



MISSING INFRASTRUCTURE TOOLS FOR CITIES

Through no fault of their own, cities could lose out on critical infrastructure funding simply because they do not have access to “self-help” tools.

Some localities can tap into “self-help” local revenue-raising and financing mechanisms, such as local sales tax, local income tax and public-private partnerships, yet many cannot due to structural and state limitations.

With our nation’s road, transit, water and other infrastructure in critical need of repair, new federal infrastructure investment is welcome news. While cities raise significant funding for infrastructure already, there is a gap left by rapid deterioration of existing infrastructure assets and an increasing need for new and expanded systems. This, matched with a receding federal partnership and limitations on the types of tools available to cities to fund and finance infrastructure, requires that Congress’ new infrastructure investment proposal:

- 1 Recognize that cities have uneven access to funding and financing tools.**

The ability of cities to meaningfully address infrastructure challenges is bound by levers authorized to them by states. For example, local option sales taxes are authorized to cities in 29 states, whereas a local option fuel tax is authorized in only 16. States and the federal government must make sure all tools to finance infrastructure are available to cities.
- 2 Maintain and enhance the local-federal partnership.**

Cities are financing two out of every three infrastructure projects, but a strong federal partnership is essential to create a seamless, integrated and efficient network of infrastructure that meets our national economy’s needs.
- 3 Drive smart and locally-driven infrastructure upgrades.**

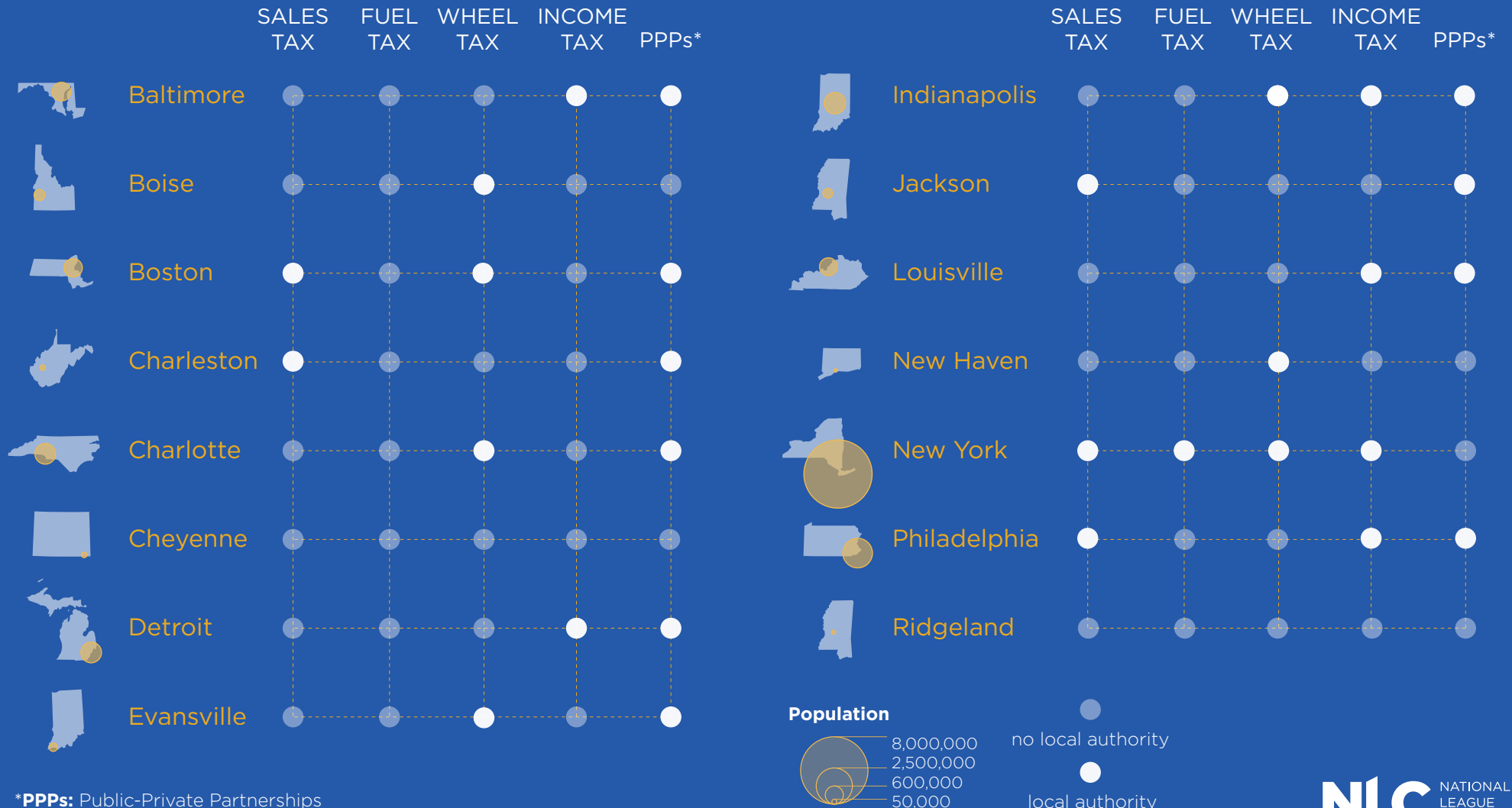
City leaders are best positioned to identify where infrastructure needs are greatest and should be given a stronger voice in how limited federal dollars are spent. They are often leading the way with smart city investments that can unlock congested corridors, fill the holes in our broadband map and make replacements to our pipes before they burst.

UNEVEN ACCESS TO SELF-HELP TOOLS

A complex array of state laws prevent cities of all sizes from using local funding and financing measures without state authorization. To illustrate these missing tools, we've collected details on 15 sample cities' authority to use four common taxes and public-private partnerships. Some cities are missing all of these tools. However, even if

a city technically has access to a funding source it may not work for infrastructure or be adjustable to accommodate more investment. This exercise shows a very different ability to "self-help" from city to city raising fair questions about how to compete for funding in an infrastructure package that prioritizes it.

MISSING INFRASTRUCTURE FUNDING TOOLS IN FIFTEEN SAMPLE CITIES



*PPPs: Public-Private Partnerships