8

IMPLEMENTATION STRATEGY

Cost Estimate

Funding Strategy

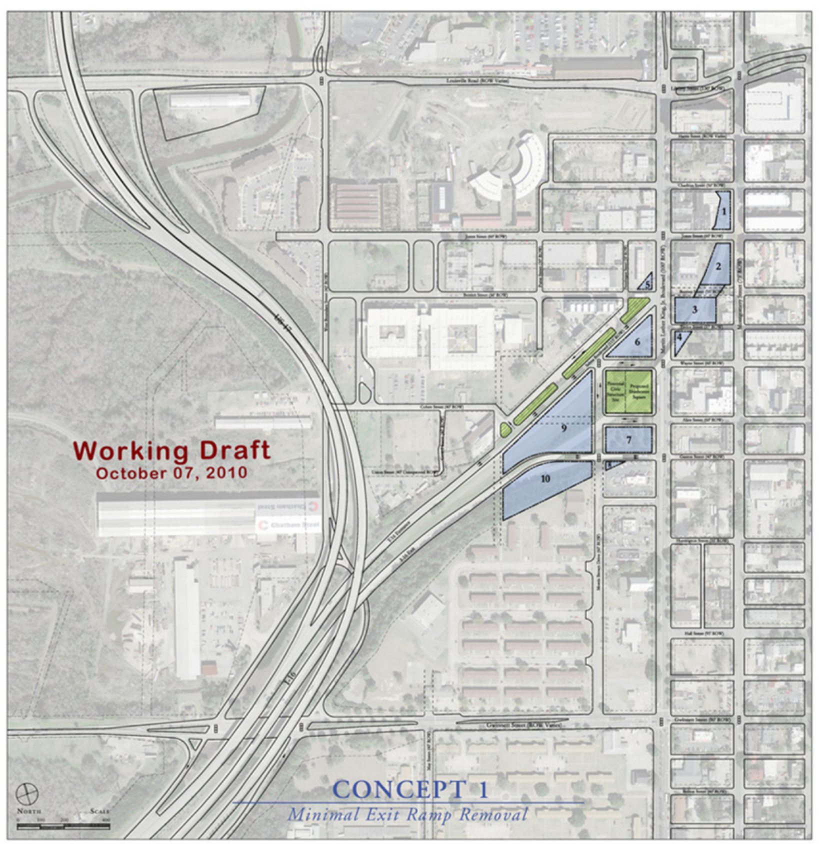
Implementation Strategy

SUMMARY COMPARISON

The following planning level cost estimates are based on the Georgia Department of Transportation Cost Estimation Tool. Estimates include relocation of water, sewer, electricity and gas where present but do not include right-of-way acquisition. Detailed cost estimates are available in Appendix IV.

Concept	Excavation & Grading	Bridge Removal & Demolition	Maintenance of Traffic	Asphalt Base Aggregate	Earthwork Drainage Erosion Control	Signs	Pavement Marking	Lighting	Landscape & Amenities	Intersection Improvements	Sidewalks	Contingency (20%)	PE	Utilities	TOTAL
1	$185,491	$135,000	$385,238	$800,757	$2,390,098	$117,097	$155,111	$173,481	$622,915	$1,307,247	$384,233	$2,191,663	$884,833	$1,322,100	$11,055,269
2	$477,568	$323,000	$1,150,000	$1,309,949	$8,237,744	$938,007	$743,505	$938,007	$1,172,509	$1,568,697	$871,578	$4,690,039	$2,242,060	$2,844,450	$27,507,119
3	$477,568	$323,000	$1,225,000	$1,841,772	$10,804,752	$1,158,589	$908,941	$1,174,373	$1,467,967	$1,830,146	$1,024,009	$5,871,868	$2,810,799	$6,275,500	$37,194,290

Concept 3 was selected by the public during a Public Open House on October 12, 2010. For more information please refer to page 66.



COST ESTIMATE

FUNDING STRATEGY

The purpose of the funding plan is to outline the components of the project, identify the potential funding sources for each and develop a strategy that will move the project forward expeditiously.

