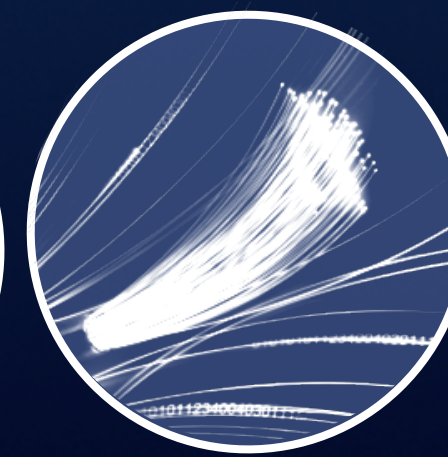


Cities Take the Lead: Innovations in Urban Infrastructure Financing



Disruptive Forces Change the Kind of Investments We Need



Demographic and cultural changes



Economic globalization



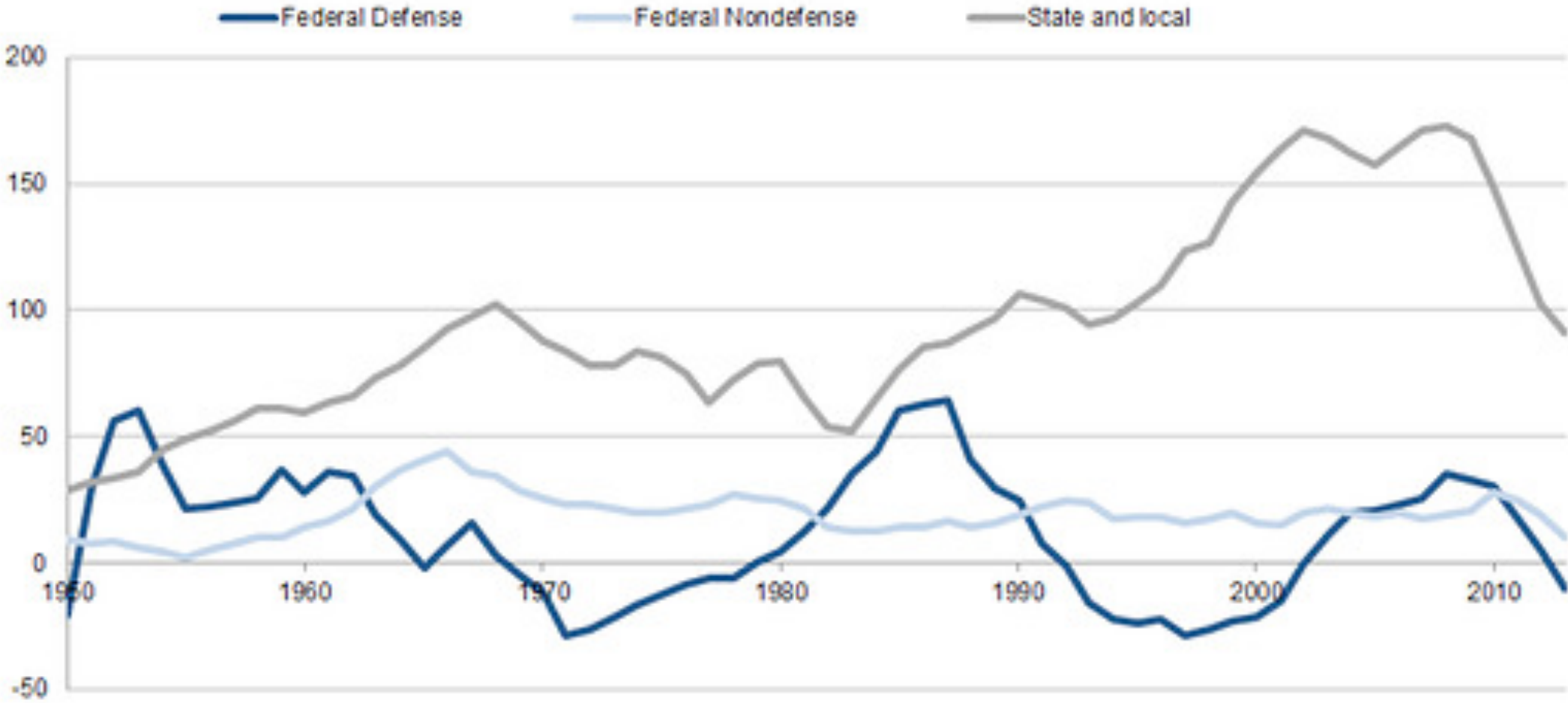
Climate change



Shifts in Funding Change Who Invests

Public Infrastructure Spending: Going Down

Net government investment spending, state & local, federal defense, federal non-defense, billions of 2014 dollars

