheless, supporters of the project admit that most of it has to be put on hold for lack of financing. Future projections of sales tax revenue are thought to be hundreds of millions of dollars less than originally thought. One transportation analyst pessimistically concludes, “The expansion plan, developed just four years ago, now seems more like fantasy than reality. Nothing other than the Blue Line extension is likely to be built unless there is political will to push for a tax increase for the program or a private partner is willing to drop hundreds of millions of dollars on a project, and neither of these seem like particularly realistic prospects.”

Seattle

The Sound Transit2 project in Seattle has weathered the bad economy better than many, but the project has been downsized and project deadlines pushed back. The project had strong public support. Voters had approved a .5 percent sales tax and a .4 percent motor vehicle excise tax to pay for Sound Transit2, which included commuter and light rail and bus service and which approaches Concept 3 in scale. However, loss of sales tax revenue in Seattle forced cutting $3 billion from the $18 billion Sound Transit 2 project last year. Revenue forecasts through 2023 had fallen from $14 billion to $10.7 billion. Sound Transit CEO Joni Earl said, “The reality is we can’t afford the whole program.”

Dallas

Plans by Dallas’ DART transit system were downsized last year because of major declines in projected sales tax revenues, down by about $3 billion over 20 years. For example, DART
had planned a major addition of light-rail lines that would have increased total light rail mileage to 110 miles in 2018. Its latest 20-year financial plan now envisions expansion of the system to 90 miles. Projects already underway will continue, and the new financial plan includes $4.46 billion in new capital projects, which is substantial but still far less than capital requirements for Concept 3. However, these projects will only go ahead with growth in sales tax revenues, more federal funding and increased borrowing.85

**Denver**

Denver’s RTD created a plan in 2004 – FasTracks – for a multi-billion dollar expansion of its public transportation system, including new rail and new rapid transit bus service. Funding has become an issue for the significant amount of work that remains to be completed. The total cost of the project has increased to about $6.7 billion while revenue projections have declined, leaving a $2 billion gap between what is needed and what revenues are expected to come in.86 Either the project will need to be delayed or the existing FasTracks sales tax will need to be increased, which RTD is now considering and which could be voted on by the public later this year at the earliest.

**Houston**

Houston’s METRO is pursuing $4.1 billion in public transportation improvements, which includes five new light rail lines. It has been one of the more successful cities in obtaining federal funding and learned earlier this year that the federal government had budgeted $200 million to support building two new rail lines. That funding requires congressional approval, however, and Republicans in the House of Representatives have proposed extensive cuts in discretionary spending, including $60 billion in cuts over the next ten years in rail projects. The
ability of Houston to implement its rail projects depends on how the budget process plays out. According to Joshua Schank, director of transportation research for the Bipartisan Policy Center, “Cuts in federal transportation spending are on the way. Historically, there may have been few partisan battles over transportation but that’s changing and not everyone realizes it.”

**Salt Lake City**

Salt Lake City is substantially expanding its light rail system at a cost that is projected to exceed $2.5 billion with costs to be covered by sales tax revenue (based on a successful sales tax referendum in 2006) and federal funding, which the state has been successfully applying for. Federal grants are especially important because like other cities, Salt Lake City has seen local sales tax revenues decline. However, the new Republican Senator Mike Lee has said he is philosophically opposed to federal funding of state and local transit projects, unlike his predecessor Bob Bennett who worked aggressively to bring transit funding to the state.

**Atlanta**

While the environment for major public transportation expansion is not robust for any city, Atlanta like most other cities with expansion plans has shown that some progress can be made even in difficult times. Multiple projects are underway and funding is occurring. A new bus rapid transit project in DeKalb County has been implemented at a cost of nearly $27 million. A downtown streetcar project just received federal funding totaling nearly $50 million. Construction will begin next year. And the $2.8 billion Atlanta beltline park/transit project continues to move forward with funding anticipated to come from the federal government, private capital, and bonds to be paid from tax allocation district property tax funding. These examples may be construed as a positive: Atlanta showing support for public
transportation. But they may also have the effect of balkanizing transportation projects and resources that could hamper Concept 3 implementation and produce improvements of limited value to the transportation system as a whole. No matter how this is viewed, Atlanta’s Concept 3 presents a set of funding challenges above and beyond what other systems are facing, and barring dramatic changes in the economy, it is hard to imagine that the plan will go forward without substantial changes and delay.
TRANSPORTATION FUNDING SOURCES


