



Connecting People



Creating Community



Popular Annual Financial Report
For the years ended June 30, 2017 and 2016
Atlanta, Georgia



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Board Of Directors

OFFICERS



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Freda Hardage
VICE CHAIR



Frederick L. Daniels, Jr.
TREASURER



Roberta Abdul-Salaam
SECRETARY

DIRECTORS



Juanita Jones Abernathy



Robert F. Dallas



Jim Durrett



Roderick E. Edmond



William F. Floyd



Jerry R. Griffin



Alicia M. Ivey



J. Al Pond

EX-OFFICIO



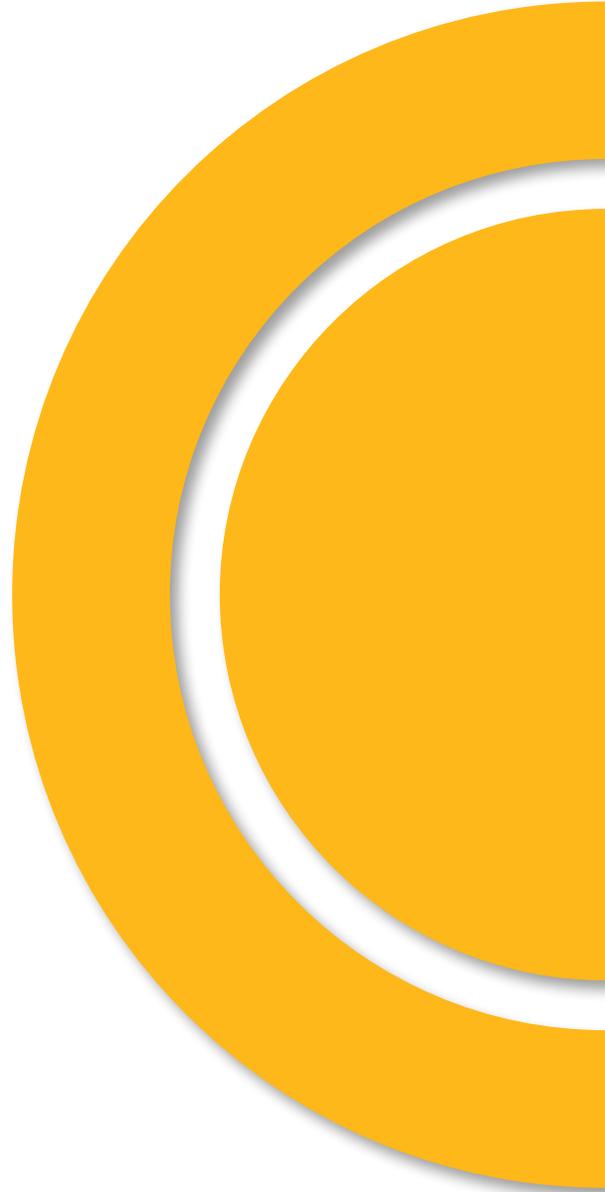
W. Thomas Worthy



Russell McMurry, PE



Christopher Tomlinson



MARTA'S VISION

MARTA IS AN INTEGRAL PART OF THE COMMUNITY, THE ECONOMY, AND THE TRANSPORTATION SYSTEM IN THE REGION, PROVIDING A MEANINGFUL MOBILITY CHOICE AND AN ATTRACTIVE ALTERNATIVE TO THE AUTOMOBILE FOR ALL RESIDENTS AND VISITORS TO THE AREA.

MARTA IS A SAFE, SECURE, AND RELIABLE PUBLIC TRANSPORTATION SYSTEM, WITH EMPHASIS UPON CUSTOMER SERVICE AND COST EFFECTIVENESS.

IT IS A SYSTEM WITH A POSITIVE IMAGE THAT THE COMMUNITY UNDERSTANDS, RESPECTS, AND SUPPORTS.



Creating Community
Connecting People

When people hear the words public transit, they think buses, trains, stops, and stations. But those are simply the tools we use to move patrons around our community. The heart of the public transit system goes beyond moving people, it's about connecting them. To places, events, and people who are important in their lives.

In helping people connect, transit creates a community of folks bonded by the same pursuits.

In fiscal 2017, we saw a host of initiatives, several years in development, begin to take shape. We broke ground on new Transit Oriented Development projects; helped pass the historic Atlanta bond referendum that will provide money for transit expansion; and launched a host of new programs that improve the experience of our riders. Not to mention creating a soccer field at a rail station.

While the Interstate 85 bridge collapse got all the attention, it is the dedication of our employees and partners who worked tirelessly to keep our city moving and connected during that challenging time, that will define transit in 2017.

As we reflect on the achievements of the past year, let us also take pride in how we stayed connected to the future of transit and the role it will play in years to come.



FIELD FOR DREAMERS

I like playing here at Five Points Station because it's very fun and the people treat us like a family here. I ride MARTA and that makes it easy to get here.
- Kwaku Ntru



Few people would have dreamed of a soccer field in an empty and well-worn amphitheater in downtown Atlanta; particularly since it was located on top of MARTA's Five Points Station. But this is the city of dreamers, and MARTA, Atlanta United and Soccer in The Streets partnered last year to turn that piece of land into the world's first soccer field built inside a transit station.

Dubbed "Station Soccer," the miniature soccer pitch – about half the size of a regulation soccer field – was funded by a grant from the Atlanta United Foundation, the charitable arm of the city's professional soccer team. The field is operated by Soccer in the Streets, an Atlanta non-profit empowering youth through sports-based training, character development, mentoring, and employability. Each week, hundreds of young people play soccer on the field for free, sustained by adult leagues which pay to use the facility.

