

LAND VALUE CAPTURE

RÉSEAU ÉLECTRIQUE
MÉTROPOLITAIN

August/September 2016



Principle

- Completion of the REM will generate more real estate development around the stations and economic value-added

Objective

- Capture a part of the value of the new real estate developments generated by the REM to contribute to its financing and to its future development
 - > New projects and major transformations only

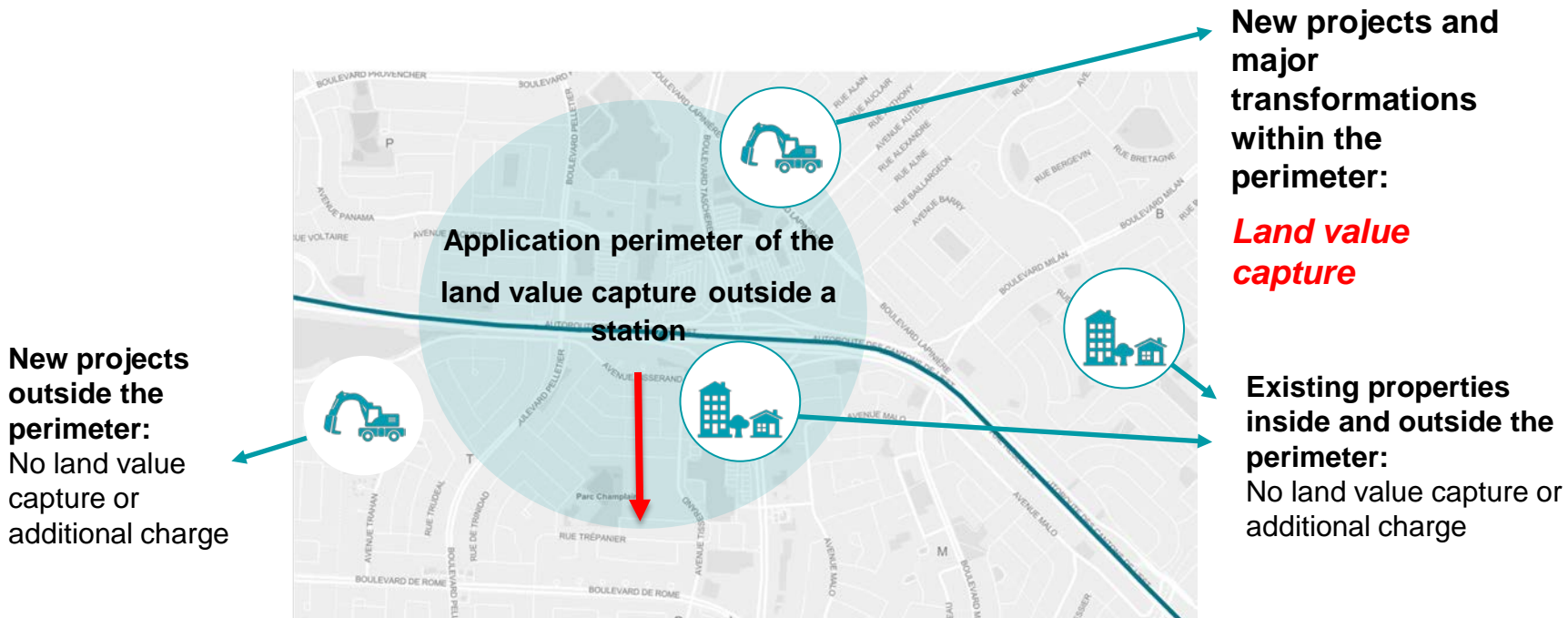
Proposed mechanisms

- Development royalties (real estate developers)
- Financing through expected tax revenues (collection of a portion of the property tax from municipalities)
- Valuation of air rights above the stations

A financing mechanism used elsewhere in the world

Mechanism used	Examples
Financing from expected tax revenues	<ul style="list-style-type: none">• 7 Subway Extension, New York
Development royalties (land developers)	<ul style="list-style-type: none">• Edinbourg tramway, Scotland• Portland tramway, Oregon• 7 Subway Extension, New York

Concept of CDPQ Infra's proposal



Next steps

- The Québec government should propose legislative amendments for these mechanisms to be used
- Mechanisms are subject to approval by the National Assembly
- Discussions are ongoing with the municipalities to implement adapted mechanisms to the REM context