Transportation SPLOST (TSPLOST) Implementation for a Proposed November 2017 Referendum

Presentation Outline

- Review statutes
- Strategies for Implementation & Funding
- Potential Collections & changes from Previous SPLOST
- Program goals and Project selection criteria
- Citizens Advisory Committee
- Proposed Implementation Schedule
- Next Steps
- Questions and Answers

TSPLOST – Laws & Requirements

O.C.G.A. 48-8-261 – Effective April 26, 2016

(c) On or after July 1, 2017, <u>any county</u>:

*(1) That is <u>not located within a special district</u> (*jurisdictions that already have a MARTA tax*)levying a special sales and use tax pursuant to Article 5 of this chapter;*

(2) That is <u>not defined as a metropolitan county special district</u> that is governed by the provisions of Part 2 of this article; and

(3) In which a tax is currently being levied and collected pursuant to:

(A) Part 1 of Article 3 of this chapter;

(B) A local constitutional amendment for purposes of a metropolitan area system of public transportation set out at Ga. L. 1964, p. 1008, and the laws enacted pursuant to such local constitutional amendment; <u>or</u>

(C) Code Section 48-8-96 - *<u>may</u>, by following the procedures required by this part, <u>impose</u> for a limited period of time within the special district under this part <u>a transportation special purpose local option sales and use tax</u>, the proceeds of which shall be <u>used only for transportation purposes</u>.*

TSPLOST – Laws & Requirements / Timing

O.C.G.A. 48-8-262 – Effective April 26, 2016

(a) Prior to the issuance of the call for the referendum required by Code Section 48-8-263, any county that desires to levy a tax under this part shall deliver or mail a written notice to the mayor or chief elected official in each qualified municipality located within the special district. Such notice shall contain the date, time, place, and purpose of a meeting at which the governing authorities of the county and of each qualified municipality are to meet to discuss possible projects for inclusion in the referendum and the rate of tax. The notice shall be delivered or mailed at least ten days prior to the date of the meeting. The meeting shall be held at least 30 days prior to the issuance of the call for the referendum.

(b)(1) Following the meeting required by subsection (a) of this Code section and prior to any tax being imposed under this part, the county and all qualified municipalities therein may execute an intergovernmental agreement memorializing their agreement to the levy of a tax and the rate of such tax.

TSPLOST – Laws & Requirements Intergovernmental Agreement

O.C.G.A. 48-8-262 – Effective April 26, 2016

(2) If an intergovernmental agreement authorized by paragraph (1) of this subsection is entered into, it shall, at a minimum, include the following:

(A) A list of the projects and purposes qualifying as transportation purposes proposed to be funded from the tax, including an expenditure of at least 30 percent of the estimated revenue from the tax on projects consistent with the state-wide strategic transportation plan as defined in paragraph (6) of subsection (a) of Code Section 32-2-22;

(B) The estimated or projected dollar amounts allocated for each transportation purpose from proceeds from the tax;

(C) The procedures for distributing proceeds from the tax to qualified municipalities;

(D) A schedule for distributing proceeds from the tax to qualified municipalities which shall include the priority or order in which transportation purposes will be fully or partially funded;

TSPLOST – Laws & Requirements
Intergovernmental Agreement

O.C.G.A. 48-8-262 – Effective April 26, 2016

(2) If an intergovernmental agreement authorized by paragraph (1) of this subsection is entered into, it shall, at a minimum, include the following:

(E) A provision that <u>all transportation purposes included in the agreement shall be funded from proceeds from the tax</u> except as otherwise agreed;

(F) A provision that <u>proceeds</u> from the tax shall be <u>maintained in separate accounts</u> and utilized <u>exclusively for the specified purposes</u>;

(G) Record-keeping and audit procedures necessary to carry out the purposes of this part;

(H) Such other provisions as the county and qualified municipalities choose to address.

TSPLOST – How can the money be spent?

O.C.G.A. 48-8-260(5) – Effective April 26, 2016

Funds can only be spent on “transportation purposes”.

(5) 'Transportation purposes' means and includes roads, bridges, public transit, rails, airports, buses, seaports, including without limitation road, street, and bridge purposes pursuant to paragraph (1) of subsection (b) of Code Section 48-8-121(see below), and all accompanying infrastructure and services necessary to provide access to these transportation facilities, including new general obligation debt and other multiyear obligations issued to finance such purposes. Such purposes shall also include the retirement of previously incurred general obligation debt with respect only to such purposes, but only if an intergovernmental agreement has been entered into under this article.

TSPLOST – How can the money be spent?

