

# Public Agency Self-Assessment Tool for Value Capture Implementation

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*The Public Agency Self-Assessment Tool was developed to help transportation agencies use value capture to meet funding and financing needs for highway transportation infrastructure.*

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## Objectives and Background

The tool has the following objectives:

- Help public agencies, public-private partnerships, and coalitions assess their readiness to implement value-capture strategies, according to project needs and benefits, magnitude of funding needs, experience with value capture, staff capacity and technical skills, regulatory environment, stakeholder support, and opportunities for stakeholder cooperation.
- Help FHWA understand the range of capacity for value capture among agencies and identify areas of need so it can tailor future outreach to meet those needs.
- Depending on agencies' responses, provide resources to assist with implementing value-capture strategies.

Self-Assessment functions as an “in-take” tool to guide agencies that are new to value capture, as well as those that have been doing quite a bit of it, through an exploration of the key areas of readiness necessary to deploy the range of techniques in an intentional, strategic way. It also provides resources for agencies wanting to better understand the each of these areas of readiness to prepare them to develop/improve/expand their use of value capture.

Upon completion of the Self-Assessment, you will have identified areas that your agency wishes to develop and strengthen. The Capability-Maturity Matrix ([link](#)) can then be used to guide your agency, step-by-step through the processes needed to build capacity in areas of need and advance your agency's use of value capture

If you need assistance in using this tool, contact [Thay Bishop@dot.gov](mailto:Thay Bishop@dot.gov). For more information about FHWA's initiatives supporting value capture, contact [Thay Bishop@dot.gov](mailto:Thay Bishop@dot.gov) or Tel: 404-562-3695

## Self-Assessment Questions

### Funding or Financing Needs

1. How would you characterize the competitiveness of your transportation infrastructure funding environment—in terms of capital costs and construction, and operations and maintenance?

Funding Type	Mildly Competitive	Moderately Competitive	Highly Competitive
Capital costs and construction			
Operations and maintenance			

Definitions *[Definitions will display in hover over or pop-up online]*:

- Mildly competitive—High-priority projects are usually funded in a timely manner; funding is available for projects beyond top priorities; funding is available to meet safety, operations, and maintenance needs.
- Moderately competitive—High-priority projects are sometimes delayed because of funding gaps, but need is met eventually; funding is available to meet safety needs; funding can be difficult to secure for projects of local importance that are not top priorities; maintenance and operations funding can be inconsistent.
- Highly competitive—Significant funding gaps delay and/or sideline high-priority projects; the majority of funding is allocated to safety projects, with little availability of funds for projects focused on improving reliability, accessibility, and/or intermodal connectivity; funding for maintenance and operations is difficult to secure.

2. Please provide an estimate of your agency’s annual funding gap for highway or roadway transportation projects:

Capital costs and construction:     \$ \_\_\_\_\_

Operations and maintenance:     \$ \_\_\_\_\_

3. How would you characterize the magnitude of the funding gap, including the need for local matching funds to leverage other sources, as a proportion of total project need or cost? (Choose the option that most closely describes the typical funding gap.)

0–10%

11–25%

26–50%

Many high-priority projects face a funding gap of 50% or greater

4. To what extent does your agency’s project identification, selection and prioritization process (e.g., long-range plan or STIP) integrate local and regional public policy goals such as land use planning, economic development, affordable housing, equity, and environmental preservation? (Projects that promote other local and regional public goals are often more likely to present opportunities for value capture and create natural constituencies for support—select the option that best describes your agency’s portfolio):

- The project selection process is focused on safety, state of good repair, and addressing access and mobility issues from an engineering perspective; regional public policy goals have very limited influence on project selection and prioritization.
- The project selection process is oriented toward safety, state of good repair, and addressing access and mobility issues from an engineering perspective, but there is some formal consideration of other regional public policy goals, and some transportation projects are selected or prioritized primarily on the basis of these other goals.
- Public policy factors such as land use, economic development, affordable housing, equity, and environmental preservation play a key role in transportation project selection; transportation projects that support and promote other local or regional public policy goals are a significant proportion of planned and proposed projects (e.g., STIP or long-range plan projects).