<table>
<thead>
<tr>
<th>City</th>
<th>Sources of Operating Funds Expended</th>
<th>Sources of Capital Funds Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATLANTA</td>
<td>22% Fare Revenues, 58% Local Funds, 9% Other, 11% Federal Assistance</td>
<td>68% Local Funds, 1% Other, 31% Federal Assistance</td>
</tr>
<tr>
<td>CHARLOTTE</td>
<td>14% Fare Revenues, 74% Local Funds, 11% Other, 1% State Funds</td>
<td>9% Local Funds, 91% Other</td>
</tr>
<tr>
<td>DALLAS</td>
<td>11% Fare Revenues, 79% Local Funds, 9% Other, 1% Federal Assistance</td>
<td>78% Local Funds, 22% Other</td>
</tr>
<tr>
<td>DENVER</td>
<td>21% Fare Revenues, 55% Local Funds, 11% Other, 14% Federal Assistance</td>
<td>86% Local Funds, 14% Other</td>
</tr>
<tr>
<td>HOUSTON</td>
<td>15% Fare Revenues, 65% Local Funds, 14% Other, 7% Federal Assistance</td>
<td>90% Local Funds, 10% Other</td>
</tr>
<tr>
<td>SALT LAKE CITY</td>
<td>17% Fare Revenues, 58% Local Funds, 17% Other, 9% Federal Assistance</td>
<td>75% Local Funds, 14% Other, 11% State Funds</td>
</tr>
</tbody>
</table>
Building support for Concept 3

Whether Concept 3 is ever implemented depends on public support and politicians who hear the public’s message. Today, Concept 3 has its supporters and its opponents. But although the plan was finalized and issued in 2008, following a period of public comment, the broader population has not been fully engaged, in part because funding proposals have not been put to a vote. That may come in 2012 when the region is expected to vote on a set of transportation initiatives (which could include Concept 3 or some elements of it) under the Transportation Investment Act.

Discussion of Concept 3 in the news media is not happening. Googling “Concept 3 Atlanta transportation” provides a relatively small number of hits and not many recent. While Concept 3 does not appear to be a matter of intense current public discussion, planning work at the Atlanta Regional Commission continues. Currently, the Regional Transit Committee is involved in an extensive Concept 3 project evaluation that will include an assessment of what components would be recommended for inclusion in a project list for the Transportation Investment Act referendum in 2012.

Support for more public transportation and/or Concept 3?

Some members of the public, politicians, businessmen and transportation planners have indicated support for Concept 3. However, more public transportation also has its critics and opponents, and while there is some evidence of public support for tax increases to pay for an expansion, the strength of that support when it actually comes down to voting for a tax increase remains to be seen.
A 2004 survey of 1,100 Atlanta region commuters sponsored by the Metro Atlanta Chamber of Commerce found that two-thirds were open to using public transportation more, provided that it was “fast, inexpensive and easy to use.”  A 2008 Transit Planning Board survey also found support for more public transportation. Fifty-eight percent of those surveyed said they would support new projects and be willing to pay a sales tax to help cover the costs if congestion and travel times could be reduced. Strong support was measured across the entire Atlanta region. A 2010 survey conducted by the Atlanta Regional Commission’s Livable Communities Coalition reported that 53 percent of the Atlanta region voters surveyed said they would vote yes for HB 277, with 59 percent agreeing that public transportation is a very important strategy for addressing transportation issues.

The Georgia Department of Transportation believes that more investment is needed in transportation and that transportation improvements would help the state economy grow, but its view is statewide, so it is concerned about roads, rail and highways throughout the state. Its 2010-2030 strategic plan does highlight improving mobility in the Atlanta region, including improvements in rail transit “as resources become available,” which suggests that it is uncertain about the prospects for obtaining the full $65 billion it believes would be needed to achieve all of the needed transportation improvements, including projects like rail transit, throughout the state.

In support of more public transportation, Georgia Republican Lt. Governor Casey Cagle says, “The time for small ideas and quick fixes on transportation in Georgia has passed. Instead, we should recognize that our state’s economic future rests on our courage in finding long-term
solutions.” He has called for “a world-class road and highway system” and improvement and expansion of “rail transit networks like MARTA.”

