October 12, 2017

Dear Chairman Hatch, Chairman Brady, Ranking Member Wyden, and Ranking Member Neal,

We are writing to express our strong support for H.R. 960 and S. 326, the Public Building Renewal Act (PBRA) of 2017, which will spur private investment in rebuilding our nation’s unsafe and dilapidated public buildings.

As Mayors, we are responsible not only for directing the strategic infrastructure decisions made in our cities, but also protecting the public interest. We support this legislation because it catalyzes private investment in renewing critical buildings—such as schools, courthouses, universities, city halls, and civic centers—while ensuring vital public assets remain in public ownership.

Presently, the use of public-private partnerships (PPPs) to develop public buildings is restricted because, unlike transportation infrastructure projects, public buildings are not currently eligible for exempt facility bonds. This unnecessary impediment prevents public building PPPs from combining tax-exempt financing with private, taxable financing, resulting in an increased cost of financing that is passed on to our state and local governments.

Public buildings shape our cities—enabling education, ensuring justice and safety, healing the sick, and enlivening our communities with culture. The US Green Building Council recently reported that over $45 billion in additional funding is needed annually to upgrade and maintain schools to ensure for health and safety. In their 2017 report, the American Society of Civic Engineers gave the U.S. a D rating for its school facilities, noting that at least 24% of schools are in poor condition. Further, medical facilities continue to experience difficulty accessing capital, and 67 percent of our hospitals have been unable to start or continue capital projects that stalled as a result of the Great Recession.

Over the past six years, performance based PPPs have facilitated more than $33 billion in innovative transportation infrastructure projects, creating thousands of U.S. jobs. PPP projects have also delivered billions in savings while significantly accelerating project timelines. To date, every U.S.-based PPP transportation project has utilized either TIFIA, or Exempt Facility Bonds.
Given the success of PPPs in the U.S. transportation sector and in delivering public buildings globally, the accessibility of PPPs should be improved to allow our nation’s schools, justice facilities, hospitals, labs and government offices to benefit from these valuable partnerships.

As you may know, Congressman Mike Kelly (R-PA) and 18 other members – eleven Republicans and seven Democrats – have joined together to introduce H.R. 960, the Public Building Renewal Act of 2017. H.R. 960 is a bipartisan proposal that would create $5 billion in Private Activity Bonds for public buildings. Senator Dean Heller (R-NV) has also introduced a companion bill in the United States Senate, S. 326, which has gathered six bipartisan co-sponsors. The Joint Committee on Taxation scored this legislation very well, estimating a cost of only $18 million over five years and $48 million over 10 years.

Our cities have already identified billions in specific public building projects which would significantly benefit this legislation (see attached list for projects).

We ask that you support H.R. 960 and S. 326 and make every effort to help get it enacted this year. We believe that your leadership will be instrumental in encouraging the use of private investment to rebuild our nation’s aging and neglected public buildings.

Respectfully,

Michael B. Hancock
Mayor, Denver, CO

Eric Garcetti
Mayor, Los Angeles, CA

Muriel E. Bowser
Mayor, District of Columbia

Phillip Levine
Mayor, Miami Beach, FL

Levar Stoney
Mayor, Richmond, VA

Mitch Landrieu
Mayor, New Orleans, LA