This amendment to The Atlanta Region’s Plan RTP and update to the FY 2016-2021 Transportation Improvement Program was developed to:

- Extend the period of time covered by the TIP from FY 2016-2021 to FY 2018-2023.
- Reflect programming and financial details for projects being advanced under the Major Mobility Investment Program (MMIP).
- Include new bridge replacement and intersection improvement projects within the TIP period.
- Modify existing long range capacity projects or include new ones to the long range RTP period.
- Update revenue forecasts for federal, state and local funding sources.
- Adjust financial information for existing TIP projects where changes exceed the threshold for processing as an administrative modification.
- Incorporate changes to the regional travel demand model coding.

Regarding the air quality conformity analysis requirements, ARC determined the changes required a new technical evaluation for conformity. ARC coordinated the technical evaluation process with the adjacent Cartersville-Bartow MPO, also in the Atlanta air quality maintenance area. Prior to the formal public comment period, ARC received concurrence on modeling assumptions through the Interagency Consultation process.

Pursuant to the ARC Community Engagement Plan, a 30-day public comment period was conducted from June 21, 2017 to July 20, 2017. Engagement opportunities included an advance briefing with the Transportation Equity Advisory Group on June 12, two informational open houses for the general public on June 22 and a formal public hearing in conjunction with the TAQC meeting on July 13.

Approximately 85 people participated in the open houses and 33 completed a short online survey to capture their comments. When asked if the transportation projects associated with the amendment will benefit the region, 88% responded in the affirmative, with 12% disagreeing. Another key question asked how frequently they would utilize the express lanes proposed as part of the MMIP. About 18% indicated they would use the lanes daily and 61% would use them occasionally, while 21% reported they would never use the lanes.

No comments were received at the public hearing on July 13.

Prior to the conclusion of the comment period on July 20, ARC received a formal comment from the Southern Environmental Law Center. That letter, along with responses to key points, is presented on the following pages.

Copies of comments received, and responses to those comments, were provided to TCC, TAQC and the ARC Board prior to action being taken.

During the comment period, ARC continued to work with project sponsors and other public agency partners to address minor issues with project descriptions, schedules and budgets, as well as correcting non-substantive errors and providing additional clarification in the documentation.
Thank you for the detailed and thoughtful comments. ARC and GDOT concur with the general position that the projects included in this amendment represent a large commitment of regional transportation funds and that additional community engagement and opportunity for comment is warranted as they progress through the environmental review and design stages of implementation. We ask that SELC continue to be an engaged partner in this process and help us build upon and expand our engagement with those stakeholders who have questions or concerns about the MMIP or the planning process in general.

Responses to specific points made in your letter are provided on the following pages.
these expenses. Much of this cost will be incurred through the use of GARVEE bonds and other debt instruments to pay for these projects, and the lengthy financing periods are necessary due to the size of these projects. Despite the scale and duration of these proposed investments, the public awareness of these decisions and the public discussion of their merits have been minimal.

Public engagement should be viewed as an essential part of transportation planning and project delivery, not as a technical requirement to be minimally satisfied. The importance of robust, meaningful public engagement is heightened for actions like the RTP/TIP Amendment because the projects involved are enormously expensive, will dramatically impact the operation of metro Atlanta’s roadway network, and because of the substantial commitment to tolling as a primary mobility strategy in the region.

The MMIP projects were announced in January 2016 with little prior notice and no public involvement. Although some of these projects were drawn from previously studied concepts, there has been no discussion of why these particular projects were chosen and how their performance compares to that of other potential projects. The Georgia State Auditor has highlighted the opacity of the transportation project selection process and used one of the MMIP projects - the truck-only lanes on I-75 - to illustrate the lack of transparency.

According to a media monitoring service, less than two dozen articles have mentioned the MMIP in any fashion since it was announced two years ago. There have been few, if any, public meetings to educate Georgians on the merits of the MMIP projects and why a $25 billion investment is justified. There has been no attempt to reconcile this investment with the stated preference of metro Atlantans to focus on transit projects instead of roadway projects. ARL’s own “Metro Atlanta Speaks” survey found that “43 percent of respondents said expanding public transit is the best long-term solution to the region’s traffic problems, while 32 percent preferred improving roads and highways.”

The accelerated, but self-imposed, time table imposed on these projects only magnifies concerns about the lack of public involvement. As it stands, the MMIP projects are poised to advance through a series of administrative decisions (like amendments to regional transportation plans) that require limited public engagement and draw little meaningful participation from the public.

