



HAMMER GREENE SILER ASSOCIATES
ECONOMIC CONSULTANTS WASHINGTON • ATLANTA

230 Peachtree Street, N.E.
Atlanta, Georgia 30303
Area Code 404/524-6441

December 15, 1966

Mr. Glenn E. Bennett, Executive Director
Atlanta Region Metropolitan Planning Commission
900 Glenn Building
Atlanta, Georgia 30303

Mr. Henry L. Stuart, General Manager
Metropolitan Atlanta Rapid Transit Authority
808 Glenn Building
Atlanta, Georgia 30303

Gentlemen:

The minutes of the December 5, 1966 meeting of the Metropolitan Atlanta Rapid Transit Authority contain an excerpt from a verbal progress report made to the Authority on the financial considerations analysis which should be clarified. With reference to the tentative formula for allocating the estimated share of local costs of a minimum operational system among participating governments, the statement on page 4 says: "All local finance officers had given tentative approval to these proposals." ✓

This statement could be misintepreted. We did not mean to imply that the finance officers had agreed to the formula; rather, that there was general agreement among them that the economic indices and the analysis procedure used in arriving at a tentative formula seemed to be reasonable. We recognize that any agreements on this subject must come out of negotiations between the heads of local governments and the Authority.

Philip Hammer and Raul Garcia of this firm met with James Carroll, Charles Davis and John Still, the finance officers of DeKalb County, City of Atlanta and Fulton County respectively, on Friday, November 18, 1966. At these meetings they reviewed our research into tax digests, our estimates for planning purposes as to the pace and degree of financial support that might come from Federal

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and State sources, the estimated local share of capital costs for the minimum operational system, and our research into economic indices that appeared to be reasonable in arriving at an equitable distribution of the local share of capital costs among the participating governments. Our understanding was that all of the financial officers were in agreement that the data fairly represented population and economic trends and projections for their jurisdictions and that the research procedures were realistic. We did not ask and did not expect these finance officers to agree to any allocation formula on behalf of their respective governments.

I believe we all recognize that the materials presented to MARTA and ARMPC represent a research model which will make possible the development of a recommended allocation formula by this firm when final capital requirements are obtained from the engineers now updating the 1962 study.

Moreover, it is not at all clear at this time whether a fixed or sliding-scale formula would be desirable. We will make available all materials necessary to help the Authority and local participating governments make a determination on this question.

It is my understanding that Mr. James Carroll, Internal Auditor, and Mr. Marvin Beadle, Planning Director of DeKalb County have asked MARTA and ARMPC for copies of the preliminary data we presented at the December 12 meeting of ARMPC. Enclosed are three copies of that tabular material as well as three copies of our tax digest estimates and allocation formula indices contained in our staff memorandum of December 2, 1966. We wish to advise that the tax digest data discussed with the finance officers was presented in constant 1965 dollars while the data attached has been converted to current dollars to reflect anticipated inflation.

We stand ready to provide any financial data and personnel you may require in talks with the finance officers and heads of local participating governments. It is understood that these conferences are now being scheduled. We believe such talks would be very fruitful in preparation for subsequent meetings planned for early 1967, at which time the new capital cost data will be available to develop up-to-date information on indicated local government financial support requirements.

Sincerely,



Alan E. Welty
Principal

cc: Philip Hammer