

Financial Forecasting Assumptions for Plan 2040 (DRAFT)

Inflation and Long Range Cost Escalation

- **For the FY 2012-2017 TIP period, ARC will use the GDOT recommended 4-percent inflation rate.** This conservative inflation rate allows both GDOT and ARC to manage expectations and account for uncertainties in the current fiscal environment.
- **For the long-range element of the RTP (2018 and beyond), an inflation rate of 2.39% is recommended. As shown in Table 1, prominent economists in Federal government and the Federal Reserve Board forecast the consumer price index (CPI) to increase at this average annual rate over the next 10 years.** This forecasted rate takes into consideration drastically reduced inflationary pressures in the national economy due to tightening lending practices and fiscally austere policies that have been implemented by a multitude of state and local governments across the nation.

	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
Quarterly								
2010:Q2	1.4	1.4	1.4	1	1.2	1.1	1.3	1.1
Q3	1.8	1.8	1.5	1.4	1.7	1.7	1.3	1.2
Q4	1.9	1.8	1.5	1.5	1.8	1.6	1.4	1.3
2011:Q1	2.1	1.9	1.6	1.5	1.8	1.8	1.5	1.4
Q2	N.A.	2	N.A.	1.6	N.A.	1.7	N.A.	1.5
Q4/Q4 Annual Averages								
2010	1.7	1.6	1.4	1	1.4	1.4	1.3	1.2
2011	2.1	2	1.7	1.6	1.8	1.8	1.5	1.6
2012	2.3	2.4	2	2	2	2	1.9	1.8
Long-Term Annual Averages								
2010-2014	2.2	2.19	N.A.	N.A.	1.8	1.8	N.A.	N.A.
2010-2019	2.39	2.4	N.A.	N.A.	2.1	2.15	N.A.	N.A.

Source: Philadelphia FED - www.philadelphiafed.org/research-and-data

Forecasted Debt Service

Georgia has aggressively embarked on several major bonding initiatives over the past seven years in order to expedite major transportation projects throughout the state – including Governor Sonny Perdue’s Fast Forward Congestion Relief Program, which is a 6-year \$15.5 billion program enacted in 2004 to relieve congestion and spur economic growth through the acceleration of programmed projects, as well as his recent \$300 million bonding initiative to fund several projects including express toll lanes on Interstate 75 south of Atlanta and a last-mile connection to the Port of Savannah. Most, if not all, of the bonds are federal GARVEE bonds – which are backed by both state motor fuel tax revenue and future federal apportionments – and state GO bonds, which are primarily backed by state motor fuel tax revenue.

Table 2 illustrates the debt service payment schedule and the respective contributions made from state motor fuel tax revenue and future federal apportionments. It is important to note that the debt service payments are collected immediately before the revenues are allocated per congressional district.

Table 2: Debt Service for Bonds from State and Federal Sources: FY 2011 - FY 2030						
YEAR	GARVEE/GRB Debt Service from FHWA Apportionments	GARVEE/GRB Debt Service from State Motor Fuel Taxes	GO Bond Debt Service from State Motor Fuel Taxes	Total Annual Debt Service from FHWA Apportionments	Total Annual Debt Service from State Motor Fuel Taxes	Grand Total
FY 2011	\$148,193,801	\$91,051,947	\$185,000,000	\$148,193,801	\$276,051,947	\$424,245,748
FY 2012	\$148,156,201	\$91,040,758	\$209,710,554	\$148,156,201	\$300,751,312	\$448,907,513
FY 2013	\$148,568,841	\$91,145,905	\$189,928,605	\$148,568,841	\$281,074,510	\$429,643,351
FY 2014	\$148,195,597	\$91,046,282	\$162,352,963	\$148,195,597	\$253,399,245	\$401,594,842
FY 2015	\$148,196,157	\$91,051,413	\$163,293,119	\$148,196,157	\$254,344,532	\$402,540,689
FY 2016	\$148,197,957	\$91,053,912	\$140,914,422	\$148,197,957	\$231,968,334	\$380,166,291
FY 2017	\$148,195,553	\$91,050,050	\$146,011,666	\$148,195,553	\$237,061,716	\$385,257,269
FY 2018	\$148,197,128	\$91,046,557	\$130,146,072	\$148,197,128	\$221,192,629	\$369,389,757
FY 2019	\$107,465,568	\$80,864,792	\$126,289,302	\$107,465,568	\$207,154,094	\$314,619,662
FY 2020	\$107,465,176	\$80,866,813	\$115,506,024	\$107,465,176	\$196,372,837	\$303,838,013
FY 2021	\$53,428,560	\$67,353,890	\$103,804,247	\$53,428,560	\$171,158,137	\$224,586,697
FY 2022	\$0	\$24,406,625	\$102,540,427	\$0	\$126,947,052	\$126,947,052
FY 2023	\$0	\$24,406,750	\$91,473,251	\$0	\$115,880,001	\$115,880,001
FY 2024	\$0	\$24,405,250	\$80,330,892	\$0	\$104,736,142	\$104,736,142
FY 2025	\$0	\$0	\$81,596,692	\$0	\$81,596,692	\$81,596,692
FY 2026	\$0	\$0	\$65,882,095	\$0	\$65,882,095	\$65,882,095
FY 2027	\$0	\$0	\$62,202,028	\$0	\$62,202,028	\$62,202,028
FY 2028	\$0	\$0	\$31,075,141	\$0	\$31,075,141	\$31,075,141
FY 2029	\$0	\$0	\$28,380,647	\$0	\$28,380,647	\$28,380,647
FY 2030	\$0	\$0	\$5,330,365	\$0	\$5,330,365	\$5,330,365
TOTAL	\$1,454,260,539	\$1,030,790,942	\$2,221,768,512	\$1,454,260,539	\$3,252,559,454	\$4,706,819,993

