THE UNITED STATES CONFERENCE OF MAYORS

Leadership for America: Mayors' Agenda for the Future

Infrastructure Chapter
February 2018

THE UNITED STATES
CONFERENCE OF MAYORS

The U.S. Conference of Mayors is the Official nonpartisan organization of Cities with a population of 30,000 or more. There are more than 1,400 such cities in the country today, with each represented in the Conference by its chief elected official, the Mayor.

MAYORS' PLAN TO FIX OUR CRUMBLING INFRASTRUCTURE

The United States faces and $4.6 trillion shortfall in infrastructure funding, and our cities require major investments in our infrastructure to ensure public safety and continued economic growth.

Public investment in infrastructure must make the lives of all Americans – not just those living in cities, but those who work in them and the communities that surround them – better. Public investment in infrastructure makes communities safer, creates jobs, help small businesses expand, and grows our economy. For too many years, underinvestment in our roads, bridges, transit systems, waterways, and drainage systems has resulted in additional deterioration or delayed maintenance that has cost local taxpayers money and hurt our economic growth.

Federal infrastructure funding as a percentage of GDP is at one of the lowest points of the last fifty years. If we are to remain the leader of the global economy, a significant increase in federal funding is a critical first step. Working with our federal partners, Mayors are ready to maximize any federal funding and are eager to work with our partners in Washington to be innovative and efficient and to optimize the value of our combined investment in our nation's infrastructure.

As outlined in the *Mayors' Agenda for the Future*, The U.S. Conference of Mayors calls on President Trump and the United States Congress to:

- **Pass a major infrastructure package** that starts investment in the $4.6 trillion shortfall in America;
- **Prioritize economic growth** by maximizing direct federal investments to cities and counties for priority infrastructure projects that will support low- and moderate-income neighborhoods and provide the infrastructure improvements residents and businesses require;
- **Foster more collaboration and partnerships** by creating "Community Workforce Agreements" with business and labor groups to build partnerships through infrastructure investments that will promote local hiring, create career pathways through training and economic development, and improve construction standards;
- **Provide flexibility for cities** to partner with private companies to create innovative solutions to address energy, resilience, broadband, and water and sewer issues in a comprehensive and affordable manner;
- **Protect our communities** through policy and community resilience programs that will help prepare cities for climate-related threats, reduce greenhouse gas emissions, and support renewable technologies that alleviate the impacts of global warming and expand our economy; and
- **Generate new jobs and career pathways** while improving construction standards, worker training and safety, and efficiency.
- **Affirm existing federal infrastructure commitments**, especially ensuring the long-term solvency of the federal transportation trust fund supporting highway, safety, and transit investment.

FIX OUR CRUMBLING INFRASTRUCTURE

KEY STATS

Metro areas are growing faster than ever before.

- Total metro area population will grow by 24% (66.7 million) from 2016 to 2046 and will be especially fast in some of the nation's largest metro areas. For example, population will grow by more than 50% in the Dallas, Houston, Phoenix, Riverside, Austin, Orlando, and San Antonio metro areas.
- By 2046, 72 metro areas will have a population exceeding 1 million, compared to 2016, when only 53 achieved this threshold. And by 2046, five metro areas will have over 10 million people.

Cities and metropolitan regions are drivers of economic growth for our country.

- Metropolitan regions contribute 91% of the production of goods and services that make up the nation's total gross domestic product (GDP).
- During the next 30 years, 93% of U.S. economic growth will occur in metro areas. Due to their density, investment in metropolitan regions lowers the costs of doing business, stimulating further business activity and economic growth.
- In 1980, only 56% of vehicle miles traveled in the U.S. were in urban and suburban areas, but with rapid economic growth in major cities and their regions, that share grew to 70% in 2015.
- The total congestion cost, which is the value of wasted time and fuel, is estimated to have cost U.S. urban areas $160 billion in 2014, or $960 per commuter. The total cost to the U.S. economy equals 0.91% of GDP.

