



Association for the Improvement  
of American Infrastructure

SIMPLY STATED

## The Value of PABs and Private Investment to US Infrastructure

**Simply stated - PRIVATE ACTIVITY BONDS (PABs) are debt instruments issued by State or local governments whose proceeds are used to construct projects with significant private involvement.**

Investments in the Nation's people-centered infrastructure such as public buildings or municipal facilities benefit directly from expansion of capacity through access to tax-advantaged financing resources such as private activity bonds.

Performance-based infrastructure has been the focus of a collection of private firms who work together with elected officials to propose and introduce the companion bills in order to expand eligibility of financing resources to include people-centered infrastructure.

Using P3 procurement to deliver infrastructure brings value by providing cost and schedule certainty, introducing innovative approaches, integrating operations and maintenance concerns in design, and optimizing preventative maintenance and renewal. Access to government sponsored financing ensures the ability for states and municipalities to manage the infrastructure needs of their communities effectively - *enabling public officials to do more with less.*

Private Activity Bonds (PABs) are an essential tool for helping close the financing gap for major infrastructure projects. Issued by or on behalf of local or state governments, PABs help stimulate investment in P3 Infrastructure projects significantly. By providing the private sector with this tax-exempt tool, the Federal government has helped jumpstart many large, complex public infrastructure projects that otherwise may never have been built.

### PUBLIC BUILDINGS

courthouses, hospitals and schools: providing for the tax-exempt financing of certain government-owned buildings

### SURFACE TRANSPORTATION

bridges, highways and transit

### WATER INFRASTRUCTURE

drinking water and wastewater systems