

Northeastern University Dukakis Center for Urban & Regional Policy

TRANSIT CAMPAIGNS:
FINANCING CASE STUDY

2012 ATLANTA REFERENDUM TO PASS A TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX

BACKGROUND

WHAT WAS THE GOAL OF THE CAMPAIGN?

The goal of the campaign was to raise a projected \$7.22 billion over ten years in revenue for transportation for the ten-county Metro Atlanta region through a one percent sales tax referendum with an estimated \$6.14 billion (85%) of the revenue to be set aside for specific regional projects and about \$1.08 billion (15%) to be redistributed to individual counties through a population- and road mileage-based formula for use on additional transportation projects. The sales tax prior to the referendum differed by county but was either 6% or 8% in the Metro Atlanta region. A subgoal of the campaign, for one of the primary coalitions behind this effort, was to ensure that 40% to 60% of the new revenue for regional transportation projects would be dedicated to public transportation projects.

WHAT WAS THE RESULT OF THE CAMPAIGN?

The campaign was partially successful, but ultimately failed in the Metro Atlanta region. In October of 2011, a specific transportation project list for the referendum was approved which included \$3.2 billion (or ≈52% of the regional funds to be raised) in transit projects, \$2.9 billion in road projects (≈47%), \$24 million in standalone bike/pedestrian projects (under 0.5%), and \$3.2 million in aviation projects (≈0.05%), thereby meeting the subgoal of the campaign.

On July 31, 2012, voters in the Metro Atlanta region, however, defeated the referendum by a margin of 37% to 63%. Similar referendums were held in eleven other regions of Georgia, three prevailed.

WHY WAS THE CAMPAIGN INITIATED?

There seems to be a general agreement in Metro Atlanta that traffic is choking the region and the Texas A&M Transportation Institute recently has estimated the cost of congestion in the Atlanta region to be \$2.3 billion per year. People are wasting considerable time in traffic. As a result existing businesses experience a bottleneck in growth and new ones are discouraged from moving to the region.

Georgia currently ranks 48th in per capita transportation spending. Passage of the Transportation Investment Act ("TIA") in the Georgia Legislature and signing of the bill into law in June 2010 created an opportunity to change these circumstances by allowing twelve regions within the state to levy a special purpose local option sales tax ("T-SPLOST") to fund desperately needed transportation projects within each region.

WHAT WERE THE REASONS CITED FOR THE CAMPAIGN'S ULTIMATE LOSS?

The reasons for failure cited in the post-vote analysis included a prevalent distrust of government, the bad economy, the primary election date, a perception of the campaign as top-down, as well as the size of the region, its splintered transportation desires, and the lack of a tradition of regional decision-making.

Insufficient promotion of the transit projects on the list has also been raised as a mistake (a poll found that 71% of residents would ride transit if there was more of it), but at the same time a wide-spread anti-mass transit sentiment (a poll found that 42% of residents in the region believed that new public transportation brings crime) has been blamed for part of the reason for the loss.

One analyst pointed out that transportation issues are no longer a battle between the road lobby and transit advocates, but a "kind of three-cornered politics," in which two groups out of the road lobby, transit/environmental advocates, and

This case study was prepared in August of 2012 by Rafael Mares and Aviva Rothman-Shore of the Conservation Law Foundation based on interviews with John Maximuk of LCC, Brian Gist, Southern Environmental Law Center, and Dave Williams, Metro Atlanta Chamber, as well as a review of documents related to the campaign.



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CAMPAIGNING FOR A BETTER TRANSIT SYSTEM: 10 LESSONS LEARNED

anti-spending conservatives can usually prevail but no one can win alone. In Atlanta, the transit/environmental advocates were split as some opposed the measure together with Tea Party advocates.

HOW WAS THE CAMPAIGN STRUCTURED?