WHY INFRASTRUCTURE MATTERS

Public investment in infrastructure must make the lives of all Americans – not just those living in cities, but those who work in them and the communities that surround them – better. Public investment in infrastructure makes communities safer, creates jobs, help small businesses expand, and grows our economy.

For too many years, a lack of investment in our roads, bridges, transit systems, waterways, and drainage systems has resulted in additional deterioration or delayed maintenance that has cost local taxpayers money and hurt our economic growth. The American Society of Civil Engineers (ASCE) has consistently graded this country's infrastructure as failing since 1998.

The 2017 grade of D+ comes with the estimate of an overall investment need of $4.6 trillion by 2020 to rebuild our nation's infrastructure and protect our communities. According to ASCE's latest report, the annual economic impact from 2016 to 2025 is approximately $3,400 in disposable income annually for each American household.

Washington, D.C., should be able to agree on the need to address our failing infrastructure. Yet mayors are concerned at the lack of meaningful progress, and cities and metro areas are forced to carry the burden of the federal government's inability to act.

- Schools, roads, bridges, transit systems, levees, dams, and sewer and water systems all are at risk in cities, towns, and communities in every part of our country.
- Local governments, big and small, spend $115 billion a year ($316 million a day) on water and sewer infrastructure alone, compared to only $2 billion in loans from the federal government.
- Today, 65% of America's roads are rated in less than good condition, 25% of our bridges require significant repair or can't handle traffic, and 45% of Americans lack access to transit.
- By 2020, 70% of the dams in the United States will be more than 50 years old.
- The Federal Communications Commission's 2016 Broadband Progress Report found that over 30 million Americans still lack access to adequate broadband service and 40% of the people living in rural areas and on tribal lands do not have access to service at the FCC's speed benchmark.
- U.S. ports support more than 23 million jobs and $321 billion in tax revenues annually, with $4.6 trillion annually in economic activity related to our seaports.
- In 2014, 604 million tons of waterborne cargo transited our inland waterways, a volume equal to roughly 14% of all intercity freight and valued at nearly $232 billion.

This goes well beyond the inconvenience of bumpy streets or worn-out airports. There are life-and-death consequences when we choose not to properly invest in infrastructure. In 2013, The U.S. Conference of Mayors Water Council issued a report estimating almost 100 million more residents are dependent on aging water systems than in 1972 when the Clean Water Act was adopted, and our levees, dams, and bridges are a public safety risk that could fail at any time.

Local government is modern, efficient, and adept at leveraging public investments. For every dollar in CDBG the federal government invests directly into local areas, mayors and other local leaders leverage $3.65 in other public and private sector monies.[1] When funds are directed locally, the $3 billion annual budget currently allocated by the Department of Housing and Urban Development generates over $10 billion in investments across America.

Better yet, technology has changed the way we operate in this country. Increasingly, we have access to more data that allows us to invest resources more strategically and measure performance of government in public safety, job growth and training, infrastructure and housing, and public health. By using data to select catalytic projects that increase health and resilience in distressed neighborhoods and create opportunities for struggling workers, mayors can leverage precious resources to create maximum impact on people, neighborhoods, and regional economies.

Our public infrastructure systems deteriorate year after year while more and more Americans move into cities and metro areas. Direct and flexible investment in local governments – both large and small – is the quickest and most efficient way to get ahead of the problem, put people to work, and grow our economy.

The nation's mayors are committed to investing in infrastructure projects that secure our cities, increase the resilience of our neighborhoods, and create jobs. The federal government must recognize its role:

1. http://www.coscda.org/documents/CDBG%20Coalition%20Transition%20Memofinal12-5-16.pdf

Pass a major infrastructure bill that invests in public infrastructure projects and prioritizes projects that make our communities more resilient.

Mayors are ready to partner with the federal government in this challenge and prove that we still have the wherewithal to do big things in this country. Our country has a choice – we can make the necessary investments to rebuild our infrastructure, create jobs, and build stronger and safer communities, or we can continue to pass the burden on to future generations as the price tag and risks grow.