The current project estimate for the preferred concept is approximately $37,200,000.

Project Components

For the purposes of this section the components are defined as:
- Infrastructure
- Development
- Special Consideration
- Maintenance and Operations (M&O).

These categories relate to the phases the project as it moves forward to full implementation and to the eligibility or access to different types of funding.

Infrastructure

The purpose of the infrastructure component is to remove the barrier of the current ramps of the I-16 terminus and redirect traffic to other existing arterial access points such as 37th Avenue, Gwinnett Street and Louisville Road/Liberty Street, and to construct new connections that provide access while rebuilding the urban form and street network.

The standard approach to public infrastructure development for transportation projects follows the Georgia Department of Transportation Plan Development Process (GDOT PDP). Imbedded in the PDP is the National Environment Protection Act (NEPA). The process, often called Scoping, starts with general planning and engineering, followed by detailed environmental assessment (and the production of a NEPA document), and finally preliminary engineering. In order to continue to use federal funding for the project, the NEPA document must be approved by FHWA.

Since this project involves a modification to an Interstate interchange, an additional process and approval is required. An Interchange Modification Report (IMR) will need to be done concurrent with the Scoping step. The IMR can only be approved after the NEPA document is approved.

The project can then move forward to final engineering and design, rights of way acquisition and construction (subject to available funding).

The major steps in the PDP process are:
- Scoping/Preliminary Design (NEPA)
- Interchange Modification Report
- Final Engineering and Design
- Rights of Way Acquisition
- Phasing and Construction

Some infrastructure may not be eligible for federal transportation funds. Although the preferred alternative roadway network is an integral design, some improvements may fall outside the bounds of federal eligibility. In particular water, sewer and other utilities will likely be local or private costs.

Development

The development component focuses on the design of the urban form and establishment of uses in the newly created block structure. It is a separate component because it is a different design discipline (urban design and development vs. engineering). Nevertheless it is important to recognize that the infrastructure and development components are integral. It is also a separate component because the costs attributed to development mostly are not eligible for federal transportation funds, but may be eligible for other sources of funding, such as through HUD, EPA or other local and private sources.

The next phase of the development component will include:
- Identification of alternative approaches to development of the area including funding mechanisms;
- Further economic and real estate analyses;
- A market analysis and the development of a marketing plan for the area; and
- The development of policies for determining the responsibility for infrastructure components.

Special Consideration

Of special note for the study area is the opportunity to better incorporate transit service and bicycle and pedestrian facilities to operate and serve the study area.

As part of the on-going transportation planning for the region, the CORE MPO, in cooperation with Chatham Area Transit and other partners, is studying and preparing updated plans for transit services and bicycle and pedestrian facilities. These studies will focus on this study area in the next stage of the I-16 Ramp Removal Study. The CORE MPO, in partnership with Chatham Area Transit, will be undertaking a Streetcar Feasibility Study in 2012, which will likely include entering into the Federal Transit Alternatives Analysis process to support implementation of an extension of the current system that may serve the MLK, Jr. Boulevard corridor.

Maintenance and Operations (M&O)

The Maintenance and Operations cost include the maintenance the infrastructure and public areas. It includes electricity for street lights and traffic signals, operating costs for transit services, and potentially managing properties. The responsible entities for these costs will be addressed in the next phase of the project.

Potential Funding Mechanisms

This section is largely an excerpt from the *Southwestern Chatham County Sector Plan*, November 5, 2007, prepared by RS&H for the Chatham County – Savannah Metropolitan Planning Commission and edited for this report.

The following are potential funding mechanisms that have various degrees of application or opportunity for funding for the I-16 Exit Ramp Removal Project.
- Community Improvement Districts (CIDs)
- Federal Sources and Grants
- Impact Fees
- Special Purpose Local Options Sales Tax (SPLOST)
- Special Service Districts (SSDs)
- Tax Increment Financing/Tax Allocation Districts (TIF/TAD)
- Transportation Investment Act (TIA)

Community Improvement Districts (CIDs)
Community Improvement Districts (CIDs) are a means for property owners within commercial areas to establish special tax districts to fund infrastructure improvements (O.C.G.A. §99-9-7.1). In Georgia, state law restricts the use of CIDs to commercial districts and specifically forbids the inclusion of residential communities into CIDs. It should be noted that there are numerous CIDs located within the Metro Atlanta region; however none are known to exist outside of the Metro Atlanta region.