5. Are there planned or proposed transportation projects in your agency's portfolio that create economic value for identifiable groups of stakeholders such as major employers, institutions, workforce development officials, real estate developers, or businesses relying on transportation hubs?

- Yes
- No

6. If yes to #5, to what degree might these stakeholder groups be willing to contribute a portion of the value they expect to receive from the project to close funding gaps and ensure that the project is completed?

- Low
- Moderate
- High
- Unsure

### Interest in and Institutional Knowledge of Value Capture

1. Has there been interest in value capture at any level in the agency (staff and leadership)? (See [Table 1](#) for value-capture techniques.)

- No interest
- Some curiosity or interest, informal at this point
- Moderate interest
- High interest

2. Has the agency used or attempted to use value capture as a revenue source?
- Agency has NOT taken steps to investigate the use of value capture.
  - Agency has started to investigate possible use of value capture.
  - Agency has identified candidate projects, available value-capture techniques, and/or possible barriers to implementation.
  - Agency attempted to overcome barriers to value capture implementation, but barriers remain.
  - Agency has successfully overcome barriers to value capture and is ready to begin implementation.
  - Agency has successfully implemented value capture for transit projects but has not yet attempted value capture for highway or roadway projects.
  - Agency has successfully implemented value capture for highway or roadway projects.
  - Not sure.
3. Has the agency engaged in public-private partnerships before? (These arrangements require some of the same institutional competencies as some forms of value capture.)
- Yes
  - No
  - Unsure
4. Value capture represents a shift in perspective from the programmatic or engineering approach to transportation project delivery (i.e., projects identified and prioritized by engineering considerations such as capacity and safety) to an entrepreneurially oriented approach (i.e., projects identified and prioritized according to economic development and competitiveness needs). How receptive is your agency to adopting this perspective?
- Unreceptive
  - Mildly receptive
  - Moderately receptive
  - Highly receptive
  - Unknown

## Regulatory Environment

1. Has the state enacted enabling legislation to allow any of the value-capture techniques listed in [Table 1](#) *[adjust hyperlink when online]*?
  - I do not know or am unsure.
  - Limited enabling legislation exists, allowing use of one or two value-capture techniques.
  - Enabling legislation exists that allows several of the techniques presented in Table 1.
  - Enabling legislation exists that allows most or all of the techniques presented in Table 1.
  
2. If enabling legislation exists, have reservations been raised about implementation due to possible litigation?
  - Yes
  - No
  - Unsure
  
3. If yes, why?
  - Possible taking (in violation of the Fifth Amendment to the U.S. Constitution).
  - Due process (compliance with procedural and substantive requirements under the Fifth and Fourteenth Amendments).
  - Rational nexus (a clear connection between a proposed private development and an associated need for additional public facilities and/or services).
  - Proportionality (is the fee proportional to the anticipated additional public infrastructure cost associated with and required by the proposed new private development?).
  - "But for" finding (i.e., development will not occur without the proposed infrastructure project).
  - Complexity of calculating benefits (magnitude and boundaries).
  - Complexity of calculating the impact of new development on infrastructure capacity.
  - Uniformity (all similar property must be treated equally).
  - Conflict or inconsistency with tax policies.
  - Other: \_\_\_\_\_
  - Unknown

4. Do regulations governing local government entities (e.g., transportation authorities, taxing authorities, planning or land use authorities) allow cooperative projects between local government entities?