Because of its location at the central MARTA transit station, youth from across the metro area, who might normally have little to no access to a soccer field, are able to easily travel to games. And their families and friends can join them and watch from stands that flank the field.

It has become a hub of activity downtown, bringing a diverse and vibrant new community to the heart of the city. It epitomizes how transit can connect people and create community. It is no wonder Station Soccer was named by MARTA as the 2016 "Transit Win of the Year"





“

I'm excited about the Avondale TOD because of the bike path/MARTA connection. I'm excited about the Avondale TOD because it will include apartments for seniors. I'm excited about the Avondale TOD because it will be a cool place to live close to the MARTA station, so people can drive less. - Michele Ritan

”

The Future Arises

It has been close to 25 years since San Francisco architect Peter Calthorpe proposed the concept of Transit Oriented Development (TOD) in his book, “The New American Metropolis” in 1993. Calthorpe’s idea of using transit systems to spur the creation of mixed used living communities in cities – where residents live, work and play with less dependence on cars and more use of mass transit – has become a major driver of real estate development in urban areas around the world.

While public transit systems around the globe are actively embracing and encouraging TOD, MARTA is one of the few systems that made the concept a key part of its strategic vision. Today, it is not only helping to spur new construction projects across the region, it is redefining the authority as a major catalyst for economic development.

In fiscal 2017, we broke ground on three new TOD projects, including one at the Edgewood/Candler Park station. The \$40 million project, called “Spoke,” will include 224 apartments, a performing arts center, retail, restaurants, and a park. The DeKalb Chamber of Commerce named it the Project of the Year in 2017.

We also continued work on the Avondale Station TOD which is slated to include approximately 377 apartments, 92 affordable senior independent living units (representing 22 percent of the units), 34 condominiums, 41,500 square feet of commercial space and 25,000 square feet of institutional space.

The Chamblee Station project, which also began in fiscal 2017, will include two buildings with a total of approximately 70,000 square feet of office space, 10,000 square feet of retail space and 4,300 square feet of green space. Pattillo Industrial Real Estate will anchor the project with its new corporate headquarters.

“

Thanks to MARTA's increased service, I can now get directly to the BeltLine or Little Five Points by bus within minutes, and don't have to worry about parking or traffic. With MARTA, I can give up driving without sacrificing anything.

-J. Candler Vinson

”



A Landslide Vote

On November 8, 2016, Atlantans voted overwhelmingly to pass an historic tax increase to support MARTA expansion and enhancements in the city. More than two-thirds of voters approved the 0.5 sales tax.

The tax increase is expected to provide about \$2.5 billion over the next four years to fund rail improvements, build infill rail stations, and provide new buses and other services. Atlanta Mayor Kasim Reed called the vote the “biggest expansion of MARTA in the city’s history.”

But MARTA wasn’t the only transit winner in the election. Voters also approved a .4 special purpose local option sales tax for transportation or T-SPLOST, that will generate \$300 million for a variety of transportation projects including:

- \$66 million for the Atlanta BeltLine, which will allow the BeltLine to purchase all the remaining right of way to close the 22-mile loop;
- \$75 million for 15 complete streets projects;
- \$3 million for Phase 2 of the Atlanta Bike Share program;
- \$69 million for pedestrian improvements in sidewalks; and
- \$40 million for traffic signal optimization.





“

I enjoy it so much because it gives us the opportunity to engage with everyone. People walking by, people that look like us, people that don't look like us, they all get engaged, they support us and they give us smiles. We give them smiles and it's all good energy and stuff. - **Nadine Norton**

”

Destination: ArtBound

Visionary American artist, Alex Gray, said, “when artists give form to revelation, their art can advance, deepen and potentially transform the consciousness of their community.” Katherine Dirga, MARTA’s new Arts Administrator, agrees.

Hired in 2016, Dirga is the driving force behind MARTA’s ArtBound program that enhances the rider experience by integrating art throughout the transit system. Dirga says the goal of ArtBound is to install artistic pieces that reflect the vibrancy of the communities served by the authority.

Beginning in fiscal 2017, the program allocates 1% of MARTA’s budget for art-related programs, art-focused community activities and system-wide art restoration projects. The arts program kicked off with dancers and musicians at the Five Points Station. There are also plans to conduct a restoration project at the Decatur Station and install a new art piece at the H.E. Holmes station.

‘transform the consciousness’



“

Quite frankly, riding my bike and getting on a train is easy and fun. I have a choice as to how long I want to ride and MARTA can take care of the rest. I feel fabulous and look...good doing it, and it feels even better not having to worry about where I'm going to park or being upset about who cut me off in traffic or other dumb things that we experience in our cars. One less day of that, the happier I am. It's a conversation piece, my bike, and I get to engage and possibly try to get someone else on a bike while waiting for my train. - LaMiiko Moore

”



All Bikers Welcome

For those who prefer a self-propelled two-wheeled commute, we installed new bike kiosks at 37 rail stations in fiscal 2017. Each biking kiosk includes new bike racks, fix-it stands and tire pumps, enabling 500 bikes to be parked throughout the system at any given time.

All the bike racks are inside the fare gates, protected from weather and under the system's security surveillance system. In addition, MARTA buses are outfitted with bike racks to accommodate cyclists that cannot access rail stations. We partnered with In-Our-Back-Yards, an organization that funds neighborhood leaders' ideas, and paid for the kiosks through crowdfunding.

MARTA also joined the City of Atlanta's Bike Share program, starting with bike share racks that hold 10 bikes at selected stations.

self-propelled two-wheeled commute



“

I love my new silver Breeze card because I can use it on both MARTA and Gwinnett County Transit to easily visit my family in Duluth! - **Magnolia Puy**

”

877,000+ Cards distributed

Silver Is the New Blue

It is still a “breeze” to use, just silver and a lot more secure. In January 2016, we rolled out our new silver breeze cards, a replacement for the blue cards. The new cards have a chip that make them more secure and less likely to be compromised.

