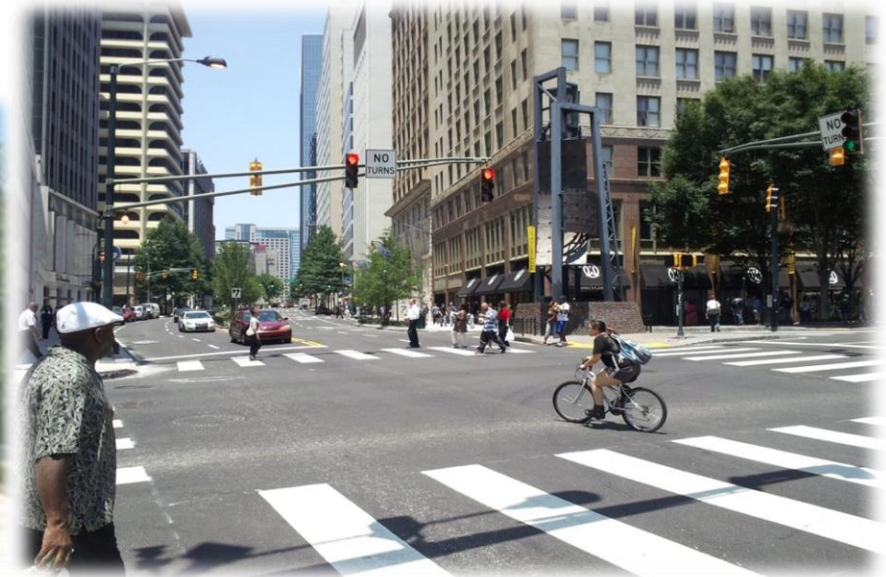




Atlanta 2015 Infrastructure Bond



Investing in a commitment today to meet the infrastructure challenges of the future.

Richard Mendoza, Public Works
James Shelby, Planning & Community Development
July 2014



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Key Events

- June 2014: Public Information Meeting (1st Round)
- September 2014: Public Information Meetings (2nd Round)
- December 1, 2014: City Council Votes on Legislation
- January 2015: Public Information Meetings (3rd Round)
- March 17, 2015: Residents Vote on Bond Referendum

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Meeting Agenda

- Opening Remarks
- Infrastructure Needs
 - Horizontal (roads, sidewalks, bridges, etc)
 - Vertical (fire stations, recreational centers, other facilities)
- Public Feedback / Q & A
- Breakout Opportunities



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State of Atlanta's Infrastructure

- Nationwide economic downturn, the City has to do more with less.
- Fiscal strategy focused on stabilizing City services and increasing efficiencies:
 - Since 2007, City has cut over \$125M from General Fund budget
 - But that means the City has under-invested in core infrastructure
- **\$1.02B infrastructure backlog**
- Forecasted revenue growth of ~1% per year would bring in a total of \$30-35M incremental revenue over the next 3 years, which is not enough.
- Ensuring fiscal stability in future years, requires that the City take dramatic steps to increase efficiencies and change the way we do business – which we are doing.
- Tackling these problems will also require a significant cash inflow, which is best done through an infrastructure bond.



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Why & How a Referendum

- An Infrastructure Bond Referendum is a vote by registered voters within the City of Atlanta to approve or reject a request from the City to borrow money to fund infrastructure projects.
- The bond refers to debt that is secured by the full faith, credit and taxing power of the City.
- Prior to a bond referendum, the Atlanta City Council must vote to authorize an election to be held for the purpose of determining whether bonds shall be issued for the stated amount and purpose.
- Mayor Reed intends to ask the City Council in late 2014 to authorize a bond referendum vote to be held in March 2015.



