As noted, relatively small payments would be required in the early years of construction of the transit system. MARTA's bond issues could be modest because of the initial availability of sizable Federal funds under the given assumption. Subsequently, however, the impact upon the local governments would be more substantial.

Following is the schedule of millage rates that would need to be levied against the net property digests in each county in order to meet the indicated payments set forth in Table 5, above:

	Fulton	DeKalb
1969	.7	.4
1970	.7	.4
1971	1.6	.9
1972	1.5	.9
1973	2.6	1.5
1974	2.4	1.3
1975	3.3	1.8
1976	3.6	1.9
1977	3.6	1.9
1978	3.2	1.7
1979	3.0	1.6
1980	2.7	1.4
1981	2.5	1.2
1982	2.4	1.1
1983	2.2	1.1

It is possible and it would be desirable to reschedule these levies to provide more substantial payments in the earlier years and lower payments during the peak years between 1975 and 1978. It is recommended that an alternative schedule of taxes might be considered, which would make

possible a ceiling of only three mills in Fulton County in the peak years
and a ceiling of 1.6 mills in DeKalb County. This revised schedule would
produce more funds in the earlier years than would be needed if the MARTA
bond program set forth herein is followed. However, this bond program
could be revised to make use of the available funds in the early years
and advance purchases of land with these additional funds could well save
a substantial amount of money in face of rising land values in the area.

The recommended schedule of county payments and millage rates for
MARTA bond financing is set forth below in Table 6. The peak year payments
would be substantially reduced under this schedule and the peak impact upon
local taxpayers would be corrospondingly less.

Table 6. RECOMMENDED COUNTY PAYMENTS AND MILLAGE
RATES, MARTA BOND ALTERNATIVES

| | Millage Rates | | Dollar Amounts (000) | |
	Fulton County	DeKalb County	Fulton County	DeKalb County
1969	1.5	1.0	$2,783	$1,081
1970	1.5	1.0	2,925	1,158
1971	2.0	1.1	4,098	1,367
1972	2.0	1.1	4,324	1,489
1973	2.5	1.4	5,698	2,054
1974	2.5	1.4	6,015	2,169
1975	3.0	1.6	7,629	2,751
1976	3.0	1.6	·8,064	2,907
1977	3.0	1.6	8,526	3,074
1978	3.0	1.6	9,033	3,257
1979	3.0	1.5	9,576	3,453
1980	2.5	1.3	8,459	3,048
1981	2.5	1.2	8,973	3,235
1982	2.3	1.1	8,893	3,206
1983	2.2	1.1	8,893	3,206

(These level annual payments
to the complete retirement of
bond issues beginning in 1997)

Table 7.   RECOMMENDED COUNTY PAYMENTS AND MILLAGE RATES,
           GOVERNMENT OBLIGATION BOND ALTERNATIVE

| | Millage Rates | | Dollar Amounts (000) | |
	Fulton County	DeKalb County	Fulton County	DeKalb County
1969	1.5	1.0	$3,015	$1,230
1970	1.5	1.0	3,162	1,312
1971	2.0	1.1	4,420	1,545
1972	2.0	1.1	4,654	1,653
1973	2.5	1.4	6,120	2,260
1974	2.5	1.4	6,448	2,416
1975	2.5	1.3	6,800	2,452
1976	2.5	1.3	7,170	2,585
1977	2.5	1.3	7,568	2,729
1978	2.5	1.3	8,000	2,884
1979	2.4	1.2	8,124	2,929
1980	2.3	1.1	8,234	2,968
1981	2.1	1.0	7,959	2,870
1982	2.0	1.0	8,026	2,894
1983	1.9	.9	8,076	2,912

(The level annual
payments to the com-
plete retirement of
bond issues beginning
in 1997)

It is to be noted that the peak millage requirements under GO financing
would be substantially lower than in the case of government payments to under-
write MARTA bond issues. This is true because the overall financing cost is
lower and the gross rather than the net digest is used as basis for the
calculations. The lower interest charges are by all odds the most important
factor in this lower impact, the difference between gross and net digest being
relatively small. As already mentioned, however, the reduced millage rate
does not necessarily produce a lower tax for the residential taxpayer because
the homestead exemption is not applicable. Following are representative
figures on the tax impact of the maximum millage under GO bond financing, and
these figures might be compared with the earlier figures for servicing MARTA
revenue bonds:

	Fulton	DeKalb
Maximum millage needed for GO Bond financing	2.5	1.4
Years of maximum	1973-78	1973-74
Annual cost of maximum millage to owner of loan with market value of:		
$15,000	$15.00	$ 8.40
20,000	$20.00	$11.20
25,000	$25.00	$14.00

The projected gross and net tax digests/used as a basis for all of the foregoing calculations are shown in Chart 2.

Combination of Approaches

There is no reason, of course, why both methods of financing might not be employed by the local governments in meeting their obligations to MARTA for constructing the rapid transit system -- the collection of property taxes to support the issuance of MARTA bonds plus the issuance of general obligation bonds by the governments themselves.

The act establishing MARTA clearly recognized this possibility, as follows:

> "A local government may elect any method provided in this section to finance the participation required of it in whole or in part, and the election of one method shall not preclude the election of another method with respect thereto or with respect to any additional or supplementary participation determined to be necessary."

As a purely practical matter, there would be a number of distinct advantages to both Fulton and DeKalb counties in employing both methods. It would make possible the use of available GO bond capacity with the consequent saving in interest charges but it would not demand too much of that capacity in competition with other capital improvement needs. It would give each government greater

The reason for the lower local requirements for the 52-mile system in the 1973-76 period, of course, is the projected availability of $100,000,000 more in Federal money. This fact, plus the sharing of the local cost by four instead of two governments, would produce an actually lower demand upon Fulton and DeKalb for the larger system in a number of years.

Table 9. COMPARATIVE MILLAGE RATES NEEDED TO SUPPORT 30-MILE AND 52-MILE SYSTEMS

	30-Mile System [1]		52-Mile System [1]			
	Fulton	DeKalb	Fulton	DeKalb	Clayton	Gwinnett
1969	1.5	1.0	1.5	1.0		
1970	1.5	1.0	1.5	1.0		
1971	2.0	1.1	2.0	1.1		
1972	2.0	1.1	2.0	1.1		
1973	2.5	1.4	2.0	1.1	1.5	1.5
1974	2.5	1.4	2.0	1.1	1.5	1.5
1975	3.0	1.6	2.5	1.4	1.5	1.5
1976	3.0	1.6	2.5	1.4	1.5	1.5
1977	3.0	1.6	3.0	1.6	1.5	1.5
1978	3.0	1.6	3.0	1.6	1.5	1.5
1979	3.0	1.5	2.8	1.4	1.5	1.5
1980	2.5	1.3	2.8	1.4	1.5	1.5
1981	2.5	1.2	2.6	1.3	1.5	1.5
1982	2.3	1.1	2.4	1.2	1.5	1.5
1983	2.2	1.1	2.3	1.1	1.5	1.5
et seq						

1/ From Table 6. Assumes $100,000,000 in Federal and $33,000,000 in state funds.
2/ Assumes $200,000,000 in Federal and $48,000,000 in state funds.