



Senator Orrin Hatch
Chairman, Senate Cmte on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Senator Ron Wyden
Ranking Member, Senate Cmte on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Congressman Kevin Brady
Chairman, House Cmte on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Congressman Richard Neal
Ranking Member, House Cmte on Ways and Means
341 Cannon House Office Building
Washington, DC 20515

February 27, 2018

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

We are writing to highlight the significant opportunity for the Senate Finance Committee and the Ways and Means Committee to spur private investment in public infrastructure throughout the United States.

As governors, we are responsible for directing the strategic infrastructure decisions made in each of our states. We take our responsibility to be good stewards of every tax dollar collected seriously and have been at the forefront of championing public-private partnerships (PPP or P3) as a means to deliver projects on time, on budget, and with greater value to taxpayers over the long-term.

Presently, the use of 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 which is then passed on to our state and local governments.

Throughout the country, the average public school building is at least 40 years old, and the current backlog of maintenance and repair projects adds up to more than \$45 billion annually in unmet funding needs. In addition, 42 states have significant shortfalls in infrastructure funding for courthouses, which have resulted in facilities that often do not comply with current codes, disability requirements, and often have inadequate security.

Over the past six years, performance based PPPs have facilitated more than \$36 billion in innovative transportation infrastructure projects, creating thousands of U.S. jobs. PPP projects have also delivered states billions in savings

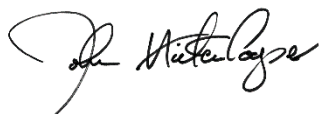
while significantly accelerating project timelines. To date, every U.S.-based PPP transportation project has utilized either TIFIA, or Exempt Facility Bonds.

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 Earl Blumenauer (D-OR), and 28 other members – 17 Republicans and 11 Democrats – have joined together to introduce H.R. 960 – the Public Building Renewal Act of 2017, a bipartisan proposal that would create \$5 billion in Private Activity Bonds for public buildings. 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. Senator Dean Heller (R-NV) and Bill Nelson (D-FL) have introduced a companion bill, S. 326, in the United States Senate which has gathered 8 bipartisan co-sponsors.

We look forward to speaking with you about this important proposal and believe that your leadership will be instrumental in encouraging the use of private investment to rebuild our nation's long-neglected public facilities.

Sincerely,



John Hickenlooper, Governor of Colorado



Brian Sandoval, Governor of Nevada



Paul LePage, Governor of Maine



Rick Snyder, Governor of Michigan



Gary Herbert, Governor of Utah



Gina Raimondo, Governor of Rhode Island



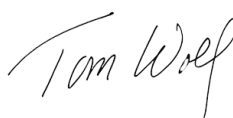
Jeff Colyer, Governor of Kansas



Kate Brown, Governor of Oregon



Doug Burgum, Governor of North Dakota



Tom Wolf, Governor of Pennsylvania

Cc: Members, Senate Committee on Finance, House Committee on Ways and Means, House Transportation Committee, and Senate Environment and Public Works Committee



February 8, 2018

Senator Orrin Hatch
 Chairman, Senate Cmte on Finance
 219 Dirksen Senate Office Building
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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 Buildings 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 Buildings 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



Stephen K. Benjamin
Mayor, Columbia, SC



Buddy Dyer
Mayor, Orlando, FL



Sly James
Mayor, Kansas City, MO



Ted Wheeler
Mayor, Portland, OR



Andrew Ginther
Mayor, Columbus, OH



Steve Adler
Mayor, Austin, TX



John Giles
Mayor, Mesa, AZ



Greg Fischer
Mayor, Louisville, KY

Cc: Members, Senate Committee on Finance, House Committee on Ways and Means, House Transportation Committee, and Senate Environment and Public Works Committee