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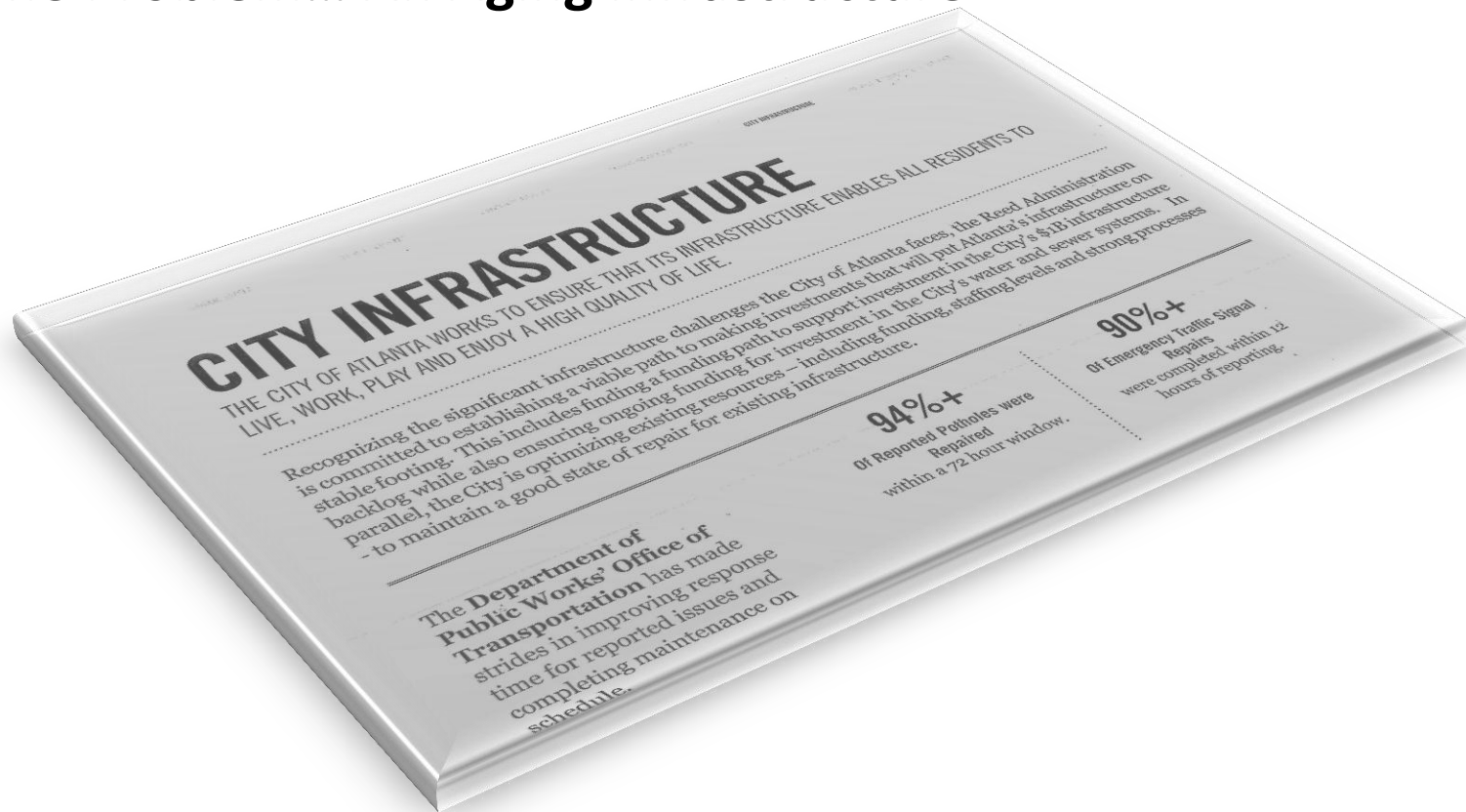
Impact on Atlanta Taxpayers

- Atlanta taxpayers will see no increase in their property or sales taxes as a result of the infrastructure bond. (see note below)
- Given the City's strong credit rating, we will be able to borrow money at historically low rates.
- The debt service on the bonds, estimated at \$17 million annually, will be paid through revenue generated from operational efficiencies identified by the Mayor's Blue Ribbon Commission on Waste & Efficiency in Government.