We cannot push this on future generations. A minimum **direct and immediate investment of at least $1 trillion** is necessary to start the process of rebuilding America's communities. This is essential if we want to make our economy stronger, our communities healthier, and our country more secure.

- **Allocate additional resources directly to cities and counties through the CDBG program**, stipulating that these additional funds be first used to invest in low- and moderate-income neighborhoods to accelerate infrastructure improvements and make neighborhoods more "investment ready." Such commitments to address street safety concerns and expand mobility options can help address income inequality, specifically by improving access to jobs and lowering household transportation costs.
- **Direct additional funds beyond what the FAST Act provided to the Surface Transportation Block Grant Program – currently funded at $11.4 billion annually.** Bolster the flexible surface transportation funds available to local leaders in their urban and local areas and the states as they work to undertake needed bridge, road, transit, and technology projects to expand mobility options and combat growing congestion in local areas, especially those areas expected to absorb a disproportionate share of the nation's future population growth in urban/metro areas, as well as those rural and suburban areas that have experienced economic decline.
- **Prevent any efforts to cap or limit tax-exempt municipal bonds:** depend on tax-exempt municipal bonds to finance critical infrastructure, such as schools, hospitals, water and sewer facilities, roads, mass transit systems, and public power projects. Proposals to cap, limit, or eliminate the deduction of interest earnings from tax-exempt bonds would significantly increase the cost on state and local government for borrowing on these critical projects.
- **Support the use of public-private partnerships to develop public buildings:** HR 960 and S 326, the Public Building Renewal Act of 2017, will spur private investment in rebuilding our nation's unsafe and dilapidated public buildings by making them eligible for exempt facility bonds.
- **Increase funding commitments to support continued research.** Studying construction product longevity and environments will help mayors and local leaders maximize resources, plan and build better more sustainable and durable roads, and create investment-ready plans for new technologies and opportunities, such as autonomous vehicles.
- **Increase the size of the TIFIA program** to meet all projected eligible demand and significantly reform the program to create response times comparable to private-sector lending institutions and to improve efficient administration and borrowing flexibility.
- **Accelerate delivery of transit projects** by making the Federal Transit Administration's Expedited Project Delivery for Capital Investment Grants Pilot Program universally available to all transit projects receiving federal funds.

- **Increase capital commitments to the nation's airports** by increasing funding for the Federal Aviation Administration's Airport Improvement Program (AIP), capital grants which have been held mostly constant since 2001, and allow airport operators more flexibility to raise capital locally through fees and other charges to support airport maintenance and expansion projects.
- **Reestablish a federal-state-city partnership to address energy, resilience, affordable broadband, and water and sewer issues in a comprehensive and affordable manner.**
    - Direct and flexible financial resources will help cities become more resilient to a multitude of natural disasters by making energy infrastructure systems more resilient to withstand catastrophic events while maintaining critical city services.
    - Local governments should be allowed to develop comprehensive (or integrated) water and wastewater plans that balance public health and environmental needs with long-term spending and financial capability/affordability limits.
    - Reject efforts to preempt local government property management and proprietary rights.
- **Expand the State Revolving Loan Fund by directing at least $5 billion in additional funding to low- or no-interest grants to State Revolving Fund loans for local priorities.** Direct and flexible funding will allow cities to leverage more private sector partners and address the most critical infrastructure needs of our communities.
- **Fully fund the Water Infrastructure Finance and Innovation Act at its authorized level.**
- **Increase the Army Corps of Engineers funding** to upgrade and modernize the nation's inland waterway system and annually spend the full amount of fees collected through the **Harbor Maintenance Trust Fund** on port modernization and maintenance activities. In addition, unlock the $9 billion surplus in the HMTF to modernize port infrastructure nationwide.
- **Target significant new funding and streamline project delivery** for ports and multimodal infrastructure that deliver significant economic impact for the nation and unlock key export centers underserved by existing facilities. Projects could include road and rail connectors, on-dock rail, upgrading and maintaining berths, and digital industrial infrastructure.
- **Fully fund the Port Security Grant Program.**
- **Ensure adequate Customs and Border Protection staffing at port facilities.**
- **Develop a national broadband strategy to ensure that every community across America has access to high-speed broadband service.** Access to high-speed broadband service in every community is essential to our ability to provide quality education, create more jobs, increase small business growth, and compete in the global economy. The U.S. has plenty of broadband capacity in the "long haul" routes, but fiber connections rarely reach homes and small businesses. Local governments are central players in ensuring that the "last mile" connection to homes and businesses is achieved. Local communities must have the option to own and operate public broadband networks. Broadband is the essential foundation for our digital economy – taking its place alongside other municipal utilities such as water, sewer, and power. Any existing prohibitions on local government communications initiatives must be abolished.