CIDs are constitutionally established by local governments but entirely run by district leaders (typically business and property owners, including real estate and banking interests). CIDs self-assess themselves, but are also able to leverage large sums of state and federal funds. CIDs are typically popular with local city and county governments but one drawback is that their autonomous legal framework and ability to leverage state and federal monies may cause accountability issues for CIDs to local governments and the general public.

CIDs do not replace city or county government, but are a mechanism to supplement existing funding streams, and may be a vehicle to help fund infrastructure not be eligible for other sources, such as federal transportation funds. The following types of projects can be funded by CIDs:

- Street\road construction,
- Sidewalks and streetlights,
- Parking facilities,
- Water and sewage systems,
- Terminal and dock facilities,
- Public transportation, and
- Parks and recreational facilities.

The use of a CID for this project may require an amendment to state law to define "commercial districts" to include "mixed-used" districts, including residential uses, as is proposed for this project.

Federal Sources and Grants
The CORE MPO has access to formula and discretionary grants to use for transportation planning and implementation of the federal-aid highway system. These funds are primarily surface transportation funds - urban funds under the Surface Transportation Act. The project will need to be added to the Long-Range Transportation Plan (LRTP) and programmed in the Transportation Improvement Program (TIP) in order to be eligible for these funds.

This study will justify the inclusion of the preferred alternative in the LRTP and TIP. A process is underway to bring this funding in-line with the Short-Term Funding Strategy outlined in the next sections.

Additionally, a wide-range of other federal funds may be available for this project from HUD and EPA relating to Sustainable Communities programs.

Impact Fees
A direct impact fee is typically designed to require a development to pay for its impact upon the infrastructure system and may be imposed by the local government via ordinance. It may cover a variety of services including libraries, recreation, water supply, roads and bridges, public safety (police, fire, jails, EMS), wastewater treatment, and storm water management. The impact fee ordinance must be developed consistent with state law. It is a complicated process to establish and manage and would likely have little utility for this project.

Special Purpose Local Options Sales Tax (SPLOST)
The Special Purpose Local Option Sales Tax (SLPOST) authorizes a county tax of one percent on items subject to the state sales tax for funding capital projects. Only a County's Board of Commissioners can authorize a SPLOST.

Chatham County has successfully passed every SPLOST initiative since its inception. The next SPLOST referenda anticipated in 2013 is a potential source of funding. A small amount of SPLOST funds are available from the last SPLOST referendum to help fund the project planning.

Special Service Districts (SSDs)
The term "Special Service District" (SSD) is used locally and refers to the term, "Special District," found in the Georgia State Constitution and Georgia code. These districts may be created by the General Assembly, municipal or county ordinance or resolution for the provision of services within the district and fees, assessments, or taxes may be levied and collected.

Local examples include:

Chatham County Ordinance Chapter 8 creates three special service districts within the County, defines boundaries of districts, and defines the services to be provided including (but not limited to) road improvements, R/W maintenance, and transit.

The Chatham Area Transit Special Service District includes incorporated as well as unincorporated areas of Chatham County.

The City of Savannah has special service districts for convention transportation and ferry service to Hutchinson Island.

Tax Increment Financing (TIF) / Tax Allocation Districts (TADs)
Tax Increment Financing (TIF) is governed by the Georgia Redevelopment Powers Law (O.C.G.A. § 36-44), and is common in many states. TIF is a mechanism that allows a local government to capture increases in local property revenues within a specific area designated as a Tax Allocation District (TAD), while using the revenue to finance projects within a specified time period. Once the TAD is established, a base year and tax rate are established. The tax "increment" or the increase in assessed property values over the base year values are then collected over time and used to meet the debt service payments. The TAD is dissolved after a period of time, as specified in the original redevelopment plan.