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The Problem... An Aging Infrastructure



“I pledged during my inauguration to address Atlanta’s infrastructure challenges in a meaningful way. The City faces a \$1 billion infrastructure backlog, and I plan to seek a \$150-\$250 million bond referendum, possibly as soon as next year, to finance long overdue street improvements, bridge repairs, and other projects.”

- Mayor Kasim Reed



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The 2010 State of the City's Transportation Infrastructure Report identified approximately \$881M of transportation infrastructure

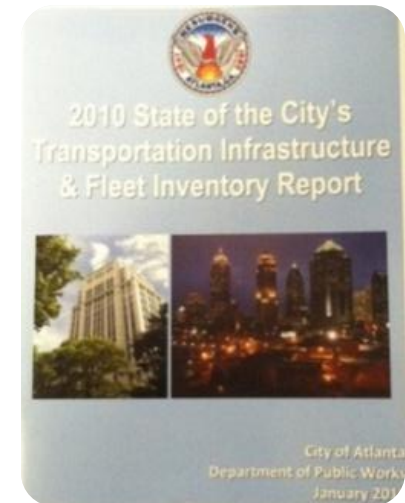
The 2014 City's Facility Infrastructure Report identified \$130.8M backlog of projects.

- \$56.2M (~43%) ranks as 'High' priority

The total Infrastructure Backlog is \$1.02B

“Without a well reasoned and diversified plan to maintain the transportation and fleet inventory, it will be difficult for the City of Atlanta to continue to provide a safe and efficient environment for the City's public to thrive.”

- 2010 State of the City's Transportation Infrastructure and Fleet Inventory Report





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Greatest Assets by Backlog Cost:

- Bridge Replacement & Maintenance: \$259M, 30%
- Street Resurfacing: \$262M, 31%
- Sidewalks, Curbs, and ADA Ramps*: \$204M, 24%

Total Cost for Three Greatest Assets: \$725M, 85%

Remaining 15% includes: signals, street lights, signs, unpaved roads, school zone flashers, etc.



**Repair of ADA Ramps is required by City's agreement with Department of Justice for streets paved since 1992 (\$52M)*



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City of Atlanta & Department of Justice Agreement

- In 2009, the United States Department of Justice initiated a compliance review of the facilities and policies of the City of Atlanta related to the Americans with Disabilities Act (ADA) of 1990.
- Among other outcomes for City of Atlanta Departments, the Department of Public Works is required to identify and install ADA compliant curb ramps at sidewalk locations on streets resurfaced since January, 1992. The estimated backlog of non-compliant intersection nodes is 31,442 with an estimated construction cost of \$52M.



Intersection Node with Non-Compliant ADA Ramp



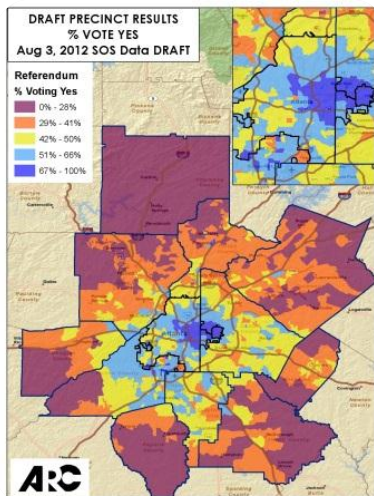
Intersection Node with Missing ADA Ramp



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Transportation Investment Act (TIA) 15% projects

- The City engaged in a robust public engagement process in preparation for the Transportation Investment Act referendum.
- Working with citizens in each quadrant of the city, \$42M for local projects were identified.





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➤ **Bridge Replacement and Maintenance Backlog Cost, \$259M**

30% of Transportation Backlog

Annual Need after Reduction of Backlog: \$5M

FY11 Allocation: \$0.8M

Annual Funding Gap: \$4.2M

➤ **Overall System Condition**

14 Bridges— Fair to Poor

9% of Inventory – Fair to Poor

➤ **System Age**

Oldest – 108 years old*

Average Age - 57 years



* MLK between Northside and Forsyth; Powers Ferry over Nancy Creek



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➤ **Street Resurfacing Backlog Cost, \$262M** (1634 total miles of paved streets)

31% of Transportation Backlog

Annual Need after Reduction of Backlog: \$38.3M

FY11 Allocation: \$4.1M

Annual Funding Gap: \$34.2M

➤ **Past Life Cycle:**

51% of Paved Street Inventory

834 Miles of Paved Street Inventory



Note: Life Cycle is defined as the assumed length of time that an asset will remain viable without major maintenance.