1 The fact sheets and other information provided regarding the MMIP projects and other projects in the RTP/TIP Amendment have not included the financing costs associated with these projects or the estimated length of the financing term. This information has been drawn from a March 2017 Presentation to ARC’s TCC Subcommittee. [http://atlantaregional.org/wp-content/uploads/rtp-tip-amendment-i-1.pdf](http://atlantaregional.org/wp-content/uploads/rtp-tip-amendment-i-1.pdf)

2 Georgia Department of Audits and Accounts, Performance Audit Division “Transportation Project Selection and Prioritization.” Special Examination Report No. 16-17 (December 2016). (“The [GDOT] Planning Division lacks detailed policies and procedures to guide key selection and programming decisions, and the basis for the decisions are not well-documented.”)

ARC has undertaken some additional outreach efforts related to the RTP/TIP Amendment, such as the meeting of the transportation equity group, the pop-up open house, and the second public information session. And ARC should be commended for these steps. But the immense scale of these projects and the potential long term commitment of funding involved requires a public discussion substantially more comprehensive than what has been undertaken to date. This public discourse should be broader than the RTP/TIP Amendment and should not be limited to ARC. Instead, on-going dialogue should be undertaken between all of the transportation agencies involved and the public as the details of the MMIP concept and the individual projects are developed. But as the primary project sponsor and the metropolitan planning organization, GDOT and ARC have the ultimate obligation to ensure that this discussion occurs.

Prior to the 2012 regional TSPLOST vote, metro Atlanta engaged in a robust public dialogue about the direction for transportation of the region and how our transportation money should be used. This discussion occurred in the news media, in public meetings, between elected officials and their constituents, and among individuals. This public discourse raised awareness and engaged Georgians in the planning decisions being made on their behalf. In contrast, the public is largely unaware that we are poised to spend approximately three times more money than the TSPLOST and lock up a significant portion of our transportation funding decades into the future. Such a generational investment should not be undertaken lightly, it should not be rushed, and it should not be made with so little public involvement.

**MMIP Specific Concerns**

There are also several concerns specific to the information provided regarding the MMIP projects in the RTP/TIP Amendment and related documentation.

**Transit Service and Projected Users**

More information should be provided regarding how the MMIP toll lane projects are expected to operate and the demographics of the drivers expected to use them. Specifically, information should be provided regarding the operation of transit service in the new projects and the demographic profile of the drivers using the lanes.

Like the underlying plan it changes, the RTP/TIP Amendment is subject to federal environmental justice requirements. The MMIP projects must be shown to not disproportionately impact, nor disproportionately benefit, drivers based on race, sex, income, and other factors. To the extent ARC’s activity based transportation model has the ability to model the demographic profile of the drivers expected to use these lanes, that information should be compiled and released to the public.

The potential use of the managed lanes by transit vehicles is frequently touted as a benefit of the MMIP toll lane projects. However, it is unclear whether this will actually occur. The
RTP/TIP Amendment should identify the assumptions it uses regarding transit service in these lines, including the assumed routes, frequency of service, and funding availability. This information is relevant for air quality modeling and considering the environmental justice impacts of these projects, but it is also necessary for the public to understand how these projects are likely to operate.

**Toll Revenue and Debt Financing**

The RTP/TIP Amendment should provide more financial information regarding the toll revenue and bond indebtedness for the managed lane projects. Most of the proposed managed lanes projects in the RTP/TIP Amendment would use GARVEE bonds or toll revenue bonds. Although the proposed amendment identifies the amount of potential funding, it does not include other important information regarding this potential indebtedness including the duration of the GARVEE bonds and each project’s estimated toll revenue.

Financial planning is a central part of the federal transportation planning process and a financial plan is a key part of the RTP/TIP: 23 C.F.R. § 450.32(f)(1). The required financial plan must identify “system-level estimates of costs and revenue sources that are reasonably expected to be available” and “an assessment of the appropriateness of innovative finance techniques (for example, tolling, pricing, bonding, public private partnerships, or other strategies) as revenue sources for projects in the plan.” Id. (emphasis added). With respect to the GARVEE bonds, it is necessary to understand both the duration of these bonds and how the interest paid on these bonds will increase the total cost of the projects. Without this information, it is not possible to fully understand the true cost of these projects.

However, the RTP/TIP Amendment fact sheets do not disclose the total project cost including financing, nor do they state the length of the financing period. The underlying RTP/TIP does include a “Calculation of State Debt Service” schedule, but it does not appear that this document was updated to reflect the bonds contemplated in the RTP/TIP Amendment. See, Regional Transportation Plan at Appendix E. The length of the debt obligation and the total project cost including debt service should be provided as part of the RTP/TIP Amendment.

