



Value Capture Risk: Public & Private Perspectives

FHWA Webinar: Making the Business and Economic Case for Value Capture-A Primer

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Elizabeth Schuh

Director of Policy – Cook County Bureau of Economic Development



VALUE CAPTURE RISKS

ECONOMIC:
Will property
values increase?



REGULATORY:
Can new
development occur?



FISCAL:
Can the community
afford value capture?



POLITICAL:
Will value capture be
approved?










FINANCING:
Can the project be
fully funded?









ECONOMIC

- What are larger economic conditions?  
- Will local market conditions support the new development or overall growth needed for value capture?  
- Will the development required to support value capture conflict with other local goals? 
- Has the area experienced long-term disinvestment?  





REGULATORY






- Does the zoning allow sufficient   new real estate development to support the revenue forecasts?
- Are entitlement processes aligned to support desired development types?  



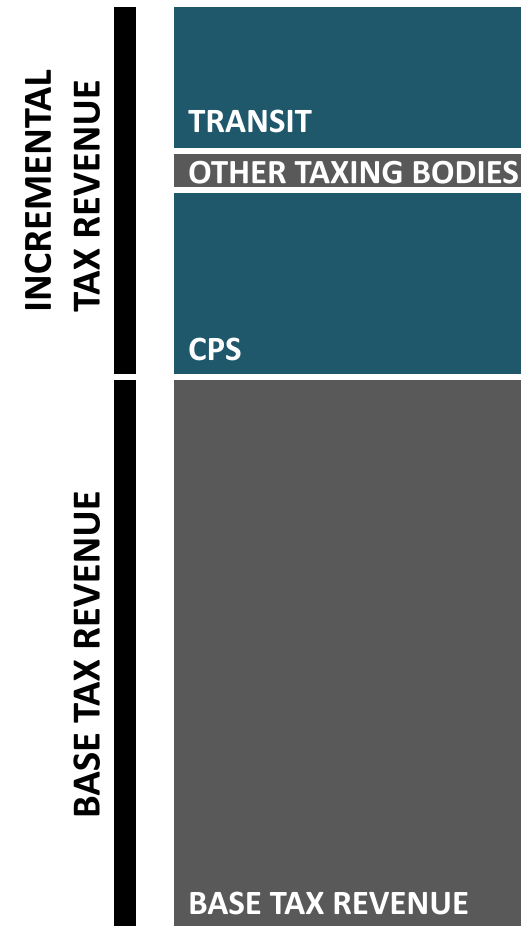
Source: Top is The Marke Elmhurst in a TOD location, Bottom is OMNIPLAN rendering of Monarch City along 121 outside Dallas, TX



POLITICAL

- Will residents and businesses   support a value capture district?
- Does the development or revenue needed for value capture compete with other local priorities? 
- Are all the right partners for the value capture and the project on board?  

Red and Purple Line Modernization – Transit Facility Improvement Area Revenues



Source: Chicago Transit Authority



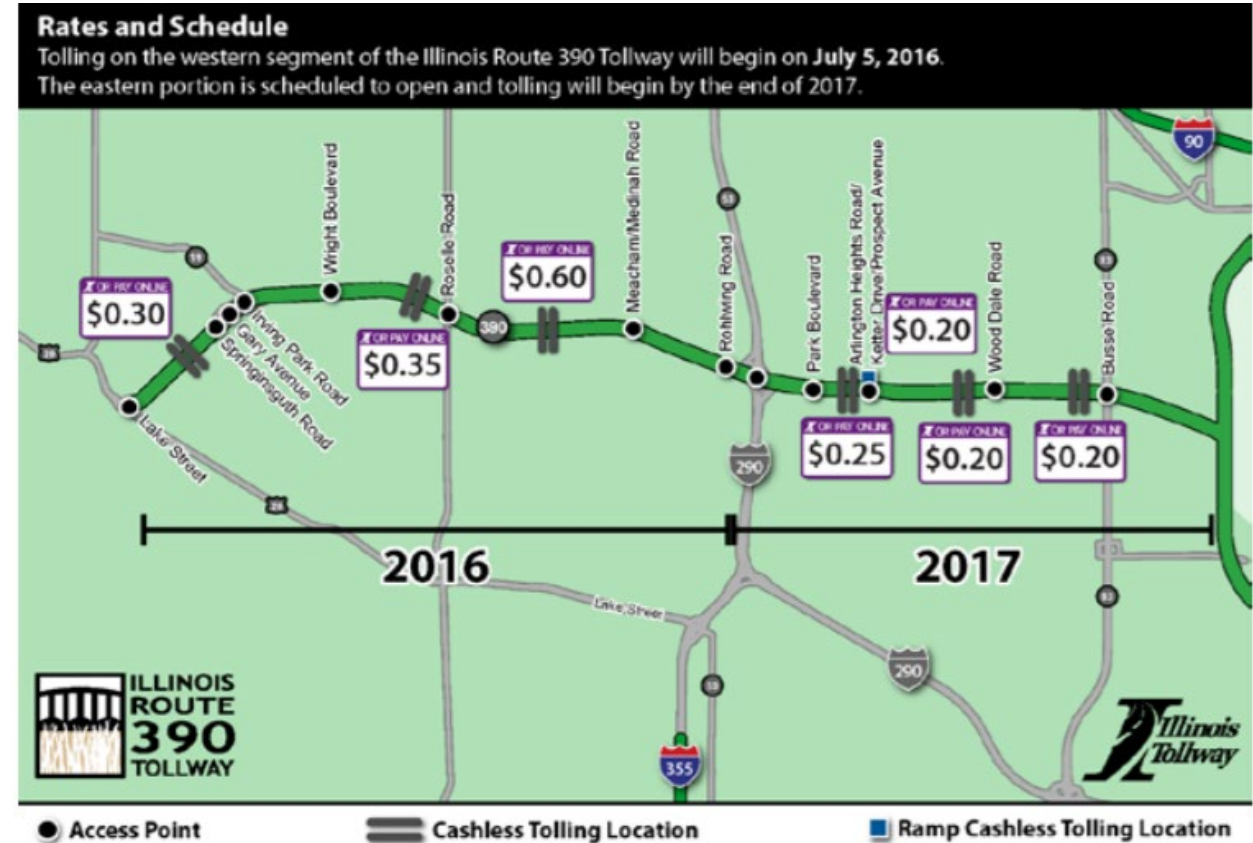
FISCAL

- Does the community need tax revenue within the district for: ▲
 - Other investments (i.e. redevelopment)?
 - Other priorities (i.e. affordable housing)?
- Does the value capture district contain a significant portion of a community's revenue base? ◆▲



FINANCING

- Complexity and stability of the overall funding package ◆
- Percentage of funding dependent upon value capture ◆▲
- Certainty of contributions from other funders ◆
- General obligation backing from the community or other involved government ◆





Contact info:

Elizabeth Schuh

Director of Policy, Cook County Bureau of
Economic Development

(o) (312) 303-1004

(e) Elizabeth.schuh@cookcountyil.gov



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