

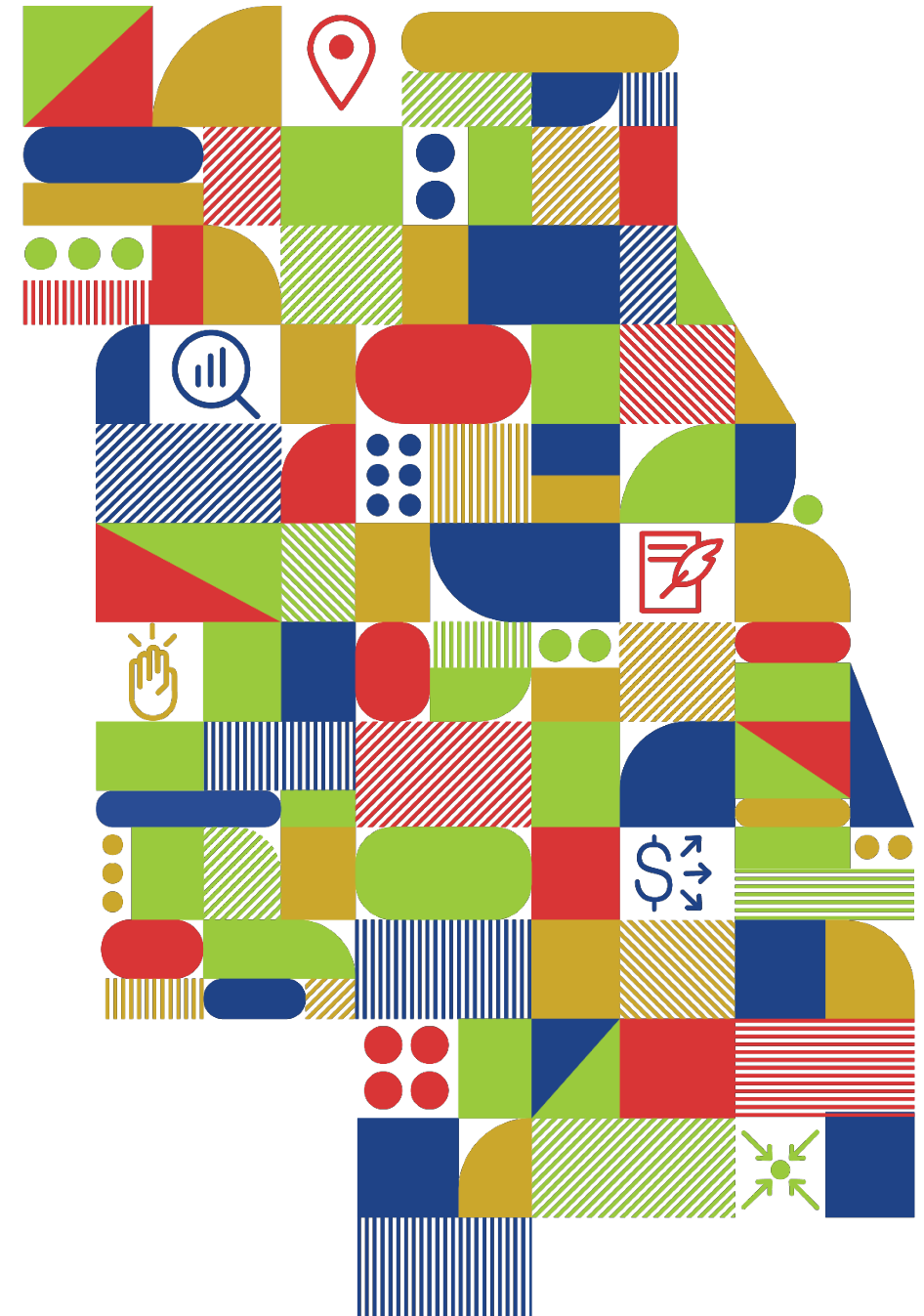


# Improving local development incentives



**FHWA National Webinar:  
Making the Business and  
Economic Case for Value Capture**