- Yes
- No
- Unsure

5. In general, land use planning and zoning regulations that increase land and property values can support the use of value capture. To what extent do local land use, taxation and public works officials in your jurisdiction:

- Discuss or consider zoning and regulatory impacts on land values? (Circle one)  
 RARELY OR NEVER                  SOMETIMES                  OFTEN                  FREQUENTLY OR ALWAYS
- Support value capture to fund infrastructure? (Circle one)  
 RARELY OR NEVER                  SOMETIMES                  OFTEN                  FREQUENTLY OR ALWAYS
- Support value capture to support other public policy goals such as fiscal sustainability, avoid private windfalls, reduce land speculation, support transportation-efficient development patterns, increase equity and increase regulatory efficacy? (Circle one)  
 RARELY OR NEVER                  SOMETIMES                  OFTEN                  FREQUENTLY OR ALWAYS

6. How would you describe your zoning or land use regulation environment?

- Zoning and land use policies are highly restrictive and/or are at odds with market demand or appropriate development density.
- Zoning and land use policies are restrictive in some areas but permissive in key targeted areas (e.g., through use of special overlay zones such as transportation districts or incentive zones).
- Zoning and land use policies throughout the jurisdiction are generally consistent with market demand and allow appropriate development density.
- Zoning and land use policies are closely aligned with market demand or are permissive, allowing developers to build whatever development types and densities they perceive to be in demand.
- Zoning and land use decisions are largely conditional and require Zoning Board of Appeals approval.

### Agency Staff Capacity, Skills, and Experience

Value-capture activities may not support dedicated staff, and thus, value-capture duties fall to staff without specialized experience and with other demands on their time. Questions in this section help determine agency staff capacity, skills, and experience.

1. To what extent does the agency have staff with the technical analysis and project management skills and experience to perform the following tasks? Select one column for each value-capture task.

Task	Staff does not have sufficient experience to perform the task or supervise a consultant to perform the task.	Staff does not have sufficient experience to perform the task but is able to supervise a consultant hired to perform the task.	Staff has the experience to perform the task and to supervise a consultant to perform the task.	A consultant or partner agency (such as county assessor, nonprofit civic or business organization) would perform this task.	Unsure
Evaluate the impact of infrastructure projects on nearby land values?					
Determine the potential benefits and risks of a given project and value-capture method and allocate the benefits and risks fairly among public sector and private sector participants and other stakeholders?					
Develop a financing plan?					
Conduct market or financial feasibility and risk analysis?					
Manage revenue collection and monitor and report on revenue captured?					

2. Does your agency have sufficient staffing capacity to begin research, coordination, or implementation of a value-capture strategy?

- Agency is short-staffed on an ongoing basis.
- Agency is somewhat understaffed or periodically short-staffed.
- Agency is adequately staffed to meet current program needs but does not have excess capacity to assume these new duties.
- Agency is sufficiently staffed with some additional capacity to assume these new duties.
- Agency staff has adequate capacity to assume these new duties.

3. Does the agency have access to and/or the ability to collect data about assessments; determine benefit area; fee or tax level; impacts of the transportation investment on land value; demographic, economic, and real estate market trends; and transportation network data?
- Yes
- No, but there is an institutional partner in the region with access to and ability to collect this data on our behalf OR the agency intends to hire a consultant to perform these tasks.
- No
- Unsure

### Institutional, Civic, and Stakeholder Environment

1. Does your jurisdiction have a history or culture of cooperation among agencies and across levels of government for projects related to transportation?
- Cooperation is rare or non-existent, or regulations prevent substantive cooperation
- When cooperation occurs, it tends to be approached tentatively/with reservations
- Cooperative efforts are sometimes more competitive than collaborative, but generally approached and carried out in good faith
- The agencies and governments in our jurisdiction are highly collaborative and are accustomed to working together to achieve shared regional goals
2. What is the level of support for using value capture to support transportation improvements or investments among other local agencies, the business community, or other stakeholders in your community? (Check one)
- Strong support
- Moderate support
- Weak support
- Mixed support and opposition
- Lack of understanding/familiarity or interest (neither support nor opposition)
- Weak opposition
- Moderate opposition
- Strong opposition
- Unsure or unknown