O.C.G.A. 48-8-260(5) – Effective April 26, 2016

O.C.G.A. *48-8-121(b)(1)*

… authorized uses of the tax proceeds shall include:

(A) Acquisition of rights of way for roads, streets, bridges, sidewalks, and bicycle paths;
(B) Construction of roads, streets, bridges, sidewalks, and bicycle paths;

(C) Renovation and improvement of roads, streets, bridges, sidewalks, and bicycle paths, including resurfacing;

(D) Relocation of utilities for roads, streets, bridges, sidewalks, and bicycle paths;

(E) Improvement of surface-water drainage from roads, streets, bridges, sidewalks, and bicycle paths; and

(F) Patching, leveling, milling, widening, shoulder preparation, culvert repair, and other repairs necessary for the preservation of roads, streets, bridges, sidewalks, and bicycle paths.

(2) Storm-water capital outlay projects and drainage capital outlay projects may be funded pursuant to subparagraph (a)(1)(D) of Code Section 48-8-111 or in conjunction with road, street, and bridge capital outlay projects.

The code also does not directly address transit operations. Please note that a jurisdiction can also retire previously incurred general obligation debt with proceeds from the tax.

TSPLOST – Laws & Requirements / Revenues

O.C.G.A. 48-8-262 – Effective April 26, 2016

(c)(1) If an intergovernmental agreement is entered into by the county and all qualified municipalities, the rate of the tax may be up to 1 percent:

(2) If an intergovernmental agreement is not entered into by the county and all qualified municipalities, the maximum rate of the tax shall not exceed .75 percent and such rate shall be determined by the governing authority of the county.

TSPLOST – Laws & Requirements
Call for Referendum

O.C.G.A. 48-8-262 – Effective April 26, 2016

(d)(1) *As soon as practicable after the meeting between the governing authorities of the county and qualified municipalities and the execution of an intergovernmental agreement, if applicable, the governing authority of the county shall by a majority vote on a resolution offered for such purpose submit the list of transportation purposes and the question of whether the tax should be approved to electors of the special district in the next scheduled election and shall notify the county election superintendent within the special district by forwarding to the superintendent a copy of such resolution calling for the imposition of the tax. Such list, or a digest thereof, shall be available during regular business hours in the office of the county clerk.*

TSPLOST – Laws & Requirements
Call for Referendum

O.C.G.A. 48-8-262 – Effective April 26, 2016

(d)(2) The resolution authorized by paragraph (1) of this subsection shall describe:

(A) The <u>specific transportation purposes</u> to be funded;

(B) The <u>approximate cost of such transportation purposes</u>, which shall also be the maximum amount of net proceeds to be raised by the tax; and

(C) The <u>maximum period of time</u>, to be stated in calendar years, for which the tax may be imposed and the rate thereof. The maximum period of time for the imposition of the <u>tax shall not exceed five years</u>.

TSPLOST – Laws & Requirements
Ballot Language
O.C.G.A. 48-8-263 – Effective April 26, 2016

(a)(1) *The ballot submitting the question of the imposition of the tax to the voters within the special district shall have written or printed thereon the following:*

( ) YES ( ) NO	*Shall a special ___ percent sales and use tax be imposed in the special district consisting of _____County for a period of time not to exceed _____ and for the raising of not more than an estimated amount of $_____ for transportation purposes?"*

(2) *If debt is to be issued, the ballot shall also have written or printed thereon, following the language specified by paragraph (1) of this subsection, the following:*

> *"If imposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of _____ County in the principal amount of $_____ for the above purpose."*

TSPLOST Program – Debt Obligations to Fund Projects

Advantages:

- Project funding is available earlier in the program.
- TSPLOST Funds collected can be used to repay debt.

Disadvantages:

- Interest & bond issuance expenses are added costs to the program and reduce funds available for projects.
- Collections are not guaranteed. If TPLOST collections are not adequate to cover debt service, then debt service payments are backed by the full faith & credit of the taxing authority.
- Will require staffing level increases and more contracted work to accomplish projects at a faster pace.

