

Table 1. ELEMENTS IN RECOMMENDED COST ALLOCATION FORMULA FOR MARTA CONSTRUCTION: PERCENT DISTRIBUTION OF POPULATION, PROPERTY TAX DIGEST, AND EMPLOYMENT, 1965 and 1983

County	Population (1)		Tax Digest (2)		Employment (3)		Proposed Allocation Formula
	Actual	Projected	Actual	Projected	Actual	Projected	
	1965	1983	1965	1983	1965	1983	
Fulton	57.1%	50.5%	63.1%	56.1%	78.8%	72.6%	66.7%
DeKalb	31.1	34.2	28.4	31.7	15.3	19.2	24.1
Clayton	6.7	9.0	5.6	7.8	4.1	5.3	5.9
Gwinnett	5.1	6.3	2.9	4.4	1.8	2.9	3.3
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: Relative weights used in arriving at formula are shown in parentheses. Both 1965 and 1983 figures are weighted accordingly. The property tax digests were put on a comparable basis for each jurisdiction (100% of market value).

Table 2. POTENTIAL SOURCES OF CAPITAL FUNDS FOR
THE 30-MILE RAPID TRANSIT SYSTEM
(000,000)

	Drawdown ^{1/} (cumul.)	Availability of Funds				
		Federal	State	Local 2/	Total	Cumulative
1969	\$ 25	\$ 25	\$ 4	\$ 25	\$ 54	\$ 54
1970	54	25	4		29	83
1971	102	25	4	35	64	147
1972	158	25	4		29	176
1973	207		4	50	54	230
1974	258		4		4	234
1975	298		4	50	54	288
1976	320		4	30	34	322
1977	332		1	9	10	332
		\$100	\$33	\$199	\$332	

1/ Preliminary schedule of needs for land purchase and construction established by the engineers.

2/ MARTA revenue bonds supported by local government underwriting or general obligation bonds of local governments issued for rapid transit purposes.

It is noted that the above schedule of fund availability, as preliminary set forth, does not directly match the schedule of fund needs. This is simply because both sets of figures are necessarily tentative and preliminary. Both will be altered in the course of time. The development of such a preliminary table is necessary, however, in order to set the general dimensions of the financial impact of MARTA operations upon the local governments. Bond issues are tentatively sized and spaced to meet anticipated conditions in the bond market as well as provide the funds as needed. In practice, there may be more issues of smaller sizes or fewer issues of larger sizes than indicated in this preliminary table.

These points are shown in the following table:

Table 4. ATLANTA COMPARED WITH OTHER METROPOLITAN AREAS ON PROPERTY TAX PAYMENTS, 1964-65

	<u>Metropolitan Atlanta</u> 1/	<u>38 Largest Metropolitan Areas</u> (Median)
Per capita revenues to local governments from property sources	\$95.52	\$129.94
Property revenue as percent of revenue from local sources	59.6%	67.3%
Property revenue as percent of revenue from all sources	43.7%	48.6%

1/ All local governments in Metropolitan Atlanta combined.

Financing rapid transit through the property tax would involve a straightforward set of operations. The local governments would execute contracts with MARTA under which MARTA would agree to perform the functions of operating a rapid transit system and the governments would obligate themselves to underwrite the capital costs of the system under specified conditions and specified ceilings. As already described, one method of financing would be the issuance of general obligation bonds by the local governments with the payment of the proceeds to the authority, such bonds being supported by property tax levies within the constitutional limitations established for such bonds. The alternative method would be the levy of specific millage rates to produce periodic payments to MARTA for the