The campaign leading up to the referendum included four efforts: a successful transit advocacy initiative to ensure adequate representation of transit projects called “Fair Share for Transit” (which was led by Livable Communities Coalition of Metro Atlanta (“LCC”)), an educational campaign named “Fast Track Forward” focused on the transit projects in the referendum (run by LCC), a more general educational campaign called “Transform Metro Atlanta” (directed by Metro Atlanta Voter Education Network (“MAVEN”), a 501(c)(3)), and a political campaign dubbed “Untie Atlanta Vote Yes on July 31” (headed by Citizens for Transportation Mobility (“CTM”), a 501(c)(4)).

POLITICAL CONTEXT

WHAT FORMAL STEPS WERE REQUIRED FOR THE CAMPAIGN TO SUCCEED?

TIA—a state law which creates twelve special tax districts within Georgia based on the existing geographic areas of the state’s regional commissions (the regional planning and intergovernmental coordination agencies) allows each district to levy a one percent sales tax for ten years through a referendum, and makes the proceeds of the tax available to be used on administration, engineering, property acquisition, construction, maintenance and operations of transportation projects—first had to pass. TIA passed in June of 2010.

The twenty-one-member Atlanta Region TIA Roundtable established in TIA was required to select a list of transportation projects prior to the referendum. The Roundtable included the county commission chair, one mayor from each of the ten counties, and the Mayor of Atlanta. After engaging

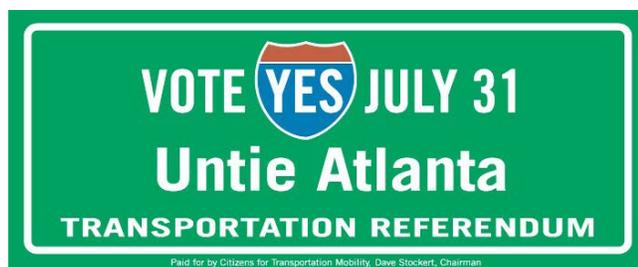
about 200,000 residents through transportation forums, telephone town halls, community meetings, community briefings, public comment periods, online surveys, and website visits, the Roundtable unanimously selected a list of transportation projects on October 13, 2011. For the sales tax increase to go into effect the referendum then had to pass on July 31, 2012, during the general primary election.

WHAT WAS THE POLITICAL CLIMATE AT THE TIME OF THE CAMPAIGN?

The political climate for the revenue-raising measure was difficult. One of the counties within the region, majority white Cobb County, has vocal, engaged, and well-organized tax opponents. In addition, many residents in Cobb County were opposed to the inclusion of a significant number of transit projects, harkening back to opposition to Metropolitan Atlanta Rapid Transit Authority (“MARTA”) coming into the county decades ago as some residents feared it would bring crime into the suburbs.

Residents in majority African-American DeKalb County, the third-most-populated county in Metro Atlanta and the state, on the other hand, are seeking an extension of a MARTA heavy rail line, but instead only a rapid bus line was included in the list of projects for the referendum. In addition, the five-member executive committee of the Roundtable that drafted the project list was all white, until House Speaker David Ralston intervened and persuaded one member to step aside so Atlanta Mayor Kasim Reed could join.

As a result of these concerns, the NAACP’s local chapter came out against the referendum, stating that it included insufficient mass transit for south DeKalb County. The Georgia Sierra Club also opposed the referendum, citing “sprawl-inducing road expansion” as the main reason for its opposition. The almost universal agreement in the region that traffic is unbearable, however, had the potential to bring out voters supportive of the referendum.



WHAT SUPPORT FROM CRITICAL STAKEHOLDERS COULD BE EXPECTED?

Metro Atlanta contains the country's third largest concentration of Fortune 500 companies, and is the world headquarters of the Coca-Cola Company, Turner Broadcasting, The Home Depot, UPS, and Delta Air Lines. Large corporations in the region are concerned about losing employees due to the lack of sufficient investment in transportation infrastructure and the region is anxious about large employers relocating and its reduced attractiveness to potential new employers.