The silver Breeze cards can also be used to purchase trips on MARTA's transit partners' systems including CobbLinc, Gwinnett County Transit and the Georgia Regional Transit Authority.

The silver Breeze cards, which cost \$2, were an immediate hit. More than 877,000 cards were bought by the end of fiscal 2017.



“

I like shopping here because it's convenient, I like the fresh vegetables, and I love the music. I think that because people ride MARTA...I have a vehicle, a lot of people don't have vehicles to go to the grocery store, so it makes it convenient, for not just single parents, but for elderly people, and you know it's just wonderful.

- Tresa Burks

”

“

I like the MARTA Market because it's very convenient, it's very inexpensive, and it's good, local fresh vegetables on my way home. I come to this station every day and I don't have to go out of my way. I can literally stop at the station, pick up my produce, and go straight home. It's just more convenient than anything else. Convenient and cheap.

- Alison McColley

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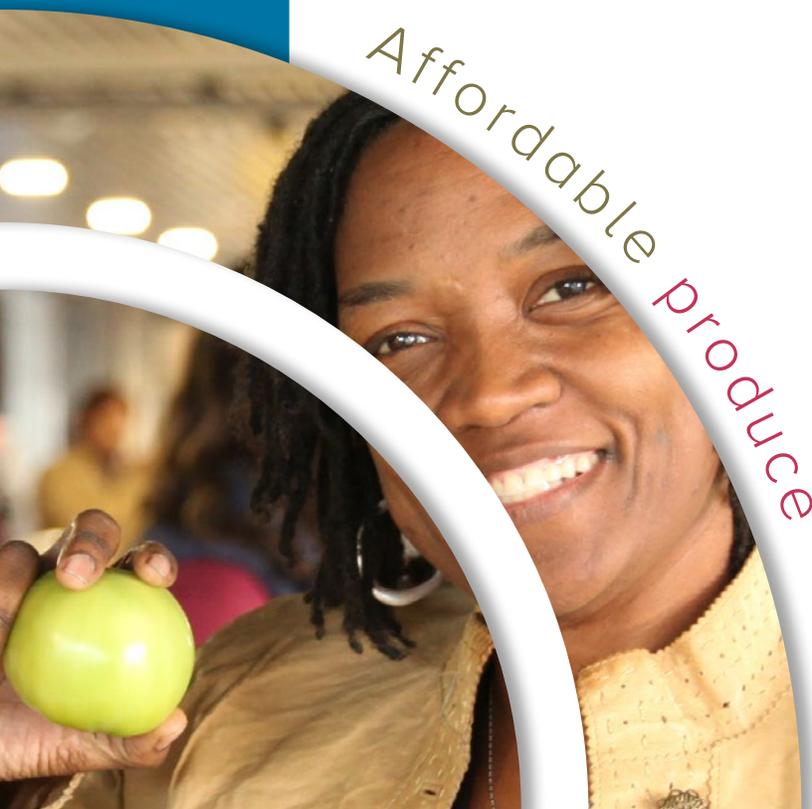
Two Times as Fresh

The number of Fresh MARTA Markets doubled in fiscal 2017, adding the H. E. Holmes and College Park stations to the West End and Five Points locations. The expansion increased the access to affordable produce in communities where fresh fruits and vegetables are not readily available.

Launched in 2015, the markets sell fruits, vegetables, baked goods and other items.

We partner with the Atlanta Community Food Bank, Community Farmers Market, Southwest Atlanta Growers Cooperative and Organix Matters, to manage the markets. Consumers can use cash, credit, debit, or EBT to purchase food. In addition, they can double the amount of food they purchase through the Supplemental Nutritional Assistance Program's Georgia Fresh for Less Program.

Affordable Produce





“

MARTA has been a client to CERM for twenty years serving as both a capacity building partner and catalyst for economic development in our community. For that, we are grateful. -
Albert G. Edwards, Managing Director, CERM (Corporate Environmental Risk Management)

”



Diversity Matters

Fiscal 2017 was a banner year for our Diversity and Inclusion programs. The program received the Georgia Diversity Council's "2016 Multicultural Leadership Award," the Georgia Construction Association's "2016 Government Award" and was given the Greater Atlanta Economic Alliance's "Agency Award" at its 15th Annual Supplier Diversity Conference.

The Diversity and Inclusion program hosted a "Get Ready for Transportation Summit" attended by 700 people who were given information on how to get contracts from the region's transportation entities.

The program awarded \$60 million in contracts to Disadvantaged Business Enterprises (DBE) in fiscal 2017 and certified over 450 firms as DBE or Airport Concession Disadvantaged Business Enterprise (ACDBE).

“

MARTA's new Vicinity bus service in neighborhoods like Decatur and Oakhurst helps to fill the mobility gap between the heavy rail and the regular bus services. I like these smaller buses because they are more agile and efficient at navigating small neighborhood streets. -

Vidyashan Rangaswamy (or V.H. Rangaswamy)

”



marta[®]



Good Neighbor Buses

Why use a large bus to navigate some of the neighborhoods we serve, when a smaller vehicle will handle the route better? We introduced 10, 30-foot buses in fiscal 2017, offering right-sized service to neighborhoods with narrow roads.

Called “Vicinity” buses, the vehicles launched service in Belvedere, Boulder Park and Lovejoy. They helped expand “last mile connectivity” for these areas and are also being used on routes with lighter ridership.