The original intent of TIF was to finance the redevelopment of blighted areas. The use of TIFs to finance development and redevelopment in non-blighted communities has become controversial across the nation leading many states to propose TIF reform laws to restrict the use of public funds to finance development in affluent areas. Many states, including Georgia, have included a "but for" test in the TIF statutes that restrict the use of TIFs for blighted or sensitive areas. Specifically, the "but for" test asks the question would development have occurred without the expenditure of public funds. The following is an excerpt from GA statute § 36-44-8.(3)(G)(i): *The redevelopment area on the whole has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the approval of the redevelopment plan <u>or includes one of more natural or historical assets</u> <u>which have not been adequately preserved or protected and such asset</u> <u>or assets would not be reasonably anticipated to be adequately preserved or protected</u> without the approval of the redevelopment plan;*

A TAD could be established in the I-16 Exit Ramp Removal Project Study Area similar to the one established along Presidents Street just east of the Historic District in Downtown Savannah as a means to help fund the local component infrastructure improvements.

Transportation Investment Act (TIA)
The Transportation Investment Act of 2010 (TIA 2010), sometimes referred to as TSPLOST, creates 12 special taxing districts based on regional commission boundaries. Each district can levy 1% Transportation Sales and Use Tax for 10 years. A regional round table has selected projects to include in the official list that programs projects that total 75% of the expected revenues for the 10 year period. The I-16 Exit Ramp Removal Project is one of the projects and is programmed in the second tier (CY2016-2019) at $24,775,573.

An important component of the TIA is the twenty-five percent (25%) of the total collected which will be distributed directly to local municipalities for transportation related improvements based on LARP factors (1/5 population and 4/5 centerline paved and unpaved lane miles). At this point no local municipality has posted its proposed list to utilize the 25% share of the revenues. Chatham County's share of this portion is estimated at about $15,000,000 annually. A referendum on the TIA will be held in July 2012.

DEGREE OF APPLICABILITY TABLE

	FEDERAL ELIGIBLE INFRASTRUCTURE	OTHER INFRASTRUCTURE	DEVELOPMENT	MAINTENANCE & OPERATION
CIDS	M	1	2	2
FEDERAL SOURCE & GRANTS	4	2	1	1
IMPACT FEES	1	1	1	1
SPLOST	M	4	4	0
SSDs	M	4	3	4
TIF/TADs	M	4	3	0
TIA	M	4*	0	0

*SUBJECT TO SUCCESSFUL REFERENDUM JULY 31, 2012

0	NOT ALLOWED
1	NOT LIKLEY
2	SMALL POTENTIAL
3	GOOD POTENTIAL
4	MOST POTENTIAL
M	SOURCE OF MATCHING FUNDS

Funding Strategy and Plan

Short Term Funding Strategy
The short term funding strategy centers on utilizing the available funding resources to advance the planning of the project. By placing the project in the Long-Range Transportation Plan (LRTP) and the Transportation Improvement Program (TIP), the project will have access to formula and discretionary grants to use for transportation planning and implementation of the federal-aid highway system. This study will justify the inclusion of the preferred alternative in the LRTP and TIP.

The fundamental action which will affect whether the project proceeds is an agreement on the Interchange Modification Report (IMR). The final decision-maker will be the Federal Highway Administration (FHWA). Since this will likely be classified as a modification of a freeway-to-crossroad interchange the approval may be made by the FHWA Georgia Division Office in Atlanta but could also require approval from the main office in Washington. D.C.

The financial strategy to accomplish reaching the final design stage is to program available discretionary planning funds and formula urban funds for the IMR, concept and preliminary engineering phases. The draft 2013-2016 TIP shows $800,000 (requiring $200,000 local match) for a total of $1,000,000 for the next phases of the project.