Likewise, the RTP/TIP Amendment must identify the amount of toll revenue these new toll projects are expected to generate. Federal regulations require the disclosure of all reasonably expected sources of revenue, and this includes the toll revenue from these new toll projects. This information should be provided for each individual project and for the system as a whole. Project-specific information is necessary to help understand the relationship between the toll revenue and toll bonds; without this information it is not possible to understand when the projects will pay off their bonds and begin generating revenue.

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Even if the final details of the toll revenue and the debt obligations are not known at this time, federal law requires that reasonable assumptions be made and this information should be provided to the public as part of the RTP/TIP Amendment.

**General Comments**

In addition to the specific concerns related to the MMTP, there are also two general concerns related to how financial information is provided and one related to performance-based planning.

**Retroactive Changes to Project Expenditures**

The RTP/TIP Amendment includes a number of retroactive changes to prior expenditures that occurred during previous TIP periods. Many of these changes involve expenditures that occurred a decade or more in the past and change the funding sources used for those past expenditures. These retroactive changes include:

- AR-ML-200 added the expenditure of $2.7 million in Interstate Maintenance funds for preliminary engineering in 2007;
- AR-ML-300 reduced the amount of local funds spent on preliminary engineering in 2011 from $8 million to $2 million;
- AR-ML-300 also reprogrammed federal funds spent on preliminary engineering in 2005 and 2010. The prior expenditure years for these funds were LR 2031 2040 and "N/A";
- AT-244 “deleted” $600,000 in federal earmark funding for scoping in 2011;
- CL-019 added $50,000 in Statewide STP funds for 2014;
- CL-017 changed the funding source, funding amount, and fiscal year for preliminary engineering funds. The funding source changed from Local to STP/Urban and the funding year changed from 1997 to 2014;
- FN-067B added $1.5 million in new preliminary engineering in 1993, including $800,000 in STP/Urban funds.
- FN-264 added $2.2 million in state funds for right of way in 1991;
- FS-289 was added as a new project, and then added preliminary engineering expenditures in 2016;
- FT-001D added $3.6 million in STP/Urban funds in 1992 and $250,000 in state funds for right of way in 1997; and
- NE-004 added the expenditure of $2 million in STPBG funds for preliminary engineering in 1999 and 2005.

Minor corrections to prior expenditures can be expected as actual costs are reconciled and work is carried over from related projects. However, many of these changes reach back over a decade and alter the source of funds that were already spent. These changes obviously raise questions about the accuracy of the accounting for these projects. Further, these changes raise
questions about how these expenditures comply with federal reimbursement and reporting requirements.\textsuperscript{6}

None of these projects include information explaining the changes in the "Notes" section of the spreadsheet. In the future, any retroactive change to expenditures in the RTP or TIP should include the necessary explanation unless the nature of the change is obvious or if the amount of money involved is de minimis.

Tracking the Transfer of Federal Funds Between Programs

The RTP and TIP documents should also provide information to allow the public to better track the transfer of federal funds between programs. Federal law permits certain types of transportation funding to be moved between different funding programs. For example, a portion of funds from the Surface Transportation Block Grant Program can be transferred to the National Highway Performance Program, National Highway Freight Program, Highway Safety Improvement Program, and Congestion Mitigation and Air Quality Improvement Program.\textsuperscript{7}

When these funds are shifted between programs they become subject to different limitations on how they can be used. As a result, the amount of flexibility afforded to these funds can be increased or decreased depending on the requirements of the funding programs involved. This flexibility is necessary to build projects that are difficult to fund otherwise, such as bicycle, pedestrian, and transit projects. If funds are moved from a flexible category to a less flexible category, the region has less ability to fund these projects. Currently, it is virtually impossible to determine whether and how much money is being moved between programs. ARC should provide a clear accounting of how funds are transferred between different federal funding programs.

\textsuperscript{6} For example, federally funded PE expenditures must be monitored “to ensure they progress to the next phase of work within 10 years from the date of authorization.” Federal Highway Administration “Project Funds Management Guide for State Grants: Attachment 1 Obligation Funds Management Guide.” https://www.fhwa.dot.gov/ofd/proj/oms/PEF020

\textsuperscript{7} Federal guidance directs FHWA Division offices to review:

PE projects that have been authorized for 3 years and 7 years to ensure work is progressing according to schedule. At 10 years, such projects should be reviewed to confirm right-of-way or construction has proceeded and if not, to determine if a time extension is warranted, or if payback of Federal funds is required.