- **Prioritize investments in the security, resilience, and increased efficiency of our nation's energy supplies and distribution.** To ensure that cities and their regions remain the nation's economic drivers, local infrastructure and buildings must function efficiently and effectively, and energy is at the heart of this system. Electric power, liquid fuels, and natural gas are all required to operate buildings, transportation systems, communications systems, and water and wastewater treatment facilities. As cities face dangers, from extreme weather events and natural disasters like earthquakes and wildfires to technological and human-caused hazards, resilience measures must be incorporated into plans for economic development, zoning, and emergency management, with a growing emphasis on increased local energy production and energy efficiency.

- **Direct additional resources to local government** to support job growth and workforce training programs with the business, community college, and nonprofit communities to ensure that all available federal transportation and infrastructure dollars reach the communities with the most need.

In guiding public infrastructure investments, The U.S. Conference of Mayors supports the principles outlined by the American Society of Civil Engineers in its 2017 report card, including:

- Create incentives for state and local governments and the private sector to invest in maintenance, and to improve the efficiency and performance of existing infrastructure.
- Develop tools to ensure that projects most in need of investment and maintenance are prioritized to leverage limited funding wisely.
- Streamline the project permitting process across infrastructure sectors, with safeguards to protect the natural environment, to provide greater clarity to regulatory requirements, bring priority projects to reality more quickly, and secure cost savings.
- Identify a pipeline of infrastructure projects attractive to private sector investment and public-private partnership.
- Develop active community resilience programs for severe weather and seismic events to establish communications systems and recovery plans to reduce impacts on the local economy, quality of life, and environment.
- Consider emerging technologies and shifting social and economic trends – such as distributed power generation and storage, autonomous vehicles, and even larger ships – when building new infrastructure, to ensure long-term utility.
- Improve land use planning at the local level to consider the function of existing and new infrastructure, the balance between the built and natural environments, and population trends in communities of all sizes, now and into the future. Ensure that communities – especially marginalized and disadvantaged communities – are engaged in the development process.
- Support research and development into innovative new materials, technologies, and processes to modernize and extend the life of infrastructure, expedite repairs or replacement, and promote cost savings.

Support resilient and sustainable growth through investment and policies that recognize the impact our climate has on our collective health, safety, and economic future.

Climate change is one of the greatest threats to our coastal communities, nation, and world, and we need coordinated action at all levels of government to meet the scale of its challenge. To ensure that cities and their regions remain the nation's economic drivers, local infrastructure and buildings must function efficiently and effectively, and energy is at the heart of this system. Electric power, liquid fuels, and natural gas are all required to operate buildings, transportation systems, communications systems, and water and wastewater treatment facilities. In short, the security and resilience of these energy supplies, distribution, and the efficient use of these resources are essential to a city's resilience.

As cities face dangers, from extreme weather events and natural disasters like earthquakes and wildfires to technological and human-caused hazards, resilience measures must be incorporated into plans for economic development, zoning, and emergency management, with a growing emphasis on increased local energy production and energy efficiency. Transition to renewable energy and new energy technology, such as energy storage, will help to enable a more reliable energy grid for the nation and improve energy security within our cities.