Long Term Funding Strategy
Whereas the short term strategy is to advance the project as expeditiously as possible with available funding, the long term strategy anticipates ensuring access to funding along five tracks:

- Regular Federal Transportation Funding Track
- Transportation Investment Act Sales Tax
- Other Federal Grants
- Local Sources
- Private Investment

The Regular Federal Transportation Funding Track and Transportation Investment Act Sales Tax will focus on eligible transportation and other infrastructure components of the project. Parts of the project such as the site development and perhaps utilities expansion will likely not be eligible for those programs and could therefore be funded through other federal grants and local sources. Building construction costs will mostly come from private sources, in some cases supplemented by public investment to achieve local goals such as affordable or workforce housing.

Regular Federal Transportation Funding Track – This will follow the CORE MPO funding available through state and federal transportation programs and programmed through the Long Range Transportation Plan and Transportation Improvement Program processes. The project would be funded as adequate funds could be made available. Given the number of projects vying for this funding, it would likely be a longer implementation process than some of the other tracks.

Transportation Investment Act Sales Tax – The availability of this one percent sales tax is subject to a successful ten county referendum that is schedule for a vote on July 31, 2012. The I-16 Ramp Removal Project is included in the program of projects for a total of $24,775,573. The estimate for implementing the preferred alternative is $37,200,000. This is state sales tax and would have a broader use potential for the full project.

Other Federal Grants – Several federal agencies have competitive discretionary grant funds that are awarded on a periodic basis. One potential source to assist the implementation of the project is the HUD Sustainable Communities program. Staff will study the opportunities for these types of programs and prepare applications to further the project funding. These grants require local matching funds of 20% to 50%. If passed, the Transportation Investment Act Sales Tax revenues set aside for this project could be used as matching funds for these grants.

Local Sources- Local sources of funds include the establishment of a TAD or a Special Service District, or inclusion in the next SPLOST cycle. Chatham County SPLOST funds are already being used to support the planning phase of this project. They are being used as matching funds to federal transportation grants which demonstrates the importance of local funds in leveraging major sources of capital funding. If federal funds are not sufficient, and the TIA does not pass, SPLOST funds or a TAD may provide adequate capital funds for the project. However, depending upon the final mix of public-private responsibility for maintenance or operation of capital improvements and services in the area, a source for public operating funds may be needed. This funding source could come from general operating funds of local governments. However, if the benefit is largely focused on the project study area, it may be appropriate to create a Special Service District. One example of the use of a SSD would be to apply the tax to businesses along a streetcar route to help cover operating costs.

Private Investment –The private investment component of this project will be mostly to build-out the blocks that are created as a result of the removal of the current I-16 ramp configuration and replacing it with a grid-type street layout. The private development share may also include some infrastructure costs, usually components directly related to the site development. However, in blocks where affordable or work-force housing is provided, public funds may be use to reduce the cost of development, for example favorable land leases in return for affordable rental rates.

Conclusion
Multiple funding sources will have to be utilized to fund all elements of the project. It is recommended that the funding strategies outlined here be aggressively pursued simultaneously to help ensure the security of project funding.

Introduction

The following chapter outlines the steps necessary to remove the I-16 exit ramps and implement the Civic Master Plan for the study area. It outlines the sequential steps and timeframe associated with each action.

The implementation plan includes four distinct segments:

- Planning Phase
- Required Documentation and Approval Phase
- Infrastructure Phase
- Development Phase

While these phases will be discussed individually, they may overlap both in scope and timeframe.

1. Planning Phase

The planning phase is currently underway and will be a background element throughout the project. To date, the planning phase has explored the feasibility of the project, developed different concepts, and refined the preferred concept. It has included extensive public involvement and garnering stakeholder and political support. This phase has also included identifying funding sources, developing economic strategies and goals, and writing the scope of work for the next phase. Future planning efforts will include:

- Developing an economic benefit analysis;
- Conducting a real estate appraisal;
- Producing a community needs assessment;
- Developing a detailed approach to the redevelopment of the area;
- Coordinating with other planning efforts, specifically reintroduction of the streetcar system on MLK Jr. Blvd.;
- Planning for funding (see Chapter 3 for additional details)
    - Secure next increment of Chatham County SPLOST funds to match Federal Grants through CORE MPO,
    - Amend CORE MPO Long Range Transportation Plan and TIP to include the next phases of the project to maintain eligibility for federal funding,
    - Ensure the community is aware of the project's inclusion in the Transportation Investment Act Referendum schedule for July 2012,
    - Explore feasibility of Tax Allocation District,
    - Explore private sector opportunities for the Development Phase;
- Maintaining agency partnerships with the City of Savannah, Chatham County, FHWA, FTA, GDOT, the CORE MPO, MPC, CAT and SDRA; and
- Ongoing public involvement.