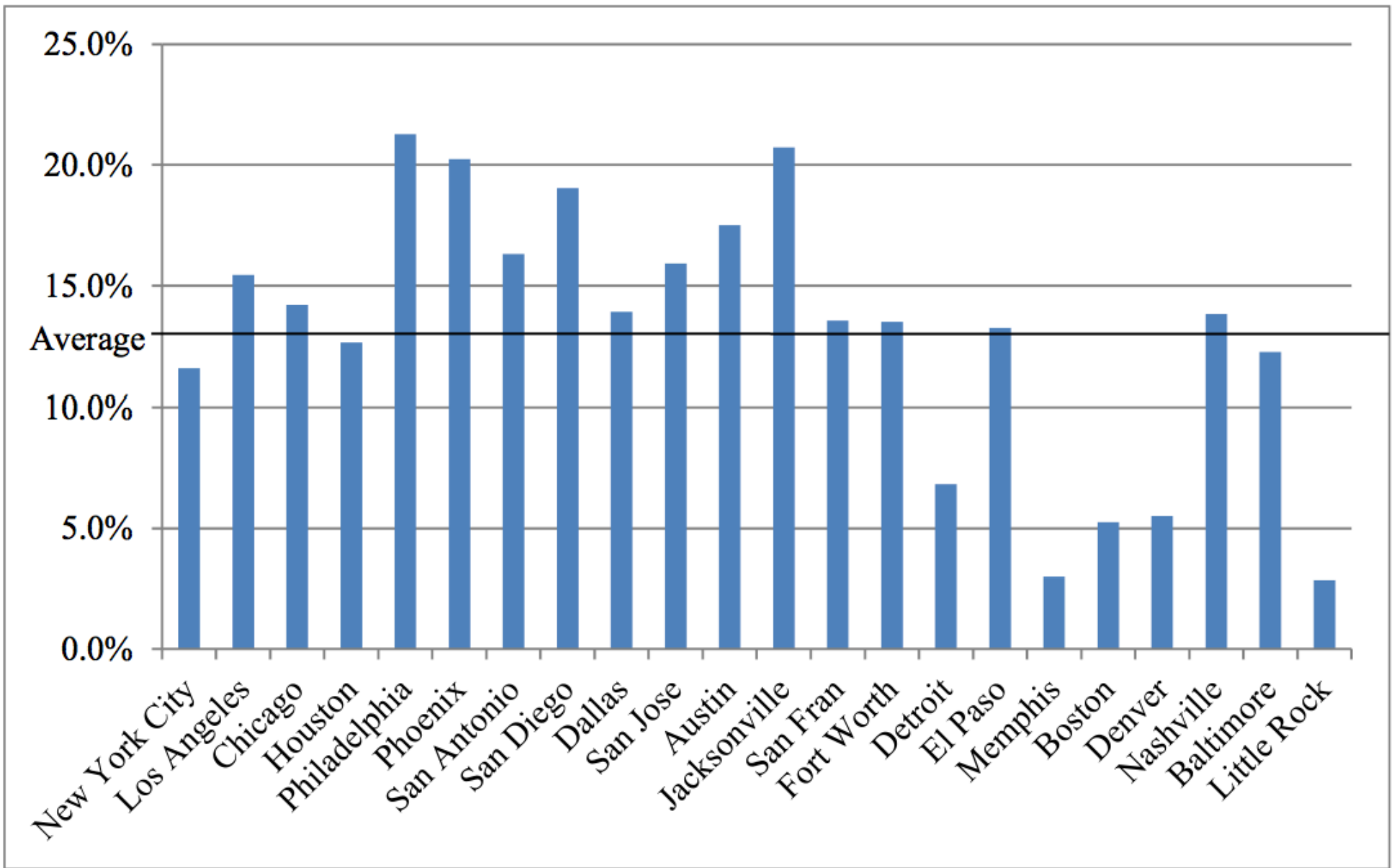


Source: Bureau of Economic Analysis; Hutchins Center on Fiscal & Monetary Policy, Brookings



