



Investing In Tomorrow's Transportation Today

December 11, 2009

Our work has revealed:

- Georgia has under-invested in transportation relative to GDP and its peers
- Current course will yield worsening congestion, restricted access to jobs, impeded freight flows, and reduced competitiveness
- To reverse this trajectory, the transportation team has determined which transportation programs are “burning platform” vs. “support economic growth” vs. “transform the network”
- We have made the business case for transportation investment, demonstrating dramatically improved outcomes with additional resources
- Policy levers (e.g., coordinated development) are also critical to enhance the value of capacity investments
- Competitors continue to move forward, heightening the urgency to act

IT3 Investment Returns:

Gross Domestic Product Growth:

\$375 - \$480 billion

Job Growth:

325,000 to 425,000

At current transportation investment levels, Georgia's outlook is grim

Category

2030 outlook¹



Freight transport

- Economic upside (GDP and jobs) from port expansion at risk, despite investments in last-mile connectivity
- Other growth opportunities may head to competitors (e.g., VA, NY/NJ) as priority freight corridors see 60% peak traffic increase without corresponding capacity investments



Medium-sized city and rural area people mobility

- Medium-sized cities at best experience “Atlanta-like” or “Charlotte-like” levels of congestion. At worst, expected population and job growth choked off before that occurs
- Safety improves, but rural job center accessibility remains unchanged (e.g., minimal GRIP investments)



Metro Atlanta people mobility

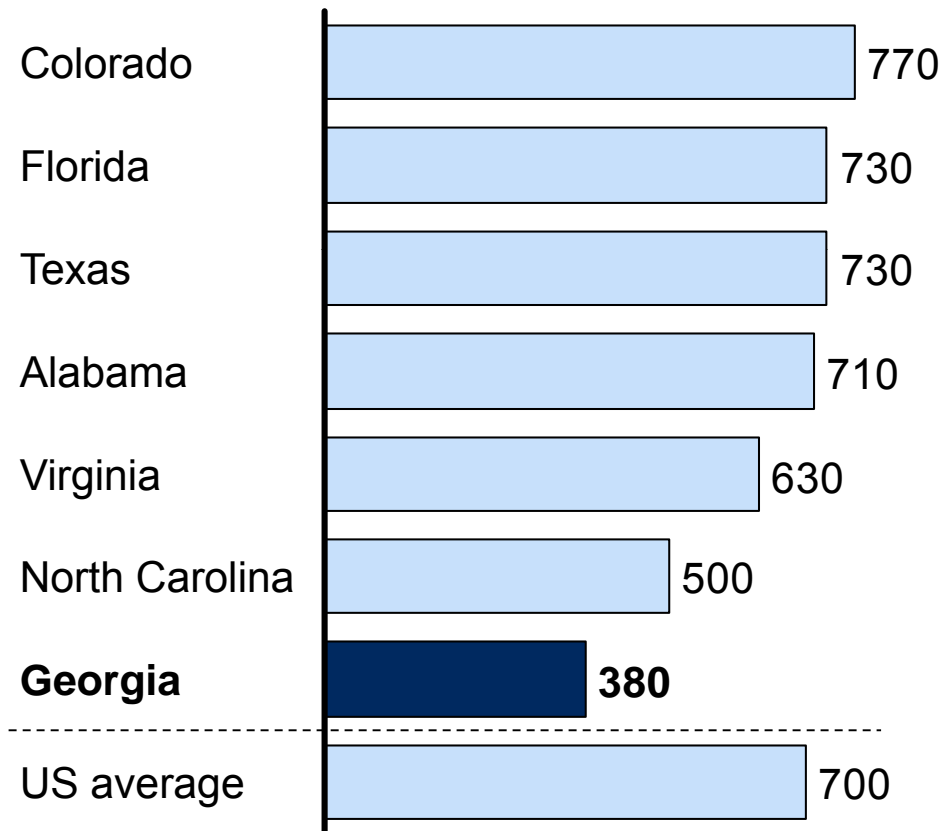
- Per capita congestion costs nearly double today's levels
- Employment center talent pools 33% smaller than today
- Core transit system operating at 70% of current levels
- *Xpress* bus service and other transit systems cut or eliminated

¹ Assumes current resources allocated primarily towards people mobility in metro Atlanta and rest of state, as reflected in Funding Level 1

Georgia's current course represents continued under-investment relative to other US states