As a result, a significant contribution from the business community to the campaign, in terms of funding and political support, was expected and received. As anticipated, the Atlanta-area referendum also enjoyed support from African-American leaders, such as Rep. John Lewis, Ambassador Andrew Young, and the mayor. The Georgia NAACP, however, two months before the vote, announced that it would oppose all transportation tax referendums statewide. The Sierra Club also came out against the initiative.

WHAT PREVIOUS PLANNING OR RESEARCH EFFORTS BENEFITED THE CAMPAIGN?

The Metro Atlanta Chamber of Commerce informally sought out advice from chambers of commerce in cities with previous successful transportation funding campaigns including Denver, St. Louis, and Salt Lake City. The Economic Development Research Group assisted the Atlanta Regional Commission, the regional planning and intergovernmental coordination agency for the ten-county area around Atlanta, with macroeconomic impact forecasting of the Atlanta metro region under the proposed list of transportation investments.

The macroanalysis considered congestion reduction benefits from the projects, the tax burden, and any stimulus from construction. The net result showed a cumulative gross regional product gain through 2040 for the ten-county region worth \$34 billion from the TIA investment.

CAMPAIGN FINANCE

HOW WAS THE ADVOCACY CAMPAIGN FUNDED?

LCC received another \$100,000 from the Rockefeller Foundation for its Fast Track Forward initiative. MAVEN raised approximately \$2.2 million for its Transform Metro Atlanta campaign from large donors, including Atlanta's largest corporations.

HOW WAS THE POLITICAL CAMPAIGN FINANCED?

The political campaign was financed mostly through contributions from several hundred donors, including the large corporations who make their home in Atlanta, but Untie Atlanta has also received many small donations (around \$25 each). CTM raised approximately \$6.8 million. The budget of this campaign has been described as comparable to a Governor's race in Georgia.



CAMPAIGN MANAGEMENT/STRUCTURE

WHO LED THE ADVOCACY CAMPAIGN?

Fair Share for Transit was led by LCC and brought together eighty-six partner organizations to ensure the regional transportation project list had a healthy balance of transit projects. Although early in the roundtable process several observers believed transit would only get a fourth or a third of the anticipated revenues, the effort succeeded.

The Atlanta Regional TIA Roundtable unanimously passed a list of transportation projects with 52% going towards several high profile transit investments. Fair Share for Transit backers included private businesses and representatives from health, disability, social equity, environmental, transit, bicycling and pedestrian organizations.

WHO LED THE TRANSIT EDUCATIONAL CAMPAIGN?

A year after LCC began its Fair Share for Transit initiative, an effort to ensure adequate representation of transit projects on the Atlanta TIA project list, LCC launched the Fast Track Forward campaign. Fast Track Forward was an educational campaign centered on the merits of the more than \$3 billion in new transit projects included in the TIA list for the Atlanta region. Fast Track Forward was a collaborative effort led by LCC that focused on the business case for transit and its impact on the quality of life in Metro Atlanta.

As an educational campaign, the initiative could not tell prospective voters how they should vote on the transportation tax; it did, however, educate various constituencies about what projects the tax would fund.

WHO LED THE GENERAL EDUCATIONAL CAMPAIGN?

MAVEN, a group of civic coalitions, business organizations, and individual citizens, led the Transform Metro Atlanta educational campaign. The Atlanta Metro Chamber was openly behind the creation and implementation of this campaign.

WHO RAN THE POLITICAL CAMPAIGN?

The political campaign was run by CTM. The Atlanta Metro Chamber was also openly behind the creation and implementation of this campaign.

POLITICAL STRATEGY

WHAT WAS THE OVERALL POLITICAL STRATEGY FOR THIS CAMPAIGN?

