

North Texas 2050 Action Package

Issue	Transportation	
Action Tool Title	Value Capture	
Description of the tool:	Public Sector capture of land values	
How Well Does It Work?		
How valuable is this tool? How important is its contribution to achieving North Texas' vision for the future?		
<p>Various research studies in the US show that the proximity to LRT stations may improve the accessibility of residents and typically result in higher development potential, transportation cost savings, that show up in higher property values. The potential impacts of transit service on nearby property values, and the feasibility of capturing this additional value can be a valuable tool to finance transit and other transportation infrastructure improvements with the increasing need for transportation funding in the North Texas Region.</p>		
How does it actually work?		
<p>Value capture refers to a type of innovative public financing in which increases in private land values generated by a new public investment are all or in part "captured" through a land related tax to pay for that investment or other public projects. In Value capture process a portion of increments in land value attributed to "community interventions" rather than landowner actions are programmed in advance and recouped by the public sector. These "unearned increments" may be captured indirectly through their conversion into public revenues as taxes, fees, exactions or other fiscal means, or directly through on-site improvements to benefit the community at large. According to Dallas Area Rapid Transit (DART), the value of property nearby the DART lines is 25% higher than similar real estate elsewhere in the area. Also, a substantial portion of the capital costs associated with constructing public transit facilities is land acquisition. This cost could be effectively reduced if ground rents were collected.</p>		
What are the costs and who will they affect?	What are the benefits and who will they help?	
Land acquisition	Transit oriented development Decreased need for capital Compact development patterns	
What are the biggest stumbling blocks?	How can they be addressed?	
Land acquisition	Public-private partnerships	
Who Would be Responsible?		

North Texas 2050 Action Package

Action Tool Title		Value Capture	
Primary (lead) responsibility	Local Governments		
Secondary responsibility	Transit Agencies		
Need for coordination	NCTCOG		
How Should it be Funded?			
Primary (lead) responsibility	State and Local Government Funds		
Secondary responsibility	indicate other funding sources (or sources of in-kind resources) to implement this tool		
How Does It Connect?			
What other VNT issues are helped by this tool?	Connected Centers, Diverse, Distinct Communities, and Return on Investment		
What other VNT issues could be hurt by this tool?			
How Should It Be Implemented?			
What will be done?	When will it happen?		
<ul style="list-style-type: none"> • First step for action • Following steps for action add additional steps as appropriate	Coordinate with Transit agencies and local governments Land acquisition		
What Examples Can We Follow?			
North Texas Case Studies	Financing Transit Systems Through Value Capture, An Annotated Bibliography Jeffery J. Smith and Thomas A. Gihring November 2006 http://www.vtpi.org/smith.pdf		
Other Texas Case Studies			
Other U.S. Case Studies			
Supporting Research	http://www.vtpi.org/smith.pdf Matthew Doherty, Funding Public Transport Development Through Land Value Capture Programs, EcoTransit (www.ecotransit.org.au), 2004.		
Related Information			
Acknowledgements			
Recognize the people who have provided assistance to VNT for this tool	NCTCOG staff - Karla Weaver,AICP, and Patrick Mandapaka, AICP		