



# Fulton County Taxpayers Foundation

Non-Profit Advocate Of Lower Property Taxes In Atlanta/Fulton County

September 2011-REVISED

## The Atlanta Beltline: Is it Feasible?



## ***DIRECTOR'S NOTE:***

Every month, the Foundation's President, John Sherman, writes a carefully researched paper on issues concerning the Fulton County Taxpayers Foundation and all taxpayers in Fulton County/Atlanta. This recent attack on Mr. Sherman's September 2011 Newsletter, "*The Atlanta Beltline, Is It Feasible*", regarding the Atlanta Beltline's real estate purchase in 2007, was taken STRAIGHT FROM FULTON COUNTY RECORDS. To suggest any other claim on his character or research skills is reaching. The Beltline is a flawed project conceived during a time of economic crisis and some of the worst gridlock in Atlanta's history.

**For the record, the figure in question was wrong, care of Fulton County, not by John Sherman. It is for this reason that the Foundation continues its work on reforming the Fulton County Assessor's office and the information it collects.**

I recommend all readers take another look at this newsletter; not for the 'corrections', but for the content and for the undeniable proof that the Atlanta Beltline project will surely put Atlanta further in debt and put Taxpayers on the hook for more of their hard-earned money.

Barbara Payne,  
Executive Director

The Atlanta Beltline Inc. (ABL), initiated by the City of Atlanta and administered by its own president and chief executive officer, is what the ABL itself describes as "a \$2.8 billion re-development project providing a network of public works, multi-use trails, and transit along a historic 22-mile railroad corridor circling downtown and connecting 45 neighborhoods directly with each other. The ABL is the most comprehensive Tax Allocation District development effort ever undertaken by the City of Atlanta, and among the largest urban redevelopment projects underway in United States."

**In the midst of the worst economic recession since the Great Depression of 1929, many taxpayers are asking whether such a costly project is really feasible.**

Several years ago, the City released a feasibility study of the Beltline titled "The Atlanta Beltline: Transit White Paper." This remarkable feasibility study was conducted by a Committee chaired by the highly-respected Dr. Catherine L. Ross, Director of the Center for Quality Growth & Regional Development, Georgia Tech. The others who authored this feasibility study include Dr. Michael Dobbins, Professor of Planning, Georgia Tech, and a former Commissioner of Planning & Development for the City of Atlanta; Dr. Michael Meyer, Professor of Civil Engineering, Georgia Tech; Tim Jackson, President, Glatting, Jackson, Inc.; and William W. Millar, President, American Public Transportation Association.

The City's own feasibility study covered Ridership, Costs & Funding, and Technical Considerations of the proposed Beltline:

**Ridership:** "There are very few locations along the projected Beltline where large and dense concentrations of jobs are expected. The highest numbers and concentrations of jobs in the City are in Downtown, Midtown, and Buckhead, none of which would be directly served by the Beltline. The projected Beltline appears to be mostly residential, not the characteristic mix for generating large numbers of Beltline riders. The Beltline project in its entirety will not generate sufficient transit ridership in the corridor to satisfy the criteria or federal New Start transit investments." (Emphasis added)

**Costs & Funding:** On October 31, 2008, the City of Atlanta issued \$64,500,000 in Tax Allocation Bonds for the Beltline Project. On December 15, 2009, the City reoffered the Series 2008 A Bonds of \$26,420,000, Series B Bonds of \$33,725,000, and the Series C Bonds of \$4,355,000. On that same date, the City issued 2009 Series B Bonds of \$12,590,000 and the Series C Bonds of \$1,030,000, for a total Bond Issuance of \$78,120,000 for the Beltline Project. Six month after the Beltline Project received \$78,120,000 from these Bond sales, an audit by the certified public accounting firm of Mauldin & Jenkins, dated June 30, 2010, shows the Beltline Tax Allocation District Fund with a Net Deficit of \$58,084,051. The Atlanta Beltline, Inc. has purchased a number of properties with a typical purchase price of \$1 million per acre, i.e., 680 Dallas Street, 1.8 acres, purchased at \$2 million, 544 Angier Avenue, .46 acre, purchased for \$1.4443 million, 690 Morgan Street, .59 acre, purchased for \$500,000, etc. Several parcels were purchased by Georgia Power from the City of Atlanta and then sold back to the Atlanta Beltline, Inc. for seemly huge profits, i.e., O Dallas Street, 2.1 acres, were sold to Georgia Power on November 30, 2002 by the City of Atlanta for \$350,000 and resold to the Atlanta Beltline Inc. on December 21, 2007 for \$3,485,000. These purchases were much higher than the assessed values.

The Beltline itself, in its “Beltline Overview of 2011” stated that the Beltline would cost \$2.8 billion, yet the City’s own feasibility study concluded that “The amount of revenue to be generated from the Beltline Tax Allocation District is expected to cover only half (the funding) of what will be needed.”

**Beltline Employees:** In spite of the Net Deficit of \$58,084,051 reported in the Mauldin & Jenkins audit of 6/30/10, the Atlanta Beltline’s own web-site reports the following employees: a President and Chief Operating Officer, a Director of Community Engagement, an External Affairs Manager, a General Counsel, a Director of Design, a Director of Finance, a Director of Communications, a Director of Real Estate, a Director of Design, a Program Management Officer, a Senior Landscape Architect, a Director of Transit and Transportation.

## **Technical Considerations**

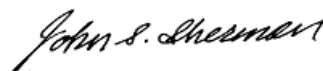
The City’s feasibility study mentioned several technical considerations which may well increase the projected costs of the Beltline:

- “There are at least five places where the Beltline is discontinuous, thus creating challenges if a circumferential approach is to be adopted.”
- “Where the Beltline passes over or under the surface streets and sidewalks, stairs, ramps, elevators and escalators will be required and will need to meet at least two sets of criteria, the Americans With Disabilities Act and the seamless transfer to other modes, i.e., biking, walking, or cars.”
- “The minimum right-of-way required for a two-way transit operation is 45 feet and the minimum for a greenway trail is 15 feet, meaning that the barest minimum for the two existing together is 60 feet. However, wherever the Beltline is on a bank or in a valley, these distances must be widened to accommodate the necessary bank widths to accommodate both transit and trail, and will likely necessitate retaining walls.”
- “The Beltline crosses the MARTA line between stations typically at least one half mile away. Two ideas have been advanced to address these discontinuities: build new MARTA stations or bring the Beltline off its right-of-way to existing stations.”

System components, such as maintenance and storage facilities, power stations, control systems, etc. will need to be incorporated both into the physical design as well as the cost estimates.”

The Taxpayers Foundation strongly feels that during the current and projected economic environment, the Beltline should be reconsidered by the Mayor and City Council. From the points of view of ridership, costs, and technical considerations, a \$2.8 billion project is simply not feasible in the current economic environment nor in the foreseeable economic future.

John S. Sherman  
President, Fulton County Taxpayers Foundation



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