Total highway and transit resources – 2006*

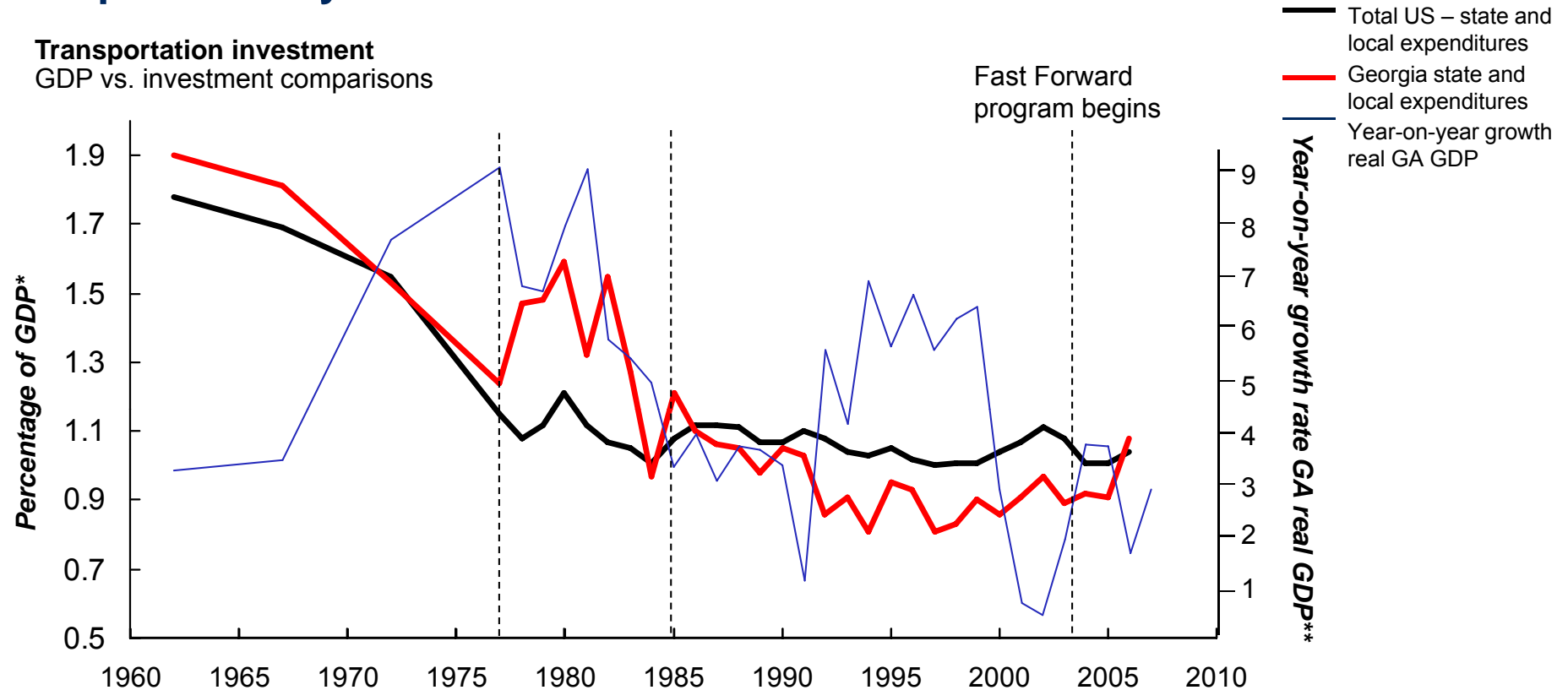
Dollars per capita



- Georgia has the 2nd lowest transportation resources per person in the U.S.
- Tennessee ranks last, with \$354 of transportation revenue per capita

* Latest local resource figures available for other states are from 2005. The 2006 estimates of local resources are based on historical trends. Transit fares and other revenues are included in local receipts. Excludes proceeds from bonds and revenue generated by transportation that isn't spent on transportation

Georgia's current course also represents continued under-investment in its transportation system relative to GDP



- Slow growth in lane miles per capita
- “Free the Freeways”
- MARTA
- GA investment lower than US investment despite growth
- Investment increase after 2004 primarily financed through bonds
- What is the sustainable investment path for the future?

* Used 5-year CAGR to estimate 2001 and 2003 local expenditures data
 ** GA real GDP growth rate assumptions: 1962-1977 - used 30-year average CPI rate forecasts from 2000-2030 and subtracted from nominal GA GDP growth rate from 1962-1977. 1978-2007 - used GA real GDP growth rate
 Source: U.S. Bureau of Economic Analysis, U.S. Census Bureau, Georgia Department of Audits and Reports (FY 2003-06)

What are the performance goals and the investment levels needed to achieve them?

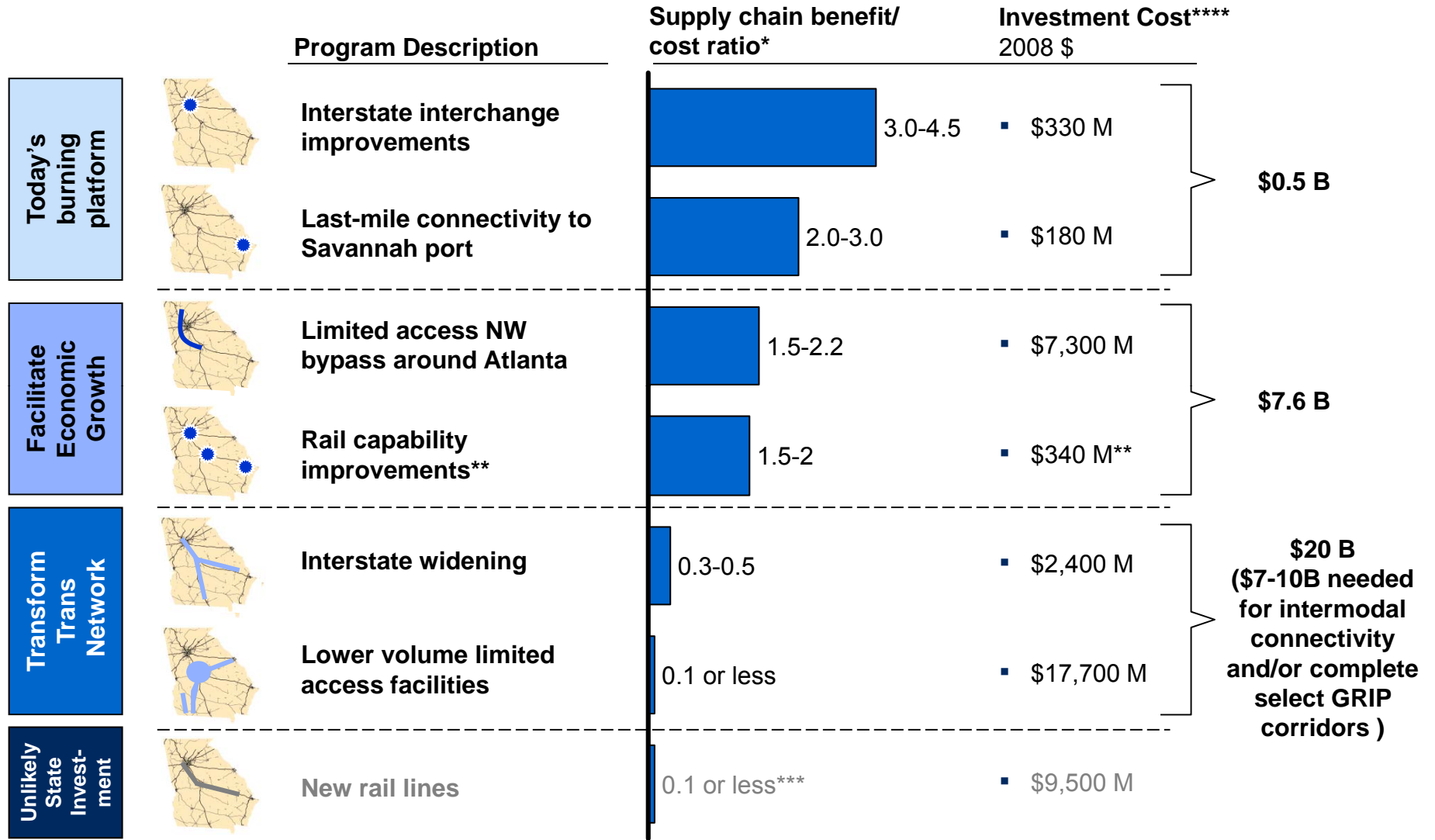
The Performance Goals:

1. Increase the number of workers within 45 minutes of an employment center.
2. Increase the number of reliable trips.
3. Decrease congestion costs.

The Investment levels needed:

1. Burning platform ~ \$39 Billion
2. Enable Economic Growth ~ \$57 billion
3. Transform Transportation ~ \$72 billion+

Freight analysis reveals four high-performing programs



* Benefits based on improved supply chain connectivity (reduced inventory, obsolescence, and transportation/congestion costs) through 2030; one hour of improved connectivity valued at \$50-75. Benefits from bypasses and other limited access facilities exclude potential GDP benefit

** Benefit-cost ratio shown reflects rail grade separations; Investment cost represents larger investment allocation for a broader set of rail capability improvements

*** Benefit of new rail lines estimated based on effect of highway widening along same corridors

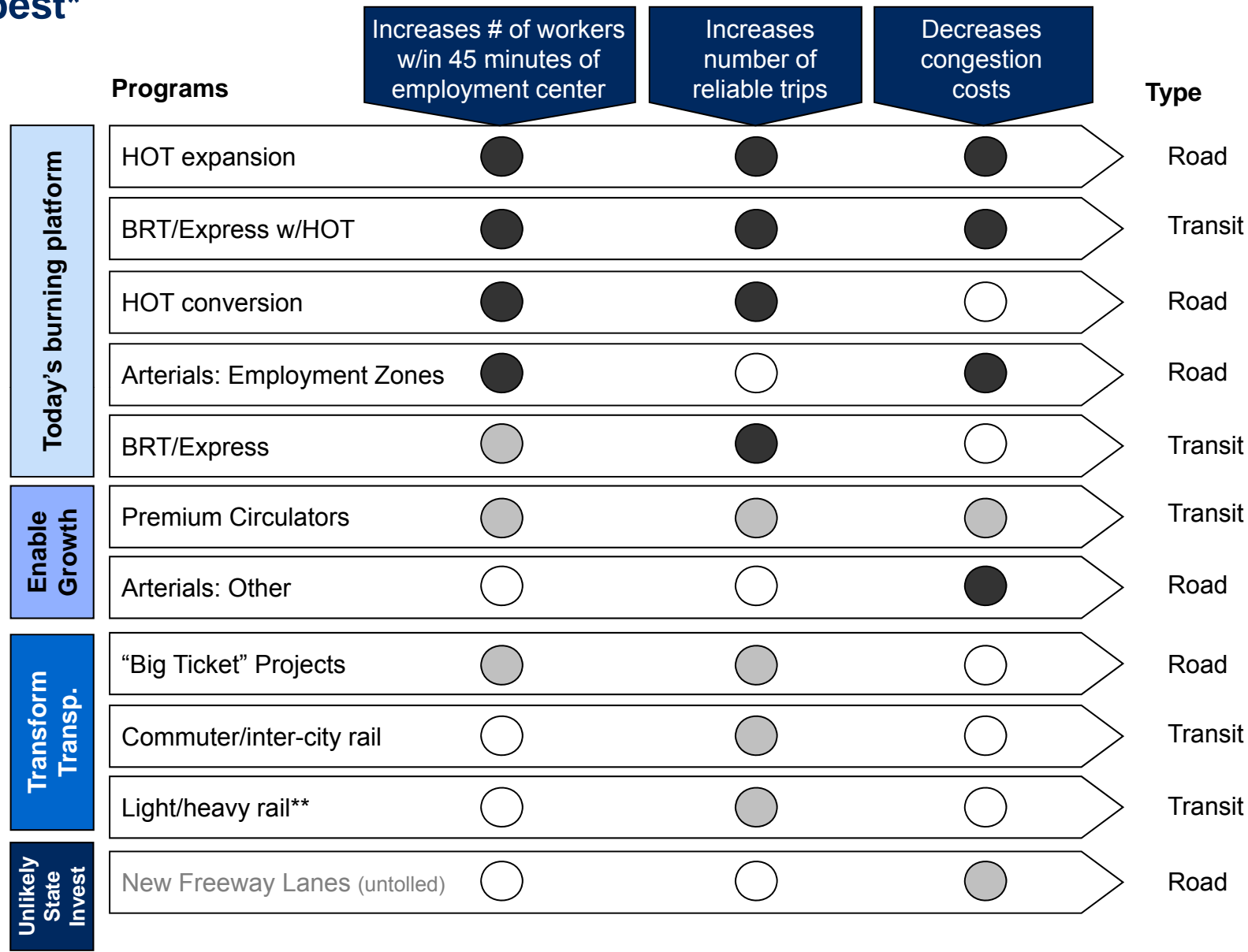
**** Investment cost includes capital cost and operating cost from estimated year of opening to 2030

