

GAMPO Workshop: SR 821

Multi-year Construction Agreements

Brandon Beach
Representing Congressional District 6
State Transportation Board

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Georgia's Transportation Needs

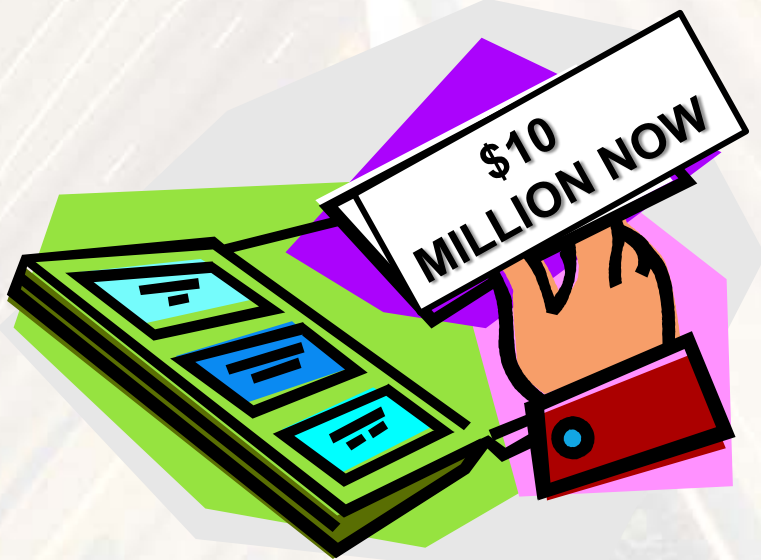
- Georgia is among 10 fast-growing states in U.S.
 - Exponential growth = increased traffic congestion, challenged mobility
- Local government needs
- SSTP: documents years of under-investment in our infrastructure
 - \$480 billion and 425,000 new jobs at stake
 - Need estimated \$65 billion, next 20-30 years
- Sustainable funding sources, alternate financing methods to meet all of these needs

2010 Legislative Session

- Department's legislative agenda addressed project delivery and identification of funding alternatives
 - Generate additional funding/sales tax HB 277
 - Increase Design/Build capabilities SB 305
 - **Allow Multi-year Construction Agreements** **SR 821**
- Requires amendment to the Georgia Constitution
 - General Assembly passed Resolution
 - Governor Perdue signed approval June 2
- Referendum on November 2010 election ballot for public vote

Current Law

- Department must have source of funds for entire project contract amount
 - Obligate (“set-aside”) entire fund amount at contract signing, even if project takes several years
 - Limits funds available for other projects



- ✓ \$10 Million project contract award
- ✓ 3 years to complete
- ✓ Need to spend only \$2 Million this year
- ✓ Department must obligate all \$10 Million

Information on SR 821

- Gives the Department funding flexibility
 - Only obligate (“set-aside”) project funds to be spent on project in that fiscal year
 - Pay for multi-year contracts over the time it takes to construct the project
 - Department will be able to bid and award more project contracts each year



- ✓ \$10 Million project contract award
- ✓ 3 years to complete
- ✓ Need to spend only \$2 Million this year
- ✓ Department could obligate only \$2 Million this year
- ✓ Free up \$8 Million

Information on SR 821

- More project contracts put more Georgians to work
- Additional projects will:
 - Improve Georgia's transportation system;
 - Maintain the above-average rating of the current transportation system; and
 - Promote continued economic growth
- Best use of existing state motor fuel funds
- Not a new funding concept– currently in use by Florida and North Carolina

Information on SR 821

YES Shall the constitution of Georgia be amended so as to allow the Georgia Department of Transportation to enter into multiyear construction agreements without requiring appropriations in the current fiscal year for the total amount of payments that would be due under the entire agreement so as to reduce long-term construction costs paid by the state?”

NO

Information on SR 821

- Reduces long-term construction costs paid by the state
- One more tool for more effective project delivery for Georgia, like P3 and the Transportation Investment Act of 2010

For more information:
www.dot.ga.gov/SR821