

## VALUE CAPTURE METHODS AND THEIR USERS

Mechanism	Conceptual Benefit or Levy Basis	Applicable Purpose	Highway-Related Examples
Tax Increment Finance Districts	Uses the incremental increase in property value to finance new infrastructure and services. Captures difference in annually levied property value before and after an improvement.	Captures project expansion benefits and returns them to the public.	Texas TRZ TIF-like mechanism
Special Assessment Districts	Members of the benefitting district pay a property tax directly for the cost of the improvement specially benefitting their property due to access. A benefit not available to public at large. Annually levied property owner charges in the area before and after an improvement until improvement is paid for.	Captures project expansion benefits and returns them to the public.	Virginia and Ohio TID, Illinois SSA
Impact Fees	Fees paid by new development for facility use. One-time developer charges when permits are issued. Can be applied off-site. Levied before and after an improvement. Must not exceed impact.	Cost recovery.	Oregon TSDC for existing and new capacity (multimodal) and examples from Washington, New Jersey
Negotiated Exactions	Similar to impact fees but generally applied to only on-site infrastructure. One-time developer agreement is created that must not exceed impact.	Captures value created and recovers the public's cost.	Virginia proffer
Joint Development	Cooperating public and private partners provide facilities or financial contribution for benefits received. One-time developer-related opportunity typically after an improvement (can be on- and off-site improvements).	Captures value created and does cost and revenue sharing between the public and private sector.	Massachusetts Turnpike and Washington Metropolitan Transit Authority
Land Value Tax	Land value taxed due to access to encourage development. Annually levied property owner changes before and after an improvement—taxes on value of land and a separate tax on value of buildings.	Captures project expansion benefits. Encourages development.	Pennsylvania counties
Sales Tax District	Local benefit accruing to all sales tax property due to improved access. Members of the benefitting district pay a small sales tax directly for the cost of the improvement on levied sales within the district.	Captures sales expansion benefits from the project.	Illinois SSA; Missouri and Kansas TDD
Transportation Utility Fees	Fee assessed on properties based on amount of trips generated/use. Annually levied property owner charges before and after an improvement. This charge has been used only for recovering operating expenses as opposed to project capital costs.	Recovers operating and maintenance costs.	Oregon TUF for pavement maintenance
Air Rights	Air space use above, below, under, and nearby/adjacent highway right-of-way for public and private benefit via transfer of rights and joint development. One-time developer-related opportunity typically after an improvement (on-site developments—discontinuous spot treatment).	Captures value created and does cost and revenue sharing with private sector. Very urban.	Massachusetts Turnpike and several other examples such as Interstate 5, Washington State
Other—TC	Funding tool only to aid value capture.	Stakeholder support	Missouri, Texas, Florida