However, They Have their Limitations: Increasing Legacy Costs

City Pension Spending as Percentage of Budget Fiscal 2013



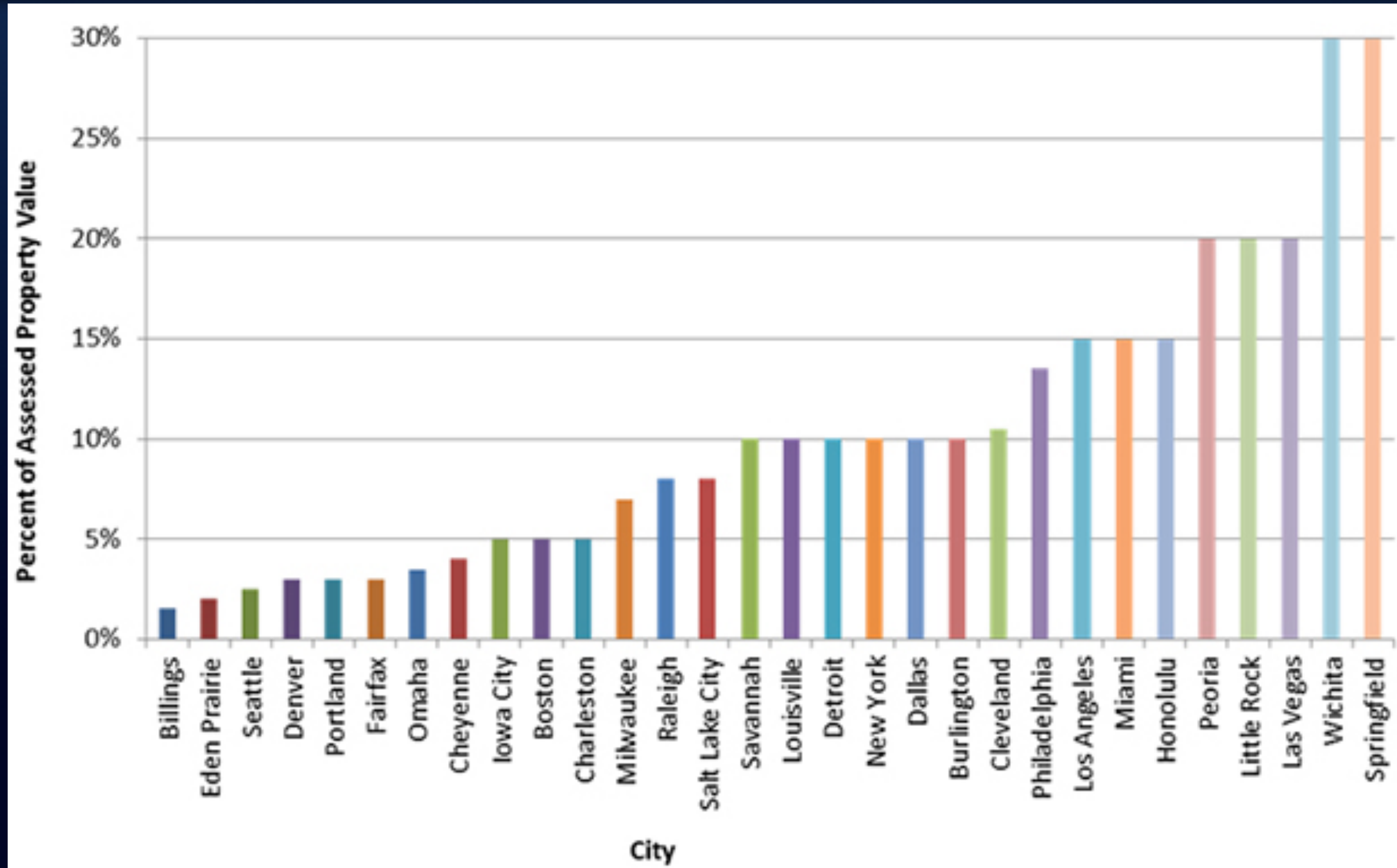
Political Dysfunction



**“I will not tie this city’s future
to the dysfunction in
Washington and Springfield.”**

**Rahm Emanuel
Mayor, Chicago**