The superior turn radius, light curb weight, increased gas mileage and reduced cabin capacity makes the 30-ft bus option ideal for traveling narrow roads while adequately addressing ridership demands. The new Vicinity buses, which seat 23 passengers and two on-board mobility aids, will replace both the full-size and repurposed Mobility buses.



Bridging the Gap

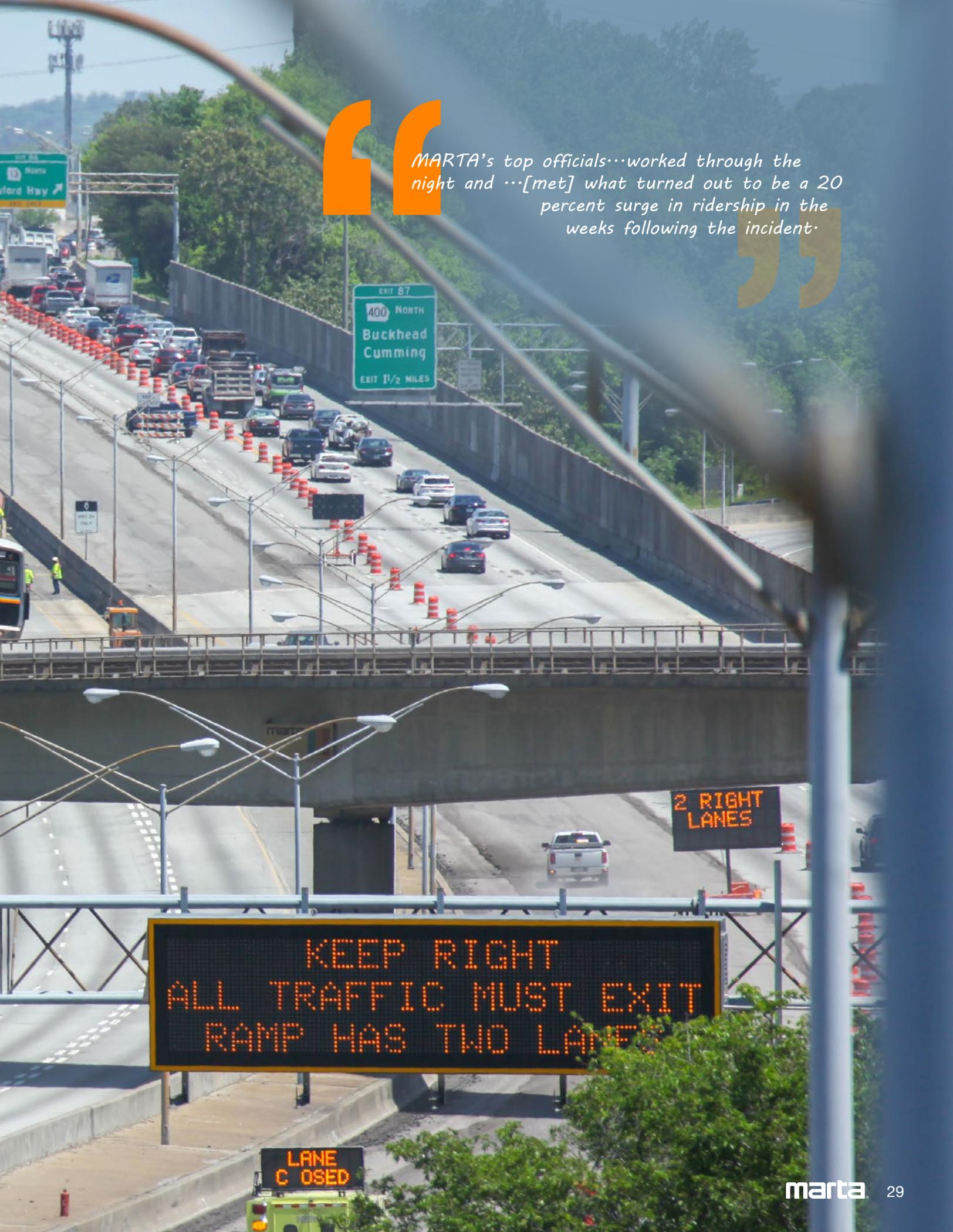
Shortly after the Interstate 85 bridge collapse, MARTA's top officials gathered in a meeting room to plan our response. They worked through the night and by the time the first MARTA trains rolled out the next morning, we could meet what turned out to be a 20 percent surge in ridership in the weeks following the incident.

The first order of business was to extend rail service and capacity by 20 percent – adding about 142,000 additional rail car miles and 1,100 additional train hours. The MARTA bus service saw an increase of approximately 8,202 additional service miles and 512 additional service hours. And to make sure everyone was safe during event, we boosted public safety operations and had increased police presence at all MARTA properties.

We leveraged existing real estate and external partnerships to create 2,463 additional parking spaces and added additional parking staff. MARTA also launched a new web-based tracking tool that provided up-to-the-minute capacity updates for 10 parking facilities across the rail system. By the time the bridge was repaired, we had accrued more than 1,000 additional hours for Operational Support Services.

We received tremendous support from our transit system partners as well as Uber and Lyft to help commuters during the situation. We also had 50 volunteers from MARTA's Army to help assist people as they traveled through the area of the collapse.





“

MARTA's top officials...worked through the night and ...[met] what turned out to be a 20 percent surge in ridership in the weeks following the incident.

”

Financial Highlights

This Annual Report contains summarized financial information taken from MARTA's Comprehensive Annual Financial Report (CAFR), which is published separately. The CAFR includes detailed financial information including MARTA's audited financial statements. Copies of the CAFR and Popular Annual Report are available at MARTA's headquarters building, the public libraries of DeKalb County, Fulton County, Clayton County, and the City of Atlanta, and on the internet @ www.itsmarta.com.