Note: Dollars at nominal values

Sources: SRTA/GSFIC/GDOT

Federal Highway Funding to the Atlanta Region

- **The ARC will use a forecasted 2.5% annual growth rate in federal funding for the TIP and a 1.2% annual growth rate in federal funding for long range.** The 2.5% growth rate that is used for the TIP period matches GDOT assumptions as prepared by technical analysis from Georgia Tech. Because SAFETEA-LU is currently in continuing resolution and that there has been no draft of a new transportation authorization bill submitted to Congress, we must assume that current conditions hold for long range. Based on CBO analysis, the annual growth rate for federal funding nationwide will remain low over the next six years.

Table 3: Forecasted Federal Apportionments for Surface Transportation				
CBO Baseline	2010-2015		2011-2016	
	\$Millions	Annual Growth	\$Millions	Annual Growth
Federal-aid Highways (Ob Limit)	\$253,230	1.1%	\$256,396	1.3%
Exempt Highway Obligations	\$4,434	0.0%	\$4,434	0.0%
NHTSA Obligations (HTF Only)	\$4,504	1.2%	\$4,563	1.3%
FMCSA Obligations	\$3,425	1.6%	\$3,485	1.7%
FTA HTF Obligations	\$51,377	1.1%	\$52,011	1.2%
FTA General Fund Appropriations	\$14,732	1.2%	\$14,921	1.3%
Total, "Highway Bill" Obligations	\$331,702	1.1%	\$335,810	1.2%

Source: CBO/Transportation Weekly/Legislative Services Group

- The forecast of FHWA obligated funding to the Atlanta region is based upon historical obligated funding to the state of Georgia, the projected annual growth rates in federal transportation funding apportionments released by the Congressional Budget Office - as shown in the previous table - and the 18-county Atlanta region's forecasted share of the total state population. As shown in Table 4, **the 18-county Atlanta region is forecasted to receive \$23.4 billion in obligated funding from the FHWA in the years 2012-2040 – representing an average \$804.8 million in Federal Highway funding annually to the region.**
- As previously displayed in Table 2, **the state will forfeit an average of \$134 million per year in obligated FHWA funding due to GARVEE debt service payments.** It must be noted that this sum is immediately subtracted from the total sum of FHWA obligated funding before it is apportioned by GDOT via congressional balancing.

Table 4: ARC 18-County Region Share of Georgia's Total Population*

2010-2013 54.00%	2014-2020 57.00%	2021-2030 60.00%	2031-2040 63.00%
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Table 5: FHWA Funding Obligation Limit for Georgia and the 18-County Atlanta Region

