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Potential Uses for Better America Bonds

Financial Benefits of Better America Bonds

Talking About Better America Bonds

Livability Agenda

Better America Bonds offer a creative way for states and communities to preserve open space, create parks, clean up brownfields and improve water quality.

Across America, communities are searching for ways to keep growing while preserving a high quality of life. Among their concerns are revitalizing older neighborhoods, curbing water pollution, and protecting farmland and green space close to home.

Last fall, 240 "green" ballot initiatives were considered in communities across the country. More than 70 percent of these measures to protect open space and enhance local livability were adopted, authorizing \$7.5 billion in state and local spending. These communities were responding, in part, to the astonishing loss of open space that has occurred across the nation. In one 10 year span, 4.3 million acres of prime and unique farmland were lost. That's a loss of nearly 50 acres every hour, every day.

This loss of land has environmental consequences. For example, a one acre parking lot generates 16 times more polluted runoff than a meadow. This runoff washes toxic chemicals and other pollutants into our waters, lakes, and coastal areas, making them unfit for the wildlife that depend on them and unsafe for the families who want to enjoy them.

This spiraling growth has also made our commutes longer and more tedious. We are driving our cars almost 60 percent more than in 1980. EPA estimates that all this extra driving in 10 to 12 years begin to overtake all the gains we have made in reducing air pollution from vehicles.

Americans can lose as much as two full work weeks a year stuck in traffic at a cost to the economy in wasted time and fuel of about \$74 billion.

The Clinton-Gore Livability Agenda - Better America Bonds

As a result President Clinton and Vice-President Gore have proposed a "Livability Agenda" that will give our states and local communities tools they can use to create healthy, livable communities and thriving economies.

The agenda includes a large transportation investment – \$1.6 billion – to reduce congestion, encourage transit and improve air quality, and grants to communities for smart growth planning and a proposal to create a new financing tool called Better America Bonds. These bonds will generate \$9.5 billion in bond authority to preserve open space, protect water quality and clean up brownfields. Communities will pay zero interest and the principal is due in 15 years. Bond holders would receive tax credits from the federal government equal to the amount of interest they would have received from the communities. This tax credit bond provides a deep subsidy for communities as compared to a traditional tax exempt bond. For example, the issuer of a million dollar bond saves more than \$700,000 over fifteen years by issuing a Better America Bond instead of a tax-exempt bond. (This assumes annual payments into a sinking fund at 5%.)

Better America Bonds can be used for three purposes

- **Preserve and Enhance Open Space:** State, Tribal and local governments can create, restore or enhance parks, preserve green spaces, and protect threatened farmland and wetlands. Land can be protected either by acquiring title or purchasing permanent easements.

- **Protect Water Quality: Rivers, lakes, coastal waters, and wetlands** – and drinking water sources – can be restored or protected through measures to reduce polluted runoff, the largest remaining threat to the nations' waterways. Eligible projects to curb runoff include purchase of sensitive lands, wetlands restoration, settling ponds, and the creation of planted or forested buffer strips along the waterways.

- **Clean Up Brownfields: Pressure to develop green space can be eased through cleaning up and redeveloping brownfields** – abandoned, contaminated industrial sites. Communities can assess and clean up brownfields for use as open space or for redevelopment in cases where the brownfields is owned by a local government due to abandonment.

These bonds offer a creative way for states and communities to preserve open space, create parks, clean up brownfields and improve water quality. Local communities can work together in partnerships with land trust groups, environmentalists, business leaders and others to propose a creative and innovative solution to their community's development challenges. Better America Bonds is about the simplest law you could write to do the most good. It's just a quick addition to the tax code.

This is not a big government program. The federal government will not purchase one square inch of land. Nor will it micromanage local zoning and land use decisions. Our states and communities will build this legacy themselves. All decisions will be made at the state or local level. We're just providing them new tools they need to grow in ways that are best for them.

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How the Better America Bonds would be awarded

Bonding authority will be distributed directly to the communities through a competitive process. The Better America Bonds program will be administered in a similar manner as EPA's Brownfields program, which has helped 250 communities leverage more than \$1 billion to clean up and redevelop abandoned properties – and created thousands of jobs as well. All of this without a single new rule or regulation.

To become eligible for a bond allocation, state, local and tribal governments will submit proposals to the Environmental Protection Agency for review in consultation with several other agencies with relevant programs and expertise. Preference will be given to regional proposals that reflect collaborative planning by neighboring communities, particularly partnerships among cities, suburbs and rural areas. EPA will engage in an extensive outreach process with communities and stakeholders to gather input as to how best to structure the program and its application criteria.

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URL: <http://www.epa.gov/bonds/>
Last Updated on April 28, 1999

BETTER AMERICA BONDS
Sample Letter of Support

()'s indicate areas where you can personalize the letter or specify your legislators name & title

The Honorable Connie Mack
United States Senate
Washington, DC 20515

Dear Senator Mack:

I am writing to ask for your support of an important new program, the Better America Bonds, that could help communities like (*your community*) protect open-space, green space, wetlands, and parks. It is our understanding there will be legislation introduced soon in the Senate Finance Committee to enact this open-space tax credit bond program and we would encourage you to consider becoming a co-sponsor of this legislation.

Better America Bonds could provide the funds to help our organization (*give local examples like partner with local government to protect a special place, implement an open-space plan. etc.*)

Many communities in Florida are interested in programs to protect open space. However, local communities cannot do this alone. Local dollars can only go so far. The federal government has a role to play in funding open-space protection. Providing zero-interest bond financing to local communities is a logical way for the federal government to assist local and state governments in new and on-going open-space protection programs.

We ask you to please support and co-sponsor the Better America Bonds legislation, and champion the protection of our natural environment, urban parks, green spaces, communities, and quality of life as we move into the 21st century.

Sincerely,

Your name and title