

Resolution No: 78

Submitted By:

The Honorable Eric Garcetti, Mayor of Los Angeles, CA

The Honorable Michael B. Coleman, Mayor of Columbus, OH

The Honorable Michael A. Nutter, Mayor of Philadelphia, PA

The Honorable Edwin M. Lee, Mayor of San Francisco, CA

The Honorable Carolyn Goodman, Mayor of Las Vegas, NV

The Honorable Stephanie Rawlings-Blake, Mayor of Baltimore, MD

The Honorable Kasim Reed, Mayor of Atlanta, GA

AMERICA FAST FORWARD TRANSPORTATION BONDS

1. **WHEREAS**, every \$1 billion of investment in the nation's transportation infrastructure supports 36,000 jobs, generates nearly \$500 million in federal, state, and local tax revenues, and confers significant benefits to cities, including supporting economic growth and goods movement; and improving quality of life by helping to alleviate traffic congestion; and
2. **WHEREAS**, the Highway Trust Fund has insufficient resources to maintain the current level of federal spending on surface transportation, much less help fund major new investment initiatives; and
3. **WHEREAS**, the fiscal and budget realities confronting both the Administration and Congress require new innovative, targeted federal financing tools for transportation infrastructure that minimize impacts on the federal budget and maximize new job creation; and
4. **WHEREAS**, Federal tax incentives can be a highly effective tool for encouraging private sector investment and, unlike direct federal spending, do not require growing the size of the federal government to administer them; and
5. **WHEREAS**, Congress has created over \$35 billion of qualified tax credit bonds with bipartisan support for a variety of sectors including: school construction, renewable energy, as well as forestry and energy conservation; and
6. **WHEREAS**, America Fast Forward Transportation Bonds would support the creation of a 21st century national surface transportation system by creating a new category of qualified tax credit bonds to stimulate investment in highways, transit, bridges, freight, and intermodal facilities; and
7. **WHEREAS**, America Fast Forward Transportation Bonds would be a \$45 billion program over 10 years where the federal government pays all or most of the annual "interest" due on the bonds in the form of an annual non-refundable tax credit against the investor's federal tax liability; and
8. **WHEREAS**, 35 percent of the volume would be allocated to all states based on

their proportion of the nation's population, and 65 percent would be allocated at the discretion of the Secretary of Transportation among projects; and

9. **WHEREAS**, America Fast Forward Transportation Bonds should enable a project sponsor to undertake substantially greater investments within a defined revenue stream for debt service payments than other borrowing approaches, such as traditional tax-exempt bonds; and

10. **WHEREAS**, America Fast Forward bonds would generate at least 500,000 private sector jobs nationwide; and

11. **WHEREAS**, America Fast Forward bonds have received support from hundreds of mayors across the country and diverse groups including, the National League of Cities, US Chamber of Commerce, Building America's Future, National Association of Regional Councils, National Association of Counties and others,

12. **NOW, THEREFORE, BE IT RESOVED**, that The U.S. Conference of Mayors urges Congress to create a new category of qualified tax credit bonds for transportation to stimulate infrastructure investment, which would include:

- a. \$45 billion program over 10 years; and
- b. Federal government pays all or most of the annual "interest" due on the bonds in the form of an annual non-refundable tax credit against the investor's federal tax liability; and
- c. 35 percent of the volume would be allocated to all states based on their proportion of the nation's population, and 65 percent would be allocated at the discretion of the Secretary of Transportation among projects; and
- d. Eligible projects would include: highways, bridges and tunnels; transit and intercity passenger bus or rail; and intermodal freight transfer facilities and private freight facilities conferring a public benefit.

Projected Cost: Approximately \$7.5 billion over 10 years