

Value Capture as a Policy Tool in Transportation Economics: An Exploration in Public Finance in the Tradition of Henry George

H. William Batt

First published: 24 October 2003

<https://doi.org/10.1111/1536-7150.00061>

Citations: 36

Abstract

Value capture is a means by which to finance capital infrastructure, particularly transportation services, in a way that allows for efficient economic performance, simple administration, financial justice, and social facility. Because American society needs to find new means to finance transportation capital investment, particularly public transit, value capture offers an essentially painless opportunity to achieve these goals. It has the ancillary benefit also of concentrating population densities in a way that makes public transit particularly viable. This study shows how value capture could have been used to finance a portion of the New York State Interstate Highway System, a nine-mile stretch of I-87 known as the Northway, from its southern terminus to the point where it crosses the Mohawk River in Albany County. This section is the most heavily traveled area of the Northway and has experienced the greatest contiguous development of any location along the Northway's 178 miles since its construction in the late 1950s. While the right of way and construction costs of this stretch were in the range of \$128 million (current dollars), the additional land value that has been generated on its account within just two miles on either side has totaled \$3.734 billion. This study shows that the capital finance of the Northway, at least in this area, could easily have been done by recapturing these windfall gains that fell to private landowners. One could argue that this added value, the direct result of public investment, should rightfully be returned to the public and should be recaptured to pay off the bonds that were issued to build the project, rather than left for opportunistic speculators to reap private gain. Value capture therefore offers a promising approach for funding future transportation development, leaving fees, that are presently used, to recover operating and environmental costs.

Citing Literature

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising purposes. You may change your settings at any time or accept the default settings. [Privacy Policy](#)

[Manage Preferences](#)

[Accept All](#)

ABOUT WILEY ONLINE LIBRARY

Privacy Policy
Terms of Use
About Cookies
Manage Cookies
Accessibility

Wiley Research DE&I Statement and Publishing Policies
Developing World Access

HELP & SUPPORT

Contact Us
Training and Support
DMCA & Reporting Piracy

OPPORTUNITIES

Subscription Agents
Advertisers & Corporate Partners

CONNECT WITH WILEY

The Wiley Network
Wiley Press Room

WILEY

Copyright © 1999-2023 John Wiley & Sons, Inc. All rights reserved

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising purposes. You may change your settings at any time or accept the default settings. [Privacy Policy](#).

Manage Preferences

Accept All