The political strategy of the campaigns was significantly influenced by the primary election date of the referendum, a requirement of TIA. Unlike tax opponents, pro-transit advocates never favored the July 31st date, correctly expecting a lower voter turnout. The 2004 and 2008 presidential elections statewide had a voter turnout of 62.5% and 56.2% respectively, while the T-SPLOST election had one of about 30% across counties, which was 8% to 13% higher than the 2010 and 2008 July elections. As a result of this date, the two educational initiatives and the political campaign decided to target their respective efforts on likely supporters, such as urban dwellers who live and work in high density areas along existing rail lines, young voters, and members of pro-transit groups, with a particular focus on voters who tend not to vote in non-major elections.

COMMUNICATIONS STRATEGY

WHAT WERE THE MAIN COMMUNICATION CHALLENGES OF THIS CAMPAIGN?

Georgians tend to have a cautious regard, if not an immense distrust, for government. There was a widespread worry that money raised by the referendum would be wasted.

HOW WERE THESE CHALLENGES MET?

The campaign benefited from the structure of TIA, which was designed to help address voters' fear that the government will waste their money. TIA requires a specific list of projects to be voted on and has a ten-year sunset provision for the tax. The campaigns used these requirements in their messaging to address this communication challenge. In addition, the campaigns primarily focused on the economic benefits of the tax measure, including the argument that transit is a better investment dollar-for-dollar than roads, and congestion relief.

The campaigns avoided technical and progressive terms, because they did not poll well, but have stressed personal benefits such as more transportation choices and free time, and occasionally also raised the associated air quality benefits, such as the removal of approximately 72,000 cars from the roads. LCC's Fair Share for Transit campaign included earned media, direct emails, phone conversations, and meetings with Roundtable members.



LCC's Fast Track Forward educational campaign specifically targeted urban dwellers that live and work in high density areas along existing rail lines with the message that if you want more transit you should learn more about the referendum. LCC also tried to reach "under voters," those who do not vote during primary or off-year elections, pro-transit groups, and young voters. Untie Atlanta's television advertisements focused on the personal benefit of reduced congestion, such as an ad showing a mother stuck in traffic, late for picking up her son and a teammate for a baseball game, with the car's safety belts tightening around her, tying her up and muzzling her. Her son laments that she is "probably tied up in traffic again."

HOW DID THE CAMPAIGN SPEND ITS COMMUNICATIONS RESOURCES?

The campaigns used traditional media, including television ads, radio spots, targeted cable, and earned media, as well as direct mail and social media to get their message across.

ORGANIZATION STRATEGY

HOW WERE CRITICAL STAKEHOLDERS RECRUITED INTO THE CAMPAIGN?

Relying on the credibility it had built in the Metro Atlanta pro-transit community over the first four years of its existence, LCC convened stakeholders prior to passage of TIA. Out of that group, a smaller subset of experts/progressive thinkers who had the time to meet regularly and shared the mission was formed. The members of this group were asked to get permission from their employers to attend the meetings, but to check their professional credentials at the door, i.e., not to speak for their organizations.

This was required so that members would be able to freely discuss and develop progressive transportation policies that were ambitious but achievable. LCC then incorporated the great ideas that came out of these discussions into its campaigns, but did not attribute them to individual participants. The focus was on the results, not on credit.

After TIA passed, the Metro Chamber of Commerce convened a group that grew to about 150 representatives from industry groups, trade associations, nonprofits, and other civic organizations. Participants from the group meet every first Friday of the month, and informally called themselves the "First Friday Group."

WHAT GET-OUT-THE-VOTE METHODS WERE USED TO SECURE VOTES?

CTM relied on a combination of volunteers and computerized autodialers to call potential voters for voter identification. If a person called agreed to participate, s/he was given two questions to ascertain whether s/he supported or opposed the measure. Only people who expressed support received friendly reminders to vote. The phone banking was conducted by volunteers obtained primarily through the companies supporting the measure. Various organizations also held panel discussions leading up to the vote.



TRANSFORM
>> METRO ATLANTA

KEY LESSONS

A MULTI-STEP PROCESS CAN HELP AVOID RESISTANCE OF ELECTED OFFICIALS TO RAISE TAXES OR FEES

Despite the clear need to invest in Georgia's transportation system, Republican Governor George Perdue was opposed to signing any legislation that would raise significant revenue and most legislators shared his concern. The term-limited Governor also demanded that no revenue would be raised until after completion of his second and final term in January of 2011. This created a seemingly insurmountable roadblock.