TSPLOST Program – Traditional 5-Year Collection

Advantages:

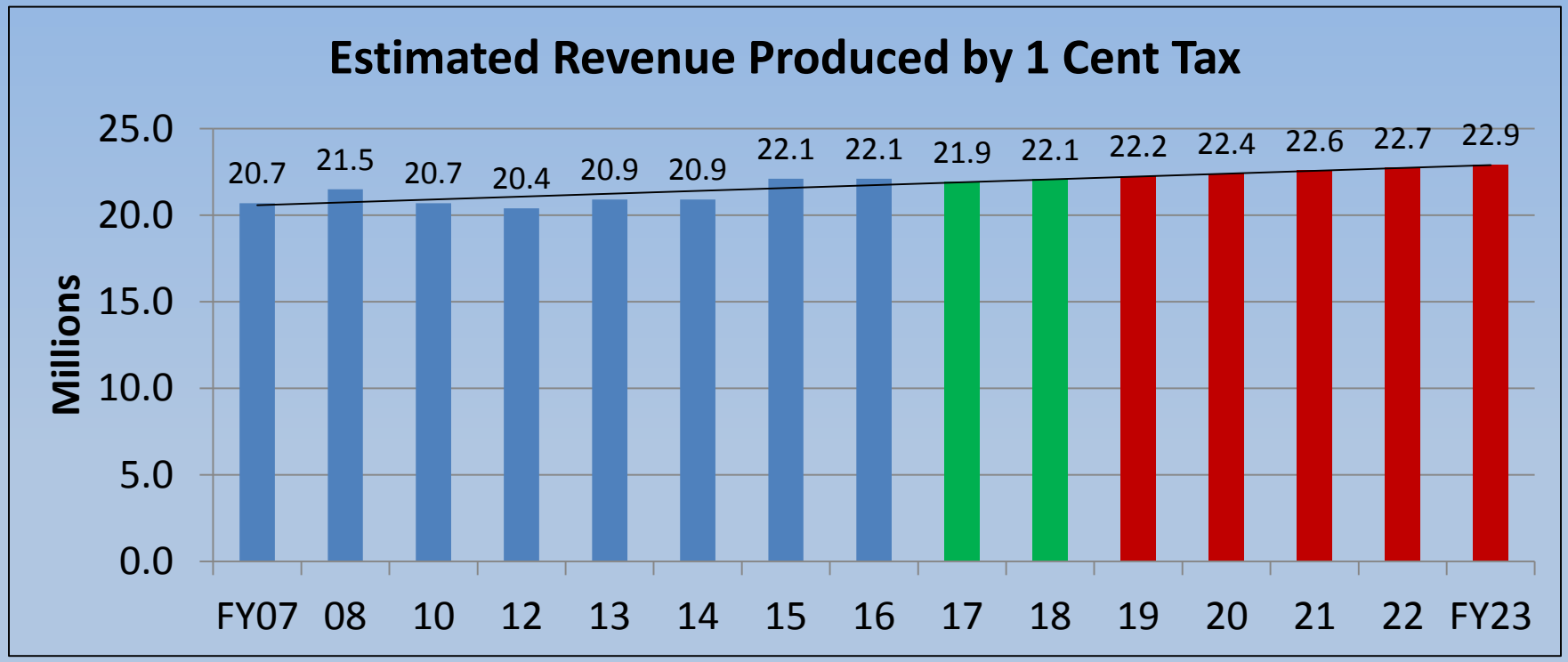
- Residents and non-residents purchasing goods pay the cost of projects over a five year period.
- No long term debt.
- More in-line with long term planning, design, and land acquisition phases required for transportation projects.
- Projects can be accomplished with existing staff or limited staff increases.

Disadvantages:

- Funds needed for larger projects may not be available until later in the program. Larger projects may not be completed until after collections are completed.
- SPLOST receipts over a five-year period can fluctuate and are not guaranteed to be collected.

TSPLOST Implementation - Assumptions

- Decision on whether to use traditional collections or debt to fund projects will be made no later than August 1, 2017.
- TSPLOST collections as the sole funding source of project funds (i.e. no additional funding from General Fund).
- Assuming an IGA can be reached but plan for both scenarios.
- Required (30%) to be "set aside" for State-wide projects (w/IGA). Remainder of revenues reserved for community/ infrastructure transportation projects.
- Revenues distributed with municipalities based on population ratios or at the State mandated rates, whichever is higher.
- TSPLOST Management will be by the same staff and oversight procedures as the previous SPLOST programs.



Based on historical one cent tax trend, the estimated five-year one cent revenue is $113 million.

TSPLOST – Reductions in Revenue

O.C.G.A. 48-8-269 – Effective April 26, 2016

(a) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by Article 1 of this chapter. No item or transaction which is not subject to taxation under Article 1 of this chapter shall be subject to a tax imposed under this part, except that a tax imposed under this part ***shall not apply to****:*

(1) The sale or use of ***any type of fuel*** *used for off-road heavy-duty equipment, off-road farm or agricultural equipment, or locomotives;*

(2) The sale or use of ***jet fuel*** *to or by a qualifying airline at a qualifying airport;*

(3) The sale or use of ***fuel that is used for propulsion of motor vehicles*** *on the public highways;*

(4) The sale or use of energy used in the manufacturing or processing of tangible goods primarily for resale;

(5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass transit; or

(6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.