**Matthew Stern**  
October 6<sup>th</sup>, 2021



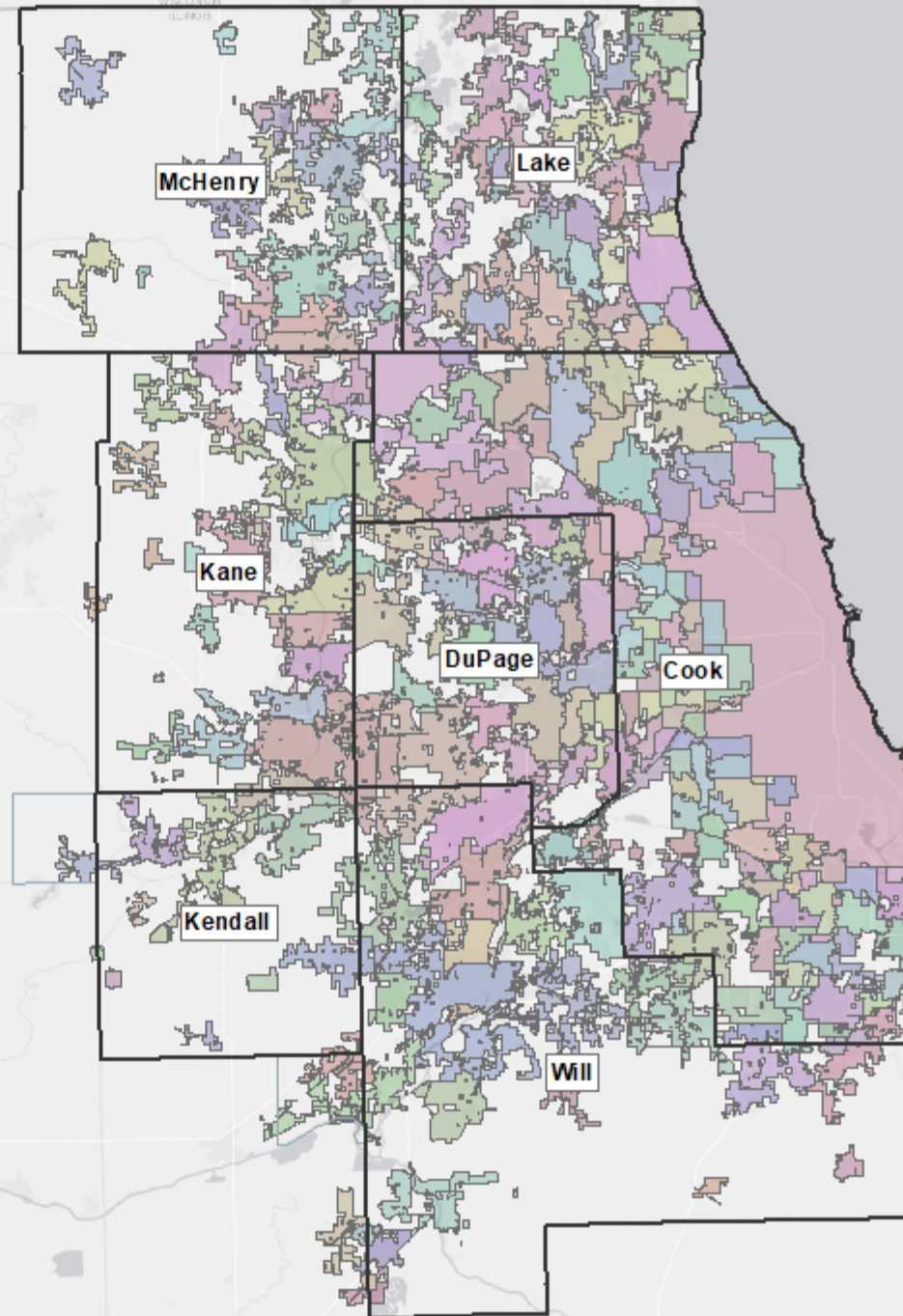
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# Chicago Metropolitan Agency for Planning: Our region