SOURCE: Transearch 2007; Kimley-Horn; "Value of Time for Commercial Vehicles in Minnesota," 2005; "Value Analysis of Truck Toll Lanes in California," 2007; "Perceived Value of Time for Truck Operators," 2000; team analysis

Metro Atlanta: HOT, BRT/Express, and arterials performed the best*

Ranking

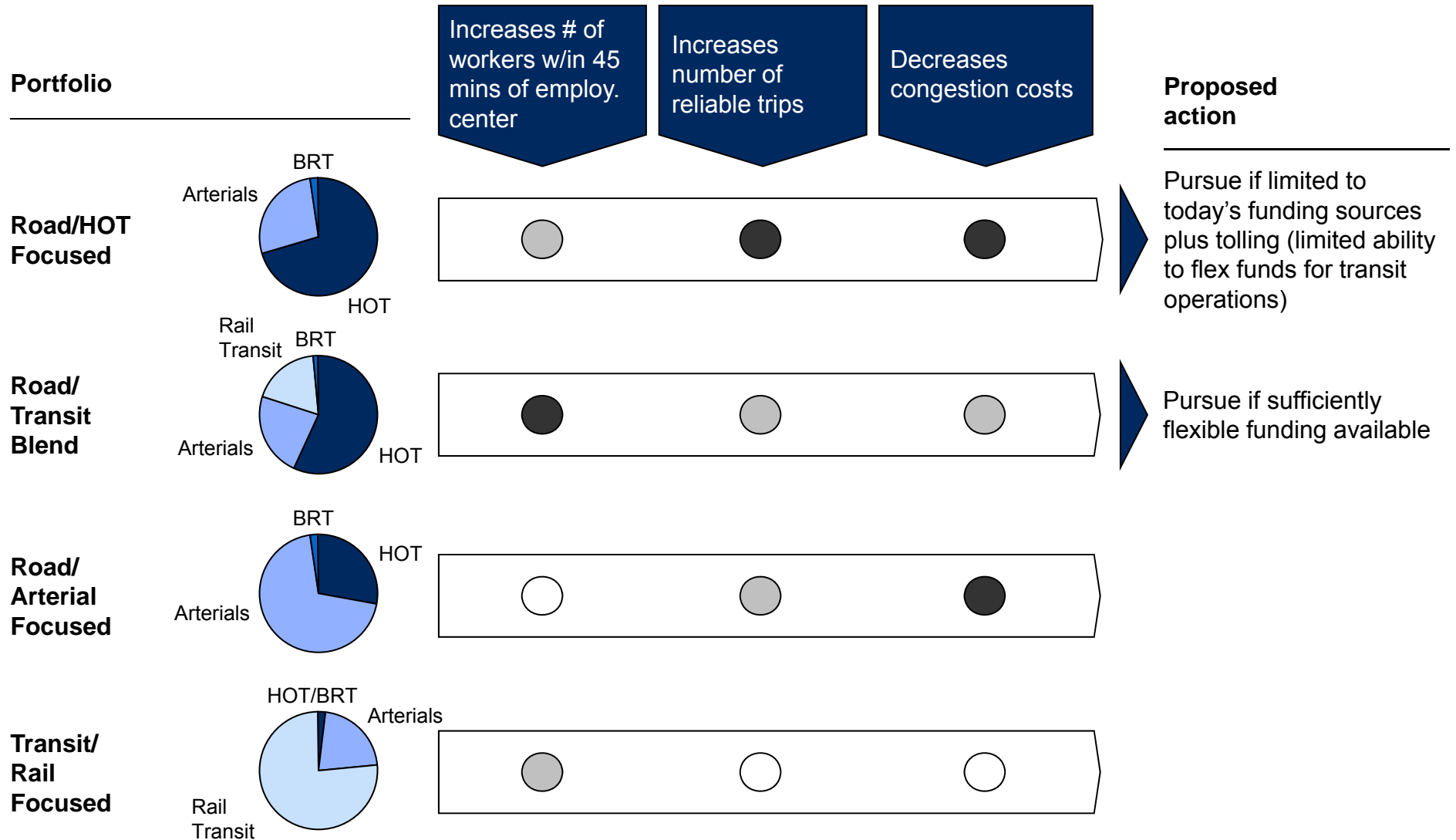
- Top 1/3
- Middle 1/3
- Bottom 1/3



* 2030 view normalized per \$1B spend; net cost includes CapEx and 20-year O&M costs, less expected revenue
 SOURCE: GRTA/ARC travel demand model; Kimley-Horn; team analysis

Metro Atlanta: Road/HOT focus and road/transit blend are the best-performing portfolios*

Ranking
 ● Top
 ● Middle
 ○ Bottom



* 2030 view normalized per \$1B spend; net cost includes CapEx and 20-year O&M costs, less expected revenue
 SOURCE: GRTA/ARC travel demand model; Kimley-Horn; team analysis