Year	Forecast State (Pre-GARVEE/GRB Payment)	Forecast State (Post-GARVEE/GRB Payment)	ARC Share
2010	\$1,126,156,899	\$977,963,098	\$528,100,073
2011	\$1,140,169,528	\$991,975,727	\$535,666,893
2012	\$1,154,356,514	\$1,006,200,313	\$543,348,169
2013	\$1,168,720,027	\$1,020,151,186	\$550,881,640
2014	\$1,183,262,263	\$1,035,066,666	\$589,988,000
2015	\$1,197,985,447	\$1,049,789,290	\$598,379,895
2016	\$1,212,891,829	\$1,064,693,872	\$606,875,507
2017	\$1,227,983,689	\$1,079,788,136	\$615,479,238
2018	\$1,243,263,336	\$1,095,066,208	\$624,187,738
2019	\$1,258,733,105	\$1,151,267,537	\$656,222,496
2020	\$1,274,395,363	\$1,166,930,187	\$665,150,206
2021	\$1,290,252,504	\$1,236,823,944	\$742,094,366
2022	\$1,306,306,953	\$1,306,306,953	\$783,784,172
2023	\$1,322,561,167	\$1,322,561,167	\$793,536,700
2024	\$1,339,017,629	\$1,339,017,629	\$803,410,577
2025	\$1,355,678,857	\$1,355,678,857	\$813,407,314
2026	\$1,372,547,398	\$1,372,547,398	\$823,528,439
2027	\$1,389,625,833	\$1,389,625,833	\$833,775,500
2028	\$1,406,916,772	\$1,406,916,772	\$844,150,063
2029	\$1,424,422,860	\$1,424,422,860	\$854,653,716
2030	\$1,442,146,775	\$1,442,146,775	\$865,288,065
2031	\$1,460,091,226	\$1,460,091,226	\$919,857,472
2032	\$1,478,258,957	\$1,478,258,957	\$931,303,143
2033	\$1,496,652,747	\$1,496,652,747	\$942,891,231
2034	\$1,515,275,409	\$1,515,275,409	\$954,623,508
2035	\$1,534,129,791	\$1,534,129,791	\$966,501,768
2036	\$1,553,218,775	\$1,553,218,775	\$978,527,828
2037	\$1,572,545,280	\$1,572,545,280	\$990,703,527
2038	\$1,592,112,263	\$1,592,112,263	\$1,003,030,726
2039	\$1,611,922,716	\$1,611,922,716	\$1,015,511,311
2040	\$1,631,979,668	\$1,631,979,668	\$1,028,147,191
Total (2012 - 2040)	\$40,017,255,152	\$38,711,188,414	\$23,339,239,506

Sources: US Census Bureau/FHWA/CBO/ARC

Federal Transit Formula Funding to the Atlanta Region

- The apportionments that transit agencies within the Atlanta region receive from the Federal Transit Administration (FTA) are based on the CBO's anticipated average annual growth rate for the total sum of Federal Transit apportionments nationwide in the years 2010 – 2016 – **1.2 percent annually**. As with Federal Highway funding, we must assume that this average annual growth rate will hold constant over the thirty year period of Plan 2040 due to the fact that SAFETEA – LU is in continuing resolution.
- As illustrated in Table 6, **the total Federal Transit apportionments to transit operators in the 18-county Atlanta region via formula funding is estimated to be \$4.02 billion in the years 2012- 2040**. The majority of this funding – \$2.3 billion – will be comprised of *Section 5307* and *Section 5340 Urbanized Area* apportionments.

