



CENTER FOR INNOVATIVE FINANCE SUPPORT

QUICK FACTS

- Includes experts on tolling, public-private partnerships, project finance, and project delivery
- Provides one-stop shopping for Innovative Program Delivery techniques
- Coordinates research and provides policy for Innovative Program Delivery program areas

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www.fhwa.dot.gov/innovativeprograms/centers/innovative_finance/

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Innovative Program Delivery: An Introduction

In this time of declining revenues and increasing fiscal requirements, it is imperative that the transportation industry be equipped with the knowledge and tools needed to evaluate project finance, revenue, and procurement options at the right time in the program delivery process. By being knowledgeable about a wide range of options, both traditional and non-traditional, State and local highway agencies can better ensure that critical projects are adequately funded, delivered on schedule, and that continuing needs for the preservation and efficient operation of the system are taken into account.

The traditional process used to deliver highway projects typically does not include early consideration of alternative finance, revenue, and procurement approaches.

Often, the right questions are not asked at the right time. Given limited experience in the United States with innovative strategies, such as congestion pricing and public-private partnerships, State and local governments may be reluctant to experiment with new ways of doing business. In some cases, governments may lack the necessary legal authorities to implement certain strategies, thus requiring that enabling legislation be enacted.

The Center for Innovative Finance Support (CIFS), under FHWA's Office of Innovative Program Delivery (OIPD), offers a comprehensive suite of resources to assist the transportation community in considering innovative program delivery strategies.

IFS RESOURCES

- **Technical Expertise** to help address the business, financial, administrative, public acceptance, political, and institutional issues associated with the program delivery process and innovative project finance, tolling, and public-private partnership strategies.
- **Research** to help the industry better understand and apply innovative strategies such as public-private partnerships.
- **Capacity Building** programs, such as the CIFS Academy, to provide the skill set and tools needed to effectively evaluate and apply alternative project delivery options.
- **Awareness** programs to include partnership building with a wide variety of stakeholder communities to establish interest in innovative program delivery practices.
- **TIFIA Credit Assistance** to help innovative projects clear funding hurdles by providing low-cost, flexible, and long-term financing.
- **Project Delivery Resources**, providing expertise, research, and technical assistance and best practices for project cost estimates, financing, and management plans, as well as assistance for FHWA Divisions in carrying out their statutory oversight and stewardship responsibilities.



Transbay Terminal in San Francisco, CA.

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In delivering the program, CIFS partners with FHWA's Division Offices to serve as a resource for innovative project delivery processes and practices to our State and local partners. The Center also plays a coordinating and convening role in bringing together related activities underway in other FHWA offices. For example, CIFS works closely with other FHWA offices to include the Offices of Operations, Environment and Planning, Infrastructure, and Safety to implement a comprehensive and integrated agency tolling and pricing program. Additionally, CIFS has the lead agency role in assisting our partners in implementing Grant Anticipation Revenue Vehicles (GARVEEs) and State Infrastructure Bank (SIB) programs, coordinating with the Chief Financial Officers and Division Staff to provide technical assistance and assist Divisions with carrying out their stewardship responsibilities for those programs.



An aerial view of Cooper River Bridge, Charleston, SC.

PROJECT AND PROGRAM DELIVERY: A SYSTEMS APPROACH

CIFS assists States in developing a more holistic view of project development, bringing in revenue and financial considerations at an early stage, and considering long-term maintenance needs. CIFS also conducts the Critical Project Review process, helping projects overcome hurdles encountered during the project development and delivery process. Finally, CIFS helps States consider their overall program delivery in terms of optimal revenue generation, financial capacity, and procurement.



An aerial view of Capital Beltway in Northern VA.

IPD offers professional capacity building through the IPD Academy in the following areas:

- Innovative Program Delivery Strategies
- Public-Private Partnerships
- Tolling and Other Revenue Generation Strategies
- Grant Anticipation Revenue Vehicles (GARVEEs)
- State Infrastructure Banks (SIBs)
- Transportation Infrastructure Finance and Innovation Act (TIFIA)
- Major Projects, Cost Estimate Reviews, and Financial and Project Management Plans

The FHWA Office of Innovative Program Delivery helps State and local transportation officials consider innovation in revenue sources, financial tools, and procurement.

For more information, see the Web site: www.fhwa.dot.gov/ipd



OFFICE OF INNOVATIVE PROGRAM DELIVERY

PROGRAM AREAS OF THE CENTER FOR INNOVATIVE FINANCE SUPPORT

The Center for Innovative Finance Support provides a one-stop source for expertise, guidance, research, decision tools, and publications on program delivery innovations. Our Web page, workshops, and other resources help transportation professionals deliver innovation.

PUBLIC-PRIVATE PARTNERSHIPS

The Center for Innovative Finance Support's P3 program focuses on the potential of design-build-operate-finance-maintain (DBFOM) concessions funded through tolls or availability payments to reduce project cost, improve quality outcomes, and provide additional financing options.

ALTERNATIVE PROJECT DELIVERY

The Center for Innovative Finance Support's Alternative Project Delivery Program provides information on contractual arrangements that allow for greater private participation in infrastructure development by transferring risk and responsibility from public project sponsors to private sector engineers, contractors, and investors.

PROJECT FINANCE

The Center for Innovative Finance Support's project finance program focuses on alternative financing, including state infrastructure banks (SIBs), grant anticipation revenue vehicles (GARVEEs), and Build America Bonds (BABs).

TOLLING AND PRICING

The Center for Innovative Finance Support's Federal tolling and pricing program focuses on the use of tolling and other road user charges as a revenue source to fund highway improvements and the use of variably priced tolls as a tool to manage congestion.

VALUE CAPTURE

The Center for Innovative Finance Support's Value Capture Strategies explores strategies for tapping into the added value the transportation improvements bring to nearby properties as a means to provide new funding for surface transportation improvements.



U.S. Department of Transportation
Federal Highway Administration