Business case investment portfolios were created at 4 funding levels

		Level 1: Existing funds, no direct fees (\$12-19B ¹ avail.)	Level 2: Existing funds with direct fees (\$20-29B ¹ avail.)	Level 3: Burning platform and econ. growth (\$57B ¹ avail.)	Level 4: Transform GA's transp. network (\$63B ¹ avail.)	
Address today's burning platform	People mobility: Metro Atlanta	▪ HOT lanes				
		– Base network (~240 miles)		✓	✓	✓
		– Full network (add'l 120 miles)			✓	✓
		▪ BRT/Express		✓	✓	✓
		▪ Arterials				
		– Suburban network (~1500 miles)	✓			
	– Base central network (~300 miles)		✓	✓	✓	
	– Full central network (add'l 200 miles)			✓	✓	
	▪ Core transit system					
	– Reduced operations (70% of current)	✓	✓			
	– Full (100%) operations			✓	✓	
	People mobility: Rest of State	▪ Base network (~\$7B)	✓	✓	✓	✓
	▪ Full network (add'l \$7B)			✓	✓	
Freight transport	▪ Savannah port last-mile	✓	✓	✓	✓	
	▪ Interstate interchanges	✓	✓	✓	✓	
Enable and support economic growth engines	People mobility: Metro Atlanta	▪ Streetcars and “short trip” transit				
		– Beltline		✓	✓	✓
		– Other streetcars/ premium circulators			✓	✓
	Freight transport	▪ NW bypass			✓	✓
		▪ Rail improvements			✓	✓
		▪ Intermodal/GRIP connectivity			✓	✓
Transform Georgia's transportation network	People mobility: Metro Atlanta	▪ MARTA extensions			✓	
		▪ “Long distance” commuter and light rail			✓	
		▪ “Big ticket” projects				

¹ In 2008 dollars through 2030; available resources allocated towards CapEx and O&M costs; O&M costs through 2040 add an additional \$1B to Level 3 and \$2B to Level 4

Investing at Funding Levels 3 and 4 yields the best returns

2008 dollars, 2010-40

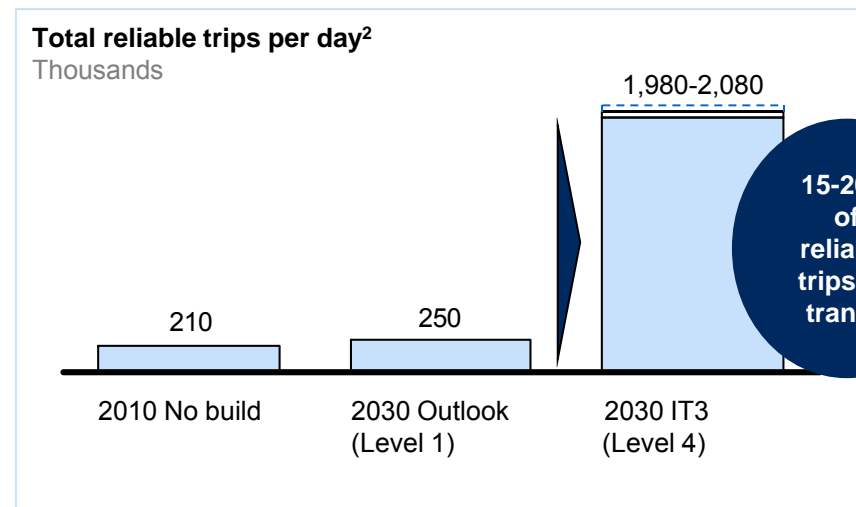
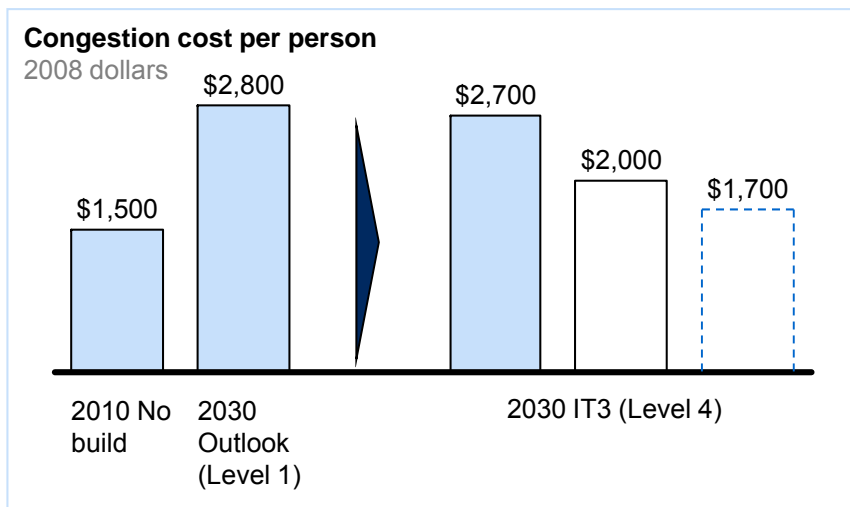
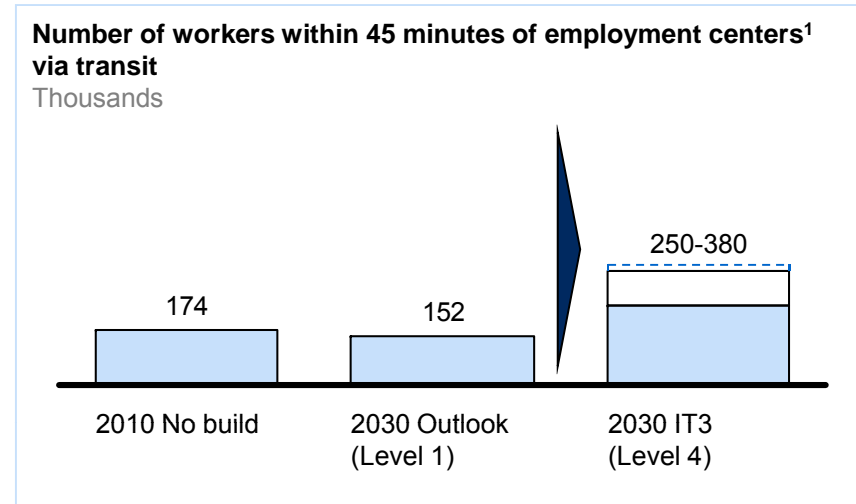
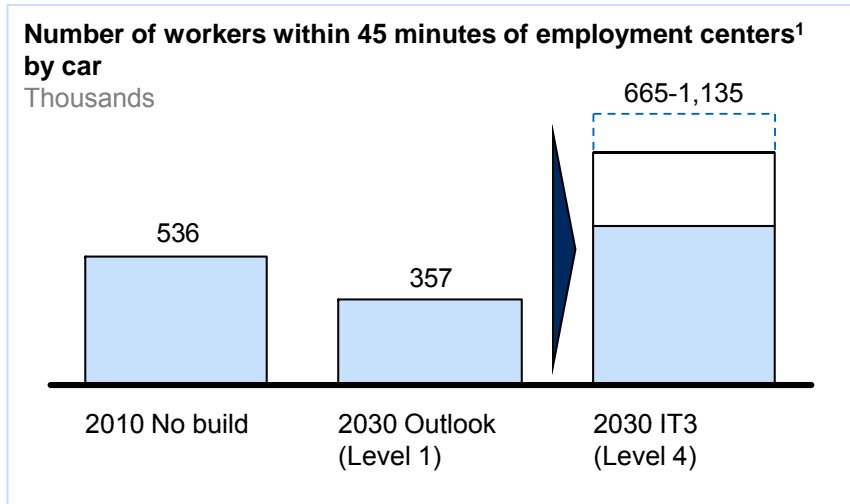
	Level 1 Existing funds, no direct fees \$12-19B	Level 2 Existing funds with direct fees \$20-29 B	Level 3 Burning platform and growth \$58 B	Level 4 Transform GA trans. network \$65 B
Resources available:				
People mobility – Atlanta				
▪ Congestion benefit, \$	\$47B	\$46B-99B	\$60B-108B	\$58B-109B
▪ GDP benefit, \$	---	\$56B	\$141B	\$169B
▪ Jobs benefit	---	82k	145k	246k
People mobility – rest of state				
▪ Congestion benefit, \$	\$11-17B	\$12-18B	\$24-37B	\$24-37B
▪ GDP benefit, \$	---	---	\$49B	\$49B
▪ Jobs benefit	---	---	89k	89k
Freight and logistics				
▪ Supply chain benefit, \$	\$2B-3B	\$2B-3B	\$32B-48B	\$32B-48B
▪ GDP benefit, \$	---	---	\$67B	\$67B
▪ Jobs benefit	---	---	90k	90k
TOTAL ECONOMIC BENEFIT	\$60-65B	\$115-175B	\$375-450B	\$400-480B
TOTAL INVESTMENT¹	\$15B	\$24B	\$58B	\$65B
BENEFIT/COST RATIO¹	4.0-4.3	4.8-7.3	6.5-7.8	6.2-7.4