The list above includes five changes involving federal transportation funds used for PE that are more than ten years old.

\textsuperscript{7} https://www.fhwa.dot.gov/ftpact/patches/strbgti.elm
Project Evaluation Framework

Finally, ARC recently developed a process evaluating and prioritizing transportation projects. The primary purpose of the Project Evaluation Framework is to assist ARC in prioritizing projects submitted for funding through its project solicitations. However, this Framework is also intended to help ARC evaluate the performance of all transportation projects in the region and demonstrate compliance with federal standards for performance-based transportation planning. The RTP/TIP Amendment is the first opportunity for ARC to use this new Framework to evaluate the projects in the Regional Transportation Plan. Even if the results of this analysis are not used to select or prioritize the projects, the data itself will provide valuable information and further ARC’s efforts to engage in performance-based planning.

ARC should evaluate all of the projects in the RTP/TIP Amendment through its Project Evaluation Framework and publish the results of this analysis.

Conclusion

Thank you for your consideration of these comments. The scale and cost of the highway projects detailed in the RTP/TIP Amendment is virtually unprecedented in the region. Providing all relevant information and ensuring a robust civic conversation on these projects are necessary because we are points to make a generational decision on transportation in the metro Atlanta region.

Please contact me with any questions or concerns at (404) 521-9900 or bgist@selcoga.org.

Sincerely,

[Signature]

Brian Gist

cc: Mr. Jay Roberts
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Most of the projects in question have been included in the Regional Transportation Plan (RTP) for several years. The variable toll managed lanes represent the expansion of a planned network which build upon a base of two existing facilities and a third which is currently under construction. The zipper lanes, while a new concept for the region, have been successfully used elsewhere around the nation and the world for many years and GDOT believes them to an effective and cost efficient solution for the corridor on which they are planned.

In accordance with the ARC Community Engagement Plan, a 30 day public comment period was held (June 21 to July 20), the standard time period for a major plan amendment or update.

We concur that this amendment involves a significant commitment of financial resources and acknowledge that this is the first time the full scope of the costs and financing arrangements are being made public for review and comment. Information on the Major Mobility Investment Program (MMIP) projects was posted by GDOT at www.garoads.org in early 2016, with additional information posted since then by both GDOT and ARC as it became available. See Comment #4 for a complete summary of key milestone dates when information was released for review by the public in advance of this amendment action.

This comment references a preliminary analysis conducted by ARC posted to that agency’s website shortly after full programming details were provided by GDOT in February 2017. The $25 billion figure reflects the full year-of-expenditure cost of nine MMIP projects which are either partially or entirely within the Atlanta region, plus debt service and dedicated operating and maintenance costs. Upon additional discussion with GDOT and their consultants, costs for public comment purposes were updated and simplified for clarity. Information presented during the public comment period was intended to be a high level summary so that discussion could focus on the overall merits of the investments. Project costs were shown in current year dollars and reflected only the capital cost of construction, as noted on the public comment collateral items. In addition, two projects are located only partially within the Atlanta Region, so the funding commitments required for just those sections and attributable towards the Region were adjusted proportionally. Full financial details outlining year-of-expenditure payments (including debt service) and the payback schedule were available on the ARC website throughout the comment period. Links to that website were provided on public comment materials.
Managed lanes perform a key role in the region’s transit vision, enabling express bus routes between suburban counties and the region’s major job centers to travel at a reliably high speed. Transit options are also being expanded in the region and the plan reflects the addition of Clayton County into the MARTA service area. A future amendment will also incorporate the recent More MARTA tax passed within the City of Atlanta. When and if subsequent transit funding referenda are passed in Fulton County, DeKalb County and other jurisdictions, they will also be reflected in the RTP.

Characterizing future actions related to implementation of the MMIP projects as administrative in nature is not accurate. Numerous opportunities remain for interested members of the public to provide meaningful input before any of the projects in the amendment advance to construction. Every project proceeds through a series of formal review and approval steps before being implemented, with inclusion in the Regional Transportation Plan being one of the first formal steps. This step generally follows a study process where the merits of the project are assessed by a sponsoring agency. Future steps required before construction can proceed include negotiating financing agreements, issuance of bonds to support those agreements (to be discussed at State Transportation Board meetings which are open to the public) and providing multiple opportunities for public and stakeholder review and comment during the environmental review and design stages (as required by federal law under the National Environmental Policy Act (NEPA)).
Appendix (K)

7  ARC and GDOT Response

Details related to MMIP toll lane operations will be studied during the NEPA phase for these projects. The MMIP toll lane projects will serve drivers across markets (i.e., local drivers and through travelers), and experience in Georgia and nationally suggests that these drivers have diverse demographic characteristics. Analysis will be conducted during the NEPA phase to forecast utilization of these projects. While demographics of individual drivers may be not possible to forecast, the analysis will seek to understand toll lane utilization from areas with various income levels. The business rules for the MMIP toll lane projects include allowing transit vehicles to use the lanes at no charge. In addition, design considerations related to transit vehicles will be included in future analysis.