Table 6: Atlanta Region FTA Formula Funding Forecasts

Year	Section 5307/5340 Urbanized Area	Section 5309 Fixed Guideway Modernization	Section 5316 JARC	Section 5317 New Freedom	Section 5309 Bus	Section 5308 Clean Fuels	Section 5339 Alternatives Analysis	Total (w/o statewide programs)
2012	\$70,386,383	\$38,621,708	\$1,763,647	\$1,113,230	\$4,098,843	\$0	\$307,413	\$116,291,224
2013	\$71,250,727	\$39,095,982	\$1,785,305	\$1,126,901	\$4,149,177	\$0	\$311,188	\$117,719,280
2014	\$72,125,686	\$39,576,081	\$1,807,228	\$1,140,739	\$4,200,129	\$0	\$315,010	\$119,164,873
2015	\$73,011,390	\$40,062,075	\$1,829,421	\$1,154,748	\$4,251,706	\$0	\$318,878	\$120,628,218
2016	\$73,907,970	\$40,554,037	\$1,851,886	\$1,168,928	\$4,303,917	\$0	\$322,794	\$122,109,532
2017	\$74,815,559	\$41,052,041	\$1,874,628	\$1,183,282	\$4,356,770	\$0	\$326,758	\$123,609,037
2018	\$75,734,295	\$41,556,160	\$1,897,648	\$1,197,813	\$4,410,271	\$0	\$330,770	\$125,126,956
2019	\$76,664,312	\$42,066,470	\$1,920,951	\$1,212,522	\$4,464,429	\$0	\$334,832	\$126,663,515
2020	\$77,605,749	\$42,583,046	\$1,944,540	\$1,227,412	\$4,519,252	\$0	\$338,944	\$128,218,943
2021	\$78,558,748	\$43,105,966	\$1,968,419	\$1,242,485	\$4,574,748	\$0	\$343,106	\$129,793,472
2022	\$79,523,449	\$43,635,307	\$1,992,591	\$1,257,742	\$4,630,926	\$0	\$347,319	\$131,387,336
2023	\$80,499,997	\$44,171,149	\$2,017,061	\$1,273,187	\$4,687,794	\$0	\$351,585	\$133,000,772
2024	\$81,488,537	\$44,713,570	\$2,041,830	\$1,288,822	\$4,745,360	\$0	\$355,902	\$134,634,022
2025	\$82,489,217	\$45,262,653	\$2,066,904	\$1,304,649	\$4,803,633	\$0	\$360,272	\$136,287,328
2026	\$83,502,184	\$45,818,478	\$2,092,285	\$1,320,670	\$4,862,622	\$0	\$364,697	\$137,960,936
2027	\$84,527,591	\$46,381,129	\$2,117,979	\$1,336,888	\$4,922,335	\$0	\$369,175	\$139,655,096
2028	\$85,565,590	\$46,950,689	\$2,143,987	\$1,353,305	\$4,982,781	\$0	\$373,709	\$141,370,061
2029	\$86,616,335	\$47,527,244	\$2,170,315	\$1,369,923	\$5,043,970	\$0	\$378,298	\$143,106,085
2030	\$87,679,984	\$48,110,878	\$2,196,967	\$1,386,746	\$5,105,910	\$0	\$382,943	\$144,863,428
2031	\$88,756,694	\$48,701,680	\$2,223,946	\$1,403,775	\$5,168,610	\$0	\$387,646	\$146,642,351
2032	\$89,846,626	\$49,299,737	\$2,251,256	\$1,421,013	\$5,232,081	\$0	\$392,406	\$148,443,119
2033	\$90,949,943	\$49,905,137	\$2,278,901	\$1,438,464	\$5,296,331	\$0	\$397,225	\$150,266,000
2034	\$92,066,808	\$50,517,973	\$2,306,886	\$1,456,128	\$5,361,370	\$0	\$402,103	\$152,111,267
2035	\$93,197,389	\$51,138,333	\$2,335,215	\$1,474,009	\$5,427,207	\$0	\$407,041	\$153,979,193
2036	\$94,341,852	\$51,766,312	\$2,363,891	\$1,492,110	\$5,493,853	\$0	\$412,039	\$155,870,058
2037	\$95,500,370	\$52,402,002	\$2,392,920	\$1,510,433	\$5,561,318	\$0	\$417,099	\$157,784,142
2038	\$96,673,115	\$53,045,499	\$2,422,305	\$1,528,981	\$5,629,611	\$0	\$422,221	\$159,721,731
2039	\$97,860,261	\$53,696,898	\$2,452,051	\$1,547,757	\$5,698,742	\$0	\$427,406	\$161,683,114
2040	\$99,061,985	\$54,356,296	\$2,482,162	\$1,566,764	\$5,768,723	\$0	\$432,654	\$163,668,583
2012-2040	\$2,292,571,637	\$1,257,956,841	\$57,444,172	\$36,259,294	\$133,504,398	\$0	\$10,012,830	\$4,021,759,676

Sources: Transportation Weekly/FTA/Federal Register/CBO/ARC

FTA Discretionary Funding

- In order to forecast the level of discretionary funding available to transit operators in the 18-county Atlanta region, **the average annual growth in the amount of funding appropriated from the Congressional General Fund to the FTA was used – 1.28 percent –** as shown in Table 3.
- Given that Federal funding for transportation will be held relatively constant due to SAFETEA-LU being in continuing resolution, **the 1.28-percent growth rate was also held constant over the 30-year period of Plan 2040 – resulting in \$1.4 billion in New Starts/Small Starts funding appropriated to regional transit operators,** as shown in Table 7.