The Atlanta Regional Commission’s senior principal planner Cain Williamson says that while the governor still needs to get behind Concept 3, he believes that the plan “enjoys a higher degree of consensus than any transit plan I have seen since I have been in Atlanta.”

Atlanta Regional Commission director Charles Krautler, predictably a strong supporter of Concept 3, says, “We need to get moving on transit in metro Atlanta,” he says, “or our region and state will not have the mobility options of our Southeast neighbors, much less those worthy of a great, international metro region.”

In a letter to the editor to the Reporter Newspapers last year, two prominent Atlanta area businessmen – Leonardo McClarty, president of the DeKalb Chamber of Commerce, and Terry Lawler, executive director of the Regional Business Coalition of Metro Atlanta – strongly supported action by legislators to improve Atlanta region transportation.

U.S. PIRG calls on Georgia to “rethink its transportation system for the future and invest in efficient and clean transportation,” including commuter and light rail.

However, there are vocal opponents to public transportation – or at least to some elements of it. The Georgia Public Policy Foundation says more public transportation is needed in the Atlanta region but that it should be “effective transit.” The foundation does not believe rail transit is a cost-effective option for Atlanta, and that effective transit such as flex-trolley and bus rapid transit is much more practical for Atlanta and more affordable.

Transportation consultant Wendell Cox supports improvements in public transportation – for example, an arterial road system for Atlanta – but he is strongly opposed to expansion of
rail transit: “There are proposals to expand the MARTA transit system and tax from the core counties of Fulton and DeKalb to suburban counties. It is hard to imagine a more counterproductive policy approach. This would shower the overly-costly MARTA system with a stream of revenue with which its out of control costs per mile could escalate. The additional cost to taxpayers and riders would be far in excess of any potential benefits. MARTA’s principal problem is not lack of funding; it is rather insufficient cost control.”

Conclusions and recommendations

There are good reasons for supporting expansion of public transportation in the Atlanta region, including reduction in road congestion, improvement of air quality, more economic growth and jobs, more transportation equity, and more transportation options for all people in the region. The need for transportation improvements has been accepted by many Atlantans for some time, even by people who do not use public transportation much or at all. Concept 3 is a comprehensive vision of what such an expansion might look like.

Concept 3, at least as initially envisioned, is a long shot. It is a major overhaul on a scale few other major metropolitan areas have proposed, let alone funded and implemented. It is not clear that the general understanding that transportation is important and that public transportation ought to be part of the region’s transportation system translate to a populace that at this time would strongly back the tax increases that will be necessary to bring in the revenue to build and operate Concept 3.

Concept 3 may turn out to be the next iteration of transportation planning in the Atlanta region, which will be replaced with a new idea under a new name a few years down the line. On the other hand, it is a balanced strategy of transportation improvements that will be needed
as Atlanta continues to grow. It is also an idea that responsible transportation advocates should be able to support and try to move forward. To the extent the public and their leaders understand that improvements are needed, Concept 3 may become the vehicle for forward progress on transportation. Rome was not built in a day, but it was, after all, built. And so some part of the vision of Concept 3, hopefully a major part, could one day become a reality.

Educating people and building support are the first and necessary steps to produce any measure of success. People need to understand how they would benefit. They need to know that the costs would be worth it. They need to believe the plan is a sensible one that will give more people more transportation for a reasonable investment. As one citizen wrote on a website about building support for improving MARTA, “Nothing less than winning the hearts and minds of voters and state legislators in favor of MARTA will change things significantly.”

Also, organization, persistence and compromise will be critical. Concept 3 is not the first vision put together by Atlanta transportation planners. Planners are good at saying what is needed, but the hard work, as they know better than most, is making it happen. Planners and their allies will need to create a strategy for implementing Concept 3 with clear objectives and steps forward. Also, Concept 3 must have its champions who are committed for the long term. Planners must find allies among politicians, business people, the media, the blogosphere and among third party groups. All must work in concert to help build support among the public.

The Transit Planning Board introduced Concept 3 in 2007, and significant attention was given to the plan in the media. But much more work over a sustained period is needed. Public and private proponents of Concept 3 need to be constantly heard. Their messages must be repeated and heard over and over again. The public needs to see and understand the plan, so
that they will have a sense of what is going to happen and why and how each part of the Atlanta region would benefit.