3. To what extent does your agency engage with other agencies and stakeholder groups in your community/region including:

Resource	Little to No Engagement	Some or Passive Engagement	Active Engagement
State transportation agency			
Regional transportation authority, transit authority			
Municipality, neighboring municipalities			
Elected officials (including State legislature, city council, county governance board)			
Economic development agency, tourism bureau			
Neighborhood and community groups			
Developers, Real Estate sales community, site selectors			
Major employers, industry groups, chamber of commerce			
Other civic partners (hospitals, community colleges and universities, nonprofit organizations, charitable foundations)			
Taxpayers			

### Additional Resources Needed

1. What resources would most help your agency implement value capture to meet highway/roadway funding needs:

Resource	Most Helpful	Somewhat Helpful	Neutral	Not Helpful
Technical materials for practitioners				
Briefing materials for leadership and decisionmakers				
Regular blog posts featuring successful projects, newsworthy initiatives, and innovations				
Peer-to-peer exchanges				
Case studies of successful projects				
Webinars				
Other topic(s): _____ (write in)				

2. If the above resources were made available, what topics would most help your agency implement value capture to meet highway and roadway funding needs?

Topics	Most Helpful	Somewhat Helpful	Neutral	Not Helpful
General information about value capture				
More details about specific value-capture techniques				
Determining the appropriate value-capture method				
Legal or regulatory issues				
Connection between zoning, land use policies, and value capture				
Administrative requirements of value capture				
Technical or analytical skills (e.g., market analysis, fiscal impact, financial analysis)				
Managing agency change for value capture				
Building agency skills, experience, and capacity for value capture				
Developing stakeholder support				
Building coalitions for value capture				
Developing a "business case" perspective				
Other topic(s): _____ (write in)				

3. Are you aware of a value-capture project or initiative that you think merits being the subject of a case study—a project that your agency has been involved in or one that you know of?

\_\_\_\_\_

If so, where did it take place and what transportation infrastructure project was it associated with? \_\_\_\_\_

\_\_\_\_\_

Why is it of interest? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

May we contact you about this project? If so, please provide your email address.

\_\_\_\_\_

## Appendix

**Table 1. Overview of Value-Capture Categories, Techniques, and Definitions**

Category	Technique	Definition
Developer contributions	Impact fees	Fees imposed on developers to help fund additional public services, infrastructure, or transportation facilities required due to the new development.
	Negotiated exactions	Negotiated charges imposed on developers to mitigate the cost of public services or infrastructure required as a result of the new development.
Transportation utility fees	Transportation utility fees	Fees paid by property owners or building occupants to a municipality based on estimated use of the transportation system.
Special taxes and fees	Special assessment districts	Fees charged on property owners in a designated district whose properties are the primary beneficiaries of an infrastructure improvement.
	Business improvement districts	Fees or levies charged on businesses in a designated district to fund or finance projects or services in the district's boundaries.
	Land value taxes or split-rate taxes	A lower property tax rate applied to privately created building values and a higher rate applied to publicly created land values.
	Sales tax districts	Additional sales taxes levied on all transactions or purchases in a designated area that benefits from an infrastructure improvement.
Tax increment financing	Tax increment financing	Charges that capture incremental property tax value increases from an investment in a designated district to fund or finance the investment.
	Transportation reinvestment zones	Transportation reinvestment zones allow for a broader range of transportation projects. The local governing body designates a zone in which it will promote a transportation project. The zone does not require the local entity to create a board.
Joint development	At-grade joint development	Projects that occur within the existing development rights of a transportation project.
	Above-grade joint development	Projects that involve the transfer of air rights, which are development rights above or below transportation infrastructure.
	Utility joint development	Projects that take advantage of the synergies of broadband and other utilities with highway right-of-way.
Concessions	Asset recycling	Involves the recycling of existing public infrastructure assets through sale or lease to the private sector, with all funds received being invested in new infrastructure.
Naming rights	Naming rights	A transaction that involves an agency selling the rights to name infrastructure to a private company.