Year	Amount
2012	\$40,757,820
2013	\$41,278,297
2014	\$41,805,421
2015	\$42,339,276
2016	\$42,879,949
2017	\$43,427,526
2018	\$43,982,096
2019	\$44,543,747
2020	\$45,112,571
2021	\$45,688,658
2022	\$46,272,102
2023	\$46,862,997
2024	\$47,461,437
2025	\$48,067,520
2026	\$48,681,342
2027	\$49,303,003
2028	\$49,932,602
2029	\$50,570,242
2030	\$51,216,024
2031	\$51,870,052
2032	\$52,532,433
2033	\$53,203,272
2034	\$53,882,678
2035	\$54,570,760
2036	\$55,267,628
2037	\$55,973,396
2038	\$56,688,176
2039	\$57,412,084
2040	\$58,145,236
Total	\$1,419,728,345

Sources: CBO/Federal Register/ARC

State Motor Fuel Revenues

- State motor fuel tax revenues have recently experienced a declining trend due mainly to the economic downturn. **Additionally in the years 2011-2030, an estimated \$3.3 billion of state motor fuel tax revenue will be allocated for debt service payments** on bonds issued through several state transportation programs that funded major transportation projects throughout Georgia. As with obligated federal funding, this sum is immediately allocated from total revenue before it is apportioned via congressional balancing. **In total, the state is forecasted to receive \$29.3 billion in net revenue from state motor fuel taxes in the years 2012 – 2040.**

Table 8: Revenues from Georgia's State Motor Fuel Taxes

Year	Prepaid Sales Tax	Excise Tax	Total Revenue	GO Bond Debt Service	GARVEE/GRB Debt Service	Net Total Revenue
2010	\$385,241	\$443,386	\$828,627,000	(\$199,101,343)	(\$91,051,941)	\$538,473,716
2011	\$450,366	\$474,642	\$925,008,113	(\$185,000,000)	(\$91,051,947)	\$648,956,167
2012	\$471,029	\$467,121	\$938,149,853	(\$209,710,554)	(\$91,040,758)	\$637,398,542
2013	\$491,692	\$459,519	\$951,210,795	(\$189,928,605)	(\$91,145,905)	\$670,136,284
2014	\$512,355	\$451,839	\$964,193,850	(\$162,352,963)	(\$91,046,282)	\$710,794,605
2015	\$533,018	\$444,083	\$977,101,691	(\$163,293,119)	(\$91,051,413)	\$722,757,159
2016	\$553,681	\$436,255	\$989,936,774	(\$140,914,422)	(\$91,053,912)	\$757,968,440
2017	\$574,344	\$428,357	\$1,002,701,356	(\$146,011,666)	(\$91,050,050)	\$765,639,641
2018	\$595,008	\$420,390	\$1,015,397,517	(\$130,146,072)	(\$91,046,557)	\$794,204,888
2019	\$615,671	\$412,357	\$1,028,027,173	(\$126,289,302)	(\$80,864,792)	\$820,873,079
2020	\$636,334	\$404,258	\$1,040,592,092	(\$115,506,024)	(\$80,866,813)	\$844,219,255
2021	\$656,997	\$396,097	\$1,053,093,906	(\$103,804,247)	(\$67,353,890)	\$881,935,769
2022	\$677,660	\$387,874	\$1,065,534,124	(\$102,540,427)	(\$24,406,625)	\$938,587,072
2023	\$698,323	\$379,591	\$1,077,914,140	(\$91,473,251)	(\$24,406,750)	\$962,034,139
2024	\$718,986	\$371,249	\$1,090,235,245	(\$80,330,892)	(\$24,405,250)	\$985,499,103
2025	\$739,649	\$362,849	\$1,102,498,632	(\$81,596,692)		\$1,020,901,940
2026	\$760,312	\$354,393	\$1,114,705,409	(\$65,882,095)		\$1,048,823,314
2027	\$780,975	\$345,881	\$1,126,856,599	(\$62,202,028)		\$1,064,654,571
2028	\$801,638	\$337,315	\$1,138,953,152	(\$31,075,141)		\$1,107,878,011
2029	\$822,302	\$328,694	\$1,150,995,950	(\$28,380,647)		\$1,122,615,303
2030	\$842,965	\$320,021	\$1,162,985,806	(\$5,330,365)		\$1,157,655,441
2031	\$863,628	\$311,296	\$1,174,923,478			\$1,174,923,478
2032	\$884,291	\$302,519	\$1,186,809,665			\$1,186,809,665
2033	\$904,954	\$293,691	\$1,198,645,019			\$1,198,645,019
2034	\$925,617	\$284,813	\$1,210,430,139			\$1,210,430,139
2035	\$946,280	\$275,885	\$1,222,165,583			\$1,222,165,583
2036	\$966,943	\$266,909	\$1,233,851,866			\$1,233,851,866
2037	\$987,606	\$257,883	\$1,245,489,464			\$1,245,489,464
2038	\$1,008,269	\$248,809	\$1,257,078,818			\$1,257,078,818
2039	\$1,028,932	\$239,688	\$1,268,620,332			\$1,268,620,332
2040	\$1,049,596	\$230,519	\$1,280,114,382			\$1,280,114,382
Total (2012 - 2040)	\$22,049,056	\$10,220,156	\$32,269,212,810	(\$2,036,768,512)	(\$939,738,996)	\$29,292,705,302