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Street Resurfacing

- Street Classifications: Includes arterials, collectors, residential, and industrial streets
- 2010 Paved Streets Backlog Inventory Life Cycle Example

Type of Street	Life Cycle (years)	Total Past Life Cycle (miles)	10+ Years Past Life Cycle (miles)	5 to 10 Years Past Life Cycle (miles)	0 to 5 Years Past Life Cycle (miles)	LIFE CYCLE	0 to 5 Years to Life Cycle (miles)	5+ Years to Life Cycle (miles)	Total Miles	Past Life Cycle (%)
Arterials	10	48	5	12	32		16	9	74	65%
Collectors	15	102	11	29	62		48	80	230	45%
Industrial	10	17	4	5	8		3	3	22	76%
Residential	20	667	222	222	222		100	541	1,308	51%
Totals		834	242	268	324		167	633	1,634	51%

Note: All residential streets 10-20 years past their life cycles were evenly divided among High, Medium, and Low categories.



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➤ **Sidewalks, Curbs, and ADA Ramps backlog cost, \$204M**

24% of Transportation Backlog Total

Annual Need after Reduction of Backlog: \$20M

FY11 Allocation: \$0.57M

\$19.4M Annual Funding Gap

➤ **System Beyond Life Cycle, Estimated:**

18% of Sidewalk Network

10% of Curbing

73% of ADA Ramps





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Infrastructure Backlog Summary

Asset	Priority High (millions)	Priority Medium (millions)	Priority Low (millions)	Totals (millions)
Arterials Streets	1.74	4.99	15.85	22.58
Collector Streets	3.58	10.91	21.69	36.19
Industrial Streets	2.64	2.08	3.34	8.05
Residential Streets	64.90	64.90	64.90	194.70
Paved Streets Subtotals	72.85	82.89	105.77	261.52
Bridges	71.45	82.67	134.47	288.58
Sidewalks, Curbs and ADA Ramps	76.86	62.53	64.78	204.17
Traffic Signals	2.35	20.25	8.62	31.22
Street Lights	9.97	5.40	19.27	34.64
School Zone Flashers	0.50	0.00	0.00	0.50
Base 2008 Infrastructure Subtotals	233.97	253.73	332.92	820.62
Unpaved Streets	4.60	13.49	14.01	32.10
Reversible Lane System	1.34	1.21	0.00	2.55
Traffic Signage	4.30	12.09	5.17	21.56
Truck Route & Street Classification Study	0.36	0.00	0.00	0.36
COA Standard Specifications and Construction Detail Update	1.34	0.00	0.00	1.34
Street and Sidewalk Inventory and Condition Assessment	1.24	0.00	0.00	1.24
Signs and Markings Inventory and Condition Assessment	0.67	0.00	0.00	0.67
Street Light Assessment	0.41	0.00	0.00	0.41
Infrastructure Subtotals, Additional 2010 Items	14.25	26.80	19.18	60.23
Infrastructure Category Totals	248.22	280.53	352.10	880.85



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Categories of Infrastructure Backlog

- Bridge Replacements (\$259M)
- Unpaved Roads and Street Resurfacing (\$293M)
- Signals, Signs and School Zone Flashers (\$55.9M)
- Sidewalks, Curbing and ADA Ramps (\$204M)
- TIA Referendum Projects (\$42M)
- Street Lights (\$34.6M)
- Fire Stations (\$40.0M)
- Police Stations (\$57.9M)
- Recreational Centers (\$8.2M)
- Government Buildings (\$24.7M)





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Proposed Criteria to Prioritize Transportation Infrastructure Projects