7 Counties

284 Municipalities

8 million residents



# Municipalities with active incentive agreements or TIF districts

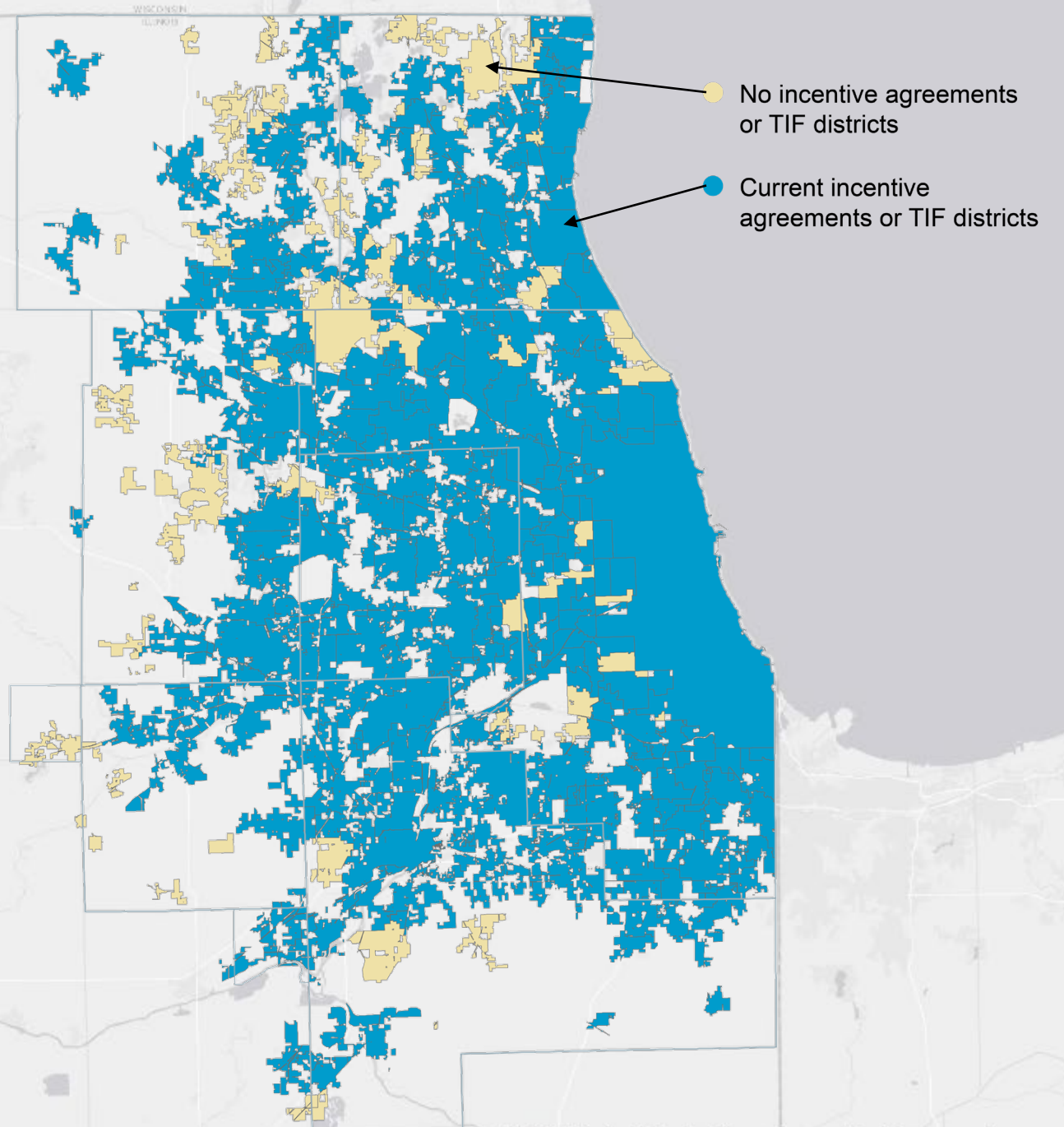
77% of municipalities use incentives

600 TIF districts

\$1.4 billion annual TIF extension

\$447 million sum of sales tax rebates' published maximums

\$9 billion market value receiving property tax abatement or incentive classification



# On-the-ground perspectives

Steep competition

Limited capacity

Slow growth

High property tax burden



# Structural challenges

Information asymmetry

High indirect costs

Competition can drive revenues down

Equity

# Incentives must work for...

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Businesses

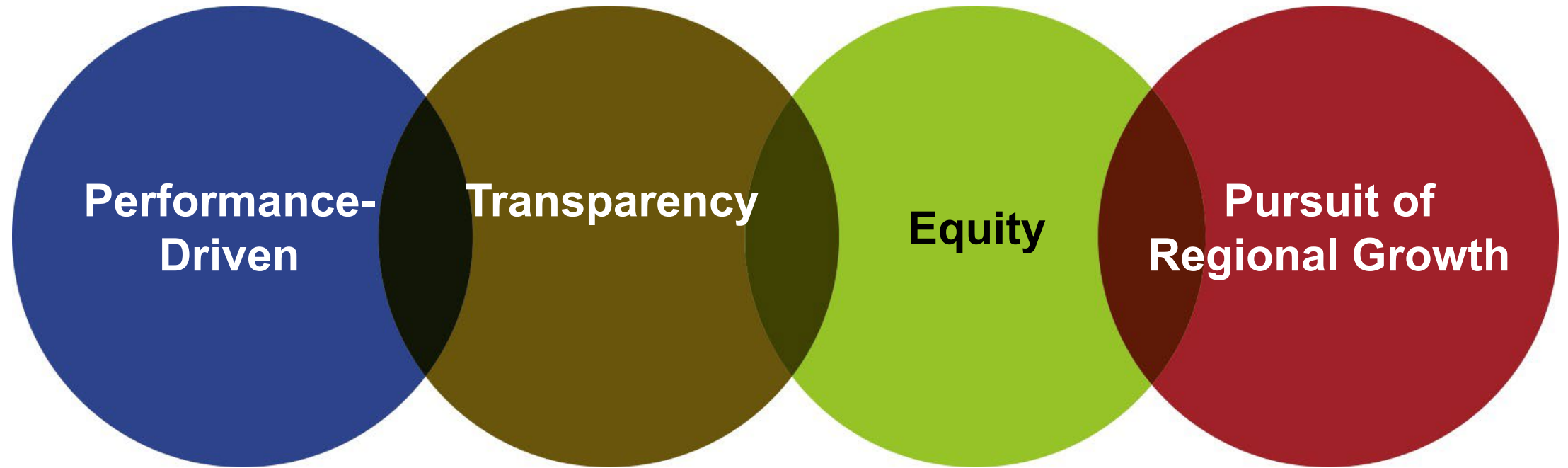
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Local governments

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Taxpayers & residents

# Effective incentive use: Four key principles



# Improving local development incentives

Effective practices for local governments in northeastern Illinois



# 10 Strategies, including:

- Establish goals and conditions publicly
- Use incentives to develop community benefits and advance racial and economic equity
- Consider non-financial solutions to challenges faced by prospective businesses
- Design incentives to promote high-quality employment



<http://cmap.is/local-incentives>

<http://www.cmap.Illinois.gov>

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