Sources: Georgia Dept. of Revenue/GDOT/GSFC/ARC

- Based on the data in Table 8, as well as forecasted population growth in Metro Atlanta, **the 18-county Atlanta region is forecasted to receive \$15.8 billion of state motor fuel tax revenue and \$146.5 million of state General Fund revenue – comprising a total of \$16 billion in state funding** for transportation projects in the 18-county region, as shown in Table 9.

Table 9: 18-County Atlanta Region's Share of State Transportation Funding			
Year	Revenue from State Motor Fuel Taxes	General Fund	TOTAL
2012	\$344,195,213	\$3,762,090	\$347,957,302
2013	\$361,873,594	\$3,810,997	\$365,684,590
2014	\$383,829,087	\$4,075,014	\$387,904,101
2015	\$390,288,866	\$4,127,989	\$394,416,855
2016	\$409,302,958	\$4,181,653	\$413,484,611
2017	\$413,445,406	\$4,236,015	\$417,681,421
2018	\$428,870,640	\$4,291,083	\$433,161,722
2019	\$443,271,463	\$4,346,867	\$447,618,330
2020	\$455,878,398	\$4,403,376	\$460,281,774
2021	\$476,245,315	\$4,695,390	\$480,940,705
2022	\$506,837,019	\$4,756,430	\$511,593,449
2023	\$519,498,435	\$4,818,263	\$524,316,698
2024	\$532,169,516	\$4,880,901	\$537,050,416
2025	\$551,287,048	\$4,944,352	\$556,231,400
2026	\$566,364,589	\$5,008,629	\$571,373,218
2027	\$574,913,468	\$5,073,741	\$579,987,209
2028	\$598,254,126	\$5,139,700	\$603,393,826
2029	\$606,212,263	\$5,206,516	\$611,418,779
2030	\$625,133,938	\$5,274,201	\$630,408,139
2031	\$634,458,678	\$5,609,903	\$640,068,581
2032	\$640,877,219	\$5,682,832	\$646,560,051
2033	\$647,268,310	\$5,756,709	\$653,025,019
2034	\$653,632,275	\$5,831,546	\$659,463,821
2035	\$659,969,415	\$5,907,356	\$665,876,771
2036	\$666,280,008	\$5,984,152	\$672,264,160
2037	\$672,564,311	\$6,061,946	\$678,626,257
2038	\$678,822,561	\$6,140,751	\$684,963,313
2039	\$685,054,979	\$6,220,581	\$691,275,560
2040	\$691,261,766	\$6,301,448	\$697,563,215
Total	\$15,818,060,863	\$146,530,430	\$15,964,591,294

Sources: GDOT/Georgia Dept. of Revenue/GSFIC/ARC

MARTA

- As the largest transit operator in the Atlanta region, the Metropolitan Atlanta Rapid Transit Authority (MARTA) derives a bulk of its revenues from a 1-percent sales tax levied in DeKalb County, Fulton County, and the City of Atlanta – as authorized by the State of Georgia. It must be noted that MARTA is the largest public transit agency in the US that does not receive significant funding from the state.
- After reaching a peak in the early part of the previous decade, MARTA sales tax revenues have declined precipitously due primarily to the current economic downturn. Sales tax revenue forecasts for MARTA are performed and released annually by Georgia State University’s Fiscal Research Center – which bases its assumptions on the anticipated economic outlook over a 30-year period. According to GSU, **MARTA’s 1-percent sales tax is forecasted to generate \$17.2 billion in revenue for the transit agency in the years 2012 – 2040**, as shown in Table 10.