- Infrastructure sustainability (How many years past lifecycle?)
- Provide for pedestrian and bike facilities (construct or upgrade bike/pedestrian facilities)
- Promote public health and safety (bike lanes, pedestrian lighting, ADA improvements)
- Leverage Federal/State funds (80% or more)
- Connection to transit (proximity to rail and bus routes)
- Green infrastructure innovation (recycled materials, rain gardens, etc.)
- Preservation of neighborhoods (connectivity to schools or historic venues)
- Connection to other projects (proximity to other projects)
- Part of Connect Atlanta or other COA plans/reports
- Part of Neighborhood/Development adopted plan





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The Total Capital Improvement Needs for City Buildings is \$130.8M.

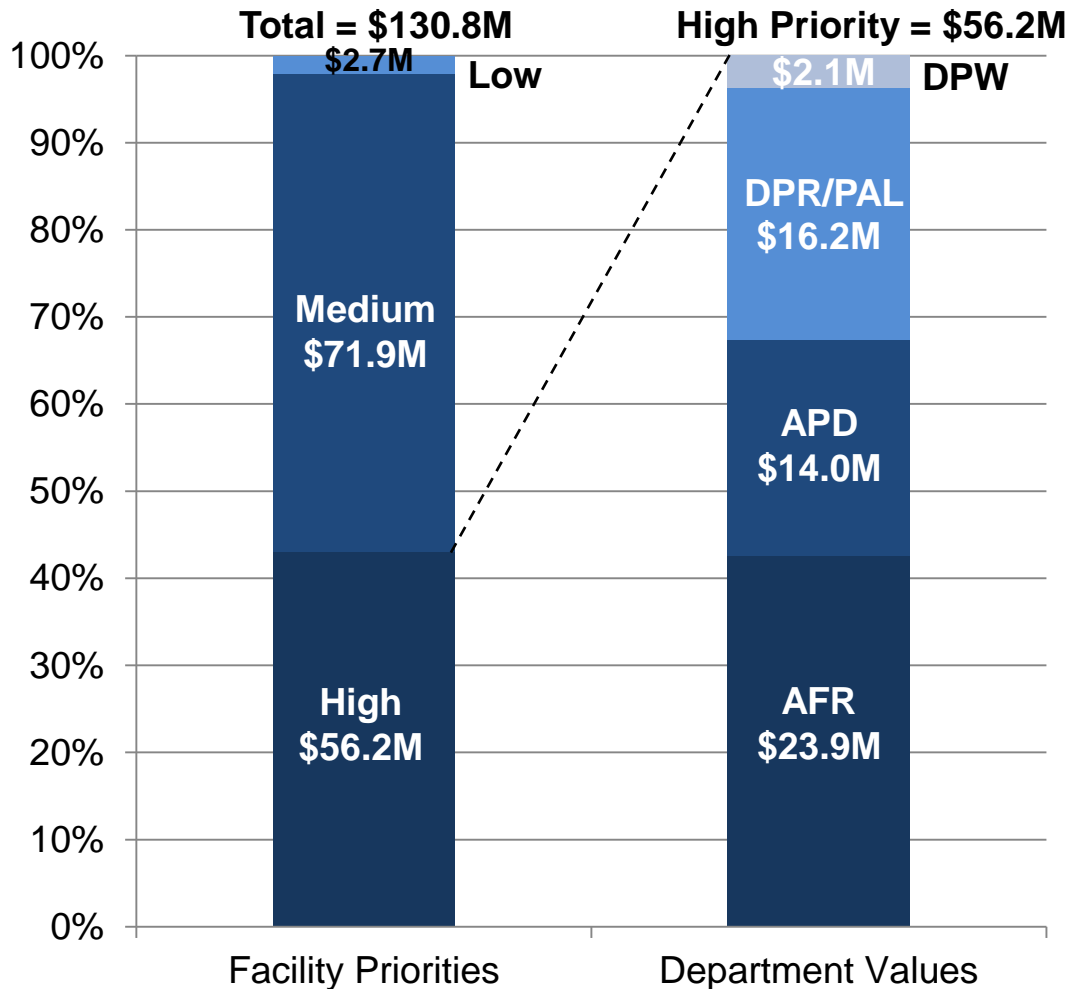
Building Improvement Projects by Priority:

- High Priority - Approximately **\$56.2M**
- Medium Priority – Approximately **\$71.9M**
- Low Priority - Approximately **\$2.7M**
- **City Buildings** consist of **120** properties with over **3.3M** square feet of capital assets.
- The City has **93- Owned Properties** and **27 -Leased Locations**. Equaling approximately **6.1M** square feet of building space combined.
- Average age of the Owned Building is **45 years** (By industry standards for building the City's buildings are **7 years** past there normal Life Cycle for a commercial building).



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APD and AFR represent ~\$38M (~67%) of the High Priority Facility needs



Industry Standards for Facility Run Rate Efficiencies:

1. Track maintenance costs per facility .
2. Maintain building level systems records with dates of installation, repair history, intended life, and manufacturer recommended maintenance frequency with estimated costs.
3. Perform a facility condition assessment on all capital assets by licensed building inspectors that will provide an official baseline for future improvements
4. Confirm that the facilities list is complete and accurate.



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Top Ten Highest Priority Buildings Needing Improvements:

Rank	Asset Address	Usage / Common Name	Primary Department	Repair or Replace
1	70 Boulevard, NE	MLK North Natatorium	DPR	Replace
2	880 Cherokee Avenue SE	Zone 3 Precinct	APD	Replace
3	1125 Cascade Circle SW	Zone 4 Precinct	APD	Replace
4	1111 Hill Street	Shop / Shed / Office	DPW	Replace
5	25 Claire Drive	Tower	AFR	Repair
6	25 Claire Drive	House	AFR	Replace
7	2349 Benjamin E. Mays Drive SW	Fire Station 25	AFR	Replace
8	2315 Donald Lee Hollowell Parkway NW	Zone 1 Precinct	APD	Repair
9	1545 Howell Mill Road NW	Fire Station 23	AFR	Replace
10	1568 Jonesboro Road SE	Fire Station 2	AFR	Repair



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Criteria used to Prioritize Facilities as High, Medium, or Low

Facility Prioritization Criteria:

- **Safety Enhancement Issue** - Facility with features that may pose a risk in the future
- **Core and Shell Systems Failure** - Facility with a failure of base building elements (HVAC, etc.)
- **Facility Functional Needs are Met** - Provides for the daily requirements of the department
- **Facility Condition Index** - Industry-wide benchmark comparison tool and ratio
(5% is Good, 5-11% is Fair, and greater than 11% is Poor)
- **Years Past Life Cycle** – Years an asset is in service past its intended period of usefulness
- **Funding for Facility Replacement** - FY2013/FY2014 funding for new construction of a facility

Facility Severity Ranking:

- **High Priority** - Facilities that had a Safety Enhancement Issue
- **Medium Priority** - Facilities that had Core and Shell System Failures but no Safety Issues
- **Low Priority** - All other facilities



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Proposed Criteria to Prioritize Facilities Infrastructure Projects

- Safety enhancement issues
- Core and shell system failures
- Facility functional needs are met
- Infrastructure sustainability (How many years past lifecycle?)
- Funding for facility replacement





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City of Atlanta

Kasim Reed
Mayor

Cesar C. Mitchell
President

Michael Julian Bond
Post 1 At Large

Mary Norwood
Post 2 At Large

Andre Dickens
Post 3 At Large

Carla Smith
District 1

Kwanza Hall
District 2

Ivory Lee Young, Jr.
District 3

Cleta Winslow
District 4

Natalyn Archibong
District 5

Alex Wan
District 6

Howard Shook
District 7

Yolanda Adrean
District 8

Felicia A. Moore
District 9

C. T. Martin
District 10

Keisha Lance Bottoms
District 11

Joyce Sheperd
District 12

July 8, 2014

Thank You!



Investing in a commitment today to meet the transportation challenges of the future.