2. Required Documentation and Approval Phase

The next phase of the project will include elements of the project required by state or federal law. This phase will include a more detailed traffic study and producing reports and engineering documents required for GDOT and FHWA approval. More specifically, the following tasks will be accomplished:

- Ongoing public involvement.
- **Produce Concept Development and Preliminary Engineering Plans.** The GDOT Project Development Process (PDP) starts with the development of a Concept Report. During preparation of this report the system operation, environmental impact and engineering/design of the I-16 Preferred Concept plan will be analyzed in greater detail and refinements that maintain the underlying urban design concepts but maximize the operation and benefits of plan will be recommended if necessary. Typically, 15% - 30% of design is completed in this stage. Although as mentioned below final Interchange Modification approval does not occur until the environmental document is approved, the concept report provides the information needed for FHWA to provide a provisional approval as the project progresses.

- **Produce an Interchange Modification Report (IMR) and Documentation for the Approval Process/NEPA.** The guidance for this task is the FHWA's Georgia's Division Office Guidance on the FHWA Policy and Procedures for New or Revised Interstate Access Approval. The development of the IMR will comply with applicable FHWA and Georgia Department of Transportation regulations, guidelines and directives in performing this project. It should be noted that GDOT's Preconstruction Division is responsible for IMR's. However IMR's are submitted to FHWA by GDOT's Office of Planning so both offices should be included in the IMR development process. From the guidance it appears that the Georgia Division of FHWA can approve the type of revised interchange access this project represents.

  Early project development usually consists of concept development, with NEPA and IMR analyses taking place concurrently. In every case, the IMR should be approved prior to starting final design. In most cases, the appropriate time to obtain access approval from FHWA prior to, concurrently with, or shortly after approval of the concept report. However, the FHWA approval of an IMR is always dependent upon NEPA approval. Because of limited funds, the IMR will be prepared concurrently with development of the concept report.

- **Environmental Clearance and Final Determination.** Once approval from the relevant federal and state agencies has been received, the creation of the final rights of way and engineering drawings can be completed.

- **Design and Rights of Way Acquisition.** Any rights of way determined to be necessary for the project will be secured or purchase at this time.

It is likely that the MPC/CORE MPO would be the project manager for the concept and IMR components of this phase, in close partnership with GDOT, the City of Savannah and Chatham County. At some point in this phase, it is expected that the City of Savannah would become the local sponsor of the project. It is anticipated that this phase will be complete by 2015, subject to available funding.