Year	Net Sales Tax Revenue	Use Tax	Total (Nominal)
2012	\$316,765	\$9,000	\$325,765
2013	\$326,667	\$9,000	\$335,667
2014	\$337,989	\$9,000	\$346,989
2015	\$350,714	\$9,000	\$359,714
2016	\$368,325	\$9,000	\$377,325
2017	\$388,336	\$9,000	\$397,336
2018	\$398,170	\$9,000	\$407,170
2019	\$406,487	\$9,000	\$415,487
2020	\$426,572	\$9,000	\$435,572
2021	\$452,087	\$9,000	\$461,087
2022	\$476,336	\$9,000	\$485,336
2023	\$509,689	\$9,000	\$518,689
2024	\$525,564	\$9,000	\$534,564
2025	\$537,519	\$9,000	\$546,519
2026	\$548,251	\$9,000	\$557,251
2027	\$271,759	\$9,000	\$580,759
2028	\$600,173	\$9,000	\$609,173
2029	\$628,241	\$9,000	\$637,241
2030	\$656,851	\$9,000	\$665,851
2031	\$681,022	\$9,000	\$690,022
2032	\$698,870	\$9,000	\$707,870
2033	\$716,006	\$9,000	\$725,006
2034	\$745,797	\$9,000	\$754,797
2035	\$783,937	\$9,000	\$792,937
2036	\$826,454	\$9,000	\$835,454
2037	\$868,325	\$9,000	\$877,325
2038	\$914,423	\$9,000	\$923,423
2039	\$951,041	\$9,000	\$960,041
2040	\$976,565	\$9,001	\$985,566
Total (2012 - 2040)	\$16,688,935	\$261,001	\$17,249,936

Sources: Georgia State University Fiscal Research Center / ARC

Local

- County and local governments within the Atlanta region primarily fund transportation projects through two revenue sources: property taxes and sales taxes. Revenue generated by property taxes is more likely to fund maintenance and operations of existing infrastructure while sales taxes are more likely to fund new capacity projects. In counties and municipalities where there is no available funding source derived from sales tax revenue, property tax revenues may also be utilized to fund new capacity projects or capital improvements.
- **In FY 2011, county and local governments within the 18-county Atlanta region have budgeted \$536 million for transportation purposes** – of which \$343 million being allocated for roadway maintenance, \$80 million being allocated for road safety and bike-ped projects, \$75.2 million being allocated for major capital projects, and \$32.3 million being allocated for local transit service (as shown in Table 11).

Table 11: Local Transportation Funding in the 18-County Atlanta Region - FY 2011	
Purpose	Amount
Agency Operations	\$200,335,272
Traffic Services	\$11,807,198
Rehab-Resurfacing	\$68,502,304
Utilities-Street Lighting	\$8,815,230
Traffic Operations	\$8,074,660
Intersection	\$29,194,658
Bridges-Culvert-Drainage	\$16,748,928
Bicycle-Pedestrian	\$30,310,000
Road Safety and Alignment	\$49,350,076
Major Capital	\$75,172,830
Local Transit	\$35,731,165
TOTAL	\$535,981,929

Source: ARC

- Preliminary forecasts for the total value of each of the 18 regional counties' property tax digests indicate that **taxable property values will increase at an average annual rate of 2.7 percent over the course of Plan 2040**, while sales tax revenue forecasts indicate that **sales tax revenue will increase at an average annual rate of 4 percent in the Atlanta region during the same period.**
- A more modest average annual growth rate of 2.5 percent was used to forecast local sources of funding for transportation projects and services in the Atlanta region over the timeframe of Plan 2040 – resulting in \$22.8 billion in transportation funding from local sources in the years 2012 – 2040, as shown in Table 12.

Table 12: Forecasted Annual Transportation Funding by Regional County & Local Governments