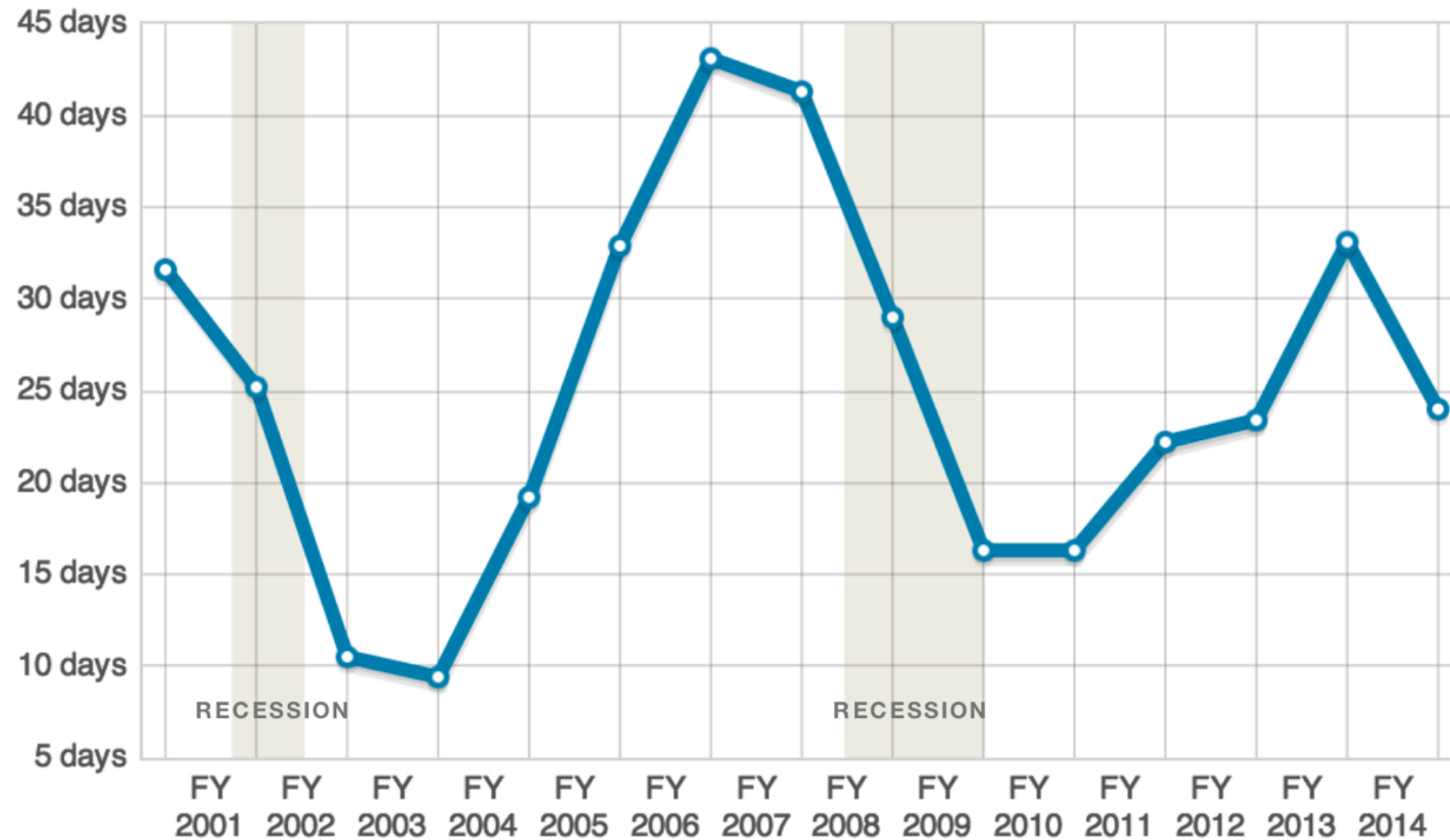
Debt Limits



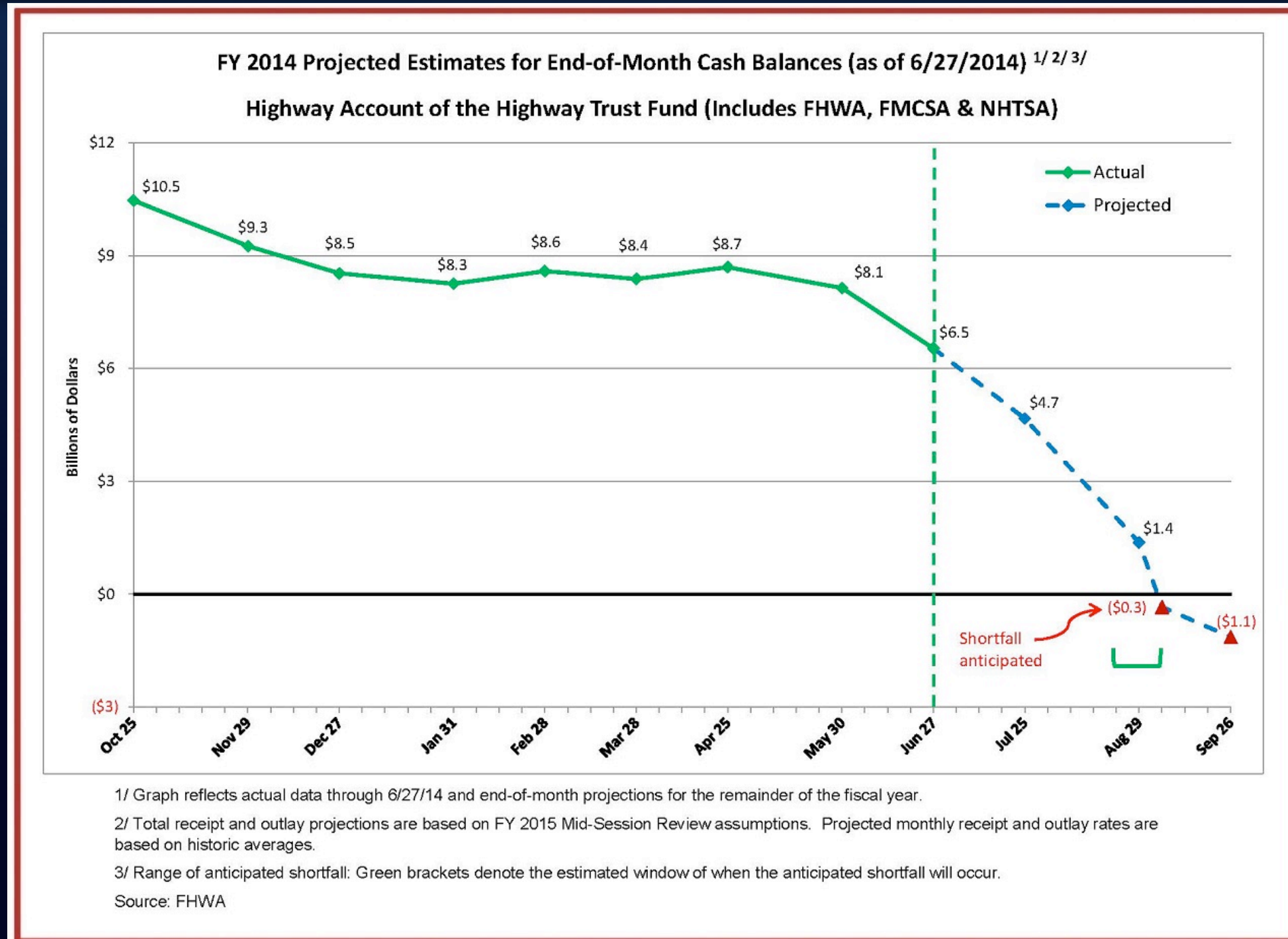
Rebuilding Budgets Post-Recession

Days Each State Could Run on Reserve Funds, FY 2000-14

■ 50-state median



Unreliable Federal Partners



In Response, New Models Are Emerging



New bonding approaches



Dedicated public private partnership units



Infrastructure exchanges



Infrastructure banks and trusts

Each Model is Tailored to Specific Local Needs

Exchanges



WCX

New Bonds



Southern Nevada
Water Authority

Trusts



CIT

PPP Unit



OTP3



Metropolitan Policy Program

at BROOKINGS

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