

SUMMARY OF MAJOR PROVISIONS OF TRANSIT CONTRACT

This summary reflects the major provisions of the contract approved by MARTA and the County, which is now the subject of a referendum. The contract goes into effect only if the referendum is passed by the voters. Otherwise, the contract is null and void. The term of the contract is from date of approval until midnight on July 1, 2057, which matches the current expiration date of transit sales taxes in place within other jurisdictions.

The draft document is a broad contract that is intended to serve as the foundation for a number of more detailed agreements that will be negotiated if a referendum passes. The need for such additional agreements and authorization to put them in place are outlined in the contract.

The provisions listed below are grouped by major category to make it easier to visualize the parameters and how they interrelate. It is worth noting that a number of the provisions are based on revisions to Georgia law made by the Legislature as part of the transit bill (HB 930) passed this year.

❖ Funding

- Transit sales taxes collected in Gwinnett are Gwinnett funds and will be remitted to Gwinnett by the State. Gwinnett then will make payments to MARTA based on contract and future agreements. All proceeds must be used for the benefit of Gwinnett.
- Other financial resources that are identified for funding the Gwinnett transit system include: 1) fare box revenues allocable to Gwinnett, 2) federal funds, and 3) debt that is to be repaid from sales tax proceeds. Gwinnett is not limited from using other revenues, at its sole discretion.

❖ Use of Funds

- The available financial resources will be used to assume responsibility for the current Gwinnett bus system and then to implement a major expansion of Gwinnett transit, including linkages to the overall MARTA system. The adopted Gwinnett Transit Development Plan, as it may be amended and updated over time, will serve as the basis for such expansion.
- In exchange for access to the overall MARTA system, Gwinnett will pay to MARTA an amount to cover a share of the O&M and State of Good Repair costs for the overall MARTA system.

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- For the first six years, 29.0 % of the sales tax proceeds received by Gwinnett will be paid to MARTA on a monthly basis for the cost of the bus system, as expanded, and for Gwinnett's share of the O&M and State of Good Repair costs for the overall system. The amount of these payments will be trued up with actual costs at the end of the six-year period. The monthly payment to MARTA may be renegotiated after the initial six-year period based upon changes in the factors that affect it.
- When debt is issued for projects in the Gwinnett Plan, then debt service for that debt will be paid from the sales tax proceeds.
- At its option, Gwinnett may also use unobligated funds for a number of purposes such as purchasing higher levels of service and facilities than the accepted norm within the MARTA service and value engineering services for major capital projects.
- Gwinnett may also be compensated from the transit financial resources for real estate and major rights-of-way the County owns that may be needed for implementation of projects in the Plan.
- Funds not required for any of the other obligations and allowable purposes will be held by Gwinnett in a reserve account and accumulated for capital outlays and implementation of high capacity transit projects in the adopted Plan.

❖ Issuance of Debt

- Issuance of debt for Gwinnett projects and the pledging of Gwinnett revenues for debt service cannot occur without Gwinnett's approval.
- Gwinnett has the option of issuing debt itself for projects in the Plan and pledging sales tax as the source of funds for repayment of that debt.

❖ Planning and Implementation of Capital Projects

- MARTA and Gwinnett will jointly plan and implement projects, with the adopted Gwinnett Transit Development Plan serving as the source of projects. The Plan will be attached to the draft contract for transparency.
- All Gwinnett fixed asset capital projects must be approved by Gwinnett prior to approval by MARTA.

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- Gwinnett has the right to retain professional assistance for design review and value engineering services for major capital projects and to pay reasonable costs for such services from the transit sales tax proceeds.
- MARTA and Gwinnett agree to work together to proactively identify and incorporate revisions in the Plan that may be warranted by changing conditions and technologies.
- An advisory committee will review the high capacity transit program for Gwinnett and make recommendations to the Gwinnett members of the MARTA Board and to the Gwinnett Commission prior to initiation of high capacity projects.

❖ **MARTA Board Representatives**

- As provided in HB930 revisions to the MARTA Act, Gwinnett will have three appointees to the MARTA Board. The composition of the MARTA Board is governed solely by relevant State law.

❖ **Standards for Service**

- Gwinnett and MARTA agree that standards for service in Gwinnett will be set jointly by MARTA and Gwinnett, with the base level matching that provided to Existing Members.
- Gwinnett may purchase a level of service and facilities greater than the base level by designating funds to cover the costs of such increased or improved facilities and service.
- MARTA and Gwinnett agree to create through a separate agreement the process for developing standards for services and costing these.

❖ **Public Safety**

- MARTA and Gwinnett will develop a separate agreement that addresses cooperation related to public safety matters.
- They will work cooperatively with other public safety agencies that have jurisdiction in areas where Gwinnett transit facilities are located.

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❖ **Transit Oriented Development**

- As a governmental entity, MARTA is not subject to local zoning processes. However, MARTA agrees to work cooperatively with Gwinnett regarding development approved on property in Gwinnett it may own in the future.
- Gwinnett will have the right to review plans for such development and provide comments, and MARTA agrees to consider Gwinnett's comments and make good faith efforts to address Gwinnett's concerns.

❖ **Audits**

- Gwinnett has the right to receive copies of all audits of MARTA required by law and may review and audit MARTA records for any transactions that affect the use of Gwinnett funds paid to MARTA.

❖ **Condemnation of Required Property**

- Since MARTA does not have eminent domain power, Gwinnett agrees to use its authority to condemn property that is needed for projects in Gwinnett. The cost of such acquisitions will be paid from the transit revenues.

❖ **Protection of Transit Corridors**

- Once a transit corridor is sufficiently identified, Gwinnett agrees to take actions to preserve it. The trigger point for this provision is the approval of the Preliminary Engineering Report for the project in the transit corridor.

❖ **Transition and Assumption of Operations of Gwinnett Bus System**

- If the referendum passes, the contract provides for the orderly transition of responsibility for the existing Gwinnett bus system to MARTA as soon as practical and as agreed to among MARTA, Gwinnett and our third-party operator.
- The contract provides that Gwinnett's existing bus fleet and associated equipment will be transferred to MARTA without further compensation in exchange for assumption of bus operations.

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❖ **Other Covered Topics**

- The contract includes provisions related to a number of other topics that include setting of rates, closure of roads for construction, permits and inspections, relocation of utilities, payments for betterments, bus facilities in Gwinnett, and recruitment opportunities in Gwinnett.

- Normal legal provisions such as severability are also included.