Year	Road Maintenance & Improvement	Major Capital	Bike-Ped/Road Safety	Local Transit	Annual Total
2012	\$352,065,207	\$77,052,151	\$81,651,578	\$33,156,670	\$543,925,606
2013	\$360,866,837	\$78,978,455	\$83,692,867	\$33,985,587	\$557,523,746
2014	\$369,888,508	\$80,952,916	\$85,785,189	\$34,835,226	\$571,461,839
2015	\$379,135,721	\$82,976,739	\$87,929,819	\$35,706,107	\$585,748,385
2016	\$388,614,114	\$85,051,157	\$90,128,064	\$36,598,760	\$600,392,095
2017	\$398,329,467	\$87,177,436	\$92,381,266	\$37,513,729	\$615,401,897
2018	\$408,287,703	\$89,356,872	\$94,690,797	\$38,451,572	\$630,786,945
2019	\$418,494,896	\$91,590,794	\$97,058,067	\$39,412,861	\$646,556,618
2020	\$428,957,268	\$93,880,564	\$99,484,519	\$40,398,183	\$662,720,534
2021	\$439,681,200	\$96,227,578	\$101,971,632	\$41,408,137	\$679,288,547
2022	\$450,673,230	\$98,633,267	\$104,520,923	\$42,443,341	\$696,270,761
2023	\$461,940,061	\$101,099,099	\$107,133,946	\$43,504,424	\$713,677,530
2024	\$473,488,562	\$103,626,576	\$109,812,295	\$44,592,035	\$731,519,468
2025	\$485,325,776	\$106,217,241	\$112,557,602	\$45,706,836	\$749,807,455
2026	\$497,458,921	\$108,872,672	\$115,371,542	\$46,849,507	\$768,552,641
2027	\$509,895,394	\$111,594,489	\$118,255,831	\$48,020,744	\$787,766,457
2028	\$522,642,779	\$114,384,351	\$121,212,226	\$49,221,263	\$807,460,619
2029	\$535,708,848	\$117,243,960	\$124,242,532	\$50,451,795	\$827,647,134
2030	\$549,101,569	\$120,175,059	\$127,348,595	\$51,713,089	\$848,338,313
2031	\$562,829,109	\$123,179,435	\$130,532,310	\$53,005,917	\$869,546,770
2032	\$576,899,836	\$126,258,921	\$133,795,618	\$54,331,065	\$891,285,440
2033	\$591,322,332	\$129,415,394	\$137,140,508	\$55,689,341	\$913,567,576
2034	\$606,105,390	\$132,650,779	\$140,569,021	\$57,081,575	\$936,406,765
2035	\$621,258,025	\$135,967,048	\$144,083,247	\$58,508,614	\$959,816,934
2036	\$636,789,476	\$139,366,225	\$147,685,328	\$59,971,329	\$983,812,358
2037	\$652,709,213	\$142,850,380	\$151,377,461	\$61,470,613	\$1,008,407,667
2038	\$669,026,943	\$146,421,640	\$155,161,897	\$63,007,378	\$1,033,617,858
2039	\$685,752,617	\$150,082,181	\$159,040,945	\$64,582,562	\$1,059,458,305
2040	\$702,896,432	\$153,834,235	\$163,016,969	\$66,197,126	\$1,085,944,762
TOTAL	\$14,736,145,434	\$3,225,117,611	\$3,417,632,595	\$1,387,815,386	\$22,766,711,026

Source: ARC

Summary

Table 13 provides a summary of the assumptions used for Plan 2040's financial forecasts.

Table 13: Inflation, Debt Service, and Federal Funding Growth Assumptions for Plan 2040	
Inflation (cost escalation)	
FY 2012-2017 TIP	4%
Long Range	2.39%
GARVEE/GRB Debt Service (statewide)	
from FHWA Apportionments	\$1,454,260,539
from State Fuel Taxes	\$1,030,790,942
GO Debt Service (from State Fuel Taxes)	
	\$2,221,768,512
Federal Funding Annual Growth Rates	
FHWA Obligated Funding (FY 2012-2017 TIP)	2.5%
FHWA Obligated Funding (Long Range)	1.2%
FTA Formula Funding	1.2%
FTA Discretionary Funding	1.3%

Table 14 illustrates the total amount of forecasted funding by source over the course of Plan 2040 - **\$84.8 billion**.

Table 14: Total Forecasted Funding for Plan 2040 by Source					
Source	2012-2017	2018-2020	2021-2030	2031-2040	Total
FHWA	\$3,504,952,449	\$1,945,560,441	\$8,157,628,912	\$9,731,097,704	\$23,339,239,506
FTA Formula	\$719,522,166	\$380,009,415	\$1,372,058,536	\$1,550,169,559	\$4,021,759,676
FTA Discretionary	\$252,488,290	\$133,638,413	\$484,055,927	\$549,545,715	\$1,419,728,345
State	\$2,327,128,880	\$1,341,061,826	\$5,606,713,840	\$6,689,686,748	\$15,964,591,294
MARTA Sales Tax	\$2,142,796,000	\$1,258,229,000	\$5,596,470,000	\$8,252,441,000	\$17,249,936,000
Local	\$3,474,453,571	\$1,940,064,099	\$7,610,328,931	\$9,741,864,441	\$22,766,711,041
TOTAL	\$12,421,341,355	\$6,998,563,194	\$28,827,256,147	\$36,514,805,167	\$84,761,965,863