¹ Includes CapEx and 30-year O&M costs

SOURCE: GRTA/ARC travel demand model; Kimley-Horn; team analysis

Metro Atlanta outcomes improve dramatically

- Without coordinated development
- With coordinated development
- With coordinated development and VMT



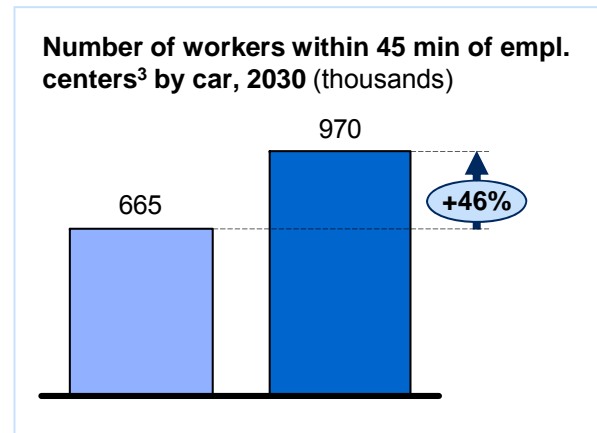
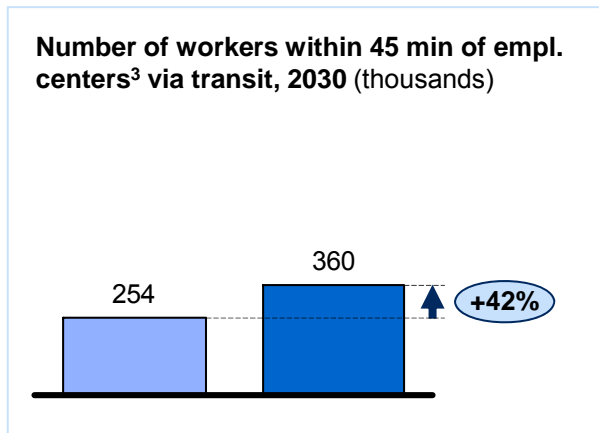
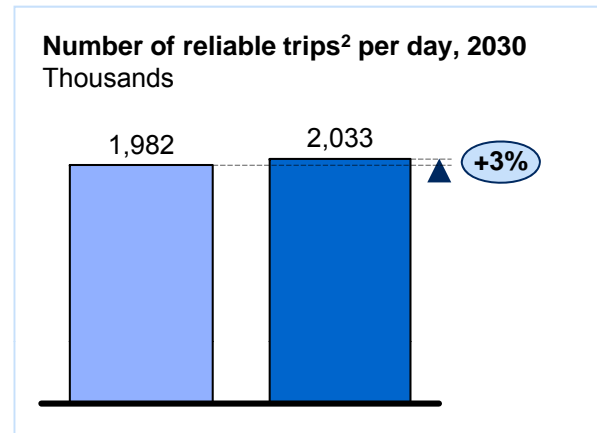
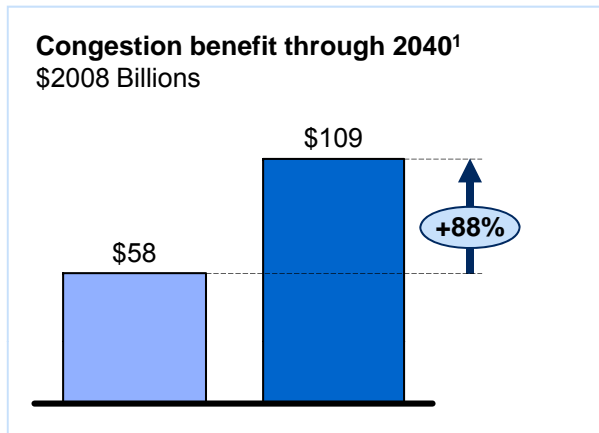
1 Major employment centers include Downtown/Midtown, Buckhead, Cumberland Galleria, Perimeter Center, Gwinnett Place, Fulton Industrial Blvd, Airport, Winward Parkway, and Town Center.