For additional information on travel demand modeling assumptions for transit service along the corridors with express lanes, see Comment 9.

8  ARC and GDOT Response

As projects proceed through the environmental and design stages, ARC would be willing to provide such an analysis if requested by stakeholders and if it would be beneficial to decision makers.

9  ARC and GDOT Response

The ARC travel demand modeling process has consistently assumed that existing and proposed express bus routes operating along corridors where managed lanes are planned would shift from the general purpose lanes to those managed lanes upon completion. By advancing the timeframe for implementation of these facilities, this amendment enables earlier use by transit services than under the current RTP. No assumptions were made as part of this amendment regarding the near-term expansion of route coverage or the frequency of service. When and if additional transit services are provided through a funding referendum or other mechanisms, the assumptions about any new routes and improved headways will be provided prior to inclusion in a conformity determination.

10  ARC and GDOT Response

Detailed information on the length of the financing period associated with each MMIP project was provided at a TCC meeting on March 17. A spreadsheet containing full programming details, including payback amount throughout the timeframe of the RTP (and beyond in some cases), was posted on ARC’s amendment webpage on June 21.

The table referenced in the comment letter identifies previously committed statewide bond issuances and the payback schedule associated with them. This table is used to determine how much federal and state funding remains available for commitment to other projects in the plan. These existing bond programs have relatively short remaining payback periods, thus the lack of values in the table throughout most of the long-range years of the plan.

Financing costs for MMIP projects are not part of these existing bond programs and are managed in the fiscal constraint process differently. Unlike previous statewide bond programs, MMIP debt service is incorporated directly into the programming details for each project, not aggregated and summarized in this table. ARC will add notes to relevant pages of the final RTP document to clarify how MMIP debt service is reflected.

11  ARC and GDOT Response

The longstanding assumption used in the fiscal constraint analysis for the RTP has been that toll revenue generated by express lanes would be dedicated to debt service and ongoing maintenance and operation of the facilities. This assumption has been validated through the Interagency consultation process, meaning federal requirements related to the finances of the plan are being met. Since the project level financial information included in the project listings (posted on ARC’s website in conjunction with
the opening of the public comment period on June 20, 2017) includes expecting bonding and payback assumptions, future toll revenues are assumed to be applied to debt service and operations and maintenance of the facility on which they are collected. When and if it is determined by SRTA that excess revenue will be available for commitment on other projects and programs, revised assumptions used in the RTP related to the amount of funds and how they will be used will be vetted through the Interagency consultation process.

Excess revenues, if any, and the use thereof, are also governed by FHWA regulations encapsulated by the language “any lawful purpose.” GDOT and SRTA will abide by this moving forward. While preliminary, high level estimates of gross revenues were developed and included in the Managed Lanes Implementation Plan (incorporated into the RTP by reference on page 102), the final details of the toll revenue and debt service obligations are not known at this time. Detailed toll revenue analysis will be conducted for these projects in accordance with applicable guidelines for these types of studies. The results will be used to develop detailed finance plans, if required, during the NEPA phase of these projects.

During each administrative modification, amendment or update process, GDOT reviews historical accounting information. As projects evolve and/or are closed out, discrepancies between information contained in planning documents and the actual amounts and fund sources used during implementation are occasionally revealed and corrected. As noted, some of these corrections may date back more than 10 years. During that time, the procedures used by ARC and GDOT to ensure the consistency of data presented in public documents has continued to improve and changes of this nature should become less common in the future.

The project evaluation framework is intended for use when large numbers of new projects are being considered for addition to the plan or as part of a comprehensive reassessment of all projects during a major plan update. As this amendment primarily deals with updating the costs, scheduling and financing details of existing projects, the referenced evaluation methodology was not employed. ARC does intend to conduct a technical analysis of all major capacity projects in the plan, including the MMIP, during the next update cycle. Previous analysis work by Cambridge Systematics for GDOT will be considered in that review effort.