Source: EDC-5 Value-capture Implementation Manual.

**Additional Value-Capture Resources**

Type of Resource	Resource	Link
Technical materials for practitioners	Value Capture Implementation Manual	<a href="https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/">https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/</a>
	Guidebook to Funding Transportation Through Land Value Return & Recycling	<a href="http://www.trb.org/Main/Blurbs/177574.aspx">http://www.trb.org/Main/Blurbs/177574.aspx</a>
	NCHRP Synthesis: Using Economic Value Created by Transportation to Fund Transportation	<a href="https://www.nap.edu/catalog/22382/using-the-economic-value-created-by-transportation-to-fund-transportation">https://www.nap.edu/catalog/22382/using-the-economic-value-created-by-transportation-to-fund-transportation</a>
	Lincoln Institute of Land Policy: Land Value Return Policy Brief	<a href="https://www.lincolnst.edu/sites/default/files/pubfiles/land-value-return-policy-brief.pdf">https://www.lincolnst.edu/sites/default/files/pubfiles/land-value-return-policy-brief.pdf</a>
	FHWA P3 toolkit	<a href="https://www.fhwa.dot.gov/ipd/p3/toolkit/">https://www.fhwa.dot.gov/ipd/p3/toolkit/</a>
Briefing materials for leadership and decisionmakers	Coming Soon	Coming Soon
Regular blog posts featuring successful projects, newsworthy initiatives, and innovations	Value Capture Highlights website showing brief summaries of recent VC applications employed by local governments	<a href="https://www.fhwa.dot.gov/ipd/value_capture/highlights/">https://www.fhwa.dot.gov/ipd/value_capture/highlights/</a>
	FHWA Center for Innovative Finance Support: Hot Topics/Spotlights	<a href="https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/hot_topics_spotlights.aspx">https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/hot_topics_spotlights.aspx</a>
Peer-to-peer exchanges	FHWA Center for Innovative Finance Support: In-person Peer Exchanges website	<a href="https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/peer_exchanges.aspx">https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/peer_exchanges.aspx</a>
	FHWA Center for Innovative Finance Support: Virtual Peer Exchange website	<a href="https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/virtual_peer_exchange_workshop.aspx">https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/virtual_peer_exchange_workshop.aspx</a>
Case studies of successful projects	FHWA Center for Innovative Finance Support website: Case Studies	<a href="https://www.fhwa.dot.gov/ipd/value_capture/case_studies/">https://www.fhwa.dot.gov/ipd/value_capture/case_studies/</a>
	FHWA Center for Innovative Finance Support website: Spotlights on Value Capture Strategies in Practice (US)	<a href="https://www.fhwa.dot.gov/ipd/value_capture/strategies_in_practice/">https://www.fhwa.dot.gov/ipd/value_capture/strategies_in_practice/</a>
	Guidebook to Funding Transportation Through Land Value Return & Recycling: Appendix B Summary of Case Examples (Page B-1)	
	NCHRP Synthesis: Using Economic Value Created by Transportation to Fund	<a href="http://www.trb.org/Main/Blurbs/177574.aspx">http://www.trb.org/Main/Blurbs/177574.aspx</a>