In order to measure the costs of providing mass transportation services, the revenues from those services and required subsidies, MARTA has adopted accounting principles and methods appropriate for a governmental enterprise fund. Enterprise funds are used to account for specific operating activities. Enterprise funds are financed and operated similar to a private business entity where a fee is levied for the use of the product or service.

MARTA's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting under which revenues are recognized when earned and measurable and expenses are recognized when incurred. The statements are presented in conformity with accounting principles generally accepted in the United States of America.

The Government Finance Officers Association of the United States and Canada (GFOA) has given MARTA the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. MARTA has received a Popular Award for the last nineteen consecutive years (fiscal years ended June 30, 1998 through 2016). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

Award For Outstanding Achievement



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Metropolitan Atlanta
Rapid Transit Authority
Georgia**

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive style.

Executive Director/CEO

Fare Structure

For the Fiscal Year Ended June 30, 2017

Regular Fare

Single Trip (stored on Breeze Card)	\$2.50
Round Trip (stored on Breeze Card or Breeze Ticket)	\$5.00
Ten(10) Trips (10 trips on Breeze Card or Breeze Ticket)	\$25.00

Discounted Fare

Twenty (20) single trips (20 trips stored on Breeze Card)	\$42.50
30 day pass (unlimited travel for 30 consecutive days, all regular service)	95.00
7 day pass (unlimited travel for 7 consecutive days, all regular service)	\$23.75
Day passes (unlimited travel for consecutive days, all regular service).	
Price per day:	

1 day:	\$9.00
2 day:	\$14.00
3 day:	\$16.00
4 day:	\$19.00

Mobility and Reduced Fare Programs

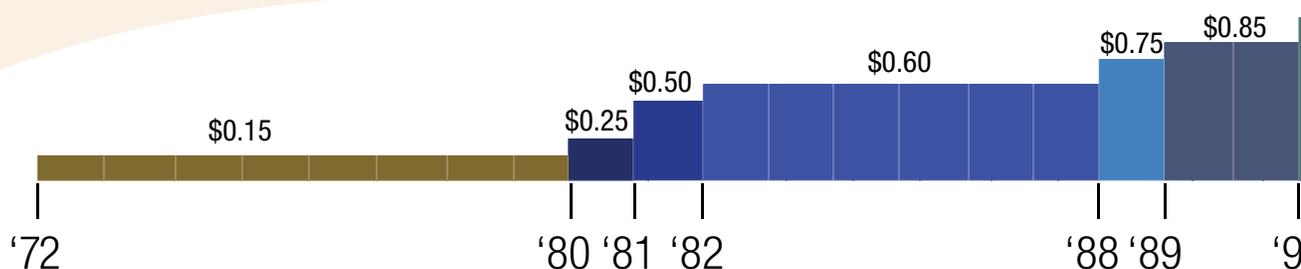
Reduced Fare (for pre-qualified customers 65 and older and disabled customers using regular service)	\$1.00
Mobility Service (Demand response for certified customers.	\$4.00
Personal care attendant may ride free, if required)	
Discounted Mobility Service (20 single trips)	\$68.00
Discounted Mobility Service (unlimited travel for 30 days on Breeze Card)	\$128.00
Mobility on Fixed Route (For Mobility certified customers riding fixed route with Mobility Breeze Card)	No charge

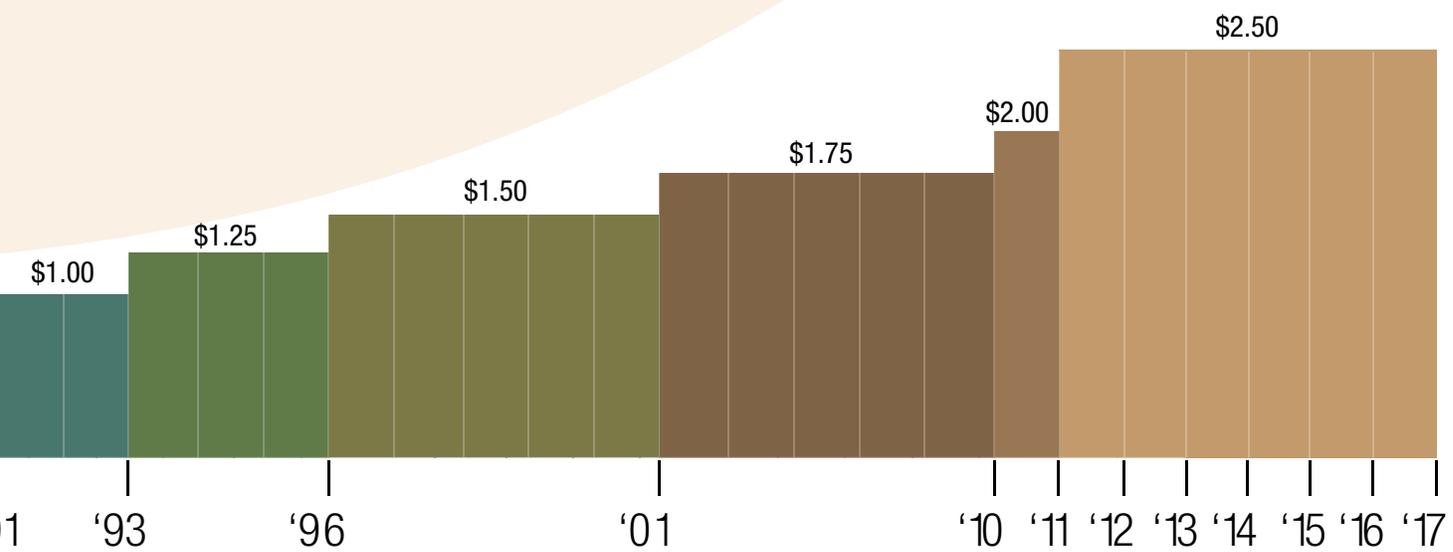
Student Programs

K-12 Program (Grade School and High School students K-12, Monday through Friday)	\$14.40
Ten(10) trip pass (to/from school), all regular school	