TSPLOST – Collections for the Program @ 1%

(Assuming IGA & Distributions at previous SPLOST Ratios)

Estimated Collections with IGA @ 1%:

	Average Per Year	5-Year Totals
Potential Tax Collected (1%)	$ 22,600,000	$113,000,000
Less Estimated Fuel Tax	($ 1,700,000)	($ 8,500,000)
Estimated TSPLOST collection	**$ 20,900,000**	**$104,500,000**
Less Estimated Distributions:		
Winterville (approximate)*	$ 185,000	$ 925,000
Bogart (approximate)*	$ 23,000	$ 115,000
Local / State Projects (30%)	$ 6,270,000	$ 31,350,000
Available for Local Projects	**$ 14,422,000**	**$ 72,110,000**

**Based on 2010 Census Data and Population Ratios, same as with SPLOST 2011. Slightly less than SPLOST 2011 amounts due to fuel tax reduction.*

TSPLOST – Collections for the Program @ 0.75%

(Assuming no IGA & Distributions at State Mandated Rates)

Estimated Collections without IGA @ 0.75%:

	Average Per Year	5-Year Totals
Estimated Tax Collected (0.75%)	$ 16,950,000	$ 84,750,000
Less Estimated Fuel Tax	($ 1,700,000)	($ 8,500,000)
Estimated TSPLOST collection	**$ 15,250,000**	**$ 76,250,000**
Less Estimated Distributions:		
Winterville (approximate)*	$ 93,600	$ 468,000
Bogart (approximate)*	$ 50,400	$ 252,000
Available for Local Projects	**$ 15,106,000**	**$ 75,530,000**

**With no IGA, then distributions to municipalities are mandated at a State Auditor provided ratio based on the "Transportation Expenditures" of the County and each Municipality over the past three years (O.C.G.A. 48-8-267). Above amounts are estimation using currently available information for Transportation Expenditures over the last 3 years, FY12 – FY14. Ratios subject to change based on State Audit.*

TSPLOST – Collections for the Program @ 1%

(Assuming IGA & Staff Recommended Distributions Ratios)

Estimated Collections with IGA @ 1%:

	Average Per Year	5-Year Totals
Potential Tax Collected (1%)	$ 22,600,000	$113,000,000
Less Estimated Fuel Tax	($ 1,700,000)	($ 8,500,000)
Estimated TSPLOST collection	**$ 20,900,000**	**$104,500,000**
Less Estimated Distributions:		
Winterville (approximate)*	$ 185,000	$ 925,000
Bogart (approximate)*	$ 50,400	$ 252,000
Local / State Projects (30%)	$ 6,270,000	$ 31,350,000
Available for Local Projects	**$ 14,394,600**	**$ 71,973,000**

**Based on using the higher amounts between the two methods for both municipalities.*

TSPLOST 2018
Program Goals and Project Selection Criteria

- Approve TSPLOST 2018 capital projects that are within three of the M&C FY17 goal areas of Quality of Place:
  - a) Environment and Natural Resources;
  - b) Sound and Sustainable; and,
  - c) Transportation and Mobility.
- Hold a TSPLOST 2018 referendum on November 7, 2017
- Projects selected should not significantly increasing annual operating cost for the Unified Government. Staff recommends that the increase be limited to no more than 3% or $3 million dollars, whichever is less.
- Projects are to be evaluated based on their long-term and ongoing contribution to the sustainability and transportation needs of Athens-Clarke County and its resources.

TSPLOST 2018
Program Goals and Project Selection Criteria

Project applications should address Sustainability and Transportation Purposes by identifying components within the proposed project that will accomplish one or more of the following criteria:

- Significantly improve the pavement maintenance schedule
- Maintain or Improve air quality
- Promote the upgrade and continued use of alternative transportation facilities currently owned by ACCUG
- Reduce traffic congestion by improving intersections and traffic control devices
- Increase effectiveness and convenience of Transit System routes and infrastructure

TSPLOST 2018
Program Goals and Project Selection Criteria

Special consideration should be given to the implementation of projects that would accomplish the next level of multi-phased projects initiated in one or more of the earlier TSPLOST programs. For example:

- Catching up on Pavement Maintenance Program
- Continuation of Fire Fly Trail and bridge over Trail Creek
- Continued Implementation of Greenway Network Plan
- Construction of roundabout at Whitehall Rd/Milledge Ave
- Continued Bicycle and Pedestrian Infrastructure Improvements

TSPLOST 2018
Program Goals and Project Selection Criteria

Examples of eligible projects from the FY17 M&C Goals and Strategies are, but not limited to, as follows:

- Catching up on Sustainable Pavement Maintenance deficit
- Implement components of an updated Greenway Network Plan
- Repair and replace appropriate trail structures
- Construct roundabout at Whitehall Road/Milledge Avenue
- Increase sidewalk construction
- Increase cyclist and pedestrian safety
- Increase mobility in downtown areas through Business Corridor Infrastructure Improvements
- Implement Prince Avenue safety audit recommendations
- Implement corridor study recommendations
- Increase capital for transit services

TSPLOST 2018 – Proposed Program Goals and Project Selection Criteria

- Funding will be designated by the Mayor and Commission in an amount not to exceed the amount expected to be collected by the TSPLOST in order to meet the legal requirements for the TSPLOST program.
- Funding will be designated by the Mayor and Commission for projects identified by other municipalities (Winterville and Bogart) within Athens-Clarke County. Staff recommends using the higher amount from each calculation method, for each municipality. Represents a combined total of approximately $1.18 million.
- Program Goals, Project Selection Criteria, Charge to the Citizens Advisory Committee, & Implementation Schedule was approved by M&C on October 4, 2016.

TSPLOST 2018 – Proposed Citizens Advisory Committee - Selection

- The Mayor and each District Commissioner is to solicit and identify two citizens from their district to be considered for appointment to the TSPLOST 2018 Program Citizens Advisory Committee.
- The Mayor will evaluate and formulate a final list of citizens to be appointed to this Committee. The Mayor shall select one of her appointments to serve as Committee Chair.
- Similar to previous SPLOST programs, when referendum is approved, 11 members (at least one from each district) of the Citizens Advisory Committee will be asked, by the Mayor, to serve on a TSPLOST Citizens Oversight Committee.

TSPLOST 2018 – Proposed Citizens Advisory Committee - Purpose

The purpose of the Citizen Advisory Committee will be as follows:

- Evaluate the merits of a TSPLOST 2018 Program
- Provide M&C with a recommendation whether or not a TSPLOST should be undertaken.
- Compile a list of "Submitted" projects and complete a detailed review of all such projects.
- Develop a list of "potential" projects for presentation to M&C
- After review of the Potential Projects with M&C, develop a list of "Candidate" Projects for presentation to M&C
- Raise funds for the Advertising Campaign
- Undertake appropriate actions to educate the citizens of Athens-Clarke County on the merits of and to promote the TSPLOST 2018 Referendum being voted on by the voters.

Proposed TSPLOST 2018 Planning Schedule

October 2016	M&C approve proposed TSPLOST Implementation Schedule and Task List &
Oct 2016-Jan 2017	Public Solicitation of Projects
November 2016	M&C Select members of the Citizens Advisory Committee
March-May 2017	Citizens Advisory Committee reviews “submitted” projects & submits “potential” projects to the M&C for review at the May 9, 2017 work session.
March-May 2017	Online public comments taken on submitted projects
May 10, 2017	Public forum on submitted “potential” projects
June 13, 2017	M&C Reviews final list of “candidate” projects
June 20, 2017	M&C hold public hearings on Proposed TSPLOST 2018

TSPLOST 2018 – Required Schedule

July 1, 2017*	Official notice to Winterville & Bogart for meeting about projects, to satisfy TSPLOST regulation
July 11, 2017* (before July 14)	Joint meeting at Work Session with Bogart & Winterville officials to review list of projects
July 18, 2017	M&C hold public hearings on Proposed TSPLOST 2018
August 1, 2017*	Mayor & Commission Approves complete final list of TSPLOST 2018 Projects and Authorizes execution of IGA with Winterville and Bogart
August 10, 2017	Execution of IGA with Bogart & Winterville
August 15, 2017*	Mayor & Commission approve "formal call" for a November TSPLOST Referendum

*Required dates to have events required by O.C.G.A. and still meet BOE November ballot schedule.

Proposed TSPLOST 2018 Advertisement and Voting Schedule

August-Nov 2017	Citizens Advisory Committee Public Education Campaign
October 2017	Official BOE Advertisement of Referendum Starts and runs for 4 weeks
October 2017	Early Voting Begins
November 7, 2017	TSPLOST 2018 Referendum
April 1, 2018	TSPLOST 2018 Collections Begins

TSPLOST 2018 – Next Steps (October 2016)

Update Agenda Report based on input from the Work Session.

Mayor & Commission approval at the September/October cycle vote meeting of the following:

- Approve Program Goals and Project Selection Criteria
- Approve the Proposed Schedule and Task List
- Appoint Citizens Advisory Committee
- Approve a Public Call for Project Submissions