Type of Resource	Resource	Link
	Transportation: Chapter 3: Capturing the Value State-of-the-Practice Case Examples (Page 35)	<a href="https://www.nap.edu/catalog/22382/using-the-economic-value-created-by-transportation-to-fund-transportation">https://www.nap.edu/catalog/22382/using-the-economic-value-created-by-transportation-to-fund-transportation</a>
	Value Capture Implementation Manual: Chapter 3.2: Guide to Examples and Case Studies	<a href="https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/ch_3.aspx#3_2">https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/ch_3.aspx#3_2</a>
	EconWorks Case Studies	<a href="https://planningtools.transportation.org/259/case-studies.html">https://planningtools.transportation.org/259/case-studies.html</a>
Webinars	APA Land Value Capture for Infrastructure Finance: 2018 Daniel Burnham Forum FHWA Value Capture Webinar Series FHWA Virtual Peer Exchange/Workshop	<a href="https://www.youtube.com/watch?v=ZDwN4UDVgEo&amp;ab_channel=AmericanPlanningAssociation">https://www.youtube.com/watch?v=ZDwN4UDVgEo&amp;ab_channel=AmericanPlanningAssociation</a> <a href="https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/webinar_series/">https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/webinar_series/</a> <a href="https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/virtual_peer_exchange_workshop.aspx">https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/virtual_peer_exchange_workshop.aspx</a>
General information about value capture	FHWA Center for Innovative Finance Support website: Value Capture Defined	<a href="https://www.fhwa.dot.gov/ipd/value_capture/defined/">https://www.fhwa.dot.gov/ipd/value_capture/defined/</a>
More details about specific value-capture techniques	Case Study: Land value and land recycle	<case study forthcoming>
	Value Capture Implementation Manual: Chapters 3-9	<a href="https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/appendix.aspx">https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/appendix.aspx</a>
	Guidebook to Funding Transportation Through Land Value Return and Recycling, Chapter 3: Land Value Return and Recycling and "Return-Like" Methods (Page 20)	<a href="http://www.trb.org/Main/Blurbs/177574.aspx">http://www.trb.org/Main/Blurbs/177574.aspx</a>
	FHWA Center for Innovative Finance Support website: Value Capture Defined (list of value-capture techniques on the right-hand side)	<a href="https://www.fhwa.dot.gov/ipd/value_capture/defined/">https://www.fhwa.dot.gov/ipd/value_capture/defined/</a>
Determining the appropriate value-capture method	<placeholder for task 4>	<placeholder for task 4>
Legal and regulatory issues	Task 3.4	<placeholder for task 3.4>
	Value Capture Implementation Manual, Table 14: State and Local Value Capture Regulatory Barriers	<a href="https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/ch_12.aspx#table_14">https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/ch_12.aspx#table_14</a>
The connection between zoning and land use	Task 3.4	<placeholder for task 3.4>
	APA Zoning Practice: Value Capture and Community Benefits (fee*)	<a href="https://www.planning.org/publications/document/9006877/">https://www.planning.org/publications/document/9006877/</a>

Type of Resource	Resource	Link
policies and value capture		
Administrative requirements of value capture	Guidebook to Funding Transportation Through Land Value Return and Recycling, Chapter 5: How to Meet the Administrative and Institutional Requirements (Page 70)	<a href="http://www.trb.org/Main/Blurbs/177574.aspx">http://www.trb.org/Main/Blurbs/177574.aspx</a>
Technical and analytical skills (e.g., market analysis, fiscal impact, financial analysis)	Value Capture Implementation Manual, Table 13: Key Data Used in Real Estate Market Analysis	<a href="https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/ch_11.aspx#table_13">https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/ch_11.aspx#table_13</a>
Managing agency change for value capture	<placeholder for task 4>	<placeholder for task 4>
Building agency skills, experience, and capacity for value capture	FHWA Center for Innovative Finance Support website: Capacity Building	<a href="https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/">https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/</a>
Developing stakeholder support and building coalitions	Guidebook to Funding Transportation Through Land Value Return and Recycling, Chapter 5: How to Generate Stakeholder Support (Page 67)	<a href="http://www.trb.org/Main/Blurbs/177574.aspx">http://www.trb.org/Main/Blurbs/177574.aspx</a>
Developing a "business case" perspective	Value Capture Implementation Manual: Chapter 10.2: Business and Economic Case Development	<a href="https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/ch_10.aspx#10_2">https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/value_capture_implementation_manual/ch_10.aspx#10_2</a>