The involvement of the private sector is important. Private interests may be able to provide funding for an effective public relations effort promoting Concept 3. Beyond that, there may even be potential for some level of private-public partnerships in the actual development of the system.

One immediate objective that could advance the efforts of Concept 3 supporters would be to improve the current system so that more people in the Atlanta area have a favorable view of it. This is consistent with a step by step approach to realizing Concept 3. When people see public transportation work, they are more likely to want more of it. Given MARTA’s difficulties and how it is perceived among many, this is no small task. It will take leadership and excellent management and some additional funding. Making MARTA rail and bus services serve people better would make a difference. Whether politics and local self-interest will allow new investment to be directed to projects that would contribute the most transportation improvement and be equitable to the population most in need of more transit remains to be seen.

It is important that, if Concept 3 can begin to be implemented, the first elements work and serve people well. It could be that the addition of a critical bus service, for example, could make a big impact both on transit commuters and on people in cars that share the roads with buses. Sensible choices need to be made. The downtown streetcar project would benefit more people than the Beltline project, and therefore should receive funding first. Also, what gets funded and built should provide stand-alone benefits so that if nothing else follows
immediately, real value is provided and a strong advertisement of the value of transit continues to promote its expansion. Similarly, it would be useful if cutbacks that have reduced public transportation service in Atlanta to those who most use and depend on transit were restored. These patrons need to understand that Concept 3 will serve their interests because if they believe that is true, they are more likely to support taxes to construct and operate it. And, while every vote and every supporter for Concept 3 are critical, the current users of public transportation must be behind expansion.

The education effort could also benefit from focus group or other public opinion work that could help guide proponents of Concept 3 in their efforts to educate and win over more of the public and more policymakers. The education effort could also be strengthened by a study from a respected and independent research group that provides the ammunition to be able to say how much Atlanta could benefit from Concept 3.

It could be argued that academic arguments – a study of how much the benefits might exceed the costs, for example – are not likely to have much impact. However, they can provide information that supports and expands what proponents and activists are saying to try to convince people how important Concept 3 is. This information adds credibility to their arguments, and it also puts proponents in a better position to counter opponents who may well bring their own studies to the debate.

Much effort must go into finding multiple funding sources. No single source is likely to be adequate for Concept 3. Even if voters approve a transportation sales tax in the Atlanta region, which is the most likely possibility for some near-term funding, the amounts collected would not nearly be enough to pay for Concept 3. Atlanta and Georgia have to do a better job
of bringing in federal money even if it is in very short supply given the federal budget problems. The governor, mayors, and the entire Georgia congressional delegation should be working together to make that happen. The Atlanta Regional Commission’s senior principal planner Cain Williamson says the commission has estimated that the Atlanta region, “could receive up to $1.5 billion in federal transit investment over the next 30 years if we could muster the same amount of local capital funding.”

Also, the region needs to be more aggressive in finding state funding. The state has left funding of transit projects largely to the localities, but the fact is that the Atlanta region is the biggest economic driver in the state. It delivers disproportionately large amounts of revenue to state coffers. If the region as a whole can build commitment for public transportation, it needs to have its representatives in the state assembly work hard to bring more money to the region.

Concept 3 sets a high goal. It could be a public policy example of our reach exceeding our grasp. But it could also be the beginning of real progress in public transportation in the Atlanta region. Making that happen will take much hard work, a reviving economy, and some good luck.


17 “Green Infrastructure,” p. 4.


26 “Georgia’s State Implementation Plan,” p. 6.
27 “Atlanta’s air quality” (see above)
30 Environmental Protection Agency. (n.d.) *Atlanta Station (Atlanta Steel Site Redevelopment Plan).* Retrieved February 10, 2011, from http://www.epa.gov/smartgrowth/topics/atlantic_steel.htm
48 Oliver, 2010.


This document contains a list of references cited in the text, formatted in APA style. Each reference is numbered and corresponds to a citation in the text. The references include articles, reports, and other sources related to transportation, urban planning, and policy in Atlanta. The citations are referenced within the text using superscript numbers corresponding to the reference list at the end of the document.