

# Federal Highway Administration Webinar on Value Capture Techniques: Capital Improvement Plans

Webinar Date: May 19, 2021

## Answers to Questions Posed During the Webinar

**Could you clarify how to frame projects in a capital improvement plan (CIP) that will seek or require grant funds? For example, we have a project that was spurred by seeking a grant to support conceptual planning - should that be submitted to a CIP for consideration?**

Aldrete: A grant for conceptual planning would not be part of a CIP. However, if the project moves forward, then it can be taken forward to the MPO to examine funding opportunities.

**How can the uncertainty of a value capture revenue stream be reconciled with the STIP/TIP requirements of fiscal constraint in financial planning?**

Aldrete: The fiscal constraint requirements of the STIP and TIP are separate from using value capture tools and should be worked through in collaboration with the MPO. Value capture is often a piece of the financing and funding of a single project, which typically also has a more certain backstop source of funding as part of the package. The backup source better guarantees financial stability and minimizes risk.

**Does transportation utility funding by private property owners continue indefinitely or for a limited period (e.g., 10 years)? In southeast Florida, there is resistance to any long term or perpetual funding by the property owners. How do you sell TU Fees to developers in very pro-development cities?**

Aldrete: One strategy to sell developers and property owners on a transportation utility fee is to build in periodic assessments to see if the fee is still needed or working well.

**How does the CIP relate to a Transportation Asset Management Plan (TAMP)?**

Aldrete: The TAMP is a requirement for State DOTs. The TAMP is a source of information for the development of a local government's CIP. The TAMP informs the inventory of the community's highway assets and investments that may tie into these State highway assets that go through the municipality.

**What if CIP funds were approved without citizen comments or a CIP board?**

Quezada: Lack of public comment is not typical, but it does not mean it is illegal. It all depends on what is in the bylaws adopted by the governing body of a community.

**Can the city pre-pay the regional mobility authority (RMA) to reduce future total obligation, assuming development activity allows?**

Quezada: Yes – the city can repay the RMA earlier - the agreement does not have any prepayment penalty.

**Were any control put in place for the unintended consequences of gentrification? Any community benefits agreements? Or anti-displacement strategies?**

Quezada: No community benefits agreements or anti-displacement strategies were implemented. Since this was vacant land and the Town's ability to grow outside of its current corporate limits is severely hampered, the Town wanted to foster the new development.

**What motivated the Camino Real RMA to act as a bank for the transportation reinvestment zone (TRZ)?**

Dovalina: The security for the TRZ funds was two-fold: 1) the CRRMA had access to vehicle registration fees at the outset to pay the bonds it issued to fund the project, and 2) the Town committed general revenues to cover its payment schedule to the CRRMA.

**Is design and construction of the projects delivered by agencies themselves or mostly using consultants and contractors?**

Bailey: It depends on the in-house knowledge and capacity of the municipality. If a community does not have staff who can handle these tasks, then it will rely on consultants and contractors. However, some of the scope of this work is part of the normal work for developers and will be handled by whichever developer is selected for a project.