In December 2015, 464 mayors from 115 countries gathered in Paris, France, to affirm their commitment to address climate disruption. Mayors across the country have vowed to continue to support efforts to reduce greenhouse gas emissions and work for stronger and more resilient communities by recognizing the economic and health benefits of stronger climate policy. Investment and policies that support the country's infrastructure should prioritize resiliency and sustainability, through:

- strong federal action to achieve the U.S. commitments under the Paris Agreement;
- local action to achieve the targets in the Paris Agreement;
- expanded federal funding to transform transportation systems to be clean and low carbon, including funding for expanding transit and electrifying mobility for people and goods through strategies that prioritize equitable outcomes;
- federal tax credits for solar, wind, and geothermal renewable energy resources to grow high-wage American jobs and reduce air pollution; and
- federal action, including funding, to help cities prepare for the impacts of climate change, such as increased flooding, extreme heat, and drought.

Reestablish a federal-state-city partnership to support the transition to renewable energy: The transition to renewable energy (solar, onshore/offshore wind, geothermal, and wave energy) cuts across the entire city agenda (safety, infrastructure, workforce, and equitable and resilient communities). Indeed, renewable energy represents an enormous economic opportunity for our nation and our nation's cities to create jobs in an emerging industry, increase economic security, expand prosperity for local residents, reduce air pollution and associated public health risks, reduce strain on water resources, save households and consumers money, improve the resiliency of our nation's cities, and address environmental justice challenges in communities. Cities and mayors have been at the forefront of public policy innovation related to renewable energy and must continue to lead in this area. Nevertheless, mayors will need a strong and innovative federal partner to ensure that our nation completes the transition to renewable energy and fully reaps all the benefits of that transition, which should include new innovations such as energy storage, which will help to enable a smarter, cleaner, and more reliable energy grid for the nation and improve energy security within our cities.

- **Renew investment tax credits for solar and the production tax credit for wind.** Develop new tax incentives for energy storage and other technologies that promote grid stability.
- **Support transportation electrification and investment in charging infrastructure.**
- **Increase Department of Energy and other agencies efforts to work with utilities on protecting the grid from cyberattacks.**
- **Recommit resources to the Energy Efficiency and Conservation Block Grant Program.**

Generate new jobs and improve construction standards, worker training, and safety and efficiency.

Public investment in infrastructure must benefit every community, promote workforce development, create more efficiency, and increase overall economic growth. In communities across America, mayors will continue to work with business and labor partners, faith-based leaders and nonprofit communities, and high schools and community colleges to create Community Workforce Agreements that will:

- Create apprenticeship and job-training programs that prepare our underserved populations (women, people of color, transitioning veterans, disconnected youth) for jobs that exist today and put them on a pathway to a successful career.
- Support efforts to grow the economy by investing in broadband coverage for every community and tailoring our workforce development to support industries that exist in our cities and understand how technology disruptors, population growth, and social needs of our community will impact future workforce participants as well.
- Insist on worker safety and productivity to improve construction standards, avoid costly over-runs, and complete publicly funded projects on time and within budget.

Across the country, there are shovel-ready projects that will help our most distressed neighborhoods compete for new jobs and businesses, and will make our residents safer. Smart and targeted investments in infrastructure can create more opportunities for those in poorer neighborhoods to access jobs and will bring metropolitan and other local communities together to help bridge urban, suburban, and rural cultural and economic divides. More importantly, investing in the infrastructure of neighborhoods and places with the greatest need will have the strongest impact on entire communities. The federal government can do more to generate job growth from infrastructure investment by directing additional resources to local government to support job growth and workforce training programs with the business, community college, and nonprofit communities to ensure that all available federal infrastructure dollars reach the communities with the most need.

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LOCAL RESULTS, NATIONAL VISION

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