



2015 Proposed Infrastructure Bond Public Information Meeting
Meals on Wheels – 1705 Commerce Drive Atlanta GA 30318
July 16, 2014

Presentation:

To address Atlanta's \$900 million infrastructure backlog, the city is proposing an infrastructure bond referendum to pay for repairs and improvements. The proposed vote will take place in March 17, 2015.

Currently, only criteria and project type lists exist, a draft list does not exist.

All three reports can be accessed on: atlantaga.gov/infrastructure

All public information meetings are videotaped and posted, as are the Powerpoint slides. To see the list of meetings in September: <http://www.atlantaga.gov/modules/showdocument.aspx?documentid=14334>

Tom Weyandt, Senior Policy Advisor for Transportation at Mayor's Office, City of Atlanta:

- Horizontal infrastructure is roads and sidewalks. Vertical infrastructure is buildings and structures.
- Why have a bond referendum? Because of the economic downturn. The city cut \$125 million from the city budget since 2007. Now, we're trying to reinvest in those areas that saw cuts. There is a required backlog of over \$1.02 billion in infrastructure. As we grow, we'll see improved tax base but that won't be enough to deal with the backlog and ongoing maintenance which is forecasted to grow by 1% a year. The referendum would be based on prioritized projects and then bonds would be issued. The bond is secured by full faith and credit of the city.
- TSPLOST called for a region-wide vote for an additional 1% sales tax to invest solely in transportation projects. Atlanta voted heavily in that. This is not an addition of a 1% sales tax, no incremental tax will be required to do this. The bond rating has improved over the last few weeks, it is a good position for the financial market to see bonds we issue.
- We're seeking \$250 million. At best, we'll be making a down-payment. Rather than taking the most decrepit infrastructure, we are matching up community/city values and goals and fixing the most important things that are broken. We're looking for feedback not just on projects but on criteria for picking projects.

Rodney Givens, Program Management Officer, Office of Transportation, City of Atlanta:

In reference to horizontal infrastructure:

- We need to repair the transportation network.
- The backlog covers three primary categories: bridges, streets, sidewalks.
- There is a \$52 million backlog just to meet ADA compliant standards.
- As of 2010, the average bridge age in the city is 57 years.
- Nelson St. Bridge is shut down due to safety concerns.
- The life cycle of streets is 20 years. Over half of our streets are beyond their life cycle.

Billy Warren, Director, Office of Enterprise Management, City of Atlanta:

In reference to vertical infrastructure

- The city currently owns 93 buildings and leases 27 buildings.



- 45 of those buildings are 7 years past life cycle.
- \$6.1 billion square foot of space.
- A team of 89 manages the city's assets

Community Questions:

Answers are in the bullets.

Brian Grant: If we are 7 years behind on our properties, how did we allow ourselves to get so far behind? It seems to be a pattern. How are we going to catch up?

- Facility piece: Part of the concern is when the economy turned, our resources were allocated to different places. We had to ask where we could save money by relocating and consolidating. The economy played a huge factor in us making some hard decisions which put us in the red, but we're headed toward the green.
- Transportation piece: The 2010 report identifies a backlog of deferred maintenance. Typically that is how cities make ends meet to maintain core services like police and fire.

Aja Kweliona: I am founding a charter school on the westside. To what extent does this infrastructure bond have on APS, Invest Atlanta or both? How far are they involved in the conversation?

- This bond only affects city-owned properties.

Jim: Up until 2008, I was seeing a rosy picture. Are we talking about a more recent financial event?

- This backlog is an issue of long-term failure to invest in pieces of our infrastructure. There was a spurt around the Olympics and now those facilities are beginning to show their age. These are capital expenses, not operating expenses.

Guest: If the bond is issued, how long will the money last? When will you have to ask for another one?

- We're anticipating the first down-payment at \$250 million to be executed in 5 years. Plans come back at the end of the 5 years.

Guest: In order to put \$900 million worth of projects in perspective, it would be helpful to know about the bond issues we've gone through in the past. Can the city provide some visibility in this regard? As well as a report card so we can have contextual references for how we are proceeding with this bond issue.

- -Dept. of Public Works and Dept. of Finance could put that together. The last referendum was done in 2011. We can do a list of geo-bonds outstanding and list how those referendums were listed as improvements.

Guest: I am working with Atlanta Cycling Festival and want to see the bike culture grow. With all the transportation stuff funded by the bonds, will bike infrastructure be incorporated into new creations?

- Bike infrastructure can be voted for (i.e. a road that is part of the Connect Atlanta plan can be voted to get a higher priority than other roads)

Guest: How many people are employed in Dept. of Public Works?

- 760 authorized positions (currently there are 60 vacancies).
- The minimum wage is over \$10 an hour, median pay is unknown.



David Call: There is a big problem with sidewalks in Home Park. Can money be used to for sidewalks that property owners are responsible for (given the existing ordinance)?

- -Yes, it is a city asset and a criteria in our Preferred Maintenance report. We're looking at a Complete Streets concept. There is legislation pending about that (Councilmember Norwood will address it later in the NCA meeting)

Guest: What is the current amount of our bond indebtedness, what is the interest rate, and how long will it take to eliminate it?

- \$190 million of General Obligation debt.
- Total indebtedness: \$7.1 billion (airport, watershed, GO, and TADs: proceeds we've borrowed from investors that we owe)
- Costs %595 million annually to service.
- Interest rate on new debt is over 5%.

Jim: 30 year bonds but the things we're paying for have 10-20 year life cycles. Please explain.

- The preliminary discussion is 30 year bonds. Dept. of Finance will work with financial advisors to see what time period we should issue the debt over.

Guest: Has an affordability study been completed about how to issue this bond? Can we get a copy?

- There is a report on debt affordability that was done that looked at the city as a whole by the Waste Efficiency Committee.

Guest: Can we get more details on the 1994 Quality of Life Bond?

- The 2000 Quality of Life bond was about \$150 million and those bonds are still outstanding (part of the 11 General Obligation (GO) bonds, those go out to the year 2030 approximately). The city website will have a list of those projects.

Suzanne Baer: How specific are we going to get in this process? If \$250 million is not enough to alleviate the situation, what happens at the end of this?

- Major facilities and projects (i.e. bridges and fire stations) can be identified specifically. Things like ADA compliance (i.e. the 44,000 intersections that need ramps) will need programs put in place for certain corridors and signal systems among other things.
- We have a federal consent order and we will identify hotspots. That will be an ongoing process.

Jim Robertson: There is lots of talk about reinvestment in certain facilities. Are we using that mindset for transportation infrastructure? i.e. types of pedestrian facilities that can reduce the costs of healthcare and therefore helping financially in a different way.

- We can utilize pavement preservation techniques among other things and we will take a holistic approach to our transportation network.

Guest: Have you identified which bicycle projects will get funded?

- That is what this process is about.

Guest: One of the biggest concerns I have is about the stewardship of the funds. The way contracts are negotiated and handled, once the contract is inked by the mayor, council members are not part of the process of drawing up contracts. There should be more transparency of the contract process. Plenty of



people would volunteer in the process. There is lots of power in the Office of the Mayor, it's the way our city is formatted. Can this be an impetus to changing the stewardship and participation of our City?

- The 1994 ballot had successes, it might be a good one to look at.

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