However, TIA's ballot approach, which left the decision of whether to tax themselves directly to voters, allowed the legislature to pass legislation that laid the groundwork for raising revenue for transportation, without having to take the associated heat they feared. TIA's timeline also pushed the vote into another governor's tenure.

DISTRUST OF GOVERNMENT INHIBITS TRANSPORTATION INVESTMENT BUT SPECIFICS CAN HELP OVERCOME IT

Widespread distrust of government provided a significant challenge for raising revenue in Georgia. Even voters who would be willing to pay for a better transportation system were expected to be reluctant to trust the government with spending the money raised adequately and efficiently. TIA again provided the answer to this problem by requiring the development of a specific list of projects prior to the vote.

To make this approach effective, extensive input from the public and the elected officials of each community was crucial. Unfortunately, there were still counties within the region that felt underrepresented in the list.

REGIONALIZING THE RAISING AND EXPENDITURE OF REVENUE CAN ADDRESS CONCERN THAT ONE GEOGRAPHIC AREA IS SUBSIDIZING ANOTHER, BUT SUCH REGIONS HAVE TO BE DEvised CORRECTLY

By dividing Georgia into twelve separate tax districts, TIA made it much harder for anyone to perceive the measure as benefitting one part of the state at the expense of another. Considering that the ten-county Metro Atlanta region is home to over 4.1 million people, almost 42.5% of the Georgia population, and hence more likely to require the spending of significant transportation dollars, addressing this problem was crucial. That said, the size and diversity of the Metro Atlanta district as created by TIA and a lack of a tradition of regional decision-making still made it difficult to overcome the criticism that the money would not be spent fairly across the region.

SIGNIFICANT POLITICAL SUPPORT CAN BE SHORED UP BY GIVING BACK SOME REVENUE RAISED TO MUNICIPALITIES FOR DISCRETIONARY SPENDING

Providing municipalities with the discretion to spend 15% of the money raised by the measure on transportation projects was aimed to assist cash-strapped towns and cities meet their transportation needs and made it easier to round up support for the referendum from locally-elected officials, who tend to enjoy greater public support than other politicians.

TAKE RISKS TO GET THE BALL ROLLING

Supporters of the Metro Atlanta T-SPLOST were extremely successful at raising money, a total of about \$8 million between the educational and political campaigns, but the effort still failed. The organized opposition included the NAACP, Sierra Club, and the Tea Party, forming a very unlikely coalition, which spent only \$30,000 and led a more grassroots effort than the supporters of the initiative.

While at the end of the day one may have to recognize that external factors, such as the economy and the election date, prevented a win of this initiative—rather than any tactical mistake made by its supporters—it is still fair and useful to ask if the money could have been spent better or had anything to do with the loss. The campaign may have failed to build a sufficiently broad civic coalition.

Some natural allies who ended up opposing the initiative have complained about a lack of interaction with the political campaign. More direct contact with opinion leaders may have been needed. Faced with a distrust of government already, the campaign may have hurt itself by not adequately integrating the full range of stakeholders, and potentially, by having corporate supporters play such a visible role, which raised suspicions among voters about the corporations' motivations and whether real people would benefit from the initiative.

Building a grassroots network of business, labor, municipal, environment, and civil rights leaders may have benefited the initiative.

POTENTIALLY TRANSFERRABLE IDEAS

- Developed campaign strategy by asking participants to check their credentials at the door and focusing on results rather than who gets credit
- Supported balance in project list (i.e., large share of transit projects), rather than specific projects
- Used third-party validators (e.g., used conservative speakers to make case for transit)
- Stressed personal benefits such as more transportation choices and free time in messaging
- Avoided use of technical terms in messaging
- Project list to alleviate voter distrust