

Maximizing local investments to create jobs

INNOVATIVE FEDERAL FINANCING TOOLS
NEEDED TO STRETCH LOCAL INVESTMENTS



Provide innovative federal financing tools to allow transportation agencies to leverage local dollars to accelerate the delivery of critical transportation projects and jump-start the economy.



Getting the most out of federal dollars

In today's era of limited financial resources, minimizing impacts to the federal budget and maximizing the creation of jobs is paramount. Infrastructure projects are unmatched in their ability to help boost the economy immediately. For every \$1 billion invested in transportation, 18,000 jobs are created or saved.

A federal partnership that provides innovative financial tools will help states and local agencies do more with the same amount of money and create much-needed jobs sooner.

Innovative and cost-effective tools needed to leverage existing local dollars

Counties throughout California and the rest of the nation raise millions of dollars locally for transportation projects every year that, if leveraged by tools from the federal government, could accelerate job creation and deliver critical transportation projects sooner. These projects reduce gridlock, improve air quality and meet our goals to increase exports.

Through local sales tax measures, Southern California alone has raised \$2.3 billion in FY 09/10 for local infrastructure improvements. Innovative financing tools from the federal government will help stretch tax dollars further without any major impact to the federal budget.

Southern California's self-help agencies have excellent credit rating and are ideal borrowers for the federal government.

Reauthorize Build America Bonds

Build America Bonds allow states and local governments to issue taxable bonds for capital projects with a federal subsidy for a portion of the borrowing costs. A renewal of this expired program is needed to reduce debt-service costs to agencies, enabling them to invest in more job-creating projects.

Create Qualified Transportation Improvement Bonds

Congress to date has authorized qualified tax credit bond programs totaling in excess of \$36 billion for forestry conservation, renewable energy projects, energy conservation and new school construction. The creation of Qualified Transportation Improvement Bonds (QTIB) would represent a sixth new class of such bonds. QTIBs would dramatically improve the ability of transportation agencies to build projects that will enhance the mobility of millions of Americans and simultaneously create thousands of jobs. QTIBs will not only stimulate greater economic investment nationwide, but will also take pressure off of conventional federal grant programs.

Enhance and expand TIFIA program

By enhancing and expanding the current Transportation Infrastructure Finance and Innovation Act (TIFIA) the federal government will meet the positive demand to finance transportation projects, both highway and transit, that will create thousands of jobs and improve our nation's aging transportation infrastructure. A flexible TIFIA program is needed that can move forward individual projects or a unified collection of projects. Further, an enhanced and expanded TIFIA program should be fully funded (at least \$375 million annually) to meet the current high demand for TIFIA loans.

MAXIMIZE local investment

The below chart shows estimated revenue from local sales tax measures that, if supplemented by federal financing tools, could accelerate projects and the creation of jobs.

County	Estimated Annual Revenue FY 09/10
Imperial	\$9 million
Los Angeles	\$1.7 billion
Orange	\$216 million
Riverside	\$112 million
San Bernardino	\$106 million
San Diego	\$204 million
Total	\$2.3 billion



MORE INFORMATION

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