University Pass (U-Pass) Program

Monthly discount program for college or university students and staff	Students:	\$68.50
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NET POSITION

MARTA's net position was \$1.27 billion at June 30, 2017, a \$76.6 million decrease from June 30, 2016 when net position was \$1.3 billion, and a \$45.4 million decrease from June 30, 2015. MARTA reported positive balances in all categories of net position and negative balance for unrestricted net position in the last three years. MARTA reported positive situation on all categories of

net position for prior years. More detailed information on the statement of net position is contained in the Comprehensive Annual Financial report.

PRIMARY REVENUE SOURCE TREND

This chart shows MARTA's two primary revenues trended over the past ten fiscal years. MARTA's two largest revenue sources are Sales Tax and Fare Revenue. The two combined make up 82% or \$577 million of total revenue. Sales Tax provides 62% of MARTA's total revenue and Fare Revenue provides 20% of the total.

MARTA's Sales Tax revenue comes from a 1.5% sales tax levied in the City of Atlanta and 1% in the Counties of Fulton, DeKalb and Clayton. Under the law authorizing the levy of the sales and use tax, MARTA is restricted as

to its use of the tax proceeds. Fare Revenue is earned through user fees; as of June 30, 2017, the full fare fee is \$2.50, which was increased from \$2.00 in October 2011.

As indicated on the chart, sales tax revenue has trended upward for most of the past decade. In 2008, Georgia and most of the country were still in a major economic recession. The impact of this recession can easily be seen in the sales tax revenue numbers. However, fare revenue has remained relatively constant over the past decade.

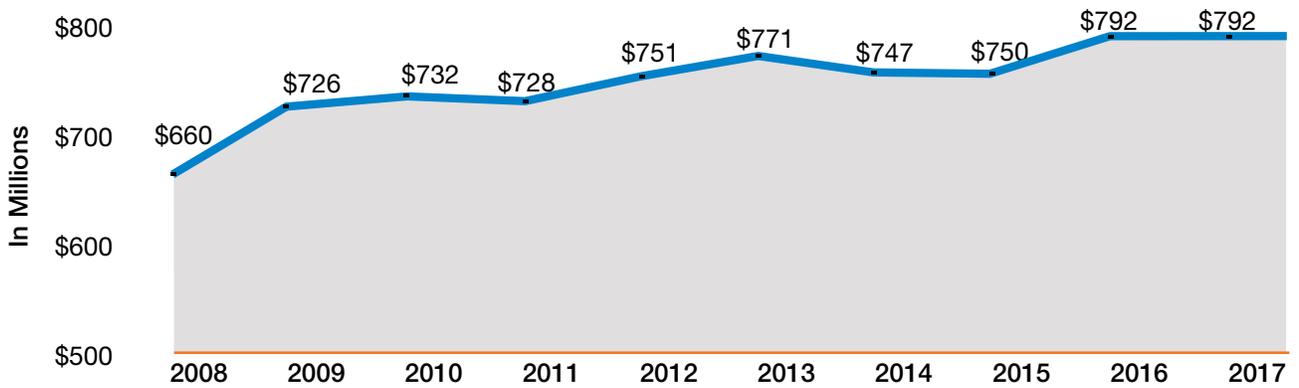
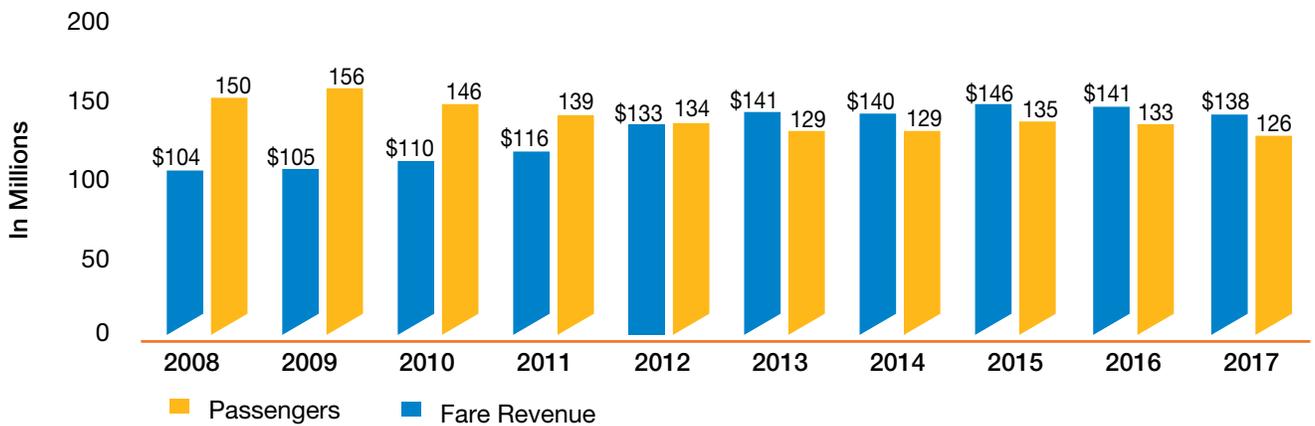
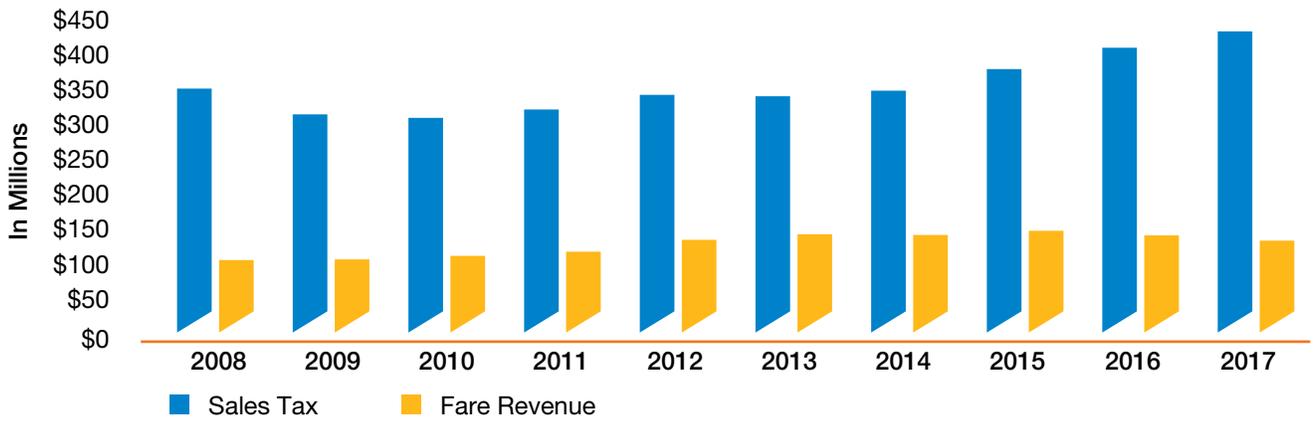
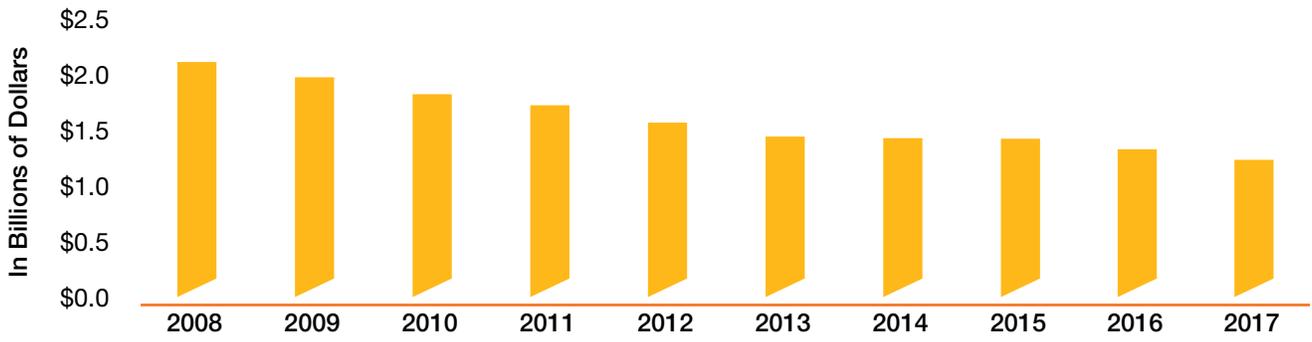
CHANGE IN RIDERSHIP AND FARE REVENUE

This chart gives a simple comparison of MARTA's revenue in dollars and Passenger count trended over the past 10 years. Both Passenger Count and Fare Revenue had a slight up and down movement from 2008 through 2017. Fare Revenue however, started to have a steady rise from 2010 to 2015 while passenger count continued to have a see-saw movement.

TREND OF TOTAL EXPENSES

This chart shows total expenses trended over the past ten years. Total expenses include both operating and non-operating expenses. In 2008, total expenses started to increase gradually due to depreciation on a number of major capital programs that were placed in service. Cost containment measures have effectively flat-lined the growth in expenses from 2009-2011, and gradually

increased from 2012 to 2017. Even with the aggressive cost containment measures, the cost of fuel and health care continue to outpace the related cost savings and any revenue growth.

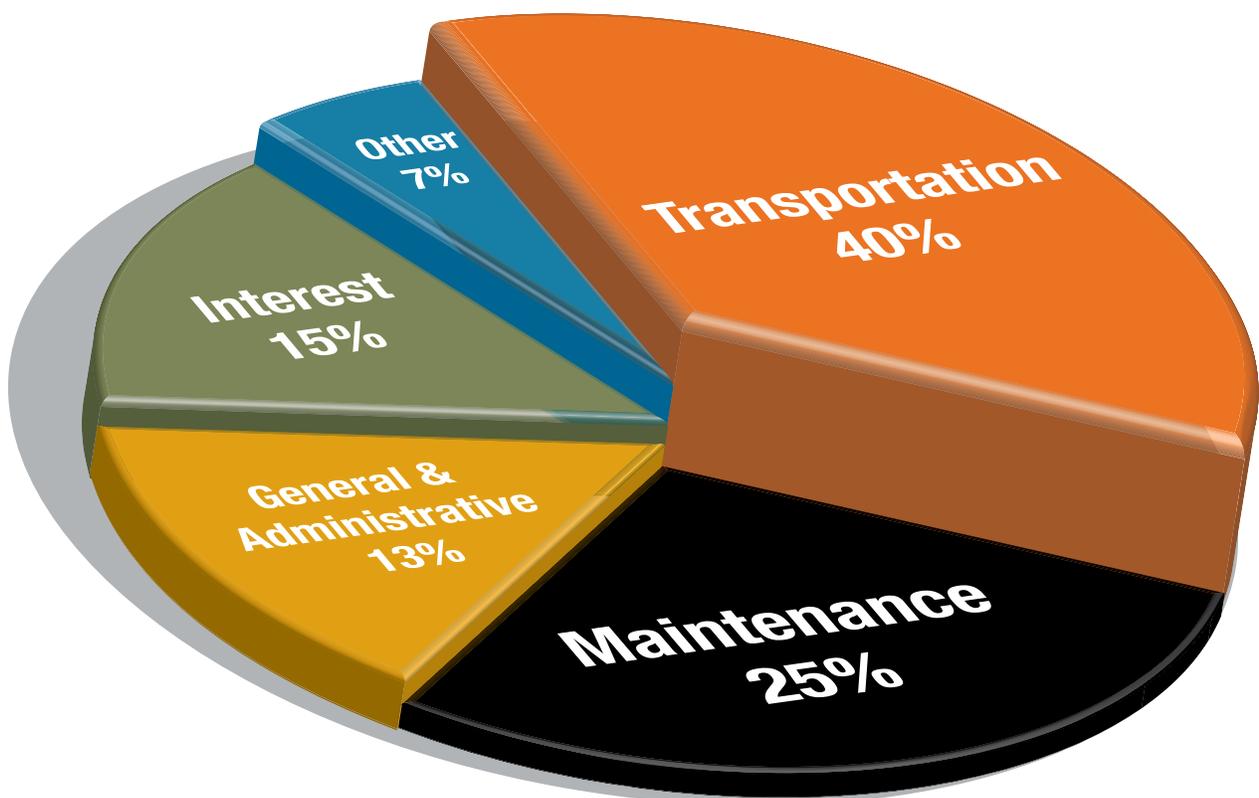


TOTAL EXPENSES BY FUNCTION

This chart shows total expenses by function. A function is a type of activity that MARTA engages in, which subsequently results in an expense. This chart shows that providing transportation and the associated maintenance represent 65% or \$360 million of MARTA's total expenses by function. Transportation and related maintenance include such expenses as salaries and benefits of bus and train drivers, electricity and fuel. Paying out interest, primarily on bonds, is 15% or \$84 million of the total expenses by function. MARTA finances most of its capital equipment and rail

construction with bond funds; thus, interest expense is expected to represent a significant portion of total expenses. General and administrative expenses include, but are not limited to, salaries and benefits for administrative personnel, office materials and supplies and casualty reserves. These expenses account for 13% or \$73 million of total expenses by function, decrease of \$10 million over FY 2016; this is primarily due to decline in general and administrative expenses related to capital projects. Other expenses comprised 7% of total expenses which is 1% more than last fiscal year.

Total Expenses by Function

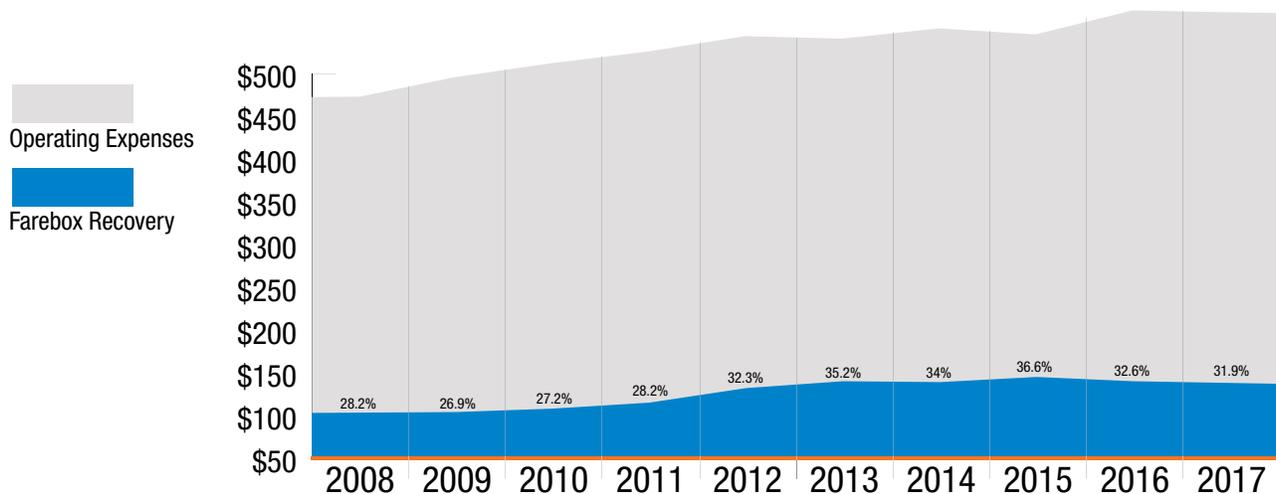


FAREBOX RECOVERY PERCENTAGE

Last Ten Fiscal Years (Dollars in Thousands)

Fiscal Year	Farebox Revenue	Percent Change	Operating Expenses	Percent Change	Farebox Recovery
2008	\$103,963	(0.7)%	\$368,767	12.1%	28.2%
2009	105,235	1.2	390,923	6.0	26.9
2010	109,546	4.1	403,360	3.2	27.2
2011	115,828	5.7	410,462	1.8	28.2
2012	132,870	14.7	411,476	0.2	32.3
2013	140,697	5.9	399,742	(2.9)	35.2
2014	140,318	(0.3)	412,742	3.3	34.0
2015	146,417	4.3	400,157	3.0	36.6
2016	141,360	(3.5)	433,099	8.2	32.6
2017	137,914	(2.4)	432,955	(0.0)	31.9

This chart shows the percentage of MARTA's operating expenses that are paid by the revenue obtained from the passenger fare.



RAIL MAP





METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

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