3. Infrastructure Phase

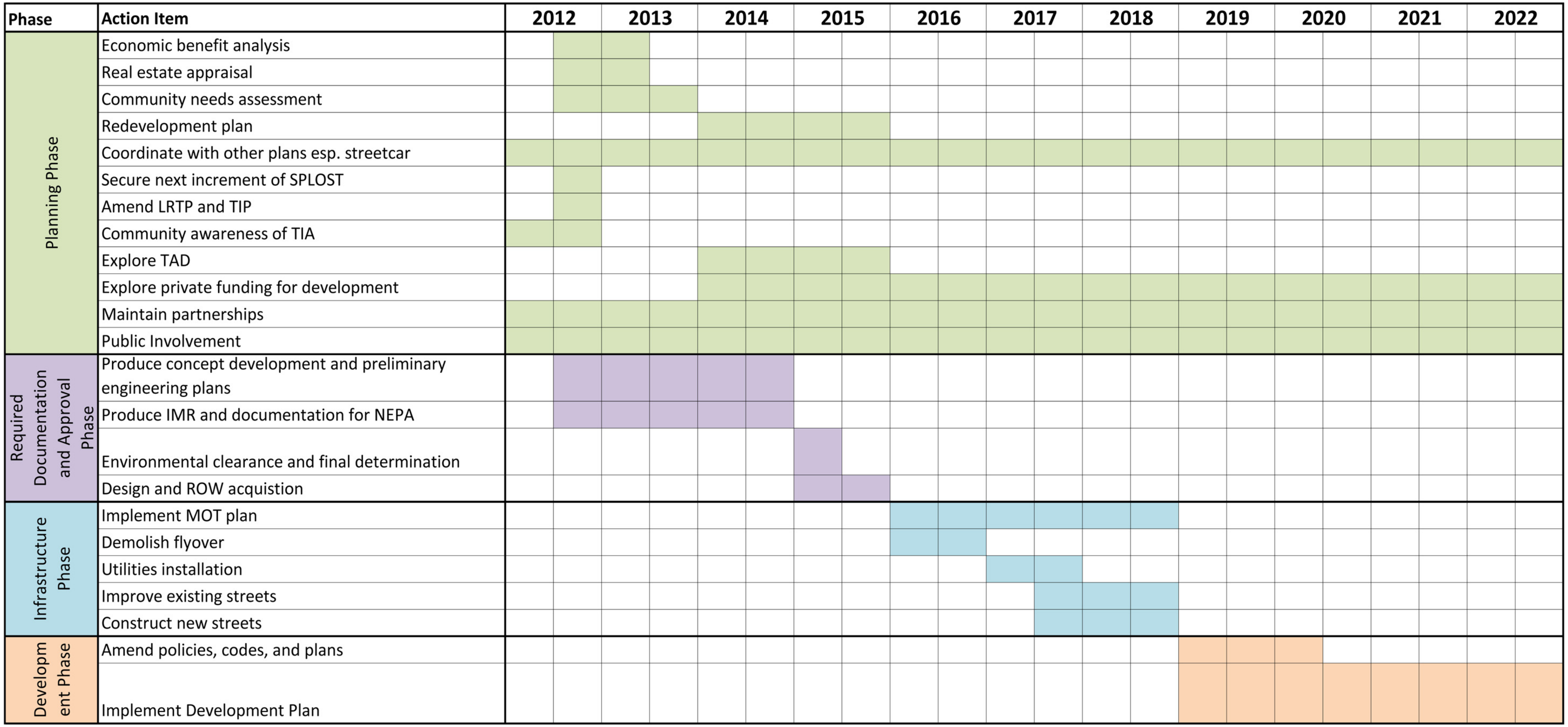
The infrastructure phase involves the implementation of the Maintenance of Traffic plan, demolition of the existing flyover, construction of new street and sidewalk networks, improvements to existing streets and sidewalks, and installation of all necessary utilities for development. It is likely that the City of Savannah would be the project manager. It is anticipated that this phase will be complete by 2018, subject to available funding.

4. Development Phase

The development phase involves refining the development plan to identify and recruit investors and businesses to the area. Certain plans and codes may need to be updated to reflect the goals of the project. This phase also includes identifying and recruiting partners to implement the specific housing goals. Specific steps include:

- **Amend the Comprehensive Plan.** The Tricentennial Plan provides general guidance for this area. The plan may need to be updated to reflect any final decisions related to the road system, new interchange, land use plan and environmental buffers.
- **Amend Codes/Policies.** Establish a Transit Oriented Development Overlay District. Expand the Enterprise Zone to include this area.
- **Implement Development Plan.** Work with property owners, investors and developers to consolidate land and develop concept plans consistent with the Land Use Plan for the project.

It is anticipated that the City of Savannah would be the project manager with possible partners in the private sector to assist in the build-out of the area. It is anticipated that this phase will be complete by 2022, subject to available funding.



Information contained herein has been compiled from various sources and may contain inaccuracies based on available data. Compliance with applicable codes and ordinances and approval by authorities having jurisdiction is not guaranteed. This material is intended to create an overview and analysis of site conditions and provide a framework for future redevelopment.

IMPLEMENTATION STRATEGY