2 Reliable person trips are person trips on transit and HOT / HOV trips

Encouraging coordinated development can significantly enhance benefits from capacity investments

■ Without Coordinated Development
■ With Coordinated Development

Metro Atlanta people mobility outcomes at Funding Level 4



1 Reflects difference in congestion costs between “no build” and funding level 4, through 2040

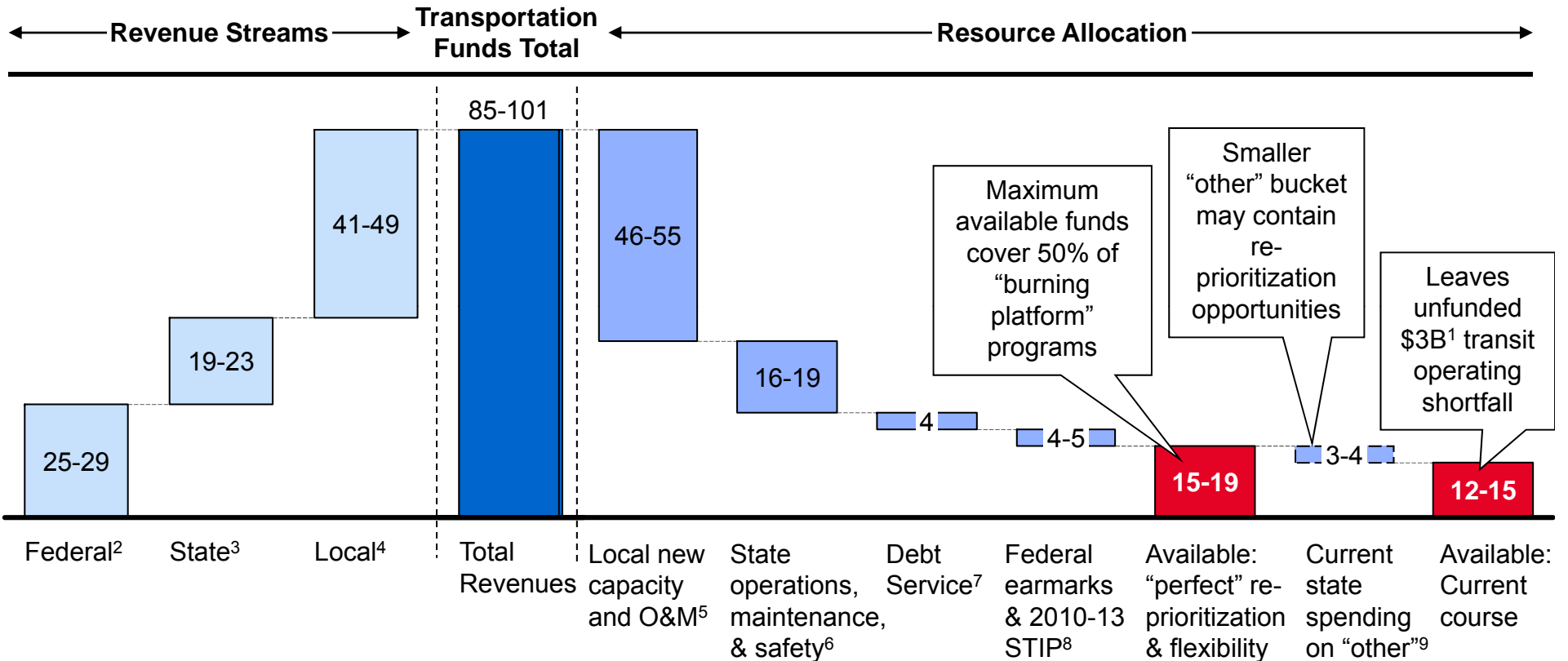
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Current course covers at most 50% of “burning platform” investments

Resources currently applied to transportation in GA: 2010-2030

2008 \$ Billions¹



1 In 2008 dollars

2 Includes FHWA and FTA

3 Includes GO bond proceeds, state motor fuel tax (excise, prepaid, and interest), state general fund, tolls, state miscellaneous income

4 Includes MARTA (sales tax, fares, other revenues), GRTA, other urban/rural transit, local general funds (county/city/consolidated government), local (county/city) transportation SPLOST

5 New capacity includes county/city/consolidated government expenditures on highway and street construction/purchases (including local assistance from state/federal sources); O&M includes county/city/consolidated government and funded transit (MARTA, GRTA, other urban/rural transit, excluding \$3B transit funding gap)

6 Includes GDOT maintenance (contract and in-house), GDOT ongoing operations (e.g., payroll, equipment, vehicles, travel, rent, utilities), Intelligent Transportation Systems, HERO, traffic signal upgrades/timing, regional traffic operations, minor operational improvements, safety

7 Includes GARVEE and GO debt payments

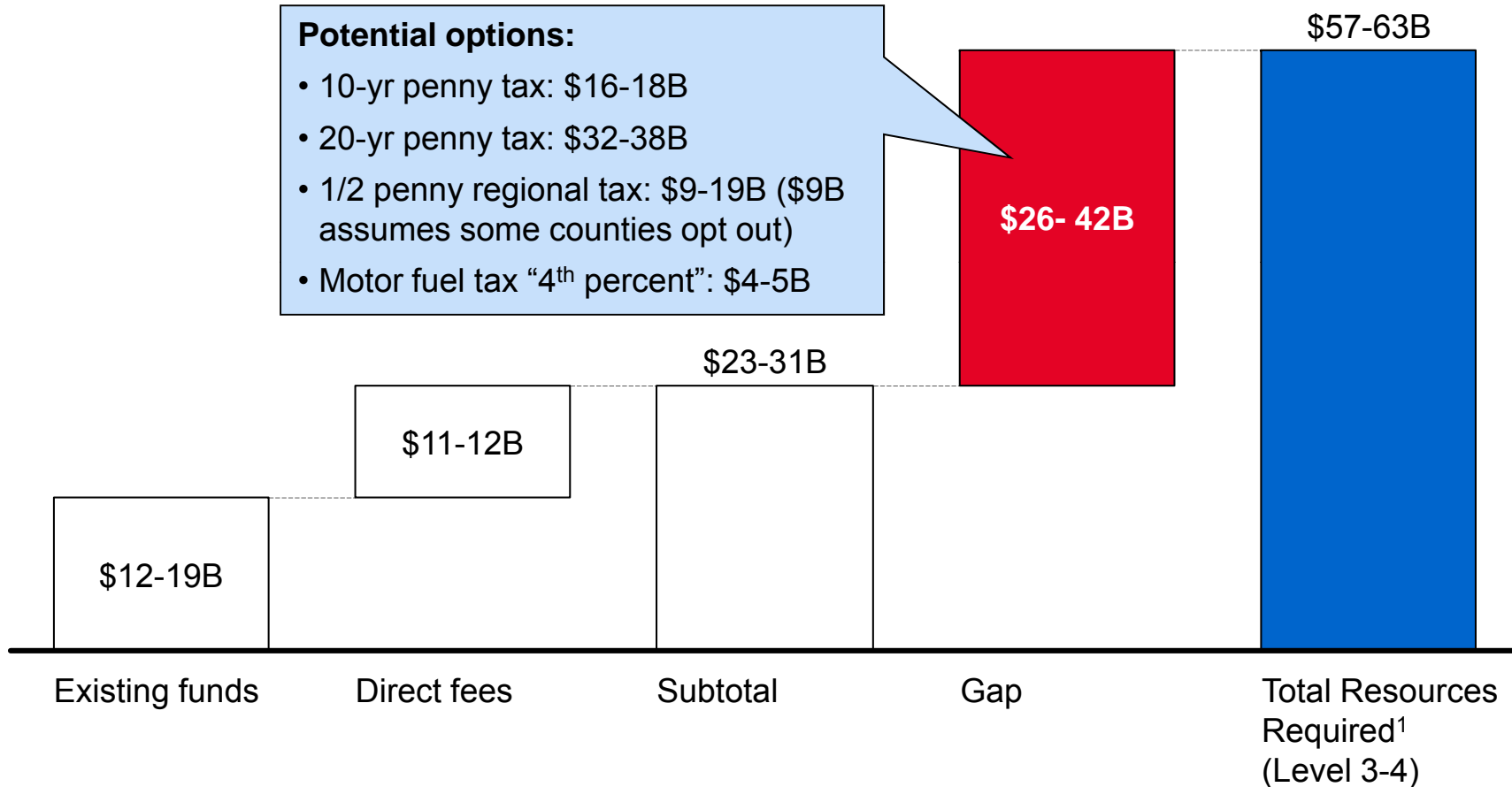
8 STIP spending includes 85% of 2010-13 STIP spending on new capacity

9 Reflects STIP spending on programs that are neither capacity-adding nor priority safety, maintenance, or operational projects.

SOURCE: SAFETEA-LU, FHWA, FTA, GDOT, SRTA, GSFIC, MARTA, GRTA, TPB, Department of Revenue, ACCG, Department of Community Affairs, EIA, CBO, Global Insight, US Bureau of Economic Analysis, Moody’s Economy.com, Bureau of Labor Statistics, expert interviews, team analysis

Resourcing the business case will require user fees combined with at least \$25B in additional investment

Investment sources and uses
2008 dollars, 2010-30



¹ Funding Level 3 (\$57B through 2030) includes all “burning platform” and “economic growth” investments; Funding Level 4 (\$63B through 2030) includes “transform network” investments except “big ticket” projects and HSR right-of-way; O&M costs through 2040 add an additional \$1B to Level 3 and \$2B to Level 4

To recap...

- Georgia has under-invested in transportation relative to GDP and its peers
- Current course will yield worsening congestion, restricted access to jobs, impeded freight flows, and reduced competitiveness
- To reverse this trajectory, the transportation team has determined which transportation programs are “burning platform” vs. “support economic growth” vs. “transform the network”
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**Gross Domestic